



# COBB COUNTY SCHOOL DISTRICT

## SPLOST II Performance Audit December 31, 2008



**Allatoona High School**

**COBB COUNTY  
SCHOOL DISTRICT**

**PERFORMANCE AUDIT OF  
SPLOST II PROGRAM**

**DECEMBER 31, 2008**

COBB COUNTY SCHOOL DISTRICT  
SPLOST II PERFORMANCE AUDIT  
DECEMBER 31, 2008

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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 of 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. \$696.2 million was originally budgeted for the various projects and a property tax rollback in the SPLOST II program, which also included approximately \$60 million of state funding. As of December 31, 2008, the School District had expended \$615 million and committed another \$12.4 million toward the completion of the total program. These expended and committed funds represent approximately 90% of the total originally budgeted expenditures of the five year program. Approximately 64% of the expended and committed funds as of December 31, 2008 related to new school construction, additions and renovations, and program management expenses while 11% related to the property tax rollback and 25% 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, 2008.

**EXECUTIVE SUMMARY (continued)**

**More Specifically:**

1. Based on our procedures we conclude that administrative controls are in place to ensure the proper management of the sales tax proceeds received by the School District.
  
2. 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 ensures that technology expenditures are reasonable in the volatile market environment for these products.
  
3. 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 School District effectively invested idle SPLOST funds and earned market rate of returns averaging 2.5% (net of fees) in 2008.

## **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 Audits for the periods ended December 31, 2007, 2006, 2005, and 2004 were completed by Moore & Cubbedge, LLP and presented to the Cobb County Board of Education.

## **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 potentially 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, 2008 through December 31, 2008.

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, 2008 is presented below:

(In Thousands)							%
Category	Original Budget	Revised Budget	Expended	Encumbered	Uncommitted	Committed	
New Schools	\$ 222,766	\$ 226,570	\$ 209,798	\$ 1,306	\$ 15,467	93%	
Additions/ Renovations	172,825	176,553	175,842	308	402	100%	
Maintenance	80,598	37,375	36,820	146	409	99%	
Curriculum/ Technology	75,759	81,782	60,778	8,077	12,928	84%	
Program Management	-	12,900	11,971	907	22	100%	
Safety & Support	75,300	63,759	50,858	1,668	11,234	82%	
Property Tax Rollback	69,000	69,000	69,000	-	-	100%	
Contingency	-	77,298	-	-	77,298	0%	
<b>TOTAL</b>	<b>\$ 696,248</b>	<b>\$ 745,237</b>	<b>\$ 615,067</b>	<b>\$ 12,412</b>	<b>\$ 117,760</b>	<b>84%</b>	

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

We reviewed SPLOST II expenditures incurred in 2008 related to new schools, additions/renovations, maintenance, curriculum/technology and safety and support for schools and administration. Expenditures reviewed represented approximately thirty-two percent of the total SPLOST II expenditures incurred in 2008.

Our audit fieldwork was conducted between April 1, 2009 and May 31, 2009.



## **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.
- 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.
- Obtained and reviewed the Consolidated Management Report for the month ending December 31, 2008 for the SPLOST II program. (See Appendix B)

### **AUDIT METHODOLOGY (Continued)**

- Obtained and reviewed detail general ledger reports for accounts relating to the SPLOST II program.
- Obtained and reviewed selected source documentation, including bid proposals, bid tabulations, purchase orders, contractual agreements, change orders, invoices, and pay applications.
- Conducted site visits to five schools and inspected SPLOST II program facilities projects.

## **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 a sample of projects disclosed in the Resolution to those presented in the “SPLOST II Notebook” used to promote the Program, to the projects included in the Consolidated Management Report which tracks budgeted and actual expenditures on projects, and also to the SPLOST II priority Report, which tracks status of the SPLOST II projects. Interviewed the Capital Projects Finance Manager and the SPLOST Accountability Manager.

