



COBB COUNTY SCHOOL DISTRICT

SPLOST II Performance Audit

December 31, 2005



**COBB COUNTY
SCHOOL DISTRICT**

**PERFORMANCE AUDIT OF
SPLOST II PROGRAM**

DECEMBER 31, 2005

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EXECUTIVE SUMMARY

PURPOSE

In 2003, the State of Georgia Legislature passed legislation which requires local Boards of Education receiving sales tax proceeds of \$5 million or more annually to have an annual performance audit or review. In May, 2005, the Cobb County School District engaged Moore & Cubbedge, LLP to perform the annual performance audits of the SPLOST II program.

The primary objectives of the performance audit, which are more fully described on Page 4 of this report, are as follows:

- To determine if the SPLOST II funds were expended efficiently and economically so as to secure the School District the maximum possible benefit from the tax dollars collected
- To provide for the issuance of periodic reports at least annually with respect to the extent to which expenditures are meeting the goals described above
- To provide for the issuance of public recommendations at least annually for improvements in meeting the goals described above

BACKGROUND

The voters of Cobb County approved the first special local option sales tax (SPLOST) for educational purposes in 1998. In September, 2003, prior to the expiration of the first sales tax program, the voters of Cobb County approved a second SPLOST program for education purposes. Funds received from the SPLOST II program were budgeted to be expended on new schools, additions and renovations, maintenance, curriculum and technology, safety and support and a property tax rollback. \$696.6 million was budgeted for the various projects in the SPLOST II program, which also included approximately \$60 million of state funding. As of December 31, 2005, the School District had expended \$238.8 million and committed another \$70 million toward the completion of the total program. These expended and committed funds represent approximately 44% of the total budgeted expenditures of the five year program. Approximately 83% of the expended and committed funds as of December 31, 2005 related to new school construction, additions and renovations, and program management expenses while 7% related to the property tax rollback and 9% related to maintenance, curriculum/technology, and safety/support expenditures.

RESULTS IN BRIEF

Based on the results of our audit, we conclude that the Cobb County School District expended SPLOST II funds efficiently and economically for the twelve month period ended December 31, 2005.

EXECUTIVE SUMMARY (continued)

PRINCIPAL FINDINGS

Our audit disclosed the following findings which are more fully discussed on pages 8 – 19 of this report. Cobb County School District **Management Responses** to these findings can also be found on pages 8 – 19 of this report.

1. The recommendation to award the Laptop Computer Contract to Apple Computers, Inc. was not supported with adequate documentation which supports compliance with the School District's procurement policies and procedures.
2. The purchase orders for the computers for Middle School Business Labs were authorized pursuant to information reflected in a preliminary Board Agenda Item which was subsequently revised.
3. Documentation supporting the "State Contract Price" paid for the Middle School Business Lab computers could not be located.
4. After comparing construction expenditures of the Cobb County School District with other metro Atlanta School Districts, we conclude that the construction projects' expenditures are comparable, if not lower than other school systems in the metro Atlanta area.
5. Based on our procedures we conclude that administrative controls are in place to insure the proper management of the sales tax proceeds received by the School District.
6. Relating to the School District's technology related expenditures, we conclude that the process for soliciting and evaluating proposals and bids for technology products is adequate and promotes active competition among vendors. The process insures that technology expenditures are reasonable in the volatile market environment for these products.
7. Relating to the cash management of the SPLOST II proceeds received by the School District, we conclude that the cash management of these funds has been conducted in a sound fiscal manner. The effective rate of return on idle SPLOST II funds in 2005 was 4.15%. All deposits were fully insured and/or collateralized at December 31, 2005.

BACKGROUND INFORMATION

The Constitution of Georgia, Article VIII, Section VI, Paragraph IV, authorizes boards of education of each county school district by resolution to impose, levy, and collect a sales and use tax for educational purposes upon approval by a majority of qualified voters who vote in a referendum thereon. The proceeds from the tax can be used for the following purposes:

- Capital outlay projects for educational purposes
- Retirement of previously incurred general obligation debt issued for capital projects of the school system
- A combination of the foregoing

In 1998, the voters of Cobb County approved the first Special Purpose Local Optional Sales Tax for educational purposes (SPLOST I). Sales tax levies under SPLOST I commenced January 1, 1999 and ended five years later on December 31, 2003, with the final collections of the taxes in year 2004. The Cobb County School District engaged the firm of Anderson, Hunt & Company, LLC to perform agreed upon procedures on the SPLOST I program for the years ended December 31, 1999 through December 31, 2004.

In May 2003, the Cobb County Board of Education adopted a resolution calling for an election to determine if the sales tax should be reemployed upon the expiration of SPLOST I on December 31, 2003. (See **Appendix A**)

On September 16, 2003, the majority of the voters approved the reimposition of the sales tax (SPLOST II) to be effective on January 1, 2004.

During 2003, the Georgia General Assembly passed legislation requiring local boards of education receiving annual sales tax proceeds of five million dollars or more to have continuing performance audits or performance reviews of the expenditure of sales tax funds (O.C.G.A. § 20-2-491).

The Cobb County School District issued Request for Proposal No. 63-04 "SPLOST II Performance Audit or Performance Review" on November 30, 2004 and received proposals in January 2005. The contract for Performance Audit Services on the SPLOST II program was awarded to Moore & Cubbedge, LLP in May 2005. The Performance Audit for the initial period ended December 31, 2004 was completed by Moore & Cubbedge, LLP and presented to the Cobb County Board of Education in February 2006.

AUDIT OBJECTIVES

The purpose and objectives of the Performance Audit as outlined in the School District's Request for Proposal are as follows:

- To ensure to the maximum extent possible that SPLOST II funds are expended efficiently and economically so as to secure to the School District the maximum possible benefit from the tax dollars collected. The objectives of the Audit include ensuring that:
 - SPLOST II proceeds are being disbursed in compliance with the SPLOST II Resolution approved by the Cobb County Board of Education on May 7, 2003.
 - SPLOST II proceeds are being disbursed in a fiscally responsible manner.
 - Adequate administrative controls have been established to ensure the proper management of the sales tax proceeds received by the School District.
 - The School District's construction project expenditures are comparable to other school system building construction program expenditures in the metro Atlanta area.
 - The School District's technological expenditures are reasonable considering the volatile market environment for these products.
 - Investment of the SPLOST II proceeds received by the School District has been conducted in a sound fiscal manner.
- To provide for the issuance of periodic public reports at least annually with respect to the extent to which expenditures are meeting the goal described above.
- To provide for the issuance of periodic public recommendations at least annually for improvements in meeting the goal described above.

These objectives are consistent with the requirements of the provisions of the legislation passed in 2003, (O.C.G.A. § 20-2-491).

AUDIT SCOPE

The Cobb County School District engaged Moore & Cubbedge, LLP to conduct annual Performance Audits of the District's Special Purpose Local Option Sales Tax II (SPLOST II) Program. The audits will be conducted annually over a six year period and will cover the calendar year periods from January 1, 2004 through December 31, 2009.

The audit presented herein covers the period from January 1, 2005 through December 31, 2005.

