



Anderson County School District 5
Education Capital Improvements Sales and Use Tax Audit
July 1, 2017-June 30, 2022

May 15, 2025

South Carolina Department of Revenue
300A Outlet Point Boulevard
Columbia, South Carolina 29210

I. INTRODUCTION

The South Carolina Department of Revenue (Department) conducted an audit of the Anderson County School District 5's Education Capital Improvements Sales and Use Tax. The Department has a duty to ensure public accountability and transparency regarding the expenditures of the Education Capital Improvements Sale and Use Tax revenue collected, by utilizing its authority as the administrator of the tax.

II. AUDIT OBJECTIVE & SCOPE

The purpose of this audit was to perform an independent and objective compliance audit of the Anderson County School District 5's Education Capital Improvements Sales and Use Tax. The audit scope included review of the expenditures and collection of the sales tax revenue for the period from July 1, 2019 to June 30, 2024.

III. BACKGROUND

The Education Capital Improvements Sales and Use Tax Act (SC Code Section 4-10-420) empowers counties to impose, pursuant to a referendum, a sales and use tax not to exceed 1% within its jurisdiction for a specific purpose or purposes and for a specific period of time. The revenue from the tax is to be used to pay for capital improvements provided in the resolution and included in the referendum question directly, to service general obligation bond debt incurred by the school district, or a combination of these purposes.

In the 2014 General Election, Anderson County voters approved a referendum on the imposition of the 1% Sales and Use tax for a period of fifteen years beginning March 1, 2015.

IV. AUDIT SUMMARY

As noted in the 2014 referendum, all revenue received from the sales and use tax would be used to pay the costs of the education capital improvement projects and to pay debt service on general obligation bonds, if any, issued by Anderson County School District 5.

To verify collections and that the funds were accounted for, we compared the State Treasurer's Office Collections report for Anderson County School District 5 to Anderson County School District 5's Sales Tax Detail Account Inquiry. To verify expenses, we reviewed withdrawals from the '2017 GOB' Local Government Investment Pool (LGIP) account and the General Ledger. We compared these withdrawals to the supporting invoices and additional documentation for the capital projects.

V. TAX COLLECTION

Anderson County School District 5 collected \$50,794,479 in 1% Education Capital Improvements Sales and Use Tax for the audit period. As approved in the 2014 referendum, total bond proceeds issued to fund the approved projects was \$60,000,000. Below is a list of the Anderson County School District 5's Education Capital Improvement Projects as approved in the 2014 referendum that reflects the actual expenditures from June 2019 through July 2024.

Anderson County School District 5 Educational Capital Improvement Projects					
Project Name		Original Budget	Actual Expenditures	Variance	Project Status
(1)	I Career Center	\$ 21,000,000	\$ 21,056,950	\$ (56,950)	Completed
(2)	Southwood Find Arts Auditorium	5,521,635	5,596,418	(74,783)	Completed
(3)	Hanna Roof Improvement	897,094	960,985	(63,891)	Completed
(4)	Technology for CF Reames Doors	10,000	9,836	164	Completed
(5)	Technology Upgrades	62,464	62,464	-	Completed
(6)	Fencing-Homeland Park and McCants Schools	130,000	128,086	1,914	Completed
(7)	Downtown Building Project 1	4,934,462	5,137,583	(203,122)	Completed
(8)	Downtown Building Project 2	1,293,523	1,447,477	(153,954)	Completed
(9)	McCants Door	1,838	1,838	-	Completed
(10)	Westside Science Lab Upgrade	7,500,000	7,245,260	254,740	Completed
(11)	West Market Tile	4,700	4,700	-	Completed
Total		\$ 41,355,716	\$ 41,651,597	\$ (295,881)	

VI. CONCLUSION

For the audit period, this audit concludes Anderson County School District 5's Education Capital Improvements records are in compliance with the Education Capital Improvements Sales and Use Tax Act and the 2014 referendum. The Education Capital Improvements Sales and Use Tax revenue was used for capital improvements listed on the 2014 referendum or to service general obligation bond debt.