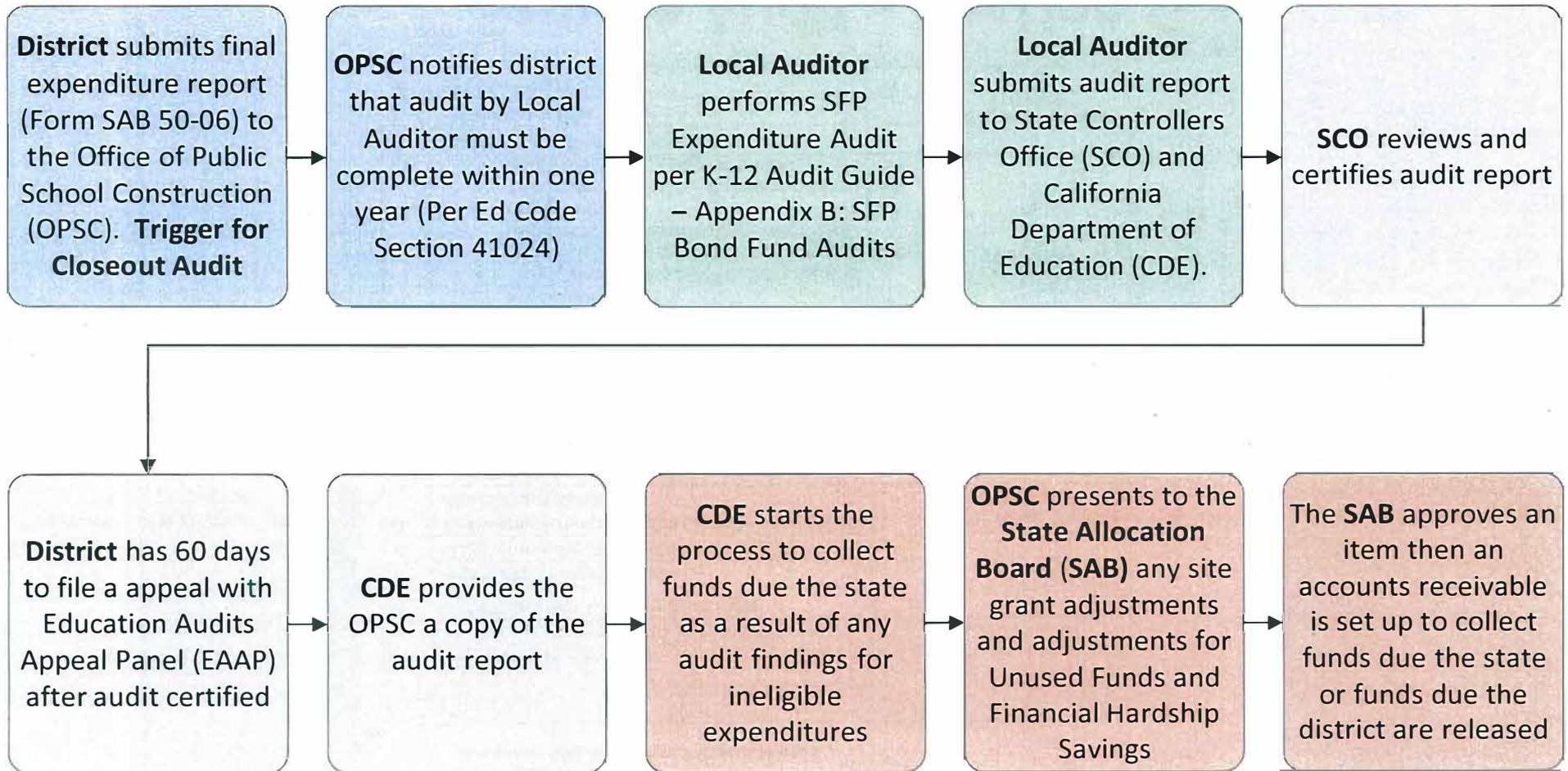


K-12 AUDIT LIFE CYCLE



Office of Public School Construction Application Number:

- 1. New Construction - Separate Apportionment for Design Costs
 Or Adjusted Grant
 Charter Schools Facilities Program - Separate Apportionment for Design Costs
 Or Adjusted Grant
 Common Eligible Project Expenditures**

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35
g.	Energy Analysis Fee	Ed. Code Section 17072.35*
h.	Legal Fees associated with: <ul style="list-style-type: none"> • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses. 	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35
j.	Preliminary Site Tests	
k.	Engineering Fees	

*** Sample Audit - Section G - Grant Agreement**

Office of Public School Construction Application Number:

**3. New Construction – Adjusted Grant
 Charter Schools Facilities Program – Adjusted Grant
 Common Ineligible Project Expenditures**

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & CSAM Procedure 770
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: <ul style="list-style-type: none"> • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment 	

* Sample Audit - Section H - Grant Agreement

*** Schedule of School Facility Program (SFP) Site Grant Adjustments:**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
		A	B	C	D	E	F
	Site Grant Types	Grant Amount (Approved by SAB)	Reported Expenditures	Audited Expenditures	Audited Difference (B-C=D)	Grant Adjustment (C-A=E)	Final Grant Amount (A+E=F)
1.	Site Purchase	\$750,000	\$1,000,000	\$750,000	\$250,000	\$0	\$750,000
2.	Site Relocation	\$515,000	\$530,000	\$500,000	\$30,000	(\$15,000)	\$500,000
3.	Site Hazardous Waste Removal	\$650,000	\$650,000	\$600,000	\$50,000	(\$50,000)	\$600,000
4.	Dept. of Toxic Substance Control	\$50,000	\$70,000	\$50,000	\$20,000	\$0	\$50,000

Instructions:

From the tables prepared from performing audit procedures for the four site grant types ((1) Site Purchase; (2) Site Relocation; (3) Site Hazardous Waste Removal Costs; and (4) Department of Toxic Substance Control Costs), prepare the “Schedule of School Facility Program (SFP) – Site Grant Adjustments Summary”.

**"SCHEDULE OF SCHOOL FACILITY
PROGRAM (SFP) DETERMINATION
OF PROJECT SAVINGS"
(LEA to report with SAB 50-06 for
each SFP project)**

	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$1,000,000	\$1,000,000	\$0
B. Plus District Contribution	\$1,000,000	\$1,000,000	\$0
C. Plus Financial Hardship Apportionment	\$0	\$0	\$0
D. District Share: (B + C)	\$1,000,000	\$1,000,000	\$0
E. Plus Interest Earned on State Funds	\$20,000	\$30,000	\$10,000
F. Amounts Financed (A+D+E=F)	\$2,020,000	\$2,030,000	\$10,000
G. Reported Expenditures to Office of Public School Construction (do not include expenditures related to site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure):	\$1,500,000	\$1,500,000	\$0
H. Amount Overspent (if reported expenditures more than amounts financed) (F-G=H)	\$0	\$0	\$0
I. Amount of Savings (if reported expenditures less than amounts financed) (F-G=I)	\$520,000	\$530,000	\$10,000

