



Performance Audit
Costa Mesa High School (Proposition 51)
Project No. 50/66597-00-015
Newport-Mesa Unified School District

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL**

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Newport-Mesa Unified School District
Costa Mesa, California

We were engaged to conduct a performance audit of the Newport-Mesa Unified School District (the District) *Non-Financial Hardship Project No. 50/66597-00-015*, completed and submitted on December 21, 2018.

We conducted this 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 51, but not for the purpose of expressing an opinion of the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District complied with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 17, 2019

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 50/66597-00-015**

AUTHORITY AND PURPOSE FOR FUNDING

Proposition 51 is a California ballot proposition that passed on the November 8, 2016 ballot, approving \$9 billion in bonds to fund construction and improvement of K-12 and community college facilities. The measure designates \$7 billion for K-12 projects falling under four types of projects (new construction, modernization, career technical education facilities, and charter school facilities), and \$2 billion for any facility project for community colleges.

AUTHORITY FOR THE AUDIT

California Code, *Education Code* Section 41024 Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of State funds, including interest, and of the local educational agency's matching funds for completed projects until all State funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed. Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the fiscal year shall be audited.

OBJECTIVES OF THE AUDIT

1. Determine whether funds identified by the District on its detailed list of expenditures have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and any accompanying grant agreement signed by a local educational agency.
2. Determine that savings achieved, including interest, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and as specified in any accompanying grant agreement.
3. Determine adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures.
4. Determine if there are any unspent funds associated with the completion of a project where the local educational agency received hardship funding that must either be returned to the Office of Public School Construction or expended.
5. Determine adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements.

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SCOPE OF THE AUDIT

The scope of our performance audit covered the project period of May 24, 2011 to May 13, 2016. The population of expenditures tested included all project expenditures reported on the final form SAB 50-06 and Detailed Listing of Project Expenditures (DLOPE) funds. The propriety of expenditures for projects funded through other State or local funding sources, other than those reported on the final form SAB 50-06 and DLOPE, were not included within the scope of the audit. Expenditures incurred subsequent to the final form SAB 50-06 and DLOPE were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the expenditure reports prepared by the District for the fiscal period of May 24, 2011 to May 13, 2016, for the Non-Financial Hardship Project No. 50/66597-00-015 Program. We performed the following procedures:

Non-Financial Hardship Projects - Closeout Audits

1. Verify the Grantee has maintained, over the course of the project, a general ledger that reflects expenditures at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure pursuant to Grant Agreement (Section F, paragraph 1).
2. Verify any statutorily required District matching funds have been deposited in the County School Facility Fund or expended by the District from the matching funding source prior to the "Notice of Completion" by inspecting the SAB's project approval document for the applicable project and supporting accounting records provided by the LEA. The SAB's project approval document for the applicable project can be obtained on the OPSC's website (K12 Audit Resources) <http://www.dgs.ca.gov/opsc/Resources.aspx>.
3. Determine whether expenditures have been expended in accordance with the laws and regulations governing the SFP. Select a representative sample of the project expenditures reported on the final form SAB 50-06 and DLOPE previously obtained on the OPSC website (K-12 Audit Resources) to perform the following procedures:
 - a. For each item selected, agree and trace expenditures reported on the final Form SAB 50-06 and the DLOPE to the supporting documentation (invoices, contract or purchase order, warrant and posting to the general ledger). If amounts selected do not reconcile to the 50-06 and DLOPE, inquire if any of the sampled expenditures are prorated over multiple projects. If the LEA prorated an invoice or contract over multiple projects, verify that the LEA has documentation demonstrating the proration method used.
 - b. Determine if the type of project expenditures reported are eligible in accordance with the laws and regulations of the SFP and/or the Advisory Listings in the Grant Agreement (Section G and Section H). Per *Education Code* Section 41024, the State share of any ineligible expenditure shall be returned to the State.

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4. Determine if the expenditures were made within an eligible time frame (prior to completion date) by obtaining the DLOPE. Review all expenditure dates listed in the DLOPE to verify they were within the three or four-year time limits.
 - a. A project is deemed complete per the criteria detailed in SFP Regulation Section 1859.104(a)(1)(A) or (B). A project is complete three years from the final fund release for an elementary school and four years for a middle or high school. Review the "Project Transaction Detail" for the final fund release date.
 - b. Expenditures made after the completion date are not eligible for State funding unless the expenditures were under contract prior to the completion date.
5. Verify the final DLOPE grand total for the project reconciles back to the District's general ledger grand total for the project.

Planning Costs

6. Obtain any Architect/Design contracts and perform the following procedures:
 - a. Agree and trace the final contracted amount to the final billed amount.
 - b. Determine if the expenditures reported for an Architect/Design contract on the Final Form SAB 50-06 and DLOPE were paid to the architect by agreeing to the LEA's general ledger and final billed amount.

Construction Costs

7. Select a sample of construction contracts, including change order amounts, and associated final billed amount and perform the following procedures:
 - a. Agree and trace the expenditures and dollar amounts authorized in the contract (after addendums and change orders) to the final billed amounts.
 - b. Agree and trace the expenditures reported on the DLOPE and general ledger to the final billed amounts to ensure the expenditures were not over reported. Any expenditure beyond the contract amount (including change order amounts) is not eligible for State funding.
8. For construction contracts sampled, inspect documentation substantiating compliance with provisions of the PCC concerning competitive bidding. If the construction contracts were required to follow competitive bidding and the LEA did not comply with the provisions of the PCC concerning competitive bidding, then any reported expenditures associated with those contracts are not eligible for State funding.
9. If the District has used a Construction Manager, agree the amount included in the Construction Manager contract to the amounts indicated as paid on the final billed amounts. Any expenditure beyond the final billed amount is not eligible for State funding.

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10. Obtain the approval document from the OPSC website (K-12 Audit Resources) that indicates that the LEA's estimate of project costs required that 60 percent of the project funding be spent on hard construction costs. When the LEA submitted their application for funding, they certified that the cost estimate of construction work or construction contract(s) submitted to the Department of State Architect was greater than 60 percent of the total grant. Prepare the table to report the percent the LEA spent on hard construction costs and display the table in the audit report.

	Amount	Percentage
60% of Total Grant	\$12,490,955.62	60%
Reported Hard Costs and Percentage	19,539,627.80	94%
Audited Hard Costs and Percentage	19,539,627.80	94%
Difference	7,048,672.18	34%

11. Inspect supporting documentation for any transfers of SFP funds out of Fund 35 (School Facility Fund) to other LEA funds and determine if they are allowable.

Result of testing: No exceptions noted.

12. Agree and trace any interest reported on the final Form SAB 50-06 to amounts recorded in the general ledger and other interest documentation. Prepare the following table to report the audited amounts.

Reported Interest	N/A
Audited Interest	N/A
Difference	N/A

A difference in audited interest will result in a difference in audited savings funds in procedure 21 or 22.

Result of testing: No interest earnings noted.

13. Verify the LEA has (1) established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings, (2) commencing fiscal year 2018-2019 has deposited into the account a minimum of three percent of the LEA's total General Fund expenditures for the most recent fiscal year and prior fiscal years after receipt of funds including the fiscal year that it received funds, and (3) has developed an ongoing major maintenance plan that complies with and is implemented under the provisions of *Education Code* Sections 17070.75 and 17070.77, and Grant Agreement Section D, Paragraph 3.

Result of testing: No exceptions noted.

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New Construction Projects

Site Purchase

14. Identify if the project received a separate grant for site purchase. If yes, complete procedure 14 and then proceed to procedure 15. If no, any reported site purchase expenditures are not eligible for State Site Purchase Grant funding. In this case, proceed directly to procedure 16.
- a. Agree and trace the reported amount for the site purchase back to source documents such as the final escrow amount or court orders in condemnation.
 - b. Identify the lesser of either (a) actual cost paid on final escrow statement for site purchase or (b) appraisal price on appraisal document. The site grant funding is approved by the SAB based on the lesser of the actual costs or the appraised value of the site. The lesser of the two amounts is eligible for State funding (and shall be considered the audited site purchase costs). Exception: if a court ordered amount was higher than the appraisal amount, then the court order (minus costs not related to site purchase) amount for site purchase would be the amount that was eligible for State Site Purchase Grant funding.
 - c. Prepare the following table to report the audited amounts.

A	Site Purchase Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Site Purchase	N/A
C	Audited Site Purchase Costs	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

15. Verify the number of acres purchased is consistent with the approved acreage from the SAB approval item and complete the following:

Number of Acres Purchased	0
Number of Acres Approved	0
Difference	0

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Site Relocation

16. Identify if the project was approved for and received a separate grant for site relocation assistance. If yes, complete this procedure. If no, any reported site relocation expenditures are not eligible for State Site Relocation Grant funding. In this case, skip to the next numbered procedure.
- a. Obtain the LEA's reported relocation costs detail and select a sample of reported costs. Agree and trace amounts to warrants and other supporting documents to validate that reported costs are allowable and do not exceed cost allowances pursuant to Title 25, CCR, Section 6000, *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Prepare the following table to report the audited amount.

A	Site Relocation Grant Amount (Approved by SAB)	N/A
B	Reported Amount of relocation cost	N/A
C	Audited relocation cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

Site Hazardous Waste Removal Costs

17. Identify if the project received a separate grant for hazardous waste removal or the LEA reported hazardous waste removal costs. If yes to either, complete this procedure. If neither, skip to the next numbered procedure.
- a. Select a sample of reported Site Hazardous Waste Removal Costs and trace amounts to supporting contracts or invoices. Verify that reported costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Obtain letter from DTSC that clears the site as safe to construct. Review the dates of all reported hazardous waste removal costs. Any costs dated after the date of the letter are not eligible for State Hazardous Waste Removal funding.
 - c. Prepare the following table to report the audited amounts.

A	Hazardous Waste Removal Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Hazardous Waste Removal	N/A
C	Audited Hazardous Waste Removal Cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

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Department of Toxic Substance Control Costs

18. Identify if the project received a separate grant for Department of Toxic Substance Control (DTSC) fees. If yes, complete this procedure. If no, any reported DTSC expenditures are not eligible for State DTSC Grant funding. In this case, skip to the next numbered procedure.
- a. Select a sample of reported DTSC costs and trace to contracts or invoices that support costs. Verify that sampled costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Sections G and H).
 - b. Prepare the following table to report the audited amounts.

A	DTSC Fee Grant Amount (Approved by SAB)	N/A
B	Reported Amount of DTSC Fee	N/A
C	Audited DTSC Fee	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

19. Complete the "Schedule of School Facility Program – Site Grant Adjustments", that must be presented in the audit report, using the information from the tables completed in audit procedures 14 through 18 of this section. Note: the LEA will already have completed columns A and B in the schedule. The totals in this schedule will be carried over to the "Schedule of School Facility Program – Summary of Final Funding Determination".
20. Verify whether the OPSC, during the fund release review process, identified a date of occupancy that occurred after the submission of the application for funding. See OPSC website (K-12 Audit Resources). If yes, proceed to the next numbered procedure. If the date of occupancy was not identified by OPSC, document in a table the date of occupancy through inspecting any of the following documentation:
- 1) School Board Minutes
 - 2) Fire Marshall Inspection Letter
 - 3) Copy of news story indicating the date school opened
 - 4) Notice of Completion

Date of Application for Funding	October 17, 2012
Date of Occupancy	April 28, 2015
Source of Information	Notice of Completion

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
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Determination of Project Savings - New Construction

21. If the District had project savings, obtain the District's calculation of savings on the Non-FH New Construction project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project.