It is important to note that our audit procedures did not extend to the District's SPLOST I Program.

A summary of the budgeted versus actual expenditures through December 31, 2005 is presented below:

(In Thousands)						
Category	Original Budget	Revised Budget	Expended	Encumbered	Uncommitted	% Committed
New Schools	\$ 222,766	\$ 219,982	\$ 107,742	\$ 23,338	\$ 88,902	60%
Additions/ Renovations	172,825	200,272	74,624	37,908	87,740	56%
Maintenance	80,598	35,741	13,478	245	22,018	38%
Curriculum/ Technology	75,759	75,759	2,837	411	72,511	4%
Program Management	-	12,900	6,582	6,260	58	99%
Safety & Support	75,300	62,874	10,188	807	51,878	17%
Election Expense	-	352	352	-	-	100%
Property Tax Rollback	69,000	69,000	23,000	-	46,000	33%
Contingency	-	19,720	-	-	19,720	0%
TOTAL	\$ 696,248	\$ 696,600	\$ 238,803	\$ 68,969	\$ 388,827	44%

The above schedule also includes expenditures funded by State Capital outlay funds.

We reviewed SPLOST II expenditures incurred in 2005 related to new schools, additions/renovations, maintenance, curriculum/technology and safety and support for thirteen schools and administration. Expenditures reviewed represented approximately thirty-five percent of the total SPLOST II expenditures incurred in 2005.

Our audit fieldwork was conducted between March 1, 2006 and May 30, 2006.

AUDIT METHODOLOGY

We conducted the Performance Audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

These standards require the following:

- Adequate planning of the audit
- Proper supervision of staff assigned to the audit
- Adequate design of audit procedures to provide reasonable assurance about compliance with laws, regulations and other compliance requirements
- An understanding of management controls relevant to the audit
- Obtaining sufficient, competent, and relevant evidence to afford a reasonable basis for the auditor's findings and conclusions
- A written audit report which contains the audit objectives, scope and methodology, findings and conclusions, recommendations, significant instances of noncompliance and illegal acts, significant weaknesses in management controls, views of responsible officials, noteworthy accomplishments, and issues needing further study, if any.
- Guidelines for the report presentation and distribution.

We used the following methodology to gather and analyze the information and evidence for the performance audit:

- Obtained and reviewed State of Georgia statutes relating to the Special Local Option Sales Tax and audit thereof.
- Obtained and reviewed resolution of the Cobb County Board of Education which provided for the SPLOST II referendum.
- Interviewed management and staff of the School District who are involved with the SPLOST II Program.
- Interviewed representative of third party architect firm for the SPLOST II Program.
- Obtained and reviewed documented policies, procedures and administrative rules relating to contracts for services, change orders, purchasing, and general financial procedures.
- Obtained and reviewed the School District's "SPLOST II Notebook" which was used to promote the passage of the SPLOST II referendum.

AUDIT METHODOLOGY (Continued)

- Obtained and reviewed detail general ledger reports for accounts relating to the SPLOST II program.
- Obtained and reviewed Quarterly Financial Reports prepared by the Financial Services Division.
- Conducted site visits to two schools and inspected SPLOST II program additions, renovation and/or maintenance projects.
- Interviewed four teachers from four different high schools who received laptops in 2005.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS

OBJECTIVE: To determine that SPLOST II proceeds are being disbursed in compliance with the SPLOST II Resolution approved by the Cobb County Board of Education on May 7, 2003.

Procedures:

Compared projects disclosed in the Resolution to those presented in the "SPLOST II Notebook" used to promote the Program and also to the projects included in the Consolidated Management Report which tracks budgeted and actual expenditures on projects.

Results:

Expenditures incurred during the year were for projects included in the Resolution approved by the Cobb County Board of Education.

Conclusion:

Based on our procedures, we conclude that the SPLOST II proceeds were disbursed in compliance with the SPLOST II Resolution approved by the Cobb County Board of Education.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

OBJECTIVE: To determine that SPLOST II proceeds are being disbursed in a fiscally responsible manner.

Procedures – Construction, Maintenance and Renovation Projects:

In our opinion, the policies and procedures of the School District do provide for fiscally responsible disbursement of SPLOST II proceeds for construction related expenditures. Therefore, our procedures in this area were designed to test the compliance with the approved policies and procedures. From a selected sample of expenditures, we performed the following procedures in this area:

- Reviewed Request for Proposal/Bid procedures for construction expenditures incurred in 2005.
- Reviewed School Board Agenda item and approval by Board, if required.
- Reviewed executed contract and agree to the submitted proposal or bid.
- Reviewed program manager fee and architect fee and agree to approved contract and fee schedule.
- Interviewed staff of School System to discuss status of construction projects.
- Interviewed third party architect contracted with The School System.
- Reviewed change order approvals and communication to the Board.
- Visited a new school under construction and a school being renovated.

Results – Construction, Maintenance and Renovation Projects:

- Request for Proposal/Bid procedures were in compliance with approved policies and procedures. Of the nine construction projects reviewed, the winning contractor had submitted the lowest bid as reflected on the “Tabulation of Bids” form prepared by the program manager. Our review of the submitted bids on these contracts confirmed the amounts reflected on the “Tabulation of Bids” form.
- Contracts and purchase orders were evidenced by Board approval when required by policy.
- Amounts reflected on executed contracts for construction agreed to the proposal submitted by the winning contractor.
- Program Manager and architect fees were paid in accordance with approved contracts and fee schedules.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

- Change orders on projects were executed in accordance with policies and procedures with School Board approval when required.

Procedures – Curriculum, Instruction and Technology:

In our opinion, the policies and procedures of the School District do provide for the fiscally responsible disbursement of SPLOST II proceeds for technology related expenditures. Therefore, our procedures in this area were designed to test compliance with the approved policies and procedures. Approximately \$1,360,000 was expended under the categories of “Computing Device/Teacher” and “Refresh Obsolete Workstations.” This represents 76% of the total Curriculum, Instruction and Technology expenditures made in 2005. Because of the significance of the expenditures in these two categories, our procedures were concentrated on these expenditures. From a selected sample of expenditures, we performed the following procedures in this area:

- Traced project/program category to Board approved Resolution to verify eligibility.
- Traced expenditure to vendor invoice/contract.
- Traced unit price and/or total price on invoice to purchase order
- Traced purchase order prices and descriptions to vendor proposal, bid or quote.
- Reviewed submitted bids and quotes and determined that low bid or quote was awarded the contract.
- Reviewed submitted proposals and determined that proposer with the highest evaluation was awarded contract.
- Reviewed Board approval of contract if required by policies and procedures.

Additional Procedures

- Interviewed staff of School System to discuss physical controls and security over laptop computers.
- Interviewed high school teachers who had received a laptop computer to discuss functionality, training, support and security issues.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

Results – Curriculum, Instruction and Technology:

Computing Device/Teacher

During 2005, \$791,000 was expended on Apple Laptop computers. These computers were purchased pursuant to the Power To Learn Initiative and were distributed to teachers within the School System.