*** Sample Schedule - Determination of Project Savings**

**"Schedule of School Facility Program (SFP)
Summary of Audit Findings"**

Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Action)	All other Ineligible Expenditures (CDE Action)
IIA	#3a	Agree and trace sampled expenditures to supporting documentation	Ineligible construction costs – costs not eligible for State funding per the program grant agreement (Audit Finding #1)		\$30,000
IIA	#7	Agree and trace reported Architect/Design costs to final billing and general ledger.	Ineligible planning costs – costs exceeded the final contracted amount (Audit Finding #2)		\$25,000
IIA	#8	Agree & trace reported expenditures for sampled construction contracts to General Ledger and Final Billed amounts	Ineligible construction costs – costs are not documented (Audit Finding #3)		\$50,000
IIA	#15	Verify the LEA established a "Restricted Maintenance Account".	LEA did not establish their Restricted Maintenance Account the first two fiscal years after receiving State funding. (Audit Finding #4)	N/A	N/A
IIA	#18	Validate that reported Relocation Costs sample are eligible for this State grant funding and do not exceed costs allowances.	Relocation Costs – Costs not eligible for State reimbursement, costs exceeded maximum allowance per Title 25, CCR, Section 6000. (Audit Finding #5)	15,000	N/A
IIA	#19a	Verify that reported Site Hazardous Waste Removal costs sampled are eligible for this State grant funding.	Site Hazardous Waste Removal Costs – costs over-reported due to clerical error in reporting (Audit Finding #6)	50,000	N/A
			Total	\$65,000	\$105,000

* **Sample Schedule SFP - Summary of Audit Findings**

**"SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF
FINAL PROJECT FUNDING
(For Non-Financial Hardship Closeout Audits and Financial Hardship
Closeout Audit)**

	Non- Hardship	Hardship	Dept.
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$1,000,000	\$0	
B. Plus District Contribution	\$1,000,000	\$0	
C. Plus Financial Hardship Apportionment	N/A	\$0	
D. District Share (B + C = D)	\$1,000,000	\$0	
E. Plus Audited Interest Earned on State Funds	\$10,000	\$0	
F. Total Project Financing (A + D + E = F)	\$2,010,000	\$0	
G. Reported Expenditures to Office of Public School Construction (do not include expenditures related to site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$1,500,000	\$0	
H. Amount Overspent (if reported expenditures more than project financing) (G - F = H)	\$0	\$0	
I. Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	\$510,000	\$0	OPSC
J. Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	\$105,000	\$0	CDE
K. Financial Hardship Grant Adjustment - Expenditures Prior to Fund Release that exceeded District Contribution – Audit Finding from SFP Summary of Audit Findings	N/A	\$0	OPSC
L. Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	\$65,000	\$0	OPSC
M. Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments)(J + K + L= M)	\$170,000	N/A	
N. Total Amount to be returned to the State - Financial Hardship District (I + J+K+L = N)	N/A	\$0	

* Sample Schedule SFP - Summary of Final Project Funding



Office of Public School Construction

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – USE OF SAVINGS (Template used by LEA for reporting savings usage)							
District:	XYZ Unified						
Project Number:	57/67686-00-009						
Project Name:	Kershaw Elementary						
Report Number:	2						
Report Date:	5/9/18						
	A	B	C	D	E	F	
	SFP Project Number Savings Used At	Savings Used for High Priority Capital Outlay Project (Y,N)	Original Total Savings Determined at Closeout Audit	Remaining Savings Balance to Date	Savings Used Reported This Period	Balance of Unused Savings	
1. Amount Reported	57/67686-00-015	N	100,000	75,000	50,000	25,000	

Instructions:

A project's total savings amount is determined when the project's closeout audit is completed. Subsequent to the closeout audit, LEAs are required to report their use of savings annually of the "Schedule of School Facility Program (SFP) – Use of Savings Summary" until all savings are exhausted. The LEA is required to report even in years when there was no use of savings.

* Savings Audit

"SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – UNSPENT FUNDS"
 (LEA to report with SAB 50-06 for all Reduction to Costs Incurred projects, Career Technical Education projects, and Charter School Facility projects)

	Non-Hardship
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$1,000,000
B. Plus District Contribution	\$1,000,000
C. Plus Financial Hardship Apportionment	N/A
D. District Share (B + C)	\$1,000,000
E. Plus Interest Earned on State Funds	\$10,000
F. Total Project Financing (A+D+E=F)	\$2,010,000
G. Reported Expenditures to Office of Public School Construction (do not include expenditures related to site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$1,000,000
H. Reported Unspent Funds to be returned to the State (if reported expenditures less than project financing) (F - G = H)	\$1,010,000
I. Reported Overspent Funds to be returned to the State (if reported expenditures more than project financing) (G - F = I)	\$0
J. Reported amount of Unspent or Overspent Funds apportionment to be returned – State Share (Non-Hardship - (H or I) / 2 = J)	\$505,000