Determination of Project Savings - Modernization

22. If the District had project savings, obtain the District's calculation of savings on the Non-FH Modernization project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project, as this is a new construction project.

23. Display in "Schedule of School Facility Program Summary of Final Project Funding" (Section VII) the total amount to be returned to the State.

Result of testing: Not applicable to the project, as no funds are to be returned.

Unfunded List Projects

1. Obtain the LEA's listing of purchased Computers, Printers, and computer carts.

Result of testing: Not applicable to the project, as no Computers, Printers, and computers carts were purchased.

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2. If Computers, Printers, or computer carts were purchased, inspect the following documentation to determine if expenditures were made within the scope of the project funded.
 - a. The District must submit a letter or other documents which details:
 - i. Location of computers
 - ii. Use of computers
 - iii. District’s rational for the amount of computers purchased
 - b. Per *Education Code* Section 17071.25(a)(2)(A) the California classroom loading standard has been used to determine the number of eligible computers.
 - i. K-6 = 25 pupils per classroom
 - ii. 7-8 = 27 pupils per classroom
 - iii. 9-12 = 27 pupils per classroom
 - iv. Non-Severe = 13 pupils per classroom
 - v. Severe = 9 pupils per classroom

In addition to the above, one additional computer per classroom has been allowed for the teaching station.

Result of testing: Not applicable, see step one above.

3. Obtain the number of classrooms approved for the project and type of project approved from the SAB item that approved the project apportionment.

Result of testing: Not applicable, see step one above.

4. Calculate the number of eligible computers.

A	Cost of Computers and Related Equipment	N/A
B	Number of Computers Purchased	N/A
C	Average Cost Per Computer (A/B)	N/A
D	Eligible Computers Calculation	N/A
E	Difference (D-B)	N/A
F	Audited – Amount Associated with Ineligible Computers (E*B)	N/A

Result of testing: Not applicable, see step one above.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Newport-Mesa Unified School District has properly accounted for the expenditures related to Non-Financial Hardship Project No. 50/66597-00-015. The Newport-Mesa Unified School District complied with all requirements of Proposition 51 and requirements outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-015**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SUMMARY OF AUDIT FINDINGS**

District: Newport-Mesa Unified School District					
Project Number: 50/66597-00-015					
School Name: Costa Mesa High School					
Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Amount)	All Other Ineligible Expenditures (CDE Action)
IIA	#3b	Determine if the type of project expenditures are eligible in accordance with the laws and regulations of the SFP	N/A	\$ -	\$ -

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-015**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SITE GRANT ADJUSTMENTS SUMMARY**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
District: Newport-Mesa Unified School District							
Project Number: 50/66597-00-015							
School Name: Costa Mesa High School							
		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Site Relocation	-	-	-	-	-	-
3.	Site Hazardous Waste Removal	-	-	-	-	-	-
4.	Department of Toxic Substance Control	-	-	-	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-015**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 DETERMINATION OF PROJECT SAVINGS**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) DETERMINATION OF PROJECT SAVINGS (LEA to report with SAB 50-06 for each SFP project)			
District: Newport-Mesa Unified School District			
Project Number: 50/66597-00-015			
School Name: Costa Mesa High School			
	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 6,708,658.00	\$ 6,708,658.00	-
B. Plus District Contribution	14,109,601.37	14,109,601.37	-
C. Plus Financial Hardship Apportionment	-	-	-
D. District Share: (B + C)	14,109,601.37	14,109,601.37	-
E. Plus Interest Earned on State Funds	-	-	-
F. Amounts Financed (A + D + E = F)	20,818,259.37	20,818,259.37	-
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)	20,818,259.37	20,818,259.37	-
H. Amount Overspent (if reported expenditures more than amounts financed) (F - G = H)	-	-	-
I. Amount of Savings (if reported expenditures less than amounts financed) (F - G = I)	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
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**SCHEDULE OF SCHOOL FACILITY PROGRAM
SUMMARY OF FINAL PROJECT FUNDING**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF FINAL PROJECT FUNDING (For Non-Financial Hardship Closeout Audits and Financial Hardship Closeout Audit)		
District: Newport-Mesa Unified School District		
Project Number: 50/66597-00-015		
School Name: Costa Mesa High School		
	Non- Hardship	Department
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 6,708,658.00	
B. Plus District Contribution	14,109,601.37	
C. Plus Financial Hardship Apportionment	N/A	
D. District Share (B + C = D)	14,109,601.37	
E. Plus Audited Interest Earned on State Funds	-	
F. Total Project Financing (A + D + E = F)	20,818,259.37	
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)	20,818,259.37	
H. Amount Overspent (if reported expenditures more than project financing) (G - F = H)	-	
I. Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	-	OPSC
J. Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	-	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	OPSC
L. Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	-	OPSC
M. Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments) (J + K + L = M)	-	
N. Total Amount to be returned to the State - Financial Hardship District (I + J + K + L = N)	N/A	

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 50/66597-00-015**

**SCHEDULE OF THE PERCENT THE LEA SPENT ON
HARD CONSTRUCTION COSTS**

	Amount	Percentage
60% of Total Grant	\$ 12,490,955.62	60%
Reported Hard Costs and Percentage	19,539,627.80	94%
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Costa Mesa, California

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This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 17, 2019

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 50/66597-00-016**

AUTHORITY AND PURPOSE FOR FUNDING

Proposition 51 is a California ballot proposition that passed on the November 8, 2016 ballot, approving \$9 billion in bonds to fund construction and improvement of K-12 and community college facilities. The measure designates \$7 billion for K-12 projects falling under four types of projects (new construction, modernization, career technical education facilities, and charter school facilities), and \$2 billion for any facility project for community colleges.

AUTHORITY FOR THE AUDIT

California Code, *Education Code* Section 41024 Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of State funds, including interest, and of the local educational agency's matching funds for completed projects until all State funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed. Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the fiscal year shall be audited.

OBJECTIVES OF THE AUDIT

1. Determine whether funds identified by the District on its detailed list of expenditures have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and any accompanying grant agreement signed by a local educational agency.
2. Determine that savings achieved, including interest, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and as specified in any accompanying grant agreement.
3. Determine adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures.
4. Determine if there are any unspent funds associated with the completion of a project where the local educational agency received hardship funding that must either be returned to the Office of Public School Construction or expended.
5. Determine adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 50/66597-00-016**

SCOPE OF THE AUDIT

The scope of our performance audit covered the project period of May 24, 2011 to May 13, 2016. The population of expenditures tested included all project expenditures reported on the final form SAB 50-06 and Detailed Listing of Project Expenditures (DLOPE) funds. The propriety of expenditures for projects funded through other State or local funding sources, other than those reported on the final form SAB 50-06 and DLOPE, were not included within the scope of the audit. Expenditures incurred subsequent to the final form SAB 50-06 and DLOPE were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the expenditure reports prepared by the District for the fiscal period of May 24, 2011 to May 13, 2016, for the Non-Financial Hardship Project No. 50/66597-00-016 Program. We performed the following procedures:

Non-Financial Hardship Projects - Closeout Audits

1. Verify the Grantee has maintained, over the course of the project, a general ledger that reflects expenditures at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure pursuant to Grant Agreement (Section F, paragraph 1).
2. Verify any statutorily required District matching funds have been deposited in the County School Facility Fund or expended by the District from the matching funding source prior to the "Notice of Completion" by inspecting the SAB's project approval document for the applicable project and supporting accounting records provided by the LEA. The SAB's project approval document for the applicable project can be obtained on the OPSC's website (K12 Audit Resources) <http://www.dgs.ca.gov/opsc/Resources.aspx>.
3. Determine whether expenditures have been expended in accordance with the laws and regulations governing the SFP. Select a representative sample of the project expenditures reported on the final form SAB 50-06 and DLOPE previously obtained on the OPSC website (K-12 Audit Resources) to perform the following procedures:
 - a. For each item selected, agree and trace expenditures reported on the final Form SAB 50-06 and the DLOPE to the supporting documentation (invoices, contract or purchase order, warrant and posting to the general ledger). If amounts selected do not reconcile to the 50-06 and DLOPE, inquire if any of the sampled expenditures are prorated over multiple projects. If the LEA prorated an invoice or contract over multiple projects, verify that the LEA has documentation demonstrating the proration method used.
 - b. Determine if the type of project expenditures reported are eligible in accordance with the laws and regulations of the SFP and/or the Advisory Listings in the Grant Agreement (Section G and Section H). Per *Education Code* Section 41024, the State share of any ineligible expenditure shall be returned to the State.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
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4. Determine if the expenditures were made within an eligible time frame (prior to completion date) by obtaining the DLOPE. Review all expenditure dates listed in the DLOPE to verify they were within the three or four-year time limits.
 - a. A project is deemed complete per the criteria detailed in SFP Regulation Section 1859.104(a)(1)(A) or (B). A project is complete three years from the final fund release for an elementary school and four years for a middle or high school. Review the "Project Transaction Detail" for the final fund release date.
 - b. Expenditures made after the completion date are not eligible for State funding unless the expenditures were under contract prior to the completion date.
5. Verify the final DLOPE grand total for the project reconciles back to the District's general ledger grand total for the project.

Planning Costs

6. Obtain any Architect/Design contracts and perform the following procedures:
 - a. Agree and trace the final contracted amount to the final billed amount.
 - b. Determine if the expenditures reported for an Architect/Design contract on the Final Form SAB 50-06 and DLOPE were paid to the architect by agreeing to the LEA's general ledger and final billed amount.

Construction Costs

7. Select a sample of construction contracts, including change order amounts, and associated final billed amount and perform the following procedures:
 - a. Agree and trace the expenditures and dollar amounts authorized in the contract (after addendums and change orders) to the final billed amounts.
 - b. Agree and trace the expenditures reported on the DLOPE and general ledger to the final billed amounts to ensure the expenditures were not over reported. Any expenditure beyond the contract amount (including change order amounts) is not eligible for State funding.
8. For construction contracts sampled, inspect documentation substantiating compliance with provisions of the PCC concerning competitive bidding. If the construction contracts were required to follow competitive bidding and the LEA did not comply with the provisions of the PCC concerning competitive bidding, then any reported expenditures associated with those contracts are not eligible for State funding.
9. If the District has used a Construction Manager, agree the amount included in the Construction Manager contract to the amounts indicated as paid on the final billed amounts. Any expenditure beyond the final billed amount is not eligible for State funding.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
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10. Obtain the approval document from the OPSC website (K-12 Audit Resources) that indicates that the LEA's estimate of project costs required that 60 percent of the project funding be spent on hard construction costs. When the LEA submitted their application for funding, they certified that the cost estimate of construction work or construction contract(s) submitted to the Department of State Architect was greater than 60 percent of the total grant. Prepare the table to report the percent the LEA spent on hard construction costs and display the table in the audit report.

	Amount	Percentage
60% of Total Grant	\$10,373,981.23	60%
Reported Hard Costs and Percentage	13,135,203.00	76%
Audited Hard Costs and Percentage	13,135,203.00	76%
Difference	2,761,221.77	16%

11. Inspect supporting documentation for any transfers of SFP funds out of Fund 35 (School Facility Fund) to other LEA funds and determine if they are allowable.

