



Horry Georgetown Technical College Education Capital Improvements Sales and Use Tax Audit *July 1, 2017-June 30, 2022*

October 31, 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 Horry Georgetown Technical College'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 Horry Georgetown Technical College'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, 2017 to June 30, 2022.

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 University, or a combination of these purposes.

In the 2008 General Election, Horry County voters approved a referendum on the imposition of the 1% Sales and Use tax for a period of fifteen years beginning May 1, 2009. The referendum stated the revenue of the tax would be split with 80% going to Horry County School District, 13.3% to Coastal Carolina University and 6.7% to Horry-Georgetown Technical College.

IV. AUDIT SUMMARY

As noted in the 2008 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 Horry Georgetown Technical College.

To verify collections and that the funds were accounted for, we compared the State Treasurer's Office Collections report for Horry Georgetown Technical College to Horry Georgetown Technical College's Sales Tax General Ledger. To verify expenses, we reviewed withdrawals from the 'Education Capital Improvement Tax' Fund account on the General Ledger. We compared these withdrawals to the supporting invoices and additional documentation for the capital projects.

V. TAX COLLECTION

Horry Georgetown Technical College collected \$30,110,516 in 1% Education Capital Improvements Sales and Use Tax for the audit period. Below is a list of the Horry Georgetown Technical College's Education Capital Improvement Projects as approved in the 2008 referendum that reflects the actual expenditures from May 2009 through June 2022. (**For informational purposes only**):

Horry Georgetown Technical College Education Capital Improvements Projects				
Project	Original Budget	Other Revenue	Actual Expenditures	Budget Variance
Diesel Building/in progress FY23	\$ 1,997,000		\$ 173,749	\$ 1,051,689
Diesel Expansion/in progress FY23			771,563	
GS Pampas Dr Landscaping	978,000		547,494	48,476
GS Pampas Dr Irrigation			382,031	
GS Bldg 100 Exterior	8,451,509		860,772	3,788,318
GS Bldg 200 Exterior		1,000,000	621,908	
GS Bldg 300 Exterior			1,157,596	
GS Land Improvement		525,640	3,548,556	
Conway AMC Building	6,787,616		6,787,617	(1)
Total	\$ 18,214,125	\$ 1,525,640	\$ 14,851,284	\$ 4,888,481

VI. CONCLUSION

For the audit period, this audit concludes Horry Georgetown Technical College's Education Capital Improvements records are in compliance with the Education Capital Improvements Sales and Use Tax Act and the 2008 referendum. The Education Capital Improvements Sales and Use Tax revenue was used for capital improvements listed on the 2008 referendum. The ECI revenue was not used for general obligation bond debt.