### **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 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 2008.
- Reviewed School Board Agenda item and approval by Board, if required.
- Reviewed executed contract and agreed to the submitted proposal or bid.
- Reviewed architect fees and program manager fees for reasonableness and reviewed pay applications and invoices for proper approval.
- Interviewed staff of School District to discuss status of construction projects.
- Reviewed change order approvals and communication to the Board, if required.
- Visited one new school, two school addition/renovation projects, and two school HVAC projects.

### **Results – Construction, Maintenance and Renovation Projects:**

- Request for Proposal/Bid procedures were in compliance with approved policies and procedures. Of the ten facilities 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.

## **AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)**

- Program Manager and architect fees were paid in accordance with approved contracts and fee schedules.
- 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 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 \$9.8 million was expended in 2008 under the categories of “Refresh District Printers,” and “Refresh District Network.” This represents 85% of the total Curriculum, Instruction and Technology expenditures made in 2008. 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.
- Reviewed submitted bids and quotes and determined that low bid or quote was awarded the contract.
- Reviewed submitted proposals and determined that proposal with the highest evaluation was awarded contract.
- Reviewed Board approval of contract if required by policies and procedures.
- Traced purchase order prices and descriptions to vendor proposal, bid or quote.
- Traced unit price and/or total price on invoice to purchase order
- Traced expenditure to vendor invoice/contract.

### Additional Procedures

- Interviewed staff of School District to discuss physical controls and security over laptop computers.

## **AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)**

### Results – Curriculum, Instruction and Technology:

- Projects/program category is eligible based on Board approved resolution
- Request for Proposal/Bid procedures were in compliance with approved policies and procedures.
- Purchase orders were evidenced by Board approval when required by policy.
- Amounts reflected on purchase orders and invoices agreed to the proposal submitted by the winning bidder.

### 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. As of December 31, 2008, one hundred and thirty one School District laptops had been stolen from classrooms, vehicles or homes.

The theft of the one hundred and thirty one laptop computers represents less than 1.5% of the total number of laptops issued during 2005-2008. It appears that adequate controls are in place to provide physical control and security of the laptop computers.

## **AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)**

### Procedures – Support & Safety Improvements:

Approximately \$18 million of SPLOST II funds were expended in 2008 for Support & Safety Improvements. Approximately \$3.8 million of this amount was expended for access controls. 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.
- Reviewed submitted bids and determined that low bid was awarded the contract.
- Reviewed Board approval of contract as required by policies and procedures.
- Traced purchase order prices and descriptions to winning vendor bid.
- Traced unit price and/or total price on invoice to purchase order.
- Traced expenditure to vendor invoice.

### Results – Support & Safety Improvements:

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

### Conclusion:

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

## **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 - Administrative Controls:

- 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 to determine their familiarity with policies and procedures.
- Interviewed key management and reviewed supporting documents to determine if administrative controls are in place to manage sales tax proceeds.

### Results – Administrative Controls:

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.



## **AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)**

**OBJECTIVE:** To determine that the School District's SPLOST II new school project expenditures are comparable to those of other school systems in the region.

As presented in previous SPLOST II reports, and based on data obtained from the F.W. Dodge school construction data report, and the *School Planning and Management* magazine's School Construction Report, which reflected awarded contract amounts, it appears that the Cobb County School District's SPLOST II new school construction cost per square foot is comparable to or lower than the average cost per square foot for local, statewide, and regional school districts.

The Cobb County School District did not award any new school construction contracts in 2008. Thus, no viable comparison can be made to other school system new school construction projects for 2008.

## **AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)**

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

### **Procedures – Technological Expenditures:**

During 2008, the School District expended technology funds from the SPLOST II program for printers and desktop computers to refresh obsolete workstations at schools. As discussed on pages 10 and 11 of this report, we reviewed the procedures utilized by the School District in acquiring these computers and printers.

### **Results – Technological Expenditures:**

We noted no exceptions in our review of expenditures within the School District's technological expenditures for desktop computers and printers.

### **Conclusion – Technological Expenditures:**

We conclude that the technological expenditures made in 2008 are reasonable considering the potentially volatile market environment for these products.

## **AUDIT PROCEDURES, RESULTS AND CONCLUSIONS (Continued)**

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

### **Procedures - Investment:**

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.