Result of testing: No exceptions noted.

12. Agree and trace any interest reported on the final Form SAB 50-06 to amounts recorded in the general ledger and other interest documentation. Prepare the following table to report the audited amounts.

Reported Interest	N/A
Audited Interest	N/A
Difference	N/A

A difference in audited interest will result in a difference in audited savings funds in procedure 21 or 22.

Result of testing: No interest earnings noted.

13. Verify the LEA has (1) established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings, (2) commencing fiscal year 2018-2019 has deposited into the account a minimum of three percent of the LEA's total General Fund expenditures for the most recent fiscal year and prior fiscal years after receipt of funds including the fiscal year that it received funds, and (3) has developed an ongoing major maintenance plan that complies with and is implemented under the provisions of *Education Code* Sections 17070.75 and 17070.77, and Grant Agreement Section D, Paragraph 3.

Result of testing: No exceptions noted.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
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New Construction Projects

Site Purchase

14. Identify if the project received a separate grant for site purchase. If yes, complete procedure 14 and then proceed to procedure 15. If no, any reported site purchase expenditures are not eligible for State Site Purchase Grant funding. In this case, proceed directly to procedure 16.
- a. Agree and trace the reported amount for the site purchase back to source documents such as the final escrow amount or court orders in condemnation.
 - b. Identify the lesser of either (a) actual cost paid on final escrow statement for site purchase or (b) appraisal price on appraisal document. The site grant funding is approved by the SAB based on the lesser of the actual costs or the appraised value of the site. The lesser of the two amounts is eligible for State funding (and shall be considered the audited site purchase costs). Exception: if a court ordered amount was higher than the appraisal amount, then the court order (minus costs not related to site purchase) amount for site purchase would be the amount that was eligible for State Site Purchase Grant funding.
 - c. Prepare the following table to report the audited amounts.

A	Site Purchase Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Site Purchase	N/A
C	Audited Site Purchase Costs	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

15. Verify the number of acres purchased is consistent with the approved acreage from the SAB approval item and complete the following:

Number of Acres Purchased	0
Number of Acres Approved	0
Difference	0

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
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Site Relocation

16. Identify if the project was approved for and received a separate grant for site relocation assistance. If yes, complete this procedure. If no, any reported site relocation expenditures are not eligible for State Site Relocation Grant funding. In this case, skip to the next numbered procedure.
- a. Obtain the LEA's reported relocation costs detail and select a sample of reported costs. Agree and trace amounts to warrants and other supporting documents to validate that reported costs are allowable and do not exceed cost allowances pursuant to Title 25, CCR, Section 6000, *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Prepare the following table to report the audited amount.

A	Site Relocation Grant Amount (Approved by SAB)	N/A
B	Reported Amount of relocation cost	N/A
C	Audited relocation cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

Site Hazardous Waste Removal Costs

17. Identify if the project received a separate grant for hazardous waste removal or the LEA reported hazardous waste removal costs. If yes to either, complete this procedure. If neither, skip to the next numbered procedure.
- a. Select a sample of reported Site Hazardous Waste Removal Costs and trace amounts to supporting contracts or invoices. Verify that reported costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Obtain letter from DTSC that clears the site as safe to construct. Review the dates of all reported hazardous waste removal costs. Any costs dated after the date of the letter are not eligible for State Hazardous Waste Removal funding.
 - c. Prepare the following table to report the audited amounts.

A	Hazardous Waste Removal Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Hazardous Waste Removal	N/A
C	Audited Hazardous Waste Removal Cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
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Department of Toxic Substance Control Costs

18. Identify if the project received a separate grant for Department of Toxic Substance Control (DTSC) fees. If yes, complete this procedure. If no, any reported DTSC expenditures are not eligible for State DTSC Grant funding. In this case, skip to the next numbered procedure.
- a. Select a sample of reported DTSC costs and trace to contracts or invoices that support costs. Verify that sampled costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Sections G and H).
 - b. Prepare the following table to report the audited amounts.

A	DTSC Fee Grant Amount (Approved by SAB)	N/A
B	Reported Amount of DTSC Fee	N/A
C	Audited DTSC Fee	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

19. Complete the "Schedule of School Facility Program – Site Grant Adjustments", that must be presented in the audit report, using the information from the tables completed in audit procedures 14 through 18 of this section. Note: the LEA will already have completed columns A and B in the schedule. The totals in this schedule will be carried over to the "Schedule of School Facility Program – Summary of Final Funding Determination".
20. Verify whether the OPSC, during the fund release review process, identified a date of occupancy that occurred after the submission of the application for funding. See OPSC website (K-12 Audit Resources). If yes, proceed to the next numbered procedure. If the date of occupancy was not identified by OPSC, document in a table the date of occupancy through inspecting any of the following documentation:
- 1) School Board Minutes
 - 2) Fire Marshall Inspection Letter
 - 3) Copy of news story indicating the date school opened
 - 4) Notice of Completion

Date of Application for Funding	October 18, 2012
Date of Occupancy	April 28, 2015
Source of Information	Notice of Completion

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-016**

Determination of Project Savings - New Construction

21. If the District had project savings, obtain the District's calculation of savings on the Non-FH New Construction project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project.

Determination of Project Savings - Modernization

22. If the District had project savings, obtain the District's calculation of savings on the Non-FH Modernization project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project, as this is a new construction project.

23. Display in "Schedule of School Facility Program Summary of Final Project Funding" (Section VII) the total amount to be returned to the State.

Result of testing: Not applicable to the project, as no funds are to be returned.

Unfunded List Projects

1. Obtain the LEA's listing of purchase Computers, Printers, and computer carts.

Result of testing: Not applicable to the project, as no Computers, Printers, and computer carts were purchased.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 50/66597-00-016**

2. If Computers, Printers, or computer carts were purchased, inspect the following documentation to determine if expenditures were made within the scope of the project funded.
 - a. The District must submit a letter or other documents which details:
 - i. Location of computers
 - ii. Use of computers
 - iii. District’s rationale for the amount of computers purchased
 - b. Per *Education Code* Section 17071.25(a)(2)(A) the California classroom loading standard has been used to determine the number of eligible computers.
 - i. K-6 = 25 pupils per classroom
 - ii. 7-8 = 27 pupils per classroom
 - iii. 9-12 = 27 pupils per classroom
 - iv. Non-Severe = 13 pupils per classroom
 - v. Severe = 9 pupils per classroom

In addition to the above, one additional computer per classroom has been allowed for the teaching station.

Result of testing: Not applicable, see step one above.

3. Obtain the number of classrooms approved for the project and type of project approved from the SAB item that approved the project apportionment.

Result of testing: Not applicable, see step one above.

4. Calculate the number of eligible computers.

A	Cost of Computers and Related Equipment	N/A
B	Number of Computers Purchased	N/A
C	Average Cost Per Computer (A/B)	N/A
D	Eligible Computers Calculation	N/A
E	Difference (D-B)	N/A
F	Audited – Amount Association with Ineligible Computers (E*C)	N/A

Result of testing: Not applicable, see step one above.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Newport-Mesa Unified School District has properly accounted for the expenditures related to Non-Financial Hardship Project No. 50/66597-00-016. The Newport-Mesa Unified School District complied with all requirements of Proposition 51 and requirements outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-016**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SUMMARY OF AUDIT FINDINGS**

District: Newport-Mesa Unified School District					
Project Number: 50/66597-00-016					
School Name: Costa Mesa High School					
Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Amount)	All Other Ineligible Expenditures (CDE Action)
IIA	#3b	Determine if the type of project expenditures are eligible in accordance with the laws and regulations of the SFP	N/A	\$ -	\$ -

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-016**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SITE GRANT ADJUSTMENTS SUMMARY**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
District: Newport-Mesa Unified School District							
Project Number: 50/66597-00-016							
School Name: Costa Mesa High School							
		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Site Relocation	-	-	-	-	-	-
3.	Site Hazardous Waste Removal	-	-	-	-	-	-
4.	Department of Toxic Substance Control	-	-	-	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-016**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 DETERMINATION OF PROJECT SAVINGS**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) DETERMINATION OF PROJECT SAVINGS (LEA to report with SAB 50-06 for each SFP project)			
District: Newport-Mesa Unified School District			
Project Number: 50/66597-00-016			
School Name: Costa Mesa High School			
	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 2,303,604.00	\$ 2,303,604.00	-
B. Plus District Contribution	14,986,364.71	14,986,364.71	-
C. Plus Financial Hardship Apportionment	-	-	-
D. District Share: (B + C)	14,986,364.71	14,986,364.71	-
E. Plus Interest Earned on State Funds	-	-	-
F. Amounts Financed (A + D + E = F)	17,289,968.71	17,289,968.71	-
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)	17,289,968.71	17,289,968.71	-
H. Amount Overspent (if reported expenditures more than amounts financed) (F - G = H)	-	-	-
I. Amount of Savings (if reported expenditures less than amounts financed) (F - G = I)	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 50/66597-00-016**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SUMMARY OF FINAL PROJECT FUNDING**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF FINAL PROJECT FUNDING (For Non-Financial Hardship Closeout Audits and Financial Hardship Closeout Audit)		
District: Newport-Mesa Unified School District		
Project Number: 50/66597-00-016		
School Name: Costa Mesa High School		
	Non- Hardship	Department
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 2,303,604.00	
B. Plus District Contribution	14,986,364.71	
C. Plus Financial Hardship Apportionment	N/A	
D. District Share (B + C = D)	14,986,364.71	
E. Plus Audited Interest Earned on State Funds	-	
F. Total Project Financing (A + D + E = F)	17,289,968.71	
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)	17,289,968.71	
H. Amount Overspent (if reported expenditures more than project financing) (G - F = H)	-	
I. Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	-	OPSC
J. Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	-	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	OPSC
L. Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	-	OPSC
M. Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments) (J + K + L = M)	-	
N. Total Amount to be returned to the State - Financial Hardship District (I + J + K + L = N)	N/A	

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 50/66597-00-016**

**SCHEDULE OF THE PERCENT THE LEA SPENT ON
HARD CONSTRUCTION COSTS**

	Amount	Percentage
60% of Total Grant	\$ 10,373,981.23	60%
Reported Hard Costs and Percentage	13,135,203.00	76%
Audited Hard Costs and Percentage	13,135,203.00	76%
Difference	2,761,221.77	16%



Performance Audit
Corona Del Mar High School (Proposition 51)
Project No. 50/66597-00-017
Newport-Mesa Unified School District

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL**

**PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT

Governing Board
Newport-Mesa Unified School District
Costa Mesa, California

We were engaged to conduct a performance audit of the Newport-Mesa Unified School District (the District) *Non-Financial Hardship Project No. 50/66597-00-017*, completed and submitted on December 21, 2018.