In accordance with School District Policies and Procedures, Request for Proposal 25-04 was issued in 2004. After a lengthy evaluation and review, the contract for laptop computers was awarded to Apple Computer, Inc. in April 2005. In December 2005, the contract with Apple Computers, Inc. was terminated and a new agreement was executed which obligated the School District to compensate Apple Computers, Inc. for all previously delivered and accepted computers and related equipment.

Our findings from the review of the expenditures for the laptop computers are as follows:

- Amounts paid for the laptop computers agreed to the Amended Agreement with Apple Computers, Inc.
- We noted the following in the Request for Proposal Process:
 - The evaluation process took place in three phases:
 - Phase 1 – Prequalification Phase
 - Phase 2 – Proposal Evaluation
 - Phase 3 – Finalist Evaluation – Best and Final Offer (BAFO)

Four companies were approved during the Phase 1 Evaluation as having met the minimum requirements.

The Phase 2 Evaluation provided six areas of evaluation, excluding price. Each of the six areas was broken down into subsections which included detail notes and points awarded to each subsection.

The results of the Phase 2 Evaluation are presented below:

	Dell		IBM		Apple		Hewlett Packard	
	% of Total Points	% of Total Points	% of Total Points	% of Total Points	% of Total Points	% of Total Points	% of Total Points	% of Total Points
Subtotal Before Pricing Considerations	150.00	94%	141.00	88%	98.00	61%	82.00	51%
Pricing	24.30	61%	31.58	79%	40.00	100%	24.36	61%
Total After Pricing Considerations	174.30	87%	172.58	86%	138.00	69%	106.36	53%

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

The Phase 3 Final Evaluation Committee was comprised of six members, two of which were from the Phase 2 Evaluation Committee. On January 25, 2005, this committee met and agreed to recommend Apple Computers, the lowest priced finalist, to the School Board as the vendor for the laptop program.

At this point in time, the "Best and Final Offer" evaluation document had not been completed by the Phase 3 Evaluation Committee. The final version of this document is dated February 7, 2005. Apple Computers was ranked highest among the final three vendors competing for the contract. While there was no significant change in the overall evaluation score for Dell and IBM from the Phase 2 Evaluation, the total points (total possible points is 200) awarded to Apple Computers increased from 138 points in the Phase 2 Evaluation to 197.5 points in the Phase 3 Evaluation. Representations were made to us that the methodology of awarding points to the various areas of evaluation was changed in the Phase 3 Evaluation Process. The large increase in the points awarded to Apple Computers in the Phase 3 Evaluation was not a result of the evaluation of price as Apple Computers received the highest score for pricing in both the Phase 2 and Phase 3 Evaluations. Additionally, the Phase 3 Evaluation Document did not reflect scoring for individual subsections included in the six separate areas of evaluation.

The School System's third party IT Manager, Titan, performed an evaluation of the technical performance of the laptops proposed by Dell Computers, IBM, Apple Computers and Hewlett Packard. Dell Computers received the highest rankings in both the Evaluation in Accordance With the RFP Requirements and the Evaluation of Performance From Benchmark Testing, while Apple Computers was ranked in fourth and third place on these evaluations. Apple Computers received the highest ranking in the Evaluation of the weights of the laptops while Dell Computers was ranked in second place.

Refresh Obsolete Workstations

During 2005, \$568,755 was expended to furnish Middle School Business Labs with new computers. Fifteen separate purchase orders were issued to Apple Computers, Inc. on June 24, 2005. Each purchase order included thirty three Apple EMAC Desktop Computers at \$1,149 for each computer. Each purchase order designated a separate shipment address for each middle school.

A decision was made that desktop computers would be used in the middle school labs. It was also determined that "Apple" Desktop Computers should be purchased for the Middle School Labs since the School District was to be predominantly "Apple" upon the approval of the Apple Laptop contract. The desktop computers were then purchased from Apple Computer under the State of Georgia Quoted Contract Amount of \$1,149 per computer.

The purchase orders were authorized pursuant to information reflected in a preliminary Board Agenda Item for the April 28, 2005 School Board Meeting. The School Board approved a revised Board Agenda Item which did not specifically include computers for the Middle School Business Labs, but did

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

approve the contract with Apple Computers, Inc. to support the execution of the Power To Learn Initiative.

Fifteen separate purchase orders were issued for the purpose of identifying and controlling the delivery locations for the computers. However, the substance of this transaction was a single purchase of 495 computers at a total cost of \$568,755. This transaction should have been presented to the School Board for approval in accordance with the procurement policies and procedures.

Based on our review of the available documentation and interviews with School System personnel, it appears the purchase of the Middle School Lab computers was authorized in good faith.

Evidence supporting the "State Contract Price" paid for the desktops could not be located. Upon request, the State of Georgia supplied information relating to the State Apple Contract. Although the State does not routinely maintain a history of the pricing information, they were able to locate pricing information as of May 2005 on various Apple equipment. The particular desktop purchased by the School District was not included in this information.

Physical Controls and Security of Laptop Computers

The Property Control Division maintains a detail listing of laptop computers issued to school administrators, staff and teachers. The listing provides the name of the person, the person type (admin, staff or teacher), the school, the serial number of the computer and the asset tag number. Additional space is provided on the listing for comments.

Prior to receiving a laptop computer, a "Teacher Laptop Agreement" must be completed and signed by the person receiving the laptop computer. This agreement outlines the responsibilities of the individual to maintain the equipment in such a manner as to prevent loss or damage.

From the detail listing of laptops we selected four teachers to interview and review the signed Laptop Agreement. We had determined that two of the four teachers selected had a laptop computer stolen in 2005. Signed and executed agreements were located for all four teachers. During the course of the interview, all teachers indicated that they were familiar with the security guidelines outlined in the signed agreement. Of the two stolen laptop computers, one was stolen from a locked classroom and one was stolen from the teacher's unlocked vehicle.

After our interview, we requested a detail listing of all laptop computer thefts in 2005. This listing provided to us by the Property Control Department reflected nine stolen laptops. Six laptops had been stolen from classrooms, two stolen from vehicles and one stolen from a teacher's home.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

The theft of the nine laptop computers represents less than 1.5% of the total number of laptops issued in 2005. It appears that adequate controls are in place to provide physical control and security of the laptop computers.

Functionality, Training and Support – Laptop Computers

While interviewing teachers regarding the physical controls and security of their laptop computers, we took the opportunity to ask them questions relating to the functionality of and training and support for the computers.

The responses were mixed as to the functionality of the laptop computer. Some teachers had problems connecting to the School System's network, while others had no problems. One teacher had problems converting or accessing work previously done in a P.C. environment. All teachers indicated that they had received training on the new laptops and the installed software. Only one of the teachers interviewed had needed technical support for his laptop computer. The support was provided through Apple Computers and was very good and prompt.

Procedures – Support & Safety Improvements:

Approximately, \$7,100,000 was expended for Support & Safety Improvements in 2005. We reviewed expenditures in the categories of School Level Furniture & Equipment, Access Controls and Buses, Vehicles & Equipment and performed the same procedures as those under the previous category of Curriculum, Instruction & Technology with the exception of staff and teacher interviews.