* Sample - "Schedule of SFP - Unspent Funds"
 Non-Financial Hardship Project

“SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – UNSPENT FUNDS”

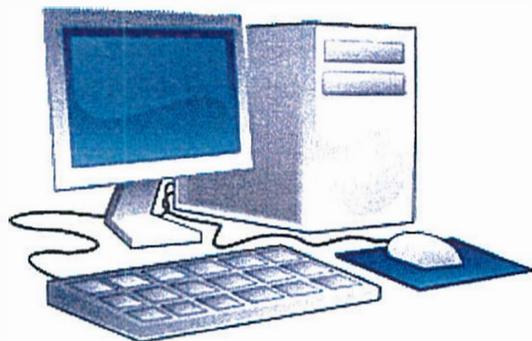
(LEA to report with SAB 50-06 for all Reduction to Costs Incurred projects, Career Technical Education projects, and Charter School Facility projects)

	Hardship
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$1,000,000
B. Plus District Contribution	\$10,000
C. Plus Financial Hardship Apportionment	\$990,000
D. District Share (B + C)	\$1,000,000
E. Plus Interest Earned on State Funds	\$10,000
F. Total Project Financing (A+D+E=F)	\$2,010,000
G. Reported Expenditures to Office of Public School Construction (do not include expenditures related to site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$1,000,000
H. Reported Unspent Funds to be returned to the State (if reported expenditures less than project financing) (F - G = H)	\$1,010,000
I. Reported Overspent Funds to be returned to the State (if reported expenditures more than project financing) (G - F = I)	\$0
J. Reported amount of Unspent or Overspent Funds apportionment to be returned – State Share (Financial Hardship (H or I) = J)	\$1,010,000

