



Calhoun County Capital Projects Sales Tax Audit

May 1, 2019-June 30, 2024

June 11, 2025

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

EXECUTIVE SUMMARY

The South Carolina Department of Revenue conducted a compliance audit of Calhoun County's One Percent Sales and Use Tax program. The audit assessed the collection and use of the tax revenues over a five-year period. It was determined that the County was in compliance and the penny tax collection was used solely on projects listed in the 2018 referendum or to pay on debt service.

I. INTRODUCTION

The South Carolina Department of Revenue (Department) conducted an audit of the Calhoun County CPST program. The Department has a duty to ensure public accountability and transparency regarding the expenditures of the CPST 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 Calhoun County Capital Projects Sales Tax. The audit scope included review of the expenditures and collection of the sales tax revenue for the period from May 1, 2019 to June 30, 2024.

III. BACKGROUND

The Capital Projects Sales Tax Act (SC Code Section 4-10-300) 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 projects provided in the resolution and included in the referendum question directly, to service general obligation bond debt incurred by the county for such improvements, or a combination of these purposes.

In the 2018 General Election Calhoun County voters approved a referendum on the imposition of the 1% Sales and Use tax for a period of eight years beginning May 1, 2019 through June 30, 2027.

IV. AUDIT SUMMARY

As noted in the 2018 referendum, all revenue received from the sales and use tax would be used to pay the costs of the capital projects and to pay debt service on general obligation bonds, if any, issued by Calhoun County to fund the capital projects.

To verify collections, we compared the deposit amounts on Calhoun County's Local Government Investment Pool (LGIP) statements to the South Carolina Department of Revenue's Allocation Report. To verify expenses, we reviewed all withdrawals from the LGIP account as well as capital project transactions from the general ledger and verified supporting invoices.

Debt service on the general obligation bonds was verified against the Debt Service Schedule and the payments from the Calhoun County CPST Debt Service Fund account.

V. TAX COLLECTION

Calhoun County collected \$7,710,865 in 1% Capital Projects Sales and Use Tax for the audit period. The County also issued \$7,000,000 General Obligation (GO) Bonds, to fund the approved projects. Below is a list of the Calhoun County projects as approved by the 2018 referendum that reflects the actual expenditures from May 2019 through June 2024.

Calhoun County Capital Projects				
Project Name	Original Budget	Amended Budget	Actual Expenditures	Project Status 6/30/2024
(1) St. Matthews Area Water Line Project *,**	\$ 2,500,000.00	\$ 6,500,000.00	\$ 1,559,659.14	Lake Marion Match funds, currently in design phase
(2) Cameron Historical Depot Project	150,000.00	400,000.00	309,217.05	Phase 1 completed/Phase 2 will bid in January 2025
(3) Sandy Run Fire District Substation Project *	240,000.00	1,300,000.00	46,750.00	Contract Awarded 270 Day Contract Period
(4) Sandy Run Fire District Ladder Truck Project *	350,000.00	510,827.00	510,827.00	Truck has been purchased approx. 6 month lead
(5) St. Matthews Demolition and Park Projects	520,000.00	545,000.00	522,429.10	Complete
(6) St. Matthews Lake Inspiration/Hut Park Project	500,000.00	525,000.00	515,039.31	Complete
(7) Calhoun County Animal Shelter Addition Project *,***	100,000.00	410,000.00	337,609.50	95% complete, paving left.
(8) St. Matthews Downtown Streetscaping Project	400,000.00	420,000.00	321,421.74	90% complete
(9) St. Matthews Public Safety Renovation Project	200,000.00	210,000.00	186,800.00	90% complete
(10) Cameron Demolition Projects	250,000.00	250,000.00	168,898.40	75% complete
(11) Calhoun County Emergency Communications Project	500,000.00	505,562.07	505,562.07	Project is complete
(12) Calhoun County Ambulance Project	165,000.00	190,000.00	177,910.00	Project complete
(13) Calhoun County Sandy Run Fire District Tanker Truck Project *,****	267,000.00	500,321.00	279,476.00	Ordered 50% Deposit Paid 12 month lead
(14) Calhoun County Sandy Run Recreation Project	100,000.00	100,000.00	100,000.00	Completed
(15) Calhoun County New Water Lines Project	400,000.00	400,000.00	156,853.75	50% complete
CPST Administration Costs	-	10,000.00	7,882.01	
Total	\$ 6,642,000	\$ 12,776,710	\$ 5,706,335	

* These project budgets were increased by County Council resolution 1-2025 to allocate surplus funds to complete the projects.

** Total project cost estimated at \$40 Million.. This project has additional funding sources. CPST funds were allocated to be the matching funds

*** Total project cost estimated at \$550,000.00 . This project has additional funding of \$140,000 from USDA.

**** Total cost of truck is \$550,321.00. This project has additional funding of \$50,000 from USDA.

CPST Administration costs are not a separate project but are listed as such for clarification.

VI. CONCLUSION

For the audit period, this audit concludes that Calhoun County is in compliance with the Capital Projects Sales and Use Tax Act and the 2018 referendum. The Capital Projects Sales and Use Tax revenue was utilized exclusively for projects identified in the 2018 referendum or for the repayment of debt service.