We conducted this 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 51, but not for the purpose of expressing an opinion of the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District complied with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 17, 2019

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

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**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

SCOPE OF THE AUDIT

The scope of our performance audit covered the project period of November 25, 2008 to October 14, 2016. The population of expenditures tested included all project expenditures reported on the final form SAB 50-06 and Detailed Listing of Project Expenditures (DLOPE) funds. The propriety of expenditures for projects funded through other State or local funding sources, other than those reported on the final form SAB 50-06 and DLOPE, were not included within the scope of the audit. Expenditures incurred subsequent to the final form SAB 50-06 and DLOPE were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the expenditure reports prepared by the District for the fiscal period of November 25, 2008 to October 14, 2016, for the Non-Financial Hardship Project No. 50/66597-00-017 Program. We performed the following procedures:

Non-Financial Hardship Projects - Closeout Audits

1. Verify the Grantee has maintained, over the course of the project, a general ledger that reflects expenditures at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure pursuant to Grant Agreement (Section F, paragraph 1).
2. Verify any statutorily required District matching funds have been deposited in the County School Facility Fund or expended by the District from the matching funding source prior to the "Notice of Completion" by inspecting the SAB's project approval document for the applicable project and supporting accounting records provided by the LEA. The SAB's project approval document for the applicable project can be obtained on the OPSC's website (K12 Audit Resources) <http://www.dgs.ca.gov/opsc/Resources.aspx>.
3. Determine whether expenditures have been expended in accordance with the laws and regulations governing the SFP. Select a representative sample of the project expenditures reported on the final form SAB 50-06 and DLOPE previously obtained on the OPSC website (K-12 Audit Resources) to perform the following procedures:
 - a. For each item selected, agree and trace expenditures reported on the final Form SAB 50-06 and the DLOPE to the supporting documentation (invoices, contract or purchase order, warrant and posting to the general ledger). If amounts selected do not reconcile to the 50-06 and DLOPE, inquire if any of the sampled expenditures are prorated over multiple projects. If the LEA prorated an invoice or contract over multiple projects, verify that the LEA has documentation demonstrating the proration method used.
 - b. Determine if the type of project expenditures reported are eligible in accordance with the laws and regulations of the SFP and/or the Advisory Listings in the Grant Agreement (Section G and Section H). Per *Education Code* Section 41024, the State share of any ineligible expenditure shall be returned to the State.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

4. Determine if the expenditures were made within an eligible time frame (prior to completion date) by obtaining the DLOPE. Review all expenditure dates listed in the DLOPE to verify they were within the three or four-year time limits.
 - a. A project is deemed complete per the criteria detailed in SFP Regulation Section 1859.104(a)(1)(A) or (B). A project is complete three years from the final fund release for an elementary school and four years for a middle or high school. Review the "Project Transaction Detail" for the final fund release date.
 - b. Expenditures made after the completion date are not eligible for State funding unless the expenditures were under contract prior to the completion date.
5. Verify the final DLOPE grand total for the project reconciles back to the District's general ledger grand total for the project.

Planning Costs

6. Obtain any Architect/Design contracts and perform the following procedures:
 - a. Agree and trace the final contracted amount to the final billed amount.
 - b. Determine if the expenditures reported for an Architect/Design contract on the Final Form SAB 50-06 and DLOPE were paid to the architect by agreeing to the LEA's general ledger and final billed amount.

Construction Costs

7. Select a sample of construction contracts, including change order amounts, and associated final billed amount and perform the following procedures:
 - a. Agree and trace the expenditures and dollar amounts authorized in the contract (after addendums and change orders) to the final billed amounts.
 - b. Agree and trace the expenditures reported on the DLOPE and general ledger to the final billed amounts to ensure the expenditures were not over reported. Any expenditure beyond the contract amount (including change order amounts) is not eligible for State funding.
8. For construction contracts sampled, inspect documentation substantiating compliance with provisions of the PCC concerning competitive bidding. If the construction contracts were required to follow competitive bidding and the LEA did not comply with the provisions of the PCC concerning competitive bidding, then any reported expenditures associated with those contracts are not eligible for State funding.
9. If the District has used a Construction Manager, agree the amount included in the Construction Manager contract to the amounts indicated as paid on the final billed amounts. Any expenditure beyond the final billed amount is not eligible for State funding.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

10. Obtain the approval document from the OPSC website (K-12 Audit Resources) that indicates that the LEA's estimate of project costs required that 60 percent of the project funding be spent on hard construction costs. When the LEA submitted their application for funding, they certified that the cost estimate of construction work or construction contract(s) submitted to the Department of State Architect was greater than 60 percent of the total grant. Prepare the table to report the percent the LEA spent on hard construction costs and display the table in the audit report.

	Amount	Percentage
60% of Total Grant	\$12,511,203.41	60%
Reported Hard Costs and Percentage	15,381,178.36	74%
Audited Hard Costs and Percentage	15,381,178.36	74%
Difference	2,869,974.95	14%

11. Inspect supporting documentation for any transfers of SFP funds out of Fund 35 (School Facility Fund) to other LEA funds and determine if they are allowable.

Result of testing: No exceptions noted.

12. Agree and trace any interest reported on the final Form SAB 50-06 to amounts recorded in the general ledger and other interest documentation. Prepare the following table to report the audited amounts.

Reported Interest	N/A
Audited Interest	N/A
Difference	N/A

A difference in audited interest will result in a difference in audited savings funds in procedure 21 or 22.

Result of testing: No interest earnings noted.

13. Verify the LEA has (1) established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings, (2) commencing fiscal year 2018-2019 has deposited into the account a minimum of three percent of the LEA's total General Fund expenditures for the most recent fiscal year and prior fiscal years after receipt of funds including the fiscal year that it received funds, and (3) has developed an ongoing major maintenance plan that complies with and is implemented under the provisions of *Education Code* Sections 17070.75 and 17070.77, and Grant Agreement Section D, Paragraph 3.

Result of testing: No exceptions noted.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
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New Construction Projects

Site Purchase

14. Identify if the project received a separate grant for site purchase. If yes, complete procedure 14 and then proceed to procedure 15. If no, any reported site purchase expenditures are not eligible for State Site Purchase Grant funding. In this case, proceed directly to procedure 16.
- a. Agree and trace the reported amount for the site purchase back to source documents such as the final escrow amount or court orders in condemnation.
 - b. Identify the lesser of either (a) actual cost paid on final escrow statement for site purchase or (b) appraisal price on appraisal document. The site grant funding is approved by the SAB based on the lesser of the actual costs or the appraised value of the site. The lesser of the two amounts is eligible for State funding (and shall be considered the audited site purchase costs). Exception: if a court ordered amount was higher than the appraisal amount, then the court order (minus costs not related to site purchase) amount for site purchase would be the amount that was eligible for State Site Purchase Grant funding.
 - c. Prepare the following table to report the audited amounts.

A	Site Purchase Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Site Purchase	N/A
C	Audited Site Purchase Costs	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project, as there was no site purchase.

15. Verify the number of acres purchased is consistent with the approved acreage from the SAB approval item and complete the following:

Number of Acres Purchased	0
Number of Acres Approved	0
Difference	0

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
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Site Relocation

16. Identify if the project was approved for and received a separate grant for site relocation assistance. If yes, complete this procedure. If no, any reported site relocation expenditures are not eligible for State Site Relocation Grant funding. In this case, skip to the next numbered procedure.
- a. Obtain the LEA's reported relocation costs detail and select a sample of reported costs. Agree and trace amounts to warrants and other supporting documents to validate that reported costs are allowable and do not exceed cost allowances pursuant to Title 25, CCR, Section 6000, *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Prepare the following table to report the audited amount.

A	Site Relocation Grant Amount (Approved by SAB)	N/A
B	Reported Amount of relocation cost	N/A
C	Audited relocation cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

Site Hazardous Waste Removal Costs

17. Identify if the project received a separate grant for hazardous waste removal or the LEA reported hazardous waste removal costs. If yes to either, complete this procedure. If neither, skip to the next numbered procedure.
- a. Select a sample of reported Site Hazardous Waste Removal Costs and trace amounts to supporting contracts or invoices. Verify that reported costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Obtain letter from DTSC that clears the site as safe to construct. Review the dates of all reported hazardous waste removal costs. Any costs dated after the date of the letter are not eligible for State Hazardous Waste Removal funding.
 - c. Prepare the following table to report the audited amounts.

A	Hazardous Waste Removal Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Hazardous Waste Removal	N/A
C	Audited Hazardous Waste Removal Cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
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Department of Toxic Substance Control Costs

18. Identify if the project received a separate grant for Department of Toxic Substance Control (DTSC) fees. If yes, complete this procedure. If no, any reported DTSC expenditures are not eligible for State DTSC Grant funding. In this case, skip to the next numbered procedure.
- a. Select a sample of reported DTSC costs and trace to contracts or invoices that support costs. Verify that sampled costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Sections G and H).
 - b. Prepare the following table to report the audited amounts.

A	DTSC Fee Grant Amount (Approved by SAB)	N/A
B	Reported Amount of DTSC Fee	N/A
C	Audited DTSC Fee	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

19. Complete the "Schedule of School Facility Program – Site Grant Adjustments", that must be presented in the audit report, using the information from the tables completed in audit procedures 14 through 18 of this section. Note: the LEA will already have completed columns A and B in the schedule. The totals in this schedule will be carried over to the "Schedule of School Facility Program – Summary of Final Funding Determination".
20. Verify whether the OPSC, during the fund release review process, identified a date of occupancy that occurred after the submission of the application for funding. See OPSC website (K-12 Audit Resources). If yes, proceed to the next numbered procedure. If the date of occupancy was not identified by OPSC, document in a table the date of occupancy through inspecting any of the following documentation:
- 1) School Board Minutes
 - 2) Fire Marshall Inspection Letter
 - 3) Copy of news story indicating the date school opened
 - 4) Notice of Completion

Date of Application for Funding	October 26, 2012
Date of Occupancy	September 2, 2014
Source of Information	Notice of Completion

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

Determination of Project Savings - New Construction

21. If the District had project savings, obtain the District's calculation of savings on the Non-FH New Construction project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project.

Determination of Project Savings - Modernization

22. If the District had project savings, obtain the District's calculation of savings on the Non-FH Modernization project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project, as this is New Construction.

23. Display in "Schedule of School Facility Program Summary of Final Project Funding" (Section VII) the total amount to be returned to the State.

Result of testing: Not applicable to the project, as no funds are to be returned.

Unfunded List Projects

1. Obtain the LEA's listing of purchased Computers, Printers, and computer carts.

Result of testing: Not applicable to the project, as no Computers, Printers, and computer carts were purchased.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

2. If Computers, Printers, or computer carts were purchased, inspect the following documentation to determine if expenditures were made within the scope of the project funded:
 - a. The District must submit a letter or other documents which details:
 - i. Location of computers
 - ii. Use of computers
 - iii. District’s rationale for the amount of computers purchased
 - b. Per *Education Code* Section 17071.25(a)(2)(A) the California classroom loading standard has been used to determine the number of eligible computers.
 - i. K-6 = 25 pupils per classroom
 - ii. 7-8 = 27 pupils per classroom
 - iii. 9-12 = 27 pupils per classroom
 - iv. Non-Severe = 13 pupils per classroom
 - v. Severe = 9 pupils per classroom

In addition to the above, one additional computer per classroom has been allowed for the teaching station.

Result of testing: Not applicable, see step one above.

3. Obtain the number of classrooms approved for the project and type of project approved from the SAB item that approved the project apportionment.

Result of testing: Not applicable, see step one above.

