Edgefield County
Capital Project Sales Tax Audit

May 1, 2021-June 30, 2022

April 18, 2023

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 Edgefield County Capital Project Sales Tax. The Department has a duty to ensure public accountability and transparency regarding the expenditures of the Capital Project Sales 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 Edgefield County Capital Project Sales Tax. The audit scope included review of the expenditures and collection of the sales tax revenue for the period from May 1, 2021 to June 30, 2022.

III. BACKGROUND

The Capital Project 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 2020 General Election, Edgefield County voters approved a referendum on the imposition of the 1% Sales and Use tax for a period of eight years beginning May 1, 2021.

IV. AUDIT SUMMARY

As noted in the 2020 referendum, all revenue received from the sales and use tax would be used to pay the costs of the capital project and to pay debt service on general obligation bonds, if any, issued by Edgefield County to fund the capital projects.

To verify collections, we compared South Carolina State Treasurer's Collections Reports for Edgefield County to the South Carolina Department of Revenue's Allocation Report. We verified these funds were accounted on Edgefield County's General Ledger. To verify expenses, we reviewed a selection of capital project transactions from the general ledger and verified supporting invoices and payments. Bonds were not issued until after the audit period so no review of these funds was conducted.

V. TAX COLLECTION

Edgefield County collected $1,772,403 in 1% Capital Project Sales and Use Tax for the audit period. Below is the Edgefield County project as approved in the 2020 referendum that reflects the actual expenditures from May 2021 through June 2022. (**For informational purposes only**):

Edgefield County Capital Projects			
Project	**Original Budget**	**Actual Expenditures**	**Budget Variance**
Law Enforcement Center	$ 10,097,269	$ 1,474,828	$ 8,622,441
Total	**$ 10,097,269**	**$ 1,474,828**	**$ 8,622,441**

VII. CONCLUSION

For the audit period, this audit concludes Edgefield County's Capital Project Sales Tax records are in compliance with the Capital Project Sales Tax Act and the 2020 referendum. The Capital Project Sales Tax revenue was used only for the project listed on the 2020 referendum.