

CLARKE COUNTY SCHOOL SYSTEM
SPLOST PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	PAGE
INDEPENDENT ACCOUNTANTS' REPORT	1
SCHEDULE OF SPLOST PROJECT EXPENDITURES	2

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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, 2021. 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, 2021.

Serotta Maddocks Evans & Co.

SEROTTA MADDOCKS EVANS & CO., CPAs

Augusta, Georgia
January 27, 2022

CLARKE COUNTY SCHOOL SYSTEM
 SCHEDULE OF SPLOST PROJECT EXPENDITURES
 YEAR ENDED JUNE 30, 2021

<u>PROJECT</u>	<u>SPLOST 2017</u>
Debt service, including principal and interest	\$ 13,452,400
Athens Community Career Academy	325,111
Burney Harris Lyons Middle	35,232
Cedar Shoals High	971,225
Clarke Central High	4,817,636
Clarke Middle	37,321
Coile Middle	32,070
Custodial Services	188,660
Hilsman Middle	53,473
HT Edwards Campus	18,044
New School Facility C	4,620
Oglethorpe Avenue Elementary	31,064
Prince Avenue BOE Headquarters	9,342,131
School Nutrition	29,500
Technology	2,158,533
Transportation	570,853
West Broad Facility	191,457
Whit Davis Elementary	27,675
Other SPLOST	341,040
	<u>32,628,045</u>
Less other funding sources	<u>(8,649,060)</u>
Total SPLOST expenditures	<u>\$ 23,978,985</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, 2021**

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 ensure 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, 2021**

REPORT ON COMPLIANCE

- Our Independent Accountants' Report dated January 27, 2022 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, 2021.

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	\$ 11,900,000
	Interest	1,552,400

- We compared the SPLOST resolutions with budget and actual records of receipt and disbursement of sales tax funds.
- We tested SPLOST project disbursements of \$9,187,273 for the year ended June 30, 2021. 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, 2021

- We tested the accounting system internal controls as follows:
 - Read the bid packages for the general contractor services for the public safety radio design and installation, Board of Education Headquarters renovations, and the Early Learning Center kitchen expansion.
 - Tested the purchase and invoice approval process on expenditures for all SPLOST projects with expenditures for the year ended June 30, 2021.
 - Read the reconciliations for SPLOST-related cash accounts and agreed amounts to the general ledger and bank statements.
- We confirmed sales tax receipts of \$28,245,749 during the year ended June 30, 2021 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 \$40,541,505 at June 30, 2021 with one financial institution and reconciled amounts to the general ledger.
- We analytically tested SPLOST-related interest earnings of \$64,198 for the year ended June 30, 2021 and agreed these amounts to the general ledger.
- We performed site visits and walk-throughs of technology, Prince Avenue Board of Education Headquarters construction, and Clarke Central High School field. Construction blueprints and cost information were read prior to making all site visits.
- No new school construction projects were completed in the year under examination. If new construction projects had been completed, the cost of construction would have been compared to similar construction projects in various counties around the state for reasonableness.
- We tested transfers of \$13,452,402 noting they were reasonable and appropriate given the spending constraints of the SPLOST resolutions.
- We viewed the annual newspaper advertisement dated October 24, 2021 of SPLOST project results published for public review.