4. Calculate the number of eligible computers.

A	Cost of Computers and Related Equipment	N/A
B	Number of Computers Purchased	N/A
C	Average Cost Per Computer (A/B)	N/A
D	Eligible Computers Calculation	N/A
E	Difference (D-B)	N/A
F	Audited – Amount Associated with Ineligible Computers (E*C)	N/A

Result of testing: Not applicable, see step one above.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Newport-Mesa Unified School District has properly accounted for the expenditures related to Non-Financial Hardship Project No. 50/66597-00-017. The Newport-Mesa Unified School District complied with all requirements of Proposition 51 and requirements outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SUMMARY OF AUDIT FINDINGS**

District: Newport-Mesa Unified School District					
Project Number: 50/66597-00-017					
School Name: Corona Del Mar High School					
Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Amount)	All Other Ineligible Expenditures (CDE Action)
IIA	#3b	Determine if the type of project expenditures are eligible in accordance with the laws and regulations of the SFP	N/A	\$ -	\$ -

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SITE GRANT ADJUSTMENTS SUMMARY**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
District: Newport-Mesa Unified School District							
Project Number: 50/66597-00-017							
School Name: Corona Del Mar High School							
		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Site Relocation	-	-	-	-	-	-
3.	Site Hazardous Waste Removal	-	-	-	-	-	-
4.	Department of Toxic Substance Control	-	-	-	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
DETERMINATION OF PROJECT SAVINGS**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) DETERMINATION OF PROJECT SAVINGS (LEA to report with SAB 50-06 for each SFP project)			
District: Newport-Mesa Unified School District			
Project Number: 50/66597-00-017			
School Name: Corona Del Mar High School			
	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 2,312,050.00	\$ 2,312,050.00	-
B. Plus District Contribution	18,539,956.00	18,539,956.00	-
C. Plus Financial Hardship Apportionment	-	-	-
D. District Share: (B + C)	18,539,956.00	18,539,956.00	-
E. Plus Interest Earned on State Funds	-	-	-
F. Amounts Financed (A + D + E = F)	20,852,006.00	20,852,006.00	-
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)	20,852,006.00	20,852,006.00	-
H. Amount Overspent (if reported expenditures more than amounts financed) (F - G = H)	-	-	-
I. Amount of Savings (if reported expenditures less than amounts financed) (F - G = I)	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SUMMARY OF FINAL PROJECT FUNDING**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF FINAL PROJECT FUNDING (For Non-Financial Hardship Closeout Audits and Financial Hardship Closeout Audit)		
District: Newport-Mesa Unified School District		
Project Number: 50/66597-00-017		
School Name: Corona Del Mar High School		
	Non- Hardship	Department
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 2,312,050.00	
B. Plus District Contribution	18,539,956.00	
C. Plus Financial Hardship Apportionment	N/A	
D. District Share (B + C = D)	18,539,956.00	
E. Plus Audited Interest Earned on State Funds	-	
F. Total Project Financing (A + D + E = F)	20,852,006.00	
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)	20,852,006.00	
H. Amount Overspent (if reported expenditures more than project financing) (G - F = H)	-	
I. Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	-	OPSC
J. Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	-	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	OPSC
L. Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	-	OPSC
M. Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments) (J + K + L= M)	-	
N. Total Amount to be returned to the State - Financial Hardship District (I + J + K + L = N)	N/A	

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-017**

**SCHEDULE OF THE PERCENT THE LEA SPENT ON
HARD CONSTRUCTION COSTS**

	Amount	Percentage
60% of Total Grant	\$ 12,511,203.41	60%
Reported Hard Costs and Percentage	15,381,178.36	74%
Audited Hard Costs and Percentage	15,381,178.36	74%
Difference	2,869,974.95	14%



Performance Audit
Corona Del Mar High School (Proposition 51)
Project No. 50/66597-00-018
Newport-Mesa Unified School District

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL**

**PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT

Governing Board
Newport-Mesa Unified School District
Costa Mesa, California

We were engaged to conduct a performance audit of the Newport-Mesa Unified School District (the District) *Non-Financial Hardship Project No. 50/66597-00-018*, completed and submitted on January 2, 2019.

We conducted this 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 51, but not for the purpose of expressing an opinion of the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District complied with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 17, 2019

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

AUTHORITY AND PURPOSE FOR FUNDING

Proposition 51 is a California ballot proposition that passed on the November 8, 2016 ballot, approving \$9 billion in bonds to fund construction and improvement of K-12 and community college facilities. The measure designates \$7 billion for K-12 projects falling under four types of projects (new construction, modernization, career technical education facilities, and charter school facilities), and \$2 billion for any facility project for community colleges.

AUTHORITY FOR THE AUDIT

California Code, *Education Code* Section 41024 Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of State funds, including interest, and of the local educational agency's matching funds for completed projects until all State funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed. Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the fiscal year shall be audited.

OBJECTIVES OF THE AUDIT

1. Determine whether funds identified by the District on its detailed list of expenditures have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and any accompanying grant agreement signed by a local educational agency.
2. Determine that savings achieved, including interest, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and as specified in any accompanying grant agreement.
3. Determine adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures.
4. Determine if there are any unspent funds associated with the completion of a project where the local educational agency received hardship funding that must either be returned to the Office of Public School Construction or expended.
5. Determine adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

SCOPE OF THE AUDIT

The scope of our performance audit covered the project period of April 28, 2011 to February 17, 2016. The population of expenditures tested included all project expenditures reported on the final form SAB 50-06 and Detailed Listing of Project Expenditures (DLOPE) funds. The propriety of expenditures for projects funded through other State or local funding sources, other than those reported on the final form SAB 50-06 and DLOPE, were not included within the scope of the audit. Expenditures incurred subsequent to the final form SAB 50-06 and DLOPE were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the expenditure reports prepared by the District for the fiscal period of April 28, 2011 to February 17, 2016, for the Non-Financial Hardship Project No. 50/66597-00-018 Program. We performed the following procedures:

Non-Financial Hardship Projects - Closeout Audits

1. Verify the Grantee has maintained, over the course of the project, a general ledger that reflects expenditures at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure pursuant to Grant Agreement (Section F, paragraph 1).
2. Verify any statutorily required District matching funds have been deposited in the County School Facility Fund or expended by the District from the matching funding source prior to the "Notice of Completion" by inspecting the SAB's project approval document for the applicable project and supporting accounting records provided by the LEA. The SAB's project approval document for the applicable project can be obtained on the OPSC's website (K12 Audit Resources) <http://www.dgs.ca.gov/opsc/Resources.aspx>.
3. Determine whether expenditures have been expended in accordance with the laws and regulations governing the SFP. Select a representative sample of the project expenditures reported on the final form SAB 50-06 and DLOPE previously obtained on the OPSC website (K-12 Audit Resources) to perform the following procedures:
 - a. For each item selected, agree and trace expenditures reported on the final Form SAB 50-06 and the DLOPE to the supporting documentation (invoices, contract or purchase order, warrant and posting to the general ledger). If amounts selected do not reconcile to the 50-06 and DLOPE, inquire if any of the sampled expenditures are prorated over multiple projects. If the LEA prorated an invoice or contract over multiple projects, verify that the LEA has documentation demonstrating the proration method used.
 - b. Determine if the type of project expenditures reported are eligible in accordance with the laws and regulations of the SFP and/or the Advisory Listings in the Grant Agreement (Section G and Section H). Per *Education Code* Section 41024, the State share of any ineligible expenditure shall be returned to the State.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

4. Determine if the expenditures were made within an eligible time frame (prior to completion date) by obtaining the DLOPE. Review all expenditure dates listed in the DLOPE to verify they were within the three or four-year time limits.
 - a. A project is deemed complete per the criteria detailed in SFP Regulation Section 1859.104(a)(1)(A) or (B). A project is complete three years from the final fund release for an elementary school and four years for a middle or high school. Review the "Project Transaction Detail" for the final fund release date.
 - b. Expenditures made after the completion date are not eligible for State funding unless the expenditures were under contract prior to the completion date.
5. Verify the final DLOPE grand total for the project reconciles back to the District's general ledger grand total for the project.

Planning Costs

6. Obtain any Architect/Design contracts and perform the following procedures:
 - a. Agree and trace the final contracted amount to the final billed amount.
 - b. Determine if the expenditures reported for an Architect/Design contract on the Final Form SAB 50-06 and DLOPE were paid to the architect by agreeing to the LEA's general ledger and final billed amount.

Construction Costs

7. Select a sample of construction contracts, including change order amounts, and associated final billed amount and perform the following procedures:
 - a. Agree and trace the expenditures and dollar amounts authorized in the contract (after addendums and change orders) to the final billed amounts.
 - b. Agree and trace the expenditures reported on the DLOPE and general ledger to the final billed amounts to ensure the expenditures were not over reported. Any expenditure beyond the contract amount (including change order amounts) is not eligible for State funding.
8. For construction contracts sampled, inspect documentation substantiating compliance with provisions of the PCC concerning competitive bidding. If the construction contracts were required to follow competitive bidding and the LEA did not comply with the provisions of the PCC concerning competitive bidding, then any reported expenditures associated with those contracts are not eligible for State funding.
9. If the District has used a Construction Manager, agree the amount included in the Construction Manager contract to the amounts indicated as paid on the final billed amounts. Any expenditure beyond the final billed amount is not eligible for State funding.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

10. Obtain the approval document from the OPSC website (K-12 Audit Resources) that indicates that the LEA's estimate of project costs required that 60 percent of the project funding be spent on hard construction costs. When the LEA submitted their application for funding, they certified that the cost estimate of construction work or construction contract(s) submitted to the Department of State Architect was greater than 60 percent of the total grant. Prepare the table to report the percent the LEA spent on hard construction costs and display the table in the audit report.

	Amount	Percentage
60% of Total Grant	\$7,873,45438	60%
Reported Hard Costs and Percentage	11,806,666.70	90%
Audited Hard Costs and Percentage	11,806,666.70	90%
Difference	3,933,212.32	30%

11. Inspect supporting documentation for any transfers of SFP funds out of Fund 35 (School Facility Fund) to other LEA funds and determine if they are allowable.

Result of testing: No exceptions noted.

12. Agree and trace any interest reported on the final Form SAB 50-06 to amounts recorded in the general ledger and other interest documentation. Prepare the following table to report the audited amounts.

Reported Interest	N/A
Audited Interest	N/A
Difference	N/A

A difference in audited interest will result in a difference in audited savings funds in procedure 21 or 22.

Result of testing: No interest earnings noted.

13. Verify the LEA has (1) established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings, (2) commencing fiscal year 2018-2019 has deposited into the account a minimum of three percent of the LEA's total General Fund expenditures for the most recent fiscal year and prior fiscal years after receipt of funds including the fiscal year that it received funds, and (3) has developed an ongoing major maintenance plan that complies with and is implemented under the provisions of *Education Code* Sections 17070.75 and 17070.77, and Grant Agreement Section D, Paragraph 3.