* Sample - “Schedule of SFP - Unspent Funds”
Financial Hardship Project

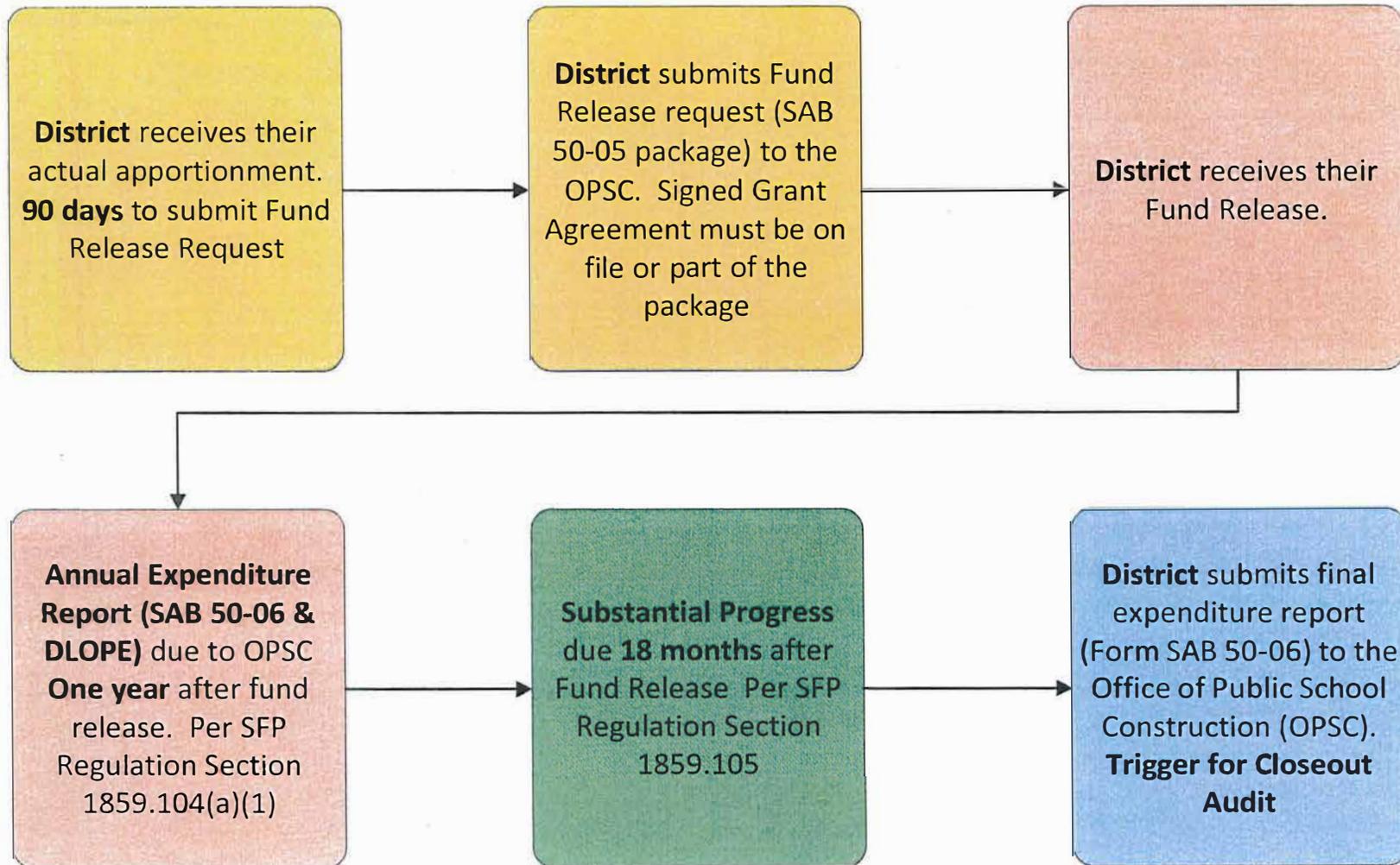
* The number of ineligible computers will be calculated as follows:

A	Cost of Computers and Related Equipment	\$262,000
B	Number of Computers Purchased	262
C	Average Cost Per Computer (A/B)	\$1,000
D	Eligible Computers Calculation <see Slide 51>	260
E	Difference (D-B)	2
F	Audited—Amount Associated with Ineligible Computers (E*C)	\$2,000



* **Unfunded List Projects**

K-12 EXPENDITURE REPORT SUBMITTAL



**SCHOOL FACILITY PROGRAM (SFP) PROGRAM ACCOUNTABILITY
SUBSTANTIAL PROGRESS CHECKLIST - SEPARATE SITE OR ADJUSTED GRANT**

Effective 12/01

GENERAL INFORMATION

SFP Regulation Section 1859.104(b) requires a substantial progress report in the form of a narrative. The progress report is due 18 months from the date any funds were released to the district for the project. This worksheet may be submitted in lieu of providing a narrative. The progress report shall include information regarding the efforts the district has made towards substantial completion of the project.

SCHOOL DISTRICT

APPLICATION NUMBER

SCHOOL NAME

COUNTY

INSTRUCTIONS

Check the appropriate box(es) if the activities have been completed in each section to identify the criteria by which the district has met the substantial progress requirement.

SECTION 1 - Separate Site Financial Hardship or Separate Site Environmental Hardship Progress Report. Refer to Regulation Section 1859.105(b) or Section 1859.75.1

Acceptable evidence of substantial progress shall be considered met when the district has completed all of the following:

- Obtained the final appraisal of the site.
- Completed all California Environmental Quality Act requirements.
- Obtained final approval of the site by the California Department of Education.
- Obtained final escrow instructions or evidence the district has filed condemnation proceedings and intends to request an order of possession of the site.

SECTION 2 - Adjusted Grant Progress Report.
Refer to Regulation Section 1859.105(a).