Results – Support & Safety Improvements:

We noted no exceptions in our review of expenditures within the Support & Safety Improvements Category.

Conclusions:

Based on the results of our review, we conclude that the recommendation to award the Laptop Computer Contract to Apple Computers, Inc. was not supported with adequate documentation which supports compliance with the School District's procurement policies and procedures.

Based on our procedures, we conclude that SPLOST II proceeds are being disbursed in a fiscally responsible manner.

Management Response:

Additional detailed documentation should have been included in the files to properly support compliance with the District's procurement policies and procedures. In the future, Procurement Services will ensure that award choices are clearly supported by thorough documentation.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

OBJECTIVE: To determine if adequate administrative controls have been established to ensure the proper management of the sales tax proceeds received by the School District.

Procedures:

- Obtained approved policies and procedures relating to Contracts for Services, Contracts for Construction, Purchasing, Change Orders, Budget Adjustments and other General Financial Procedures and reviewed for adequacy.
- Interviewed key management and staff personnel to determine their familiarity with policies and procedures.

Results:

The documented policies and procedures provide clear and concise instructions for activities related to the SPLOST II program. These policies and procedures incorporate administrative controls over School District financial transactions and require management oversight at various levels.

Conclusion:

Based on our procedures, we conclude that administrative controls have been established to ensure the proper management of the sales tax proceeds received by the School District. However, we recommend that policies be established which provide guidance to School System personnel in the event their supervisor/manager is not adhering to approved policies and procedures.

Management Response:

We concur with the recommendation to establish policies to provide guidance to School District personnel in the event their supervisor/manager is not adhering to approved policies and procedures. The Cobb County School District has a responsibility to uphold the public trust. A Fraud Administrative Rule will be developed and procedures established for the reporting and investigating of fraud in the School District.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

OBJECTIVE: To determine that the School District's construction project expenditures were comparable to those of other school systems in the region.

Procedures:

We reviewed and compiled SPLOST II cost data for school construction projects based on internal management reports, from which we calculated the average unit cost of construction expenditures by school type and in the aggregate. We also obtained cost data for neighboring metro Atlanta area school districts, as well as regional data for new school construction activity in Alabama, Florida, Georgia, and Mississippi, and compared this data to the District's comparable SPLOST II expenditures.

For the School District, we followed the procedures outlined above, looking only at new school construction using SPLOST II funds. We based our information for the District on funds already expended or encumbered as of December 31, 2005. With the exception of Dekalb County, we relied on information compiled by District employees during 2004 and 2005 for the comparative metro Atlanta data. We reviewed the client's compiled data and inquired about the source, which is a third-party industry service provider that announces upcoming and recent bids for local construction projects. One significant limitation of this data is that it is based on bids and awarded contract prices, not actual expenditures. In addition, the data is limited to that found in the service provider's reports and that which the client recorded. The data is therefore not intended to be, and is not, comprehensive or complete.

For Dekalb County, we obtained and reviewed the most recent SPLOST II performance audit report, which was prepared by MGT of America. From this report we obtained average unit cost data for new school construction activity. This data is also based on contract awards rather than expenditures.

In addition to the limitations described above, there are differences as to which capital-related costs are included in the various data sources. The Cobb County data includes construction costs, architect and engineer fees, and miscellaneous construction and site-preparation related expenditures. We excluded land acquisition, furniture and equipment, and technology from the cost calculations. It is unclear as to which, if any, of these excluded costs were included in the some of the comparative data. The statewide data excludes planning, architect, engineering, and management fees. These fees are also excluded from the metro Atlanta data, since that data is based solely upon construction bid amounts and contract awards. In addition, the metro Atlanta and statewide data include both new schools and additions/renovations, whereas the Cobb County and four-state regional data include only new school construction. The users of this report should be aware of the disparate nature of the sources that were relied on and take into consideration the limitations described above when looking at the presented information.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

The source for the statewide data comes from the April 2006 F.W. Dodge school construction data report, published by McGraw-Hill and available online via the National Clearinghouse for Educational Facilities at www.edfacilities.org. The comparative regional data, which includes data for the four-state region including Georgia, Florida, Alabama, and Mississippi, comes directly from *School Planning and Management* magazine's 2006 School Construction Report, available online at www.peterli.com/spm.

Results:

Based on the available data, the average cost per square foot of new school construction for the Cobb County School District's SPLOST II funds as compared to local, statewide, and regional data is as follows:

Metro Atlanta Area Comparative Data

	<u>Average Cost per Square foot</u>
Dekalb County	\$ 119.06
Cobb County	103.62
Gwinnett County	104.30
Henry County	122.72
Marietta	110.78
Fulton County	<u>138.92</u>
Average	\$ <u>116.57</u>

Statewide and Regional Comparative Data

	Average Cost per Square Foot		
	<u>4-State Region</u>	<u>Statewide</u>	<u>Cobb County</u>
Elementary	\$ 98.27	\$ 91.74	\$ 102.73
Middle/JHS	102.43	103.50	101.63
High School	124.32	114.37	107.25

Conclusion:

Based on the data reviewed, it appears that the Cobb County School District's construction cost per square foot is lower than the average cost per square foot for Metro Atlanta School Districts.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

OBJECTIVE: To determine that the School District's technological expenditures are reasonable considering the volatile market environment for these products.

Procedures:

During 2005, the School District expended technology funds from the SPLOST II program primarily for laptop computers for teachers and desktop computers for the Middle School Business Labs. As discussed on pages 11-14 of this report, we reviewed the procedures utilized by the School District in acquiring these computers.

Results:

Although the results of our review of the purchase of the laptop computers and desktop computers disclosed insufficient documentation to support compliance with approved policies and procedures of the School District, we believe that the amounts paid for the computers are reasonable. Amounts paid for the Apple Laptop Computers were based on prices received through a competitive proposal process. Amounts paid for the Middle School Lab Apple Desktop Computers were purchased off of the State of Georgia Apple Contract.

Conclusion:

We conclude that the technological expenditures made in 2005 are reasonable considering the volatile market environment for these products.

OBJECTIVE: To determine that the investment of SPLOST II proceeds received by the School District has been conducted in a sound fiscal manner.

Procedures:

We interviewed personnel responsible for the cash management/investment of the SPLOST II proceeds. We also reviewed the rate of return on the invested SPLOST II proceeds for reasonableness compared to the other investment options. Additionally we requested confirmation of the collateral pledged against the School District's deposits at December 31, 2005.

Results:

Bids were taken from various financial institutions for the investment of the SPLOST II proceeds for the period ended December 31, 2005. The bids were reviewed by a School System personnel and an independent financial advisor engaged by the School District. After analysis of the bids, SunTrust Bank was recommended to and approved by the School District Board. SunTrust pays a variable rate of return which is based on the daily Fed Funds Rate. The effective interest rate paid in December 2005 on the School District's available funds was 4.15%.

Deposits were adequately collateralized at December 31, 2005 with pledged securities totaling 133% of the School District's deposits.

AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)

Conclusion:

Based on our procedures, we conclude that the investment of SPLOST II proceeds received by the School District was conducted in a sound fiscal manner.