### **Results - Investment:**

SPLOST II proceeds were invested in Georgia Fund 1, operated by the State of Georgia Office of Treasury and Fiscal Services, as a conservative, efficient and liquid investment vehicle providing safety of capital, liquidity, yield and diversification. The average interest rate paid in 2008 for Georgia Fund 1 deposits was 2.50%.

### **Conclusion - Investments:**

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.

## **NOTEWORTHY ACCOMPLISHMENTS**

- As of December 31, 2008, almost five years into the five year SPLOST II Program, 99% of the funds budgeted for new schools and additions/renovations had been expended or committed.
- As of December 31, 2008, approximately 84% of SPLOST II funds have been expended or committed for all categories.
- Over the five year project, on budgeted revenues of \$636 million, the actual sales tax revenues collected as of December 31, 2008 were \$593 million.
- Effective budgeting and management of the SPLOST II program has resulted in all major projects completed or underway, with an additional \$77 million of uncommitted funds in the general contingency category as of December 31, 2008.
- 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 2008.

**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

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 \$683,678,106, 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

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
Flightower 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

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	Millford 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



- (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 16<sup>th</sup> 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

- (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.

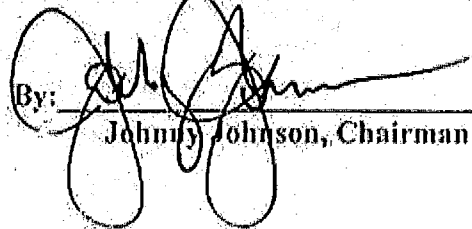
*Section 6. **Notice to Board of Elections and Registration.*** The Secretary of the Cobb County Board of Education is hereby authorized and directed to deliver a copy of this resolution to the Chairman of the Board of Elections and Registration of Cobb County with a request that the Chairman of the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

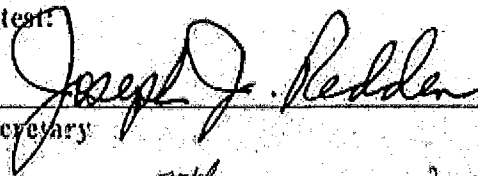
**Section 7. Further Authority.** The proper officers and agents of the Cobb County School District are hereby authorized to take any and all further actions as may be required in connection with the imposition of such sales and use tax, the acquisition, constructing, and equipping of the projects and 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 7<sup>th</sup> DAY OF May, 2003.

I:\home\johns\coba\SPL\OST 2003\Cobb County SPL\OST Resolution - J.vpd

COBB COUNTY SCHOOL DISTRICT  
 2003 1% SALES TAX (SPLOST 2)  
 CONSOLIDATED MANAGEMENT REPORT  
 SUMMARY BY INITIATIVE  
 FOR THE MONTH ENDING  
 12/31/2008

REPORT: SPM2040-S3 V2.2  
 FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY  
 Run: 1/27/2009 7:59:31AM

REVENUE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	RECEIVED	UNDER BUDGET	OVER(-)/	% RECD
	SPLOST 2 REVENUE	\$636,504,317.00	\$636,504,317.00	\$599,180,534.47	\$37,323,782.53		94
	SPLOST 2 COLLECTION FEE	\$0.00	\$0.00	(\$5,969,909.71)	\$5,969,909.71		0
	SPLOST 2 INTEREST INCOME	\$0.00	\$9,522,329.00	\$9,277,113.00	\$245,216.00		97
	STATE CAP OUTLAY GROWTH	\$0.00	\$30,370,797.00	\$28,702,387.10	\$1,668,409.90		95
	STATE CAP OUTLAY REGULAR	\$0.00	\$8,343,778.00	\$8,343,778.00	\$0.00		100
	HOUSE BILL 1187 #2 REV	\$59,743,363.00	\$60,498,610.00	\$60,498,610.00	\$0.00		100
	REVENUE FUND TOTAL	\$696,247,680.00	\$745,239,831.00	\$700,032,512.86	\$45,207,318.14		94