Result of testing: No exceptions noted.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
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New Construction Projects

Site Purchase

14. Identify if the project received a separate grant for site purchase. If yes, complete procedure 14 and then proceed to procedure 15. If no, any reported site purchase expenditures are not eligible for State Site Purchase Grant funding. In this case, proceed directly to procedure 16.
- a. Agree and trace the reported amount for the site purchase back to source documents such as the final escrow amount or court orders in condemnation.
 - b. Identify the lesser of either (a) actual cost paid on final escrow statement for site purchase or (b) appraisal price on appraisal document. The site grant funding is approved by the SAB based on the lesser of the actual costs or the appraised value of the site. The lesser of the two amounts is eligible for State funding (and shall be considered the audited site purchase costs). Exception: if a court ordered amount was higher than the appraisal amount, then the court order (minus costs not related to site purchase) amount for site purchase would be the amount that was eligible for State Site Purchase Grant funding.
 - c. Prepare the following table to report the audited amounts.

A	Site Purchase Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Site Purchase	N/A
C	Audited Site Purchase Costs	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

15. Verify the number of acres purchased is consistent with the approved acreage from the SAB approval item and complete the following:

Number of Acres Purchased	0
Number of Acres Approved	0
Difference	0

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

Site Relocation

16. Identify if the project was approved for and received a separate grant for site relocation assistance. If yes, complete this procedure. If no, any reported site relocation expenditures are not eligible for State Site Relocation Grant funding. In this case, skip to the next numbered procedure.
- a. Obtain the LEA's reported relocation costs detail and select a sample of reported costs. Agree and trace amounts to warrants and other supporting documents to validate that reported costs are allowable and do not exceed cost allowances pursuant to Title 25, CCR, Section 6000, *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Prepare the following table to report the audited amount.

A	Site Relocation Grant Amount (Approved by SAB)	N/A
B	Reported Amount of relocation cost	N/A
C	Audited relocation cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

Site Hazardous Waste Removal Costs

17. Identify if the project received a separate grant for hazardous waste removal or the LEA reported hazardous waste removal costs. If yes to either, complete this procedure. If neither, skip to the next numbered procedure.
- a. Select a sample of reported Site Hazardous Waste Removal Costs and trace amounts to supporting contracts or invoices. Verify that reported costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Obtain letter from DTSC that clears the site as safe to construct. Review the dates of all reported hazardous waste removal costs. Any costs dated after the date of the letter are not eligible for State Hazardous Waste Removal funding.
 - c. Prepare the following table to report the audited amounts.

A	Hazardous Waste Removal Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Hazardous Waste Removal	N/A
C	Audited Hazardous Waste Removal Cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

Department of Toxic Substance Control Costs

18. Identify if the project received a separate grant for Department of Toxic Substance Control (DTSC) fees. If yes, complete this procedure. If no, any reported DTSC expenditures are not eligible for State DTSC Grant funding. In this case, skip to the next numbered procedure.
- a. Select a sample of reported DTSC costs and trace to contracts or invoices that support costs. Verify that sampled costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Sections G and H).
 - b. Prepare the following table to report the audited amounts.

A	DTSC Fee Grant Amount (Approved by SAB)	N/A
B	Reported Amount of DTSC Fee	N/A
C	Audited DTSC Fee	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

19. Complete the "Schedule of School Facility Program – Site Grant Adjustments", that must be presented in the audit report, using the information from the tables completed in audit procedures 14 through 18 of this section. Note: the LEA will already have completed columns A and B in the schedule. The totals in this schedule will be carried over to the "Schedule of School Facility Program – Summary of Final Funding Determination".
20. Verify whether the OPSC, during the fund release review process, identified a date of occupancy that occurred after the submission of the application for funding. See OPSC website (K-12 Audit Resources). If yes, proceed to the next numbered procedure. If the date of occupancy was not identified by OPSC, document in a table the date of occupancy through inspecting any of the following documentation:
- 1) School Board Minutes
 - 2) Fire Marshall Inspection Letter
 - 3) Copy of news story indicating the date school opened
 - 4) Notice of Completion

Date of Application for Funding	October 26, 2012
Date of Occupancy	September 2, 2014
Source of Information	Notice of Completion

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

Determination of Project Savings - New Construction

21. If the District had project savings, obtain the District's calculation of savings on the Non-FH New Construction project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project.

Determination of Project Savings - Modernization

22. If the District had project savings, obtain the District's calculation of savings on the Non-FH Modernization project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project, as this is a new construction project.

23. Display in "Schedule of School Facility Program Summary of Final Project Funding" (Section VII) the total amount to be returned to the State.

Result of testing: Not applicable to the project, as no funds are to be returned.

Unfunded List Projects

1. Obtain the LEA's listing of purchased Computers, Printers, and computer carts.

Result of testing: Not applicable to the project as no Computers, Printers, and computer carts were purchased.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

2. If Computers, Printers, or computer carts were purchased, inspect the following documentation to determine if expenditures were made within the scope of the project funded.
 - a. The District must submit a letter or other documents which details:
 - i. Location of computers
 - ii. Use of computers
 - iii. District’s rationale for the amount of computers purchased
 - b. Per *Education Code* Section 17071.25(a)(2)(A) the California classroom loading standard has been used to determine the number of eligible computers.
 - i. K-6 = 25 pupils per classroom
 - ii. 7-8 = 27 pupils per classroom
 - iii. 9-12 = 27 pupils per classroom
 - iv. Non-Severe = 13 pupils per classroom
 - v. Severe = 9 pupils per classroom

In addition to the above, one additional computer per classroom has been allowed for the teaching station.

Result of testing: Not applicable, see step one above.

3. Obtain the number of classrooms approved for the project and type of project approved from the SAB item that approved the project apportionment.

Result of testing: Not applicable, see step one above.

4. Calculate the number of eligible computers.

A	Cost of Computers and Related Equipment	N/A
B	Number of Computers Purchased	N/A
C	Average Cost Per Computer (A/B)	N/A
D	Eligible Computers Calculation	N/A
E	Difference (D-B)	N/A
F	Audited – Amount Associated with Ineligible Computers (E*C)	N/A

Result of testing: Not applicable, see step one above.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Newport-Mesa Unified School District has properly accounted for the expenditures related to Non-Financial Hardship Project No. 50/66597-00-018. The Newport-Mesa Unified School District complied with all requirements of Proposition 51 and requirements outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SUMMARY OF AUDIT FINDINGS**

District: Newport-Mesa Unified School District					
Project Number: 50/66597-00-018					
School Name: Corona Del Mar High School					
Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Amount)	All Other Ineligible Expenditures (CDE Action)
IIA	#3b	Determine if the type of project expenditures are eligible in accordance with the laws and regulations of the SFP	N/A	\$ -	\$ -

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SITE GRANT ADJUSTMENTS SUMMARY**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
District: Newport-Mesa Unified School District							
Project Number: 50/66597-00-018							
School Name: Corona Del Mar High School							
		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Site Relocation	-	-	-	-	-	-
3.	Site Hazardous Waste Removal	-	-	-	-	-	-
4.	Department of Toxic Substance Control	-	-	-	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
DETERMINATION OF PROJECT SAVINGS**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) DETERMINATION OF PROJECT SAVINGS (LEA to report with SAB 50-06 for each SFP project)			
District: Newport-Mesa Unified School District			
Project Number: 50/66597-00-018			
School Name: Corona Del Mar High School			
	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 6,217,866.00	\$ 6,217,866.00	-
B. Plus District Contribution	6,904,557.97	6,904,557.97	-
C. Plus Financial Hardship Apportionment	-	-	-
D. District Share: (B + C)	6,904,557.97	6,904,557.97	-
E. Plus Interest Earned on State Funds	-	-	-
F. Amounts Financed (A + D + E = F)	13,122,423.97	13,122,423.97	-
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)	13,122,423.97	13,122,423.97	-
H. Amount Overspent (if reported expenditures more than amounts financed) (F - G = H)	-	-	-
I. Amount of Savings (if reported expenditures less than amounts financed) (F - G = I)	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SUMMARY OF FINAL PROJECT FUNDING**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF FINAL PROJECT FUNDING (For Non-Financial Hardship Closeout Audits and Financial Hardship Closeout Audit)			
District: Newport-Mesa Unified School District			
Project Number: 50/66597-00-018			
School Name: Corona Del Mar High School			
		Non- Hardship	Department
A.	State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 6,217,866.00	
B.	Plus District Contribution	6,904,557.97	
C.	Plus Financial Hardship Apportionment	N/A	
D.	District Share (B + C = D)	6,904,557.97	
E.	Plus Audited Interest Earned on State Funds	-	
F.	Total Project Financing (A + D + E = F)	13,122,423.97	
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)	13,122,423.97	
H.	Amount Overspent (if reported expenditures more than project financing) (G - F = H)	-	
I.	Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	-	OPSC
J.	Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	-	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	OPSC
L.	Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	-	OPSC
M.	Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments) (J + K + L = M)	-	
N.	Total Amount to be returned to the State - Financial Hardship District (I + J + K + L = N)	N/A	

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 50/66597-00-018**

**SCHEDULE OF THE PERCENT THE LEA SPENT ON
HARD CONSTRUCTION COSTS**

	Amount	Percentage
60% of Total Grant	\$ 7,873,454.38	60%
Reported Hard Costs and Percentage	11,806,666.70	90%
Audited Hard Costs and Percentage	11,806,666.70	90%
Difference	3,933,212.32	30%



Performance Audit
Estancia High School (Proposition 51)
Project No. 57/66597-00-031
Newport-Mesa Unified School District

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
ESTANCIA HIGH SCHOOL**

**PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT

Governing Board
Newport-Mesa Unified School District
Costa Mesa, California

We were engaged to conduct a performance audit of the Newport-Mesa Unified School District (the District) *Non-Financial Hardship Project No. 57/66597-00-031*, completed and submitted on December 21, 2018.

We conducted this 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 51, but not for the purpose of expressing an opinion of the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District complied with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 17, 2019

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
ESTANCIA HIGH SCHOOL
PROJECT NO. 57/66597-00-031**

AUTHORITY AND PURPOSE FOR FUNDING

Proposition 51 is a California ballot proposition that passed on the November 8, 2016 ballot, approving \$9 billion in bonds to fund construction and improvement of K-12 and community college facilities. The measure designates \$7 billion for K-12 projects falling under four types of projects (new construction, modernization, career technical education facilities, and charter school facilities), and \$2 billion for any facility project for community colleges.

AUTHORITY FOR THE AUDIT

California Code, *Education Code* Section 41024 Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of State funds, including interest, and of the local educational agency's matching funds for completed projects until all State funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed. Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the fiscal year shall be audited.