OBJECTIVE: To provide for the issuance of periodic reports at least annually with respect to the extent to which expenditures are meeting the goals described in this report.

Result:

This objective has been met with the issuance of this report to the Cobb County School Board.

OBJECTIVE: To provide for the issuance of periodic public recommendations at least annually for improvements in meeting the goals described in this report.

Result:

This objective has been met with the issuance of this report which includes recommendations for improvements.

NOTEWORTHY ACCOMPLISHMENTS

- As of December 31, 2005, two years into the five year SPLOST II Program, 58% of the funds budgeted for new schools on additions/renovations had been committed.
- The return on investment of the idle SPLOST II funds increased significantly from the return received in the previous year. The increase resulted not only from rising interest rates but also from a change in the strategy for investing idle funds.
- The School District's policies and procedures relating to the physical security and control of teachers' laptop computers were effective in limiting the loss/theft of these computers to a very small number during 2005.

OTHER COMMENTS AND RECOMMENDATIONS

- Adequate documentation supporting prices paid for computer equipment, furniture, etc. should always be maintained in the procurement files.
- Consideration should be given to requiring the use of cable locks for laptop computers.
- Consideration should be given to implementing an anonymous hotline for utilization by School District employees for the purpose of expressing concerns of possible violations of approved policies and procedures including questions of unethical acts by fellow employees.

APPENDIXES

APPENDIX A

**RESOLUTION OF THE COBB COUNTY BOARD OF EDUCATION
TO PROVIDE FOR THE CALLING OF AN ELECTION TO DETERMINE THE
REIMPOSITION OR NONIMPOSITION OF A ONE PERCENT SALES AND USE TAX
WITHIN COBB COUNTY FOR EDUCATIONAL PURPOSES:**

BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE COBB COUNTY SCHOOL DISTRICT, as follows:

WHEREAS, the Board of Education of Cobb County (the "Cobb County Board of Education") is charged with the duties of contracting debts and managing the affairs of the Cobb County School District, which embraces all the territory within Cobb County, Georgia (the "County"), with the exception of all territory lying within the City of Marietta School District; and

WHEREAS, Article VIII, Section VI, Paragraph IV of the Constitution of the State of Georgia and the Official Code of Georgia Sections 48-8-140 *et. seq.* authorize the imposition within each school district of each county and each independent school district located within such county in the State of Georgia of a 1 percent (1%) sales and use tax (the "SPLOST") to be used by school districts for educational purposes conditioned upon approval by a majority of the qualified voters within the boundaries of the local taxing jurisdiction voting in an election held therein; and

WHEREAS, the SPLOST for educational purposes is currently being imposed in the County and will expire on the earlier of December 31, 2003 or the date that the maximum amount of proceeds to be raised from the imposition of the SPLOST shall have been collected; and

WHEREAS, Georgia law requires the Board of Education of each county School District and the Board of Education of each independent school district within such county to adopt concurrent resolutions with respect to the imposition, levy and collection of any one percent (1%) sales and use tax conditioned upon approval by a majority of the qualified voters residing within the limits of the local taxing jurisdiction voting in a referendum thereon.

WHEREAS, the Board of Education of the City of Marietta, for and on behalf of the City of Marietta School District, pursuant to a resolution duly adopted on May 7, 2003, has determined to submit the question of the reimposition or non-imposition of the special one percent (1%) sales and use tax to the qualified voters of the City of Marietta; and

WHEREAS, the Cobb County Board of Education has determined that the most feasible means of funding certain expenditures for educational purposes within the Cobb County School District is by reimposing, levying and collecting a special one percent (1%) sales and use tax within Cobb County as authorized by law; and

WHEREAS, the net proceeds of the SPLOST shall be distributed between the Cobb County School District and the City of Marietta School District on the basis of the latest FTE count prior to the referendum on imposing the tax; and

APPENDIX A - CONTINUED

WHEREAS, the Cobb County Board of Education has determined that it is in the best interests of the citizens of the Cobb County School District that the proceeds of the SPLOST, if authorized, be used to pay or to be applied toward the cost of the projects set forth herein, the payment of expenses incidental to accomplishing the projects, and for the retirement of the outstanding general obligation debt set forth herein; and

WHEREAS, each of the projects set forth herein is a project authorized by law to be financed through the imposition of a SPLOST; and

WHEREAS, pursuant to the provisions of the Constitution and laws of the State of Georgia, and pursuant to this resolution, it is necessary to submit to the qualified voters of the County the question of whether or not the one percent (1%) sales and use tax for educational purposes shall be reimposed.

NOW, THEREFORE, BE IT RESOLVED by the Cobb County Board of Education, and it is hereby resolved by authority of the same, as follows:

Section 1. Authorization of Sales and Use Tax. There shall be reimposed, levied and collected in Cobb County, Georgia, a one percent (1%) sales and use tax for educational purposes, subject to approval by a majority of the qualified voters residing within the limits of Cobb County voting on the referendum therein, as authorized by Article VIII, Section VI, Paragraph IV of the Constitution of the State of Georgia, and by Article 3, Part 2 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, as amended (the "Act"), such tax to be imposed on all sales and uses (the "Sales Tax") in Cobb County for a period of twenty quarters (60 months), commencing on January 1, 2004, upon the expiration of the current version, and said election to be held on September 16, 2003. Such tax shall raise the maximum amount of net proceeds of \$685,678,106, of which the percentage to be distributed to the Cobb County School District will be expended for the following educational purposes:

(A) The following capital outlay projects ("Projects") at a total maximum cost of \$567,504,317:

(i) Acquiring land for new school sites for the construction of new schools and the expansion of existing schools:

(ii) Constructing and equipping nine (9) new schools, specifically:

Acworth Elementary School
Acworth Site Middle School
Austell Elementary School
Northwest Elementary School
Northwest Middle School
Riverside Elementary School

APPENDIX A - CONTINUED

West Cobb #1 High School
West Cobb #2 High School
West Cobb Middle School

- (iii) Constructing undesignated classrooms or instructional units as future growth requires and constructing Three Hundred Forty-Seven (347) regular education (K-12) classrooms or instructional units [or one (1) elementary school in lieu of a portion of those units as Cobb County School District needs dictate], additional special education or special needs classrooms or instructional units, and making additions to and/or renovating and equipping existing schools and facilities, specifically including but not limited to the following:

Addison Elementary School	Mabry Middle School
Campbell High School	Milford Elementary School
Campbell Middle School	Murdock Elementary School
Daniell Middle School	North Cobb High School
Dickerson Middle School	Norton Park Elementary School
Dodgen Middle School	Osborne High School
Due West Elementary School	Pebblebrook High School
East Cobb Middle School	Pine Mountain Middle School
Fair Oaks Elementary School	Russell Elementary School
Floyd Middle School	Sedalia Park Elementary School
Griffin Middle School	Shallowford Falls Elementary School
Harmony Leland Elementary School	Smitha Middle School
Lighttower Trail Middle School	Still Elementary School
LaBelle Elementary School	Walton High School
Lewis Elementary School	Wheeler High School
Lost Mountain Middle School	

