

CLARKE COUNTY SCHOOL SYSTEM
SPLOST PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2020

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INDEPENDENT ACCOUNTANTS' REPORT

To the Clarke County Board of Education
Athens, Georgia

We have examined the Clarke County School System's (School System) attached Schedule of SPLOST Project Expenditures and their compliance with Article VIII, Section VI, Paragraph IV of the Georgia Constitution and Official Code of Georgia (O.C.G.A.) 48-8-141 regarding expenditure of sales tax for educational purposes during the year ended June 30, 2020. Management of the School System is responsible for the School System's compliance with the specified requirements. Our responsibility is to express an opinion on the School System's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School System complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School System complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the School System's compliance with specified requirements.

In our opinion, the Clarke County School System complied, in all material respects, with Article VIII, Section VI, Paragraph IV of the Georgia Constitution and Official Code of Georgia (O.C.G.A.) 48-8-141 regarding expenditure of sales tax for educational purposes during the year ended June 30, 2020.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
January 21, 2021

CLARKE COUNTY SCHOOL SYSTEM
 SCHEDULE OF SPLOST PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2020

PROJECT	SPLOST 2012	SPLOST 2017	Total
Debt service, including principal and interest	\$ -	\$ 13,586,150	\$ 13,586,150
Athens Community Career Academy	-	207,915	207,915
Burney Harris Lyons Middle	-	84,891	84,891
Cedar Shoals High	-	586,090	586,090
Clarke Central High	-	746,206	746,206
Coile Middle	-	97,390	97,390
Custodial Services	-	80,820	80,820
Gaines Elementary	-	4,984	4,984
Hilsman Middle	-	4,100,831	4,100,831
Oglethorpe Avenue Elementary	29,432	11,351	40,783
Paradise Boulevard District Services	-	17,388	17,388
School Nutrition	-	125,400	125,400
Technology	-	4,942,617	4,942,617
Transportation	-	1,003,348	1,003,348
West Broad Facility	-	77,617	77,617
Other SPLOST	199	375,204	375,403
	29,631	26,048,202	26,077,833
Less other funding sources	-	(40,482)	(40,482)
Total SPLOST expenditures	<u>\$ 29,631</u>	<u>\$ 26,007,720</u>	<u>\$ 26,037,351</u>

NOTE: Amounts expended for these projects may include sales tax proceeds, state and local property taxes, and/or other funds over the lives of the projects.

**COMPLIANCE EXAMINATION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2020**

1. Obtain copies of the Clarke County School System SPLOST resolutions and read the terms for design of compliance testing.
2. Compare the terms of the Clarke County School System SPLOST resolutions with Article VIII, Section VI, Paragraph IV of the Georgia Constitution and Official Code of Georgia (O.C.G.A.) 48-8-141 to insure compliance with state law.
3. Compare the terms of the Clarke County School System SPLOST resolutions with detail budgets and actual records for receipt and disbursement of SPLOST funds during the year.
4. Test accounting system internal controls and procedures for the following:
 - a. Contract bidding and approval process
 - b. Reconciliation of accounting records
 - c. Invoice approval process
 - d. Cash disbursement approval process
5. Confirm receipt of SPLOST funds with the state of Georgia.
6. Trace receipt of funds from the state of Georgia to Clarke County School System SPLOST investment and/or cash accounts.
7. Test the allocation of earnings from cash and investment accounts to Clarke County School System SPLOST funds.
8. Trace Clarke County School System SPLOST disbursement records for a sample of individual payments to invoices and/or contract approval and cancelled checks.
9. Verify that these disbursements are for the educational purposes described in the Clarke County School System SPLOST resolution.
10. Vouch the payment of principal and interest on Clarke County School System bond debt per the SPLOST resolutions and trace to bond amortization schedules.
11. Test and confirm Clarke County School System SPLOST cash and investment balances.
12. Verify the existence of capital assets funded by Clarke County School System SPLOST proceeds.
13. Read bid proceedings and budgeted to actual cost for a sample of projects for analysis of effective and efficient use of SPLOST funds.
14. Test a sample of transfers in and out of SPLOST funds to ensure funds are properly identified, segregated and spent for the educational purposes described in the Clarke County School System SPLOST resolutions.
15. Determine that required annual reporting to the public by Clarke County School System on the results of SPLOST projects was performed.

SUMMARY OF EXAMINATION PROCEDURES FOR THE YEAR ENDED JUNE 30, 2020

REPORT ON COMPLIANCE

- Our Independent Accountants' Report dated January 21, 2021 states that in our opinion Clarke County School System complied, in all material respects, with Article VIII, Section VI, Paragraph IV of the Georgia Constitution and Official Code of Georgia (O.C.G.A.) 48-8-141 regarding expenditures of sales tax for educational purposes during the year ended June 30, 2020.

RESPONSIBILITIES

- Clarke County School System is to maintain sufficient evidence to support compliance with Georgia Code for the expenditure of SPLOST funds.
- Serotta Maddocks Evans & Co., CPAs is to design an examination program to test Clarke County School System's compliance with the Georgia Code, perform such examination procedures, and issue an opinion on the System's compliance with the Code.

SUMMARY OF PROCEDURES PERFORMED

- We read the resolutions to impose the sales and use tax for educational purposes for SPLOST 2017.
- We read the bond resolution agreements for the Series 2017 general obligation bonds.
- We have vouched the following debt service payments to the related amortization schedules and reconciled amounts to the general ledger and bank statements:

Series 2017	Principal	\$ 11,450,000
	Interest	2,136,150

- We compared the SPLOST resolutions with budget and actual records of receipt and disbursement of sales tax funds.
- We tested SPLOST project disbursements of \$10,748,041 for the year ended June 30, 2020. We verified that all tested disbursements were for projects approved by the voters of Clarke County School System in the applicable SPLOST resolutions.

SUMMARY OF EXAMINATION PROCEDURES FOR THE YEAR ENDED JUNE 30, 2020

- We tested the accounting system internal controls as follows:
 - Read the bid packages for the general contractor services for the track and field land improvement for Cedar Shoals High and Clarke Central High, the manufacturing lab design and build, and district-wide architectural services.
 - Tested the purchase and invoice approval process on expenditures for all SPLOST projects with expenditures for the year ended June 30, 2020.
 - Read the reconciliations for SPLOST-related cash accounts and agreed amounts to the general ledger and bank statements.
- We confirmed sales tax receipts of \$25,465,407 during the year ended June 30, 2020 with the Georgia Department of Revenue and reconciled amounts to the general ledger and bank statements.
- We confirmed SPLOST-related cash and investment balances of \$39,621,951 at June 30, 2020 with one financial institution and reconciled amounts to the general ledger.
- We analytically tested SPLOST-related interest earnings of \$452,639 for the year ended June 30, 2020 and agreed these amounts to the general ledger.
- We performed site visits and walk-throughs of transportation, technology, and Hilsman Middle. Construction blueprints and cost information were read prior to making all site visits.
- We compared the cost of construction for Oglethorpe Avenue Elementary and Hilsman Middle to comparable construction projects in various counties around the state noting reasonableness.
- We tested transfers of \$13,586,150 noting they were reasonable and appropriate given the spending constraints of the SPLOST resolutions.
- We viewed the annual newspaper advertisement dated December 29, 2020 of SPLOST project results published for public review.