OBJECTIVES OF THE AUDIT

1. Determine whether funds identified by the District on its detailed list of expenditures have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and any accompanying grant agreement signed by a local educational agency.
2. Determine that savings achieved, including interest, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and as specified in any accompanying grant agreement.
3. Determine adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures.
4. Determine if there are any unspent funds associated with the completion of a project where the local educational agency received hardship funding that must either be returned to the Office of Public School Construction or expended.
5. Determine adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
ESTANCIA HIGH SCHOOL
PROJECT NO. 57/66597-00-031**

SCOPE OF THE AUDIT

The scope of our performance audit covered the project period of February 7, 2007 to October 8, 2013. The population of expenditures tested included all project expenditures reported on the final form SAB 50-06 and Detailed Listing of Project Expenditures (DLOPE) funds. The propriety of expenditures for projects funded through other State or local funding sources, other than those reported on the final form SAB 50-06 and DLOPE, were not included within the scope of the audit. Expenditures incurred subsequent to the final form SAB 50-06 and DLOPE were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the expenditure reports prepared by the District for the fiscal period of February 7, 2007 to October 8, 2013, for the Non-Financial Hardship Project No. 57/66597-00-031 Program. We performed the following procedures:

Non-Financial Hardship Projects - Closeout Audits

1. Verify the Grantee has maintained, over the course of the project, a general ledger that reflects expenditures at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure pursuant to Grant Agreement (Section F, paragraph 1).
2. Verify any statutorily required District matching funds have been deposited in the County School Facility Fund or expended by the District from the matching funding source prior to the "Notice of Completion" by inspecting the SAB's project approval document for the applicable project and supporting accounting records provided by the LEA. The SAB's project approval document for the applicable project can be obtained on the OPSC's website (K12 Audit Resources) <http://www.dgs.ca.gov/opsc/Resources.aspx>.
3. Determine whether expenditures have been expended in accordance with the laws and regulations governing the SFP. Select a representative sample of the project expenditures reported on the final form SAB 50-06 and DLOPE previously obtained on the OPSC website (K-12 Audit Resources) to perform the following procedures:
 - a. For each item selected, agree and trace expenditures reported on the final Form SAB 50-06 and the DLOPE to the supporting documentation (invoices, contract or purchase order, warrant and posting to the general ledger). If amounts selected do not reconcile to the 50-06 and DLOPE, inquire if any of the sampled expenditures are prorated over multiple projects. If the LEA prorated an invoice or contract over multiple projects, verify that the LEA has documentation demonstrating the proration method used.
 - b. Determine if the type of project expenditures reported are eligible in accordance with the laws and regulations of the SFP and/or the Advisory Listings in the Grant Agreement (Section G and Section H). Per *Education Code* Section 41024, the State share of any ineligible expenditure shall be returned to the State.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
ESTANCIA HIGH SCHOOL
PROJECT NO. 57/66597-00-031**

4. Determine if the expenditures were made within an eligible time frame (prior to completion date) by obtaining the DLOPE. Review all expenditure dates listed in the DLOPE to verify they were within the three or four-year time limits.
 - a. A project is deemed complete per the criteria detailed in SFP Regulation Section 1859.104(a)(1)(A) or (B). A project is complete three years from the final fund release for an elementary school and four years for a middle or high school. Review the "Project Transaction Detail" for the final fund release date.
 - b. Expenditures made after the completion date are not eligible for State funding unless the expenditures were under contract prior to the completion date.
5. Verify the final DLOPE grand total for the project reconciles back to the District's general ledger grand total for the project.

Planning Costs

6. Obtain any Architect/Design contracts and perform the following procedures:
 - a. Agree and trace the final contracted amount to the final billed amount.
 - b. Determine if the expenditures reported for an Architect/Design contract on the Final Form SAB 50-06 and DLOPE were paid to the architect by agreeing to the LEA's general ledger and final billed amount.

Construction Costs

7. Select a sample of construction contracts, including change order amounts, and associated final billed amount and perform the following procedures:
 - a. Agree and trace the expenditures and dollar amounts authorized in the contract (after addendums and change orders) to the final billed amounts.
 - b. Agree and trace the expenditures reported on the DLOPE and general ledger to the final billed amounts to ensure the expenditures were not over reported. Any expenditure beyond the contract amount (including change order amounts) is not eligible for State funding.
8. For construction contracts sampled, inspect documentation substantiating compliance with provisions of the PCC concerning competitive bidding. If the construction contracts were required to follow competitive bidding and the LEA did not comply with the provisions of the PCC concerning competitive bidding, then any reported expenditures associated with those contracts are not eligible for State funding.
9. If the District has used a Construction Manager, agree the amount included in the Construction Manager contract to the amounts indicated as paid on the final billed amounts. Any expenditure beyond the final billed amount is not eligible for State funding.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

10. Obtain the approval document from the OPSC website (K-12 Audit Resources) that indicates that the LEA's estimate of project costs required that 60 percent of the project funding be spent on hard construction costs. When the LEA submitted their application for funding, they certified that the cost estimate of construction work or construction contract(s) submitted to the Department of State Architect was greater than 60 percent of the total grant. Prepare the table to report the percent the LEA spent on hard construction costs and display the table in the audit report.

	Amount	Percentage
60% of Total Grant	\$5,749,806.04	60%
Reported Hard Costs and Percentage	7,453,224.80	78%
Audited Hard Costs and Percentage	7,453,224.80	78%
Difference	1,703,418.76	18%

11. Inspect supporting documentation for any transfers of SFP funds out of Fund 35 (School Facility Fund) to other LEA funds and determine if they are allowable.

Result of testing: No exceptions noted.

12. Agree and trace any interest reported on the final Form SAB 50-06 to amounts recorded in the general ledger and other interest documentation. Prepare the following table to report the audited amounts.

Reported Interest	N/A
Audited Interest	N/A
Difference	N/A

A difference in audited interest will result in a difference in audited savings funds in procedure 21 or 22.

Result of testing: No interest earnings noted.

13. Verify the LEA has (1) established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings, (2) commencing fiscal year 2018-2019 has deposited into the account a minimum of three percent of the LEA's total General Fund expenditures for the most recent fiscal year and prior fiscal years after receipt of funds including the fiscal year that it received funds, and (3) has developed an ongoing major maintenance plan that complies with and is implemented under the provisions of *Education Code* Sections 17070.75 and 17070.77, and Grant Agreement Section D, Paragraph 3.

Result of testing: No exceptions noted.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

New Construction Projects

Site Purchase

14. Identify if the project received a separate grant for site purchase. If yes, complete procedure 14 and then proceed to procedure 15. If no, any reported site purchase expenditures are not eligible for State Site Purchase Grant funding. In this case, proceed directly to procedure 16.
- a. Agree and trace the reported amount for the site purchase back to source documents such as the final escrow amount or court orders in condemnation.
 - b. Identify the lesser of either (a) actual cost paid on final escrow statement for site purchase or (b) appraisal price on appraisal document. The site grant funding is approved by the SAB based on the lesser of the actual costs or the appraised value of the site. The lesser of the two amounts is eligible for State funding (and shall be considered the audited site purchase costs). Exception: if a court ordered amount was higher than the appraisal amount, then the court order (minus costs not related to site purchase) amount for site purchase would be the amount that was eligible for State Site Purchase Grant funding.
 - c. Prepare the following table to report the audited amounts.

A	Site Purchase Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Site Purchase	N/A
C	Audited Site Purchase Costs	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project, as this is a modernization project.

15. Verify the number of acres purchased is consistent with the approved acreage from the SAB approval item and complete the following:

Number of Acres Purchased	0
Number of Acres Approved	0
Difference	0

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

Site Relocation

16. Identify if the project was approved for and received a separate grant for site relocation assistance. If yes, complete this procedure. If no, any reported site relocation expenditures are not eligible for State Site Relocation Grant funding. In this case, skip to the next numbered procedure.
- a. Obtain the LEA's reported relocation costs detail and select a sample of reported costs. Agree and trace amounts to warrants and other supporting documents to validate that reported costs are allowable and do not exceed cost allowances pursuant to Title 25, CCR, Section 6000, *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Prepare the following table to report the audited amount.

A	Site Relocation Grant Amount (Approved by SAB)	N/A
B	Reported Amount of relocation cost	N/A
C	Audited relocation cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

Site Hazardous Waste Removal Costs

17. Identify if the project received a separate grant for hazardous waste removal or the LEA reported hazardous waste removal costs. If yes to either, complete this procedure. If neither, skip to the next numbered procedure.
- a. Select a sample of reported Site Hazardous Waste Removal Costs and trace amounts to supporting contracts or invoices. Verify that reported costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Obtain letter from DTSC that clears the site as safe to construct. Review the dates of all reported hazardous waste removal costs. Any costs dated after the date of the letter are not eligible for State Hazardous Waste Removal funding.
 - c. Prepare the following table to report the audited amounts.

A	Hazardous Waste Removal Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Hazardous Waste Removal	N/A
C	Audited Hazardous Waste Removal Cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

Department of Toxic Substance Control Costs

18. Identify if the project received a separate grant for Department of Toxic Substance Control (DTSC) fees. If yes, complete this procedure. If no, any reported DTSC expenditures are not eligible for State DTSC Grant funding. In this case, skip to the next numbered procedure.
- a. Select a sample of reported DTSC costs and trace to contracts or invoices that support costs. Verify that sampled costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Sections G and H).
 - b. Prepare the following table to report the audited amounts.

A	DTSC Fee Grant Amount (Approved by SAB)	N/A
B	Reported Amount of DTSC Fee	N/A
C	Audited DTSC Fee	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

19. Complete the "Schedule of School Facility Program – Site Grant Adjustments", that must be presented in the audit report, using the information from the tables completed in audit procedures 14 through 18 of this section. Note: the LEA will already have completed columns A and B in the schedule. The totals in this schedule will be carried over to the "Schedule of School Facility Program – Summary of Final Funding Determination".
20. Verify whether the OPSC, during the fund release review process, identified a date of occupancy that occurred after the submission of the application for funding. See OPSC website (K-12 Audit Resources). If yes, proceed to the next numbered procedure. If the date of occupancy was not identified by OPSC, document in a table the date of occupancy through inspecting any of the following documentation:
- 1) School Board Minutes
 - 2) Fire Marshall Inspection Letter
 - 3) Copy of news story indicating the date school opened
 - 4) Notice of Completion

Date of Application for Funding	N/A
Date of Occupancy	N/A
Source of Information	N/A

Result of testing: Not applicable to the project, as this is a modernization project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

Determination of Project Savings - New Construction

21. If the District had project savings, obtain the District's calculation of savings on the Non-FH New Construction project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project, as this is a modernization project.

Determination of Project Savings - Modernization

22. If the District had project savings, obtain the District's calculation of savings on the Non-FH Modernization project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project.

23. Display in "Schedule of School Facility Program Summary of Final Project Funding" (Section VII) the total amount to be returned to the State.

Result of testing: Not applicable to the project, as no funds are to be returned.

Unfunded List Projects

1. Obtain the LEA's listing of purchased Computers, Printers, and Computer carts.

Result of testing: Not applicable to the project, as no Computers, Printers, and computer carts were purchased.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

2. If Computers, Printers, or Computer carts were purchased, inspect the following documentation to determine if expenditures were made within the scope of the project funded:
 - a. The District must submit a letter or other documents which details:
 - i. Location of computers
 - ii. Use of computers
 - iii. District’s rationale for the amount of computers purchased
 - b. Per *Education Code* Section 17071.25(a)(2)(A) the California classroom loading standard has been used to determine the number of eligible computers.
 - i. K-6 = 25 pupils per classroom
 - ii. 7-8 = 27 pupils per classroom
 - iii. 9-12 = 27 pupils per classroom
 - iv. Non-Severe = 13 pupils per classroom
 - v. Severe = 9 pupils per classroom

In addition to the above, one additional computer per classroom has been allowed for the teaching station.

Result of testing: Not applicable, see step one above.

3. Obtain the number of classrooms approved for the project and type of project approved from the SAB item that approved the project apportionment.

Result of testing: Not applicable, see step one above.