- (iv) Upgrading buildings and facilities and making critical infrastructure improvements (for example, roofing, plumbing, wiring, painting, water piping, HVAC, repaving, safety and security, etc.) to existing facilities, specifically including but not limited to the following:

Acworth Elementary School	Keheley Elementary School
Addison Elementary School	Kell High School
Adult Education	Kemp Elementary School
Argyle Elementary School	Kennesaw Elementary School
Austell Elementary School	Kennesaw Mtn. High School
Awtrey Middle School	Kincaid Elementary School
Baker Elementary School	King Springs Elementary School
Barnes Education Center	LaBelle Elementary School
Bells Ferry Elementary School	Lassiter High School

APPENDIX A - CONTINUED

Belmont Hills Elementary School	Lewis Elementary School
Big Shanty Elementary School	Lindley Middle School
Birney Elementary School	Lost Mtn. Middle School
Blackwell Elementary School	Mableton Elementary School
Brown Elementary School	Mabry Middle School
Brumby Elementary School	McClesky Middle School
Bryant Elementary School	McEachern High School
Bullard Elementary School	Milford Elementary School
Campbell High School	Mt. Bethel Elementary School
Campbell Middle School	Mtn. View Elementary School
Chalker Elementary School	Murdock Elementary School
Cheatham Hill Elementary School	Nicholson Elementary School
Clarkdale Elementary School	Nickajack Elementary School
Clay Elementary School	North Cobb High School
Compton Elementary School	Norton Park Elementary School
Cooper Middle School	Oakwood High School
Daniell Middle School	Osborne High School
Davis Elementary School	Palmer Middle School
Dickerson Middle School	Pebblebrook High School
Dodgen Middle School	Pitner Elementary School
Dowell Elementary School	Pine Mtn. Middle School
Due West Elementary School	Pope High School
Durham Middle School	Powder Springs Elementary School
East Cobb Middle School	Powers Ferry Elementary School
East Side Elementary School	Riverside Elementary School
Eastvalley Elementary School	Rocky Mount Elementary School
Fair Oaks Elementary School	Rose Garden School
Fitzhugh Lee School	Russell Elementary School
Floyd Middle School	Sanders Elementary School
Ford Elementary School	Sedalia Park Elementary School
Frey Elementary School	Shallowford Falls Elementary School
Garrett Middle School	Simpson Middle School
Garison Mill Elementary School	Sky View Elementary School
Green Acres Elementary School	Smitha Middle School
Griffin Middle School	Sope Creek Elementary School
Harmony-Leland Elementary School	South Cobb High School
Harrison High School	Sprayberry High School
Hawthorne School	Still Elementary School
Hayes Elementary School	Tapp Middle School
Hightower Trail Middle School	Teasley Elementary School
Hollydale Elementary School	Timber Ridge Elementary School
Tritt Elementary School	Vaughan Elementary School
Varner Elementary School	Walton High School
	Wheeler High School

APPENDIX A - CONTINUED

- (v) Acquiring land for possible future school construction;
 - (vi) Making system-wide technology improvements, including, but not limited to, acquisition and installation of instructional technology and information systems hardware and associated software, and infrastructure at all schools and selected other facilities; and
 - (vii) Replacing, purchasing, upgrading or supplementing capital equipment including, but not limited to, desks, chairs, tables, school buses, books, tractors, trucks, laboratory equipment, etc.
- (B) Retirement of outstanding general obligation debt of the Cobb County School District previously incurred and issued with respect to capital outlay projects in the principal and interest amount of \$69,000,000, comprised of portions of Cobb County, Georgia, School District General Obligation Bond, Series 1993 and Series 1995, coming due on 2004 through 2007. As guaranteed and required by Georgia law, the ad valorem taxes levied or scheduled to be levied to retire the Series 1995 Bond will be reduced by an amount equal to the amount of the proceeds of the special tax to be applied to retire the Series 1995 Bond as described above. Should proceeds greater than the estimated \$683,678,106 be realized from the sales tax funds, all of the excess proceeds received by the Cobb County School District will be applied towards further reducing the outstanding general obligation debt of the Cobb County School District beyond what is stated in this Paragraph.

*Section 2. **Call for Election.*** The Cobb County School District hereby calls, and requests that the Board of Elections and Registration of Cobb County call an election to be held in all the voting precincts in Cobb County on the 16th day of September, 2003, for the purposes of submitting to the qualified voters of Cobb County the question set forth in Section 3 below.

*Section 3. **Form of Ballot.*** The ballots to be used in such election should have written or printed thereon substantially the following language or such other language as may be required by law:

- YES Shall the special 1 percent sales and use tax for educational purposes currently imposed in Cobb County be reimposed on January 1, 2004, upon the expiration of the current version, for not longer than 20 consecutive calendar quarters, to raise not more than \$683,678,106 to be used for the following educational purposes:
- NO

For the Cobb County School District:

- (1) to pay \$69,000,000 of principal and interest on outstanding bonds of Cobb County School District as described in the Notice of Election and to reduce ad valorem property taxes by the amount that would be levied to satisfy such bonds; and

APPENDIX A - CONTINUED

- (2) for new schools, land, additions, renovations, equipment, and technology systems, at a total maximum cost of \$567,504,317 for the Cobb County School District as described in the Notice of Election.

For the City of Marietta:

- (1) to pay \$16,322,900 of principal and interest on outstanding bonds of the City of Marietta as described in the Notice of Election and to reduce ad valorem property taxes by the amount that would be levied to satisfy such bonds; and
- (2) acquiring land for future school construction; acquiring automobiles for Marietta City Schools' driver education program; constructing and equipping one new elementary school; making additions to, renovating, upgrading, making critical infrastructure improvements, and/or equipping two existing elementary schools; making system-wide technology improvements, including, but not limited to, acquisition and installation of instructional technology and information systems hardware and associated software and infrastructure at all schools and selected other facilities; replacing, purchasing, upgrading or supplementing capital equipment including, but not limited to, desks, chairs, copiers, tables, school buses, books, and laboratory equipment; all at a maximum cost of \$30,850,889, as described in the Notice of Election.

*Section 4. **Manner of Election.*** In accordance with O.C.G.A. § 21-2-540, the date of such election shall be, and the election is hereby set for, September 16, 2003. The polls of each election district of the County shall open at 7 a.m. and close at 7 p.m. The election shall be held in accordance with the election laws of the State of Georgia and the returns of said election shall be made to the Cobb County Board of Education and to the Board of Elections and Registration for the County, who shall, in the presence of and together with the several managers of the polls, bring up the returns, consolidate the returns and declare the results of the election in the manner required by law.

*Section 5. **Publication of Notice of Election.*** The Secretary of the Cobb County Board of Education shall be, and is hereby, authorized and instructed to publish notice of said election as required by law in the newspaper in which sheriff's advertisements of the County are published, once a week for five (5) weeks immediately preceding the date of the election, i.e., September 16, 2003, and the notice of election shall be in substantially the form attached hereto as Exhibit "A", and, by this reference thereto, made a part hereof.