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	%COMM
	NEW SCHOOLS/LAND						
	NEW HIGH SCHOOLS	\$94,539,000.00	\$103,762,288.00	\$89,509,942.15	\$936,924.01	\$13,315,421.84	87
	NEW MIDDLE SCHOOLS	\$66,357,170.00	\$57,564,131.00	\$57,564,113.16	\$0.00	\$17.84	100
	NEW ELEMENTARY SCHOOLS	\$43,869,322.00	\$47,243,559.00	\$46,639,215.89	\$369,371.78	\$234,971.33	100
	LAND ACQUISITION	\$18,000,000.00	\$18,000,000.00	\$16,084,411.29	\$0.00	\$1,915,588.71	89
	NEW SCHOOLS/LAND TOTAL	\$222,765,492.00	\$226,569,978.00	\$209,797,682.49	\$1,306,295.79	\$15,465,999.72	93

ADDITIONS/RENOVATIONS	ADDITIONS/RENOVATIONS TOTAL	ADDITIONS/RENOVATIONS TOTAL	ADDITIONS/RENOVATIONS TOTAL	ADDITIONS/RENOVATIONS TOTAL	ADDITIONS/RENOVATIONS TOTAL	ADDITIONS/RENOVATIONS TOTAL	ADDITIONS/RENOVATIONS TOTAL
HIGH SCHOOL ADDITIONS	\$56,479,312.00	\$46,383,513.00	\$46,207,105.85	\$11,854.59	\$164,552.56		100
MIDDLE SCHOOL ADDITIONS	\$68,531,562.00	\$71,211,638.00	\$71,196,716.97	\$13,382.55	\$1,538.48		100
ELEMENTARY SCHOOL ADDITIONS	\$47,814,422.00	\$58,957,619.00	\$58,437,691.03	\$283,669.37	\$236,258.60		100
ADDITIONS/RENOVATIONS TOTAL	\$172,825,296.00	\$176,552,770.00	\$175,841,513.85	\$308,906.51	\$402,349.64		100

MAINTENANCE	EMERGENCY GENERATOR - ES	EMERGENCY GENERATOR - HS	MAIN SWITCHGEAR/PANEL UPGR- ES	MAIN SWITCHGEAR/PANEL UPGR- HS	MAIN SWITCHGEAR/PANEL UPGR- MS	FLOORING
EMERGENCY GENERATOR - ES	\$171,500.00	\$178,548.00	\$178,545.59	\$0.00	\$2.41	
EMERGENCY GENERATOR - HS	\$110,250.00	\$90,365.00	\$90,364.98	\$0.00	\$0.02	
MAIN SWITCHGEAR/PANEL UPGR- ES	\$9,493,750.00	\$1,741,394.00	\$1,741,386.51	\$0.00	\$7.49	
MAIN SWITCHGEAR/PANEL UPGR- HS	\$4,998,000.00	\$2,000,700.00	\$2,000,697.28	\$0.00	\$2.72	
MAIN SWITCHGEAR/PANEL UPGR- MS	\$3,675,000.00	\$1,283,419.00	\$1,283,416.27	\$0.00	\$2.73	
FLOORING	\$2,688,882.00	\$778,785.00	\$778,784.44	\$0.00	\$0.56	

REPORT: SPW2040-S3 V2.2  
 FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY  
 Run: 1/27/2009 7:59:31AM

COBB COUNTY SCHOOL DISTRICT  
 2003 1% SALES TAX (SPLOST 2)  
 CONSOLIDATED MANAGEMENT REPORT  
 SUMMARY BY INITIATIVE  
 FOR THE MONTH ENDING  
 12/31/2008