4. Calculate the number of eligible computers.

A	Cost of Computers and Related Equipment	N/A
B	Number of Computers Purchased	N/A
C	Average Cost per Computer (A/B)	N/A
D	Eligible Computers Calculation	N/A
E	Difference (D-B)	N/A
F	Audited – Amount Associated with Ineligible Computers (E*C)	N/A

Result of testing: Not applicable, see step one above.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Newport-Mesa Unified School District has properly accounted for the expenditures related to Non-Financial Hardship Project No. 57/66597-00-031. The Newport-Mesa Unified School District complied with all requirements of Proposition 51 and requirements outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SUMMARY OF AUDIT FINDINGS**

District: Newport-Mesa Unified School District					
Project Number: 57/66597-00-031					
School Name: Estancia High School					
Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Amount)	All Other Ineligible Expenditures (CDE Action)
IIA	#3b	Determine if the type of project expenditures are eligible in accordance with the laws and regulations of the SFP	N/A	\$ -	\$ -

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SITE GRANT ADJUSTMENTS SUMMARY**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
District: Newport-Mesa Unified School District							
Project Number: 57/66597-00-031							
School Name: Estancia High School							
		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Site Relocation	-	-	-	-	-	-
3.	Site Hazardous Waste Removal	-	-	-	-	-	-
4.	Department of Toxic Substance Control	-	-	-	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 DETERMINATION OF PROJECT SAVINGS**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) DETERMINATION OF PROJECT SAVINGS (LEA to report with SAB 50-06 for each SFP project)			
District: Newport-Mesa Unified School District			
Project Number: 57/66597-00-031			
School Name: Estancia High School			
	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 786,282.00	\$ 786,282.00	-
B. Plus District Contribution	8,796,728.06	8,796,728.06	-
C. Plus Financial Hardship Apportionment	-	-	-
D. District Share: (B + C)	8,796,728.06	8,796,728.06	-
E. Plus Interest Earned on State Funds	-	-	-
F. Amounts Financed (A + D + E = F)	9,583,010.06	9,583,010.06	-
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)	9,583,010.06	9,583,010.06	-
H. Amount Overspent (if reported expenditures more than amounts financed) (F - G = H)	-	-	-
I. Amount of Savings (if reported expenditures less than amounts financed) (F - G = I)	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 ESTANCIA HIGH SCHOOL
 PROJECT NO. 57/66597-00-031**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SUMMARY OF FINAL PROJECT FUNDING**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF FINAL PROJECT FUNDING (For Non-Financial Hardship Closeout Audits and Financial Hardship Closeout Audit)		
District: Newport-Mesa Unified School District		
Project Number: 57/66597-00-031		
School Name: Estancia High School		
	Non- Hardship	Department
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 786,282.00	
B. Plus District Contribution	8,796,728.06	
C. Plus Financial Hardship Apportionment	N/A	
D. District Share (B + C = D)	8,796,728.06	
E. Plus Audited Interest Earned on State Funds	-	
F. Total Project Financing (A + D + E = F)	9,583,010.06	
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)	9,583,010.06	
H. Amount Overspent (if reported expenditures more than project financing) (G - F = H)	-	
I. Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	-	OPSC
J. Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	-	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	OPSC
L. Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	-	OPSC
M. Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments) (J + K + L= M)	-	
N. Total Amount to be returned to the State - Financial Hardship District (I + J + K + L = N)	N/A	

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
ESTANCIA HIGH SCHOOL
PROJECT NO. 57/66597-00-031**

**SCHEDULE OF THE PERCENT THE LEA SPENT ON
HARD CONSTRUCTION COSTS**

	Amount	Percentage
60% of Total Grant	\$ 5,749,806.04	60%
Reported Hard Costs and Percentage	7,453,224.80	78%
Audited Hard Costs and Percentage	7,453,224.80	78%
Difference	1,703,418.76	18%



Performance Audit
Costa Mesa High School (Proposition 51)
Project No. 57/66597-00-032
Newport-Mesa Unified School District

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL**

**PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT

Governing Board
Newport-Mesa Unified School District
Costa Mesa, California

We were engaged to conduct a performance audit of the Newport-Mesa Unified School District (the District) *Non-Financial Hardship Project No. 57/66597-00-032*, completed and submitted on December 21, 2018.

We conducted this 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 51, but not for the purpose of expressing an opinion of the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District complied with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 17, 2019

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 57/66597-00-032**

AUTHORITY AND PURPOSE FOR FUNDING

Proposition 51 is a California ballot proposition that passed on the November 8, 2016 ballot, approving \$9 billion in bonds to fund construction and improvement of K-12 and community college facilities. The measure designates \$7 billion for K-12 projects falling under four types of projects (new construction, modernization, career technical education facilities, and charter school facilities), and \$2 billion for any facility project for community colleges.

AUTHORITY FOR THE AUDIT

California Code, *Education Code* Section 41024 Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of State funds, including interest, and of the local educational agency's matching funds for completed projects until all State funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed. Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the fiscal year shall be audited.

OBJECTIVES OF THE AUDIT

1. Determine whether funds identified by the District on its detailed list of expenditures have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and any accompanying grant agreement signed by a local educational agency.
2. Determine that savings achieved, including interest, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and as specified in any accompanying grant agreement.
3. Determine adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures.
4. Determine if there are any unspent funds associated with the completion of a project where the local educational agency received hardship funding that must either be returned to the Office of Public School Construction or expended.
5. Determine adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 57/66597-00-032**

SCOPE OF THE AUDIT

The scope of our performance audit covered the project period of April 6, 2015 to March 4, 2016. The population of expenditures tested included all project expenditures reported on the final form SAB 50-06 and Detailed Listing of Project Expenditures (DLOPE) funds. The propriety of expenditures for projects funded through other State or local funding sources, other than those reported on the final form SAB 50-06 and DLOPE, were not included within the scope of the audit. Expenditures incurred subsequent to the final form SAB 50-06 and DLOPE were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the expenditure reports prepared by the District for the fiscal period of April 6, 2015 to March 4, 2016, for the Non-Financial Hardship Project No. 57/66597-00-032 Program. We performed the following procedures:

Non-Financial Hardship Projects - Closeout Audits

1. Verify the Grantee has maintained, over the course of the project, a general ledger that reflects expenditures at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure pursuant to Grant Agreement (Section F, paragraph 1).
2. Verify any statutorily required District matching funds have been deposited in the County School Facility Fund or expended by the District from the matching funding source prior to the "Notice of Completion" by inspecting the SAB's project approval document for the applicable project and supporting accounting records provided by the LEA. The SAB's project approval document for the applicable project can be obtained on the OPSC's website (K12 Audit Resources) <http://www.dgs.ca.gov/opsc/Resources.aspx>.
3. Determine whether expenditures have been expended in accordance with the laws and regulations governing the SFP. Select a representative sample of the project expenditures reported on the final form SAB 50-06 and DLOPE previously obtained on the OPSC website (K-12 Audit Resources) to perform the following procedures:
 - a. For each item selected, agree and trace expenditures reported on the final Form SAB 50-06 and the DLOPE to the supporting documentation (invoices, contract or purchase order, warrant and posting to the general ledger). If amounts selected do not reconcile to the 50-06 and DLOPE, inquire if any of the sampled expenditures are prorated over multiple projects. If the LEA prorated an invoice or contract over multiple projects, verify that the LEA has documentation demonstrating the proration method used.
 - b. Determine if the type of project expenditures reported are eligible in accordance with the laws and regulations of the SFP and/or the Advisory Listings in the Grant Agreement (Section G and Section H). Per *Education Code* Section 41024, the State share of any ineligible expenditure shall be returned to the State.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 57/66597-00-032**

4. Determine if the expenditures were made within an eligible time frame (prior to completion date) by obtaining the DLOPE. Review all expenditure dates listed in the DLOPE to verify they were within the three or four-year time limits.
 - a. A project is deemed complete per the criteria detailed in SFP Regulation Section 1859.104(a)(1)(A) or (B). A project is complete three years from the final fund release for an elementary school and four years for a middle or high school. Review the "Project Transaction Detail" for the final fund release date.
 - b. Expenditures made after the completion date are not eligible for State funding unless the expenditures were under contract prior to the completion date.
5. Verify the final DLOPE grand total for the project reconciles back to the District's general ledger grand total for the project.

Planning Costs

6. Obtain any Architect/Design contracts and perform the following procedures:
 - a. Agree and trace the final contracted amount to the final billed amount.
 - b. Determine if the expenditures reported for an Architect/Design contract on the Final Form SAB 50-06 and DLOPE were paid to the architect by agreeing to the LEA's general ledger and final billed amount.

Construction Costs

7. Select a sample of construction contracts, including change order amounts, and associated final billed amount and perform the following procedures:
 - a. Agree and trace the expenditures and dollar amounts authorized in the contract (after addendums and change orders) to the final billed amounts.
 - b. Agree and trace the expenditures reported on the DLOPE and general ledger to the final billed amounts to ensure the expenditures were not over reported. Any expenditure beyond the contract amount (including change order amounts) is not eligible for State funding.
8. For construction contracts sampled, inspect documentation substantiating compliance with provisions of the PCC concerning competitive bidding. If the construction contracts were required to follow competitive bidding and the LEA did not comply with the provisions of the PCC concerning competitive bidding, then any reported expenditures associated with those contracts are not eligible for State funding.
9. If the District has used a Construction Manager, agree the amount included in the Construction Manager contract to the amounts indicated as paid on the final billed amounts. Any expenditure beyond the final billed amount is not eligible for State funding.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

10. Obtain the approval document from the OPSC website (K-12 Audit Resources) that indicates that the LEA's estimate of project costs required that 60 percent of the project funding be spent on hard construction costs. When the LEA submitted their application for funding, they certified that the cost estimate of construction work or construction contract(s) submitted to the Department of State Architect was greater than 60 percent of the total grant. Prepare the table to report the percent the LEA spent on hard construction costs and display the table in the audit report.

	Amount	Percentage
60% of Total Grant	\$570,388.20	60%
Reported Hard Costs and Percentage	950,647.00	100%
Audited Hard Costs and Percentage	950,647.00	100%
Difference	380,258.80	40%

11. Inspect supporting documentation for any transfers of SFP funds out of Fund 35 (School Facility Fund) to other LEA funds and determine if they are allowable.

Result of testing: No exceptions noted.

12. Agree and trace any interest reported on the final Form SAB 50-06 to amounts recorded in the general ledger and other interest documentation. Prepare the following table to report the audited amounts.

Reported Interest	N/A
Audited Interest	N/A
Difference	N/A

A difference in audited interest will result in a difference in audited savings funds in procedure 21 or 22.

Result of testing: No interest earnings noted.

13. Verify the LEA has (1) established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings, (2) commencing fiscal year 2018-2019 has deposited into the account a minimum of three percent of the LEA's total General Fund expenditures for the most recent fiscal year and prior fiscal years after receipt of funds including the fiscal year that it received funds, and (3) has developed an ongoing major maintenance plan that complies with and is implemented under the provisions of *Education Code* Sections 17070.75 and 17070.77, and Grant Agreement Section D, Paragraph 3.

Result of testing: No exceptions noted.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

New Construction Projects

Site Purchase

14. Identify if the project received a separate grant for site purchase. If yes, complete procedure 14 and then proceed to procedure 15. If no, any reported site purchase expenditures are not eligible for State Site Purchase Grant funding. In this case, proceed directly to procedure 16.
- a. Agree and trace the reported amount for the site purchase back to source documents such as the final escrow amount or court orders in condemnation.
 