*Section 6. **Notice to Board of Elections and Registration.*** The Secretary of the Cobb County Board of Education is hereby authorized and directed to deliver a copy of this resolution to the Chairman of the Board of Elections and Registration of Cobb County with a request that the Chairman of the Cobb County Board of Elections and Registration order the call of this election.

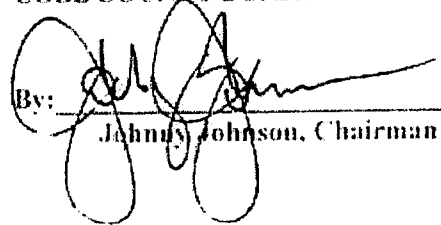
APPENDIX A - CONTINUED

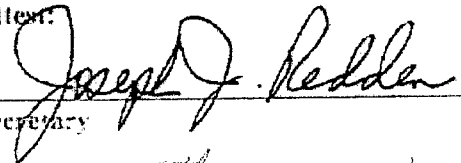
Section 7 **Further Authority.** The proper officers and agents of the Cobb County School District are hereby authorized to take any and all further actions as may be required in connection with the imposition of such sales and use tax, the acquisition, constructing, and equipping of the projects and the repayment of the general obligation debt as described herein.

Section 8 **General Repeal.** Any and all Resolutions or parts thereof in conflict herewith be, and the same are, hereby repealed.

Section 9 **Effective Date.** This Resolution shall take effect immediately upon its adoption.

COBB COUNTY BOARD OF EDUCATION

By: 
Johnny Johnson, Chairman

Attest:

Secretary

THIS 7th DAY OF May, 2003.

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REPORT: SPM2040-S3 V2.2
 FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY
 Run: 2/1/2006 4:59:52PM

COBB COUNTY SCHOOL DISTRICT
 2003 1% SALES TAX (SPLOST 2)
 CONSOLIDATED MANAGEMENT REPORT
 SUMMARY BY INITIATIVE
 FOR THE MONTH ENDING
 12/31/2005

REVENUE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	RECEIVED	OVERLY	UNDER BUDGET	% RECD
	SPLOST 2 REVENUE	\$636,504,317.00	\$626,011,194.00	\$213,995,111.86		\$412,016,082.14	34
	SPLOST 2 COLLECTION FEE	\$0.00	\$0.00	(\$2,130,699.70)		\$2,130,699.70	0
	SPLOST 2 INTEREST INCOME	\$0.00	\$2,699,522.00	\$2,699,522.17	(\$0.17)		100
	STATE CAP OUTLAY GROWTH	\$0.00	\$1,870,959.00	\$1,118,252.70		\$752,706.30	60
	STATE CAP OUTLAY REGULAR	\$0.00	\$5,519,413.00	\$0.00		\$5,519,413.00	0
	HOUSE BILL 1187 #2 REV	\$59,743,363.00	\$60,498,610.00	\$54,615,915.94		\$5,882,694.06	90
	REVENUE FUND TOTAL	\$696,247,680.00	\$696,599,698.00	\$270,298,102.97		\$426,301,595.03	39

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	% COMM
	NEW SCHOOLS/LAND						
	NEW HIGH SCHOOLS	\$94,539,000.00	\$92,260,783.00	\$26,236,368.57	\$10,017,723.90	\$56,006,690.53	39
	NEW MIDDLE SCHOOLS	\$66,357,170.00	\$64,530,284.00	\$40,335,003.19	\$10,685,179.72	\$13,510,101.09	79
	NEW ELEMENTARY SCHOOLS	\$43,869,322.00	\$45,190,550.00	\$26,426,995.59	\$2,635,072.48	\$16,128,481.93	64
	LAND ACQUISITION	\$18,000,000.00	\$18,000,000.00	\$14,743,060.56	\$0.00	\$3,256,939.44	82
	NEW SCHOOLS/LAND TOTAL	\$222,765,492.00	\$219,981,617.00	\$107,741,427.91	\$23,337,976.10	\$88,902,212.99	60

ADDITIONS/RENOVATIONS	ADDITIONS/RENOVATIONS TOTAL
HIGH SCHOOL ADDITIONS	\$28,233,332.91
MIDDLE SCHOOL ADDITIONS	\$28,914,004.17
ELEMENTARY SCHOOL ADDITIONS	\$30,592,862.47
ADDITIONS/RENOVATIONS TOTAL	\$87,740,199.55

MAINTENANCE	MAINTENANCE
EMERGENCY GENERATOR - ES	\$7,150.71
EMERGENCY GENERATOR - HS	\$6,088.59
MAIN SWITCHGEAR/PANEL UPGR-ES	\$593,181.13
MAIN SWITCHGEAR/PANEL UPGR- HS	\$1,518,864.49

COBB COUNTY SCHOOL DISTRICT
2003 1% SALES TAX (SPLOST 2)
CONSOLIDATED MANAGEMENT REPORT
SUMMARY BY INITIATIVE
FOR THE MONTH ENDING
12/31/2005

REPORT: SPM2040-S3 V2.2
FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY
Run: 2/1/2006 4:59:52PM

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	% COMM
	MAIN SWITCHGEAR/PANEL UPGR- MS	\$3,675,000.00	\$1,102,265.00	\$34,369.46	\$0.00	\$1,067,895.54	3
	FLOORING	\$2,688,882.00	\$1,449,534.00	\$758,561.44	\$20,223.00	\$670,749.56	54
	SPORTS LIGHTING	\$4,042,500.00	\$1,265,287.00	\$1,265,285.56	\$0.00	\$1.44	100
	HVAC	\$28,001,025.00	\$12,784,574.00	\$2,882,070.41	\$5,570.00	\$9,896,933.59	23
	HVAC - PE	\$7,152,162.00	\$5,104,471.00	\$2,725,120.65	\$126,794.79	\$2,252,555.56	56
	PAINTING	\$1,014,503.00	\$1,004,864.00	\$9,833.43	\$48,636.52	\$946,394.05	6
	PAVING	\$4,010,383.00	\$2,154,063.00	\$265,282.29	\$0.00	\$1,888,780.71	12
	PLUMBING - FIXTURES	\$2,129,050.00	\$989,230.00	\$0.00	\$0.00	\$989,230.00	0
	PLUMBING - PIPING	\$990,916.00	\$644,245.00	\$0.00	\$0.00	\$644,245.00	0
	SPRINKLER (FIRE SUPPRESSION)	\$130,508.00	\$0.00	\$0.00	\$0.00	\$0.00	0
	UTILITIES - SANITARY SEWER	\$183,748.00	\$133,596.00	\$0.00	\$0.00	\$133,596.00	0
	TELESCOPING BLEACHERS	\$1,029,000.00	\$997,542.00	\$0.00	\$0.00	\$997,542.00	0
	TENNIS COURTS - NEW	\$149,450.00	\$0.00	\$0.00	\$0.00	\$0.00	0
	TENNIS COURTS - RESURFACING	\$98,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0
	TRACKS - RESURFACING	\$1,225,000.00	\$969,722.00	\$601,918.10	\$3,058.15	\$354,745.75	63
	ROOFING	\$7,965,518.00	\$2,335,183.00	\$2,335,181.86	\$0.00	\$1.14	100
	ROOFING - METAL REFINISH	\$1,287,770.00	\$782,637.00	\$782,626.80	\$0.00	\$10.20	100
	ANNEX BUILDING RENOVATIONS	\$51,450.00	\$49,877.00	\$0.00	\$0.00	\$49,877.00	0
MAINTENANCE TOTAL		\$80,598,365.00	\$35,741,171.00	\$13,478,271.05	\$245,057.49	\$22,017,842.46	38
CURRICULUM/INSTR/TECHNOLOGY							
	REFRESH OBSOLETE WORKSTATIONS	\$32,263,200.00	\$32,263,200.00	\$568,738.53	\$0.00	\$31,694,461.47	2
	REFRESH DISTRICT PRINTERS	\$6,976,000.00	\$6,976,000.00	\$0.00	\$0.00	\$6,976,000.00	0
	REFRESH DISTRICT SERVERS	\$1,750,000.00	\$1,750,000.00	\$9,085.25	\$0.00	\$1,740,914.75	1
	REFRESH DISTRICT NETWORK	\$5,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$5,000,000.00	0
	COMPUTING DEVICE/TEACHER	\$11,250,000.00	\$11,250,000.00	\$791,000.00	\$0.00	\$10,459,000.00	7
	DATA CENTER EQUIPMENT REFRESH	\$3,000,000.00	\$3,000,000.00	\$0.00	\$0.00	\$3,000,000.00	0
	MOBILE COMPUTING ACCESS	\$1,960,000.00	\$1,960,000.00	\$0.00	\$0.00	\$1,960,000.00	0
	COPIER/DUPLICATOR REFRESH	\$13,559,327.00	\$13,559,327.00	\$1,468,186.82	\$410,513.40	\$11,680,626.78	14