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	%COMM
	SPORTS LIGHTING	\$4,042,500.00	\$1,265,287.00	\$1,265,285.56	\$0.00	\$1.44	100
	HVAC	\$28,001,025.00	\$16,053,609.00	\$15,498,868.94	\$145,652.22	\$409,087.84	97
	HVAC - PE	\$7,152,162.00	\$4,884,149.00	\$4,884,123.85	\$0.00	\$25.15	100
	PAINTING	\$1,014,503.00	\$584,371.00	\$584,362.21	\$0.00	\$8.79	100
	PAVING	\$4,010,383.00	\$2,463,136.00	\$2,463,127.96	\$0.00	\$8.04	100
	PLUMBING - FIXTURES	\$2,129,050.00	\$764,622.00	\$764,619.36	\$0.00	\$2.64	100
	PLUMBING - PIPING	\$990,916.00	\$174,249.00	\$174,248.32	\$0.00	\$0.68	100
	SPRINKLER (FIRE SUPPRESSION)	\$130,508.00	\$0.00	\$0.00	\$0.00	\$0.00	0
	UTILITIES - SANITARY SEWER	\$183,748.00	\$219,649.00	\$219,646.52	\$0.00	\$2.48	100
	TELESCOPING BLEACHERS	\$1,029,000.00	\$795,571.00	\$795,569.38	\$0.00	\$1.62	100
	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	\$738,033.00	\$738,030.74	\$0.00	\$2.26	100
	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	\$241,349.00	\$241,348.19	\$0.00	\$0.81	100
	<b>MAINTENANCE TOTAL</b>	<b>\$80,598,365.00</b>	<b>\$37,375,056.00</b>	<b>\$36,820,234.76</b>	<b>\$145,652.22</b>	<b>\$409,169.02</b>	<b>99</b>
	<b>CURRICULUM/INSTR/TECHNOLOGY</b>						
	REFRESH OBSOLETE WORKSTATIONS	\$32,263,200.00	\$36,973,920.00	\$27,316,254.02	\$5,910,720.00	\$3,746,945.98	90
	REFRESH DISTRICT PRINTERS	\$6,976,000.00	\$6,326,000.00	\$4,983,311.24	\$0.00	\$1,342,688.76	79
	REFRESH DISTRICT SERVERS	\$1,750,000.00	\$1,324,103.00	\$1,132,177.10	\$0.00	\$191,925.90	86
	REFRESH DISTRICT NETWORK	\$5,000,000.00	\$14,735,897.00	\$7,034,455.63	\$1,686,408.40	\$6,015,032.97	59
	COMPUTING DEVICE/TEACHER	\$11,250,000.00	\$12,468,773.00	\$12,447,548.04	\$0.00	\$21,224.96	100
	DATA CENTER EQUIPMENT REFRESH	\$3,000,000.00	\$3,000,000.00	\$1,447,062.60	\$475,453.10	\$1,077,484.30	64
	MOBILE COMPUTING ACCESS	\$1,960,000.00	\$0.00	\$0.00	\$0.00	\$0.00	0
	COPIER/DUPLICATOR REFRESH	\$13,559,327.00	\$6,953,054.00	\$6,416,849.30	\$3,956.00	\$532,248.70	92
	<b>CURRICULUM/INSTR/TECHNOLOGY TOTAL</b>	<b>\$75,758,527.00</b>	<b>\$81,781,747.00</b>	<b>\$60,777,657.93</b>	<b>\$8,076,537.50</b>	<b>\$12,927,551.57</b>	<b>84</b>
	<b>SUPPORT &amp; SAFETY IMPROVEMENTS</b>						
	RENOVATIONS FOR ACCESSIBILITY	\$3,000,000.00	\$2,397,047.00	\$1,741,024.55	\$95,862.14	\$560,160.31	77
	ACCESS CONTROLS	\$8,000,000.00	\$8,199,190.00	\$7,825,196.02	\$149,679.50	\$224,314.48	97
	BUSES, VEHICLES & EQUIPMENT	\$6,000,000.00	\$6,000,000.00	\$5,964,836.62	\$7,891.50	\$27,271.88	100

COBB COUNTY SCHOOL DISTRICT  
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REPORT: SPM2040-S3 V2.2  
 FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY  
 Run: 1/27/2009 7:59:31AM