Acceptable evidence of substantial progress shall be considered met when the district has completed any of the following:

- At least 75 percent of all site development work that is necessary prior to building construction activity is complete.
- At least 90 percent of the building construction activities are under contract, unless the building construction activities are delayed as a result of necessary site development work.
- All construction activities are at least 50 percent complete.
- Other evidence satisfactory to the State Allocation Board of circumstances beyond the control of the district that precludes substantial progress being met. (Attach a narrative explanation and supporting documentation).

The Office of Public School Construction reserves the right to request copies of supporting evidence as well as conduct a site visit for this project.

* **Sample Substantial Progress Checklist**

SCHOOL DISTRICT XYZ Unified		COUNTY Hazard	APPLICATION NUMBER 57/12345-00-001
BUSINESS ADDRESS/CITY			REPORT NUMBER 2
SCHOOL NAME Kershaw Elementary		OSA NUMBER	CDG NUMBER
PROJECTS NAME (TYPED)		PERIODS FULL (TYPED)	PERIOD ENDING 12/30/2018
DISTRICT REPRESENTATIVE NAME (TYPED)		DISTRICT REPRESENTATIVE TITLE (TYPED)	TELEPHONE NUMBER-MAIL ADDRESS

1. Percent of Project Complete: 100%
2. Notice to Proceed Issue Date: 10/5/2015
3. Notice of Completion Date: 11/5/18

	4. Previous Report	5. Report Period	6. Total to Date
District Funds or Joint-Use Partner(s) Contribution	1,250,000		1,250,000
State Funds	1,250,000		1,250,000
Interest Earned	10,000	5,000	15,000
Project Expenditures	1,500,000	800,000	2,300,000

7. If applicable, list the amount of savings from this financial hardship project that will be used to reduce the grant of a future School Facility Program financial hardship project which has not yet been apportioned. Attach written declaration of savings pursuant to Section 1859.103.

Project Number _____	Amount of Savings \$ _____
Project Number _____	Amount of Savings \$ _____

I certify, as the District Representative, that the information reported on this form is true and correct and that:

- I am designated as an authorized district representative by the governing board of the district; and,
- under penalty of perjury, under the laws of the State of California, the foregoing statements are true and correct, and that the Public Contract Code was adhered to in the construction of this project; and,
- this form is an exact duplicate (verbatim) of the form provided by Office of Public School Construction. In the event a conflict should exist, then the language in the OPSC form will prevail.

* Sample SAB Form 50-06 Expenditure Report



Office of Public School Construction

EXPENDITURE WORKSHEET

DETAILED LISTING OF PROJECT EXPENDITURES

PAGE 4 - CONSTRUCTION

SCHOOL DISTRICT: XYZ Unified	COUNTY: Hazzard	PROJECT NUMBER: 5712345-00-001	REPORT NUMBER: 2
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DATE	PAYEE	WARRANT NUMBER	APN NUMBER	FUND CODE	OBJECT CODE	MAIN CONSTRUCTION	CONSTRUCTION MANAGEMENT	DEMOLITION	OTHER CONSTRUCTION	INTERIM HOUSING	LABOR COMPLIANCE PROGRAM	INSPECTIONS	CONSTRUCTION TESTS	FURNITURE & EQUIPMENT	DESCRIPTION/PURPOSE
10/29/18	Roberts Construction	987654		035	6250	\$153,458.00									Main Contractor - Payment # 10
12/15/18	Roberts Construction	987123		035	6250	325,000.00									Main Contractor - Payment # 11
01/01/19	The Peterson Group	456789		021	6290				135,000.00						Access Compliance Work
01/15/19	Kelly and Associates	253879		035	6410									4,200.00	Cost for Merchandise
02/15/19	Levitz Furniture	321654		021	6410									5,500.00	Furniture and Equipment

* **Sample Detailed Listing of
Project Expenditures
(DLOPE)**