COBB COUNTY SCHOOL DISTRICT
2003 1% SALES TAX (SPLOST 2)
CONSOLIDATED MANAGEMENT REPORT
SUMMARY BY INITIATIVE
FOR THE MONTH ENDING
12/31/2005

REPORT: SPM2040-S3 V2.2
FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY
Run: 2/1/2006 4:59:52PM

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	%COMM
CURRICULUM/INSTR/TECHNOLOGY TOTAL		\$75,758,527.00	\$75,758,527.00	\$2,837,010.60	\$410,513.40	\$72,511,003.00	4
SUPPORT & SAFETY IMPROVEMENTS							
RENOVATIONS FOR ACCESSIBILITY		\$3,000,000.00	\$2,533,847.00	\$478,993.39	\$454,528.06	\$1,600,325.55	37
✓ ACCESS CONTROLS		\$8,000,000.00	\$8,000,000.00	\$1,017,529.13	\$0.00	\$6,982,470.87	13
✓ BUSES, VEHICLES & EQUIPMENT		\$6,000,000.00	\$6,000,000.00	\$329,275.00	\$0.00	\$5,670,725.00	5
FOOD SERVICE UPGRADES		\$3,000,000.00	\$2,751,069.00	\$1,062,054.62	\$9,011.46	\$1,680,002.92	39
PERSONNEL NEEDS		\$4,000,000.00	\$4,000,000.00	\$1,298,176.76	\$4,875.27	\$2,696,947.97	33
✓ SCHOOL LEVEL FURNITURE & EQUIP		\$6,000,000.00	\$6,000,000.00	\$1,893,899.10	\$77,500.42	\$4,028,600.48	33
SECURITY FENCING & SIGNAGE		\$500,000.00	\$437,471.00	\$0.00	\$0.00	\$437,471.00	0
SURVEILLANCE CAMERAS		\$2,000,000.00	\$2,000,000.00	\$127,962.38	\$0.00	\$1,872,037.62	6
HUMAN RESOURCES		\$4,000,000.00	\$4,000,000.00	\$0.00	\$0.00	\$4,000,000.00	0
FINANCIAL SERVICES		\$3,000,000.00	\$3,000,000.00	\$0.00	\$0.00	\$3,000,000.00	0
PORTABLE CLASSROOM REPAIRS		\$1,800,000.00	\$1,800,000.00	\$1,663,947.14	\$0.00	\$136,052.86	92
UNDESIGNATED CLASSROOMS		\$4,000,000.00	\$3,877,451.00	\$0.00	\$0.00	\$3,877,451.00	0
LOCAL SCHOOL REQUESTS		\$30,000,000.00	\$18,474,222.00	\$2,316,604.54	\$261,481.74	\$15,896,135.72	14
SUPPORT & SAFETY IMPROVEMENTS TOTAL		\$75,300,000.00	\$62,874,060.00	\$10,188,442.06	\$807,396.95	\$51,878,220.99	17
PROGRAM MANAGEMENT							
PROGRAM MANAGEMENT FEES		\$0.00	\$12,823,157.00	\$6,556,650.52	\$6,259,596.48	\$6,910.00	100
ADVERTISEMENTS FOR BID		\$0.00	\$75,600.00	\$25,509.60	\$593.50	\$49,496.90	35
PERFORMANCE AUDIT SERVICES		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0
BANK SERVICE CHARGES		\$0.00	\$1,600.00	\$144.17	\$0.00	\$1,455.83	9
PROGRAM MANAGEMENT TOTAL		\$0.00	\$12,900,357.00	\$6,582,304.29	\$6,260,189.98	\$57,862.73	100
ELECTION EXPENSE							
ELECTION EXPENSE		\$0.00	\$352,018.00	\$352,018.00	\$0.00	\$0.00	100

COBB COUNTY SCHOOL DISTRICT
 2003 1% SALES TAX (SPLOST 2)
 CONSOLIDATED MANAGEMENT REPORT
 SUMMARY BY INITIATIVE
 FOR THE MONTH ENDING
 12/31/2005

REPORT: SPM2040-S3 V2.2
 FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY
 Run: 2/1/2006 4:59:52PM

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	%COMM
ELECTION EXPENSE TOTAL		\$0.00	\$352,018.00	\$352,018.00	\$0.00	\$0.00	100
PROPERTY TAX ROLLBACK		\$69,000,000.00	\$69,000,000.00	\$23,000,000.00	\$0.00	\$46,000,000.00	33
PROPERTY TAX ROLLBACK TOTAL		\$69,000,000.00	\$69,000,000.00	\$23,000,000.00	\$0.00	\$46,000,000.00	33
CONTINGENCY		\$0.00	\$19,719,995.00	\$0.00	\$0.00	\$19,719,995.00	0
GENERAL CONTINGENCY		\$0.00	\$19,719,995.00	\$0.00	\$0.00	\$19,719,995.00	0
CONTINGENCY TOTAL		\$0.00	\$19,719,995.00	\$0.00	\$0.00	\$19,719,995.00	0
TOTAL ALL GROUPS		\$696,247,680.00	\$696,599,698.00	\$238,803,287.45	\$68,969,073.83	\$388,827,336.72	44
EXPENSE FUND TOTAL		\$696,247,680.00	\$696,599,698.00	\$238,803,287.45	\$68,969,073.83	\$388,827,336.72	44