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	%COMM
	FOOD SERVICE UPGRADES	\$3,000,000.00	\$2,546,319.00	\$2,423,963.76	\$0.00	\$122,355.24	95
	PERSONNEL NEEDS	\$4,000,000.00	\$4,700,000.00	\$4,478,441.35	\$0.00	\$221,558.65	95
	SCHOOL LEVEL FURNITURE & EQUIP	\$6,000,000.00	\$6,000,000.00	\$5,507,330.10	\$193,331.08	\$299,338.82	95
	SECURITY FENCING & SIGNAGE	\$500,000.00	\$450,815.00	\$420,843.81	\$0.00	\$29,971.19	93
	SURVEILLANCE CAMERAS	\$2,000,000.00	\$2,000,000.00	\$1,676,903.01	\$77,527.45	\$245,569.54	88
	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	\$1,376,838.84	\$603,737.42	\$1,019,423.74	66
	PORTABLE CLASSROOM REPAIRS	\$1,800,000.00	\$1,665,997.00	\$1,665,972.14	\$0.00	\$24.86	100
	UNDESIGNATED CLASSROOMS	\$4,000,000.00	\$3,877,451.00	\$322,266.63	\$52,633.04	\$3,502,551.33	10
	LOCAL SCHOOL REQUESTS	\$30,000,000.00	\$18,922,586.00	\$17,453,959.91	\$487,434.77	\$981,191.32	95
	<b>SUPPORT &amp; SAFETY IMPROVEMENTS TOTAL</b>	<b>\$75,300,000.00</b>	<b>\$63,759,405.00</b>	<b>\$50,857,576.74</b>	<b>\$1,668,096.90</b>	<b>\$11,233,731.36</b>	<b>82</b>
	<b>PROGRAM MANAGEMENT</b>						
	PROGRAM MANAGEMENT FEES	\$0.00	\$12,823,157.00	\$11,910,016.64	\$906,230.36	\$6,910.00	100
	ADVERTISEMENTS FOR BID	\$0.00	\$75,600.00	\$60,303.55	\$1,235.03	\$14,061.42	81
	BANK SERVICE CHARGES	\$0.00	\$1,600.00	\$627.40	\$0.00	\$972.60	39
	<b>PROGRAM MANAGEMENT TOTAL</b>	<b>\$0.00</b>	<b>\$12,900,357.00</b>	<b>\$11,970,947.59</b>	<b>\$907,465.39</b>	<b>\$21,944.02</b>	<b>100</b>
	<b>PROPERTY TAX ROLLBACK</b>						
	PROPERTY TAX ROLLBACK	\$69,000,000.00	\$69,000,000.00	\$69,000,000.00	\$0.00	\$0.00	100
	<b>PROPERTY TAX ROLLBACK TOTAL</b>	<b>\$69,000,000.00</b>	<b>\$69,000,000.00</b>	<b>\$69,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>100</b>
	<b>NEW/REPLACEMENT FACILITIES</b>						
	NEW ELEMENTARY SCHOOLS	\$0.00	\$2,250.00	\$2,250.00	\$0.00	\$0.00	100
	<b>NEW/REPLACEMENT FACILITIES TOTAL</b>	<b>\$0.00</b>	<b>\$2,250.00</b>	<b>\$2,250.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>100</b>
	<b>CONTINGENCY</b>						
	GENERAL CONTINGENCY	\$0.00	\$77,298,268.00	\$0.00	\$0.00	\$77,298,268.00	0

COBB COUNTY SCHOOL DISTRICT  
 2003 1% SALES TAX (SPLOST 2)  
 CONSOLIDATED MANAGEMENT REPORT  
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 12/31/2008

REPORT: SPM2040-S3 V2.2  
 FOR 2003 1% SALES TAX (SPLOST 2) FUND ONLY  
 Run: 1/27/2009 7:59:31AM

EXPENSE	ACCOUNT	ORIGINAL BUDGET	REVISED BUDGET	EXPENDED	ENCUMBERED	UNCOMMITTED	%COMM
CONTINGENCY TOTAL		\$0.00	\$77,298,268.00	\$0.00	\$0.00	\$77,298,268.00	0
TOTAL ALL GROUPS		\$696,247,680.00	\$745,239,831.00	\$615,067,863.36	\$12,412,954.31	\$117,759,013.33	84
EXPENSE FUND TOTAL		\$696,247,680.00	\$745,239,831.00	\$615,067,863.36	\$12,412,954.31	\$117,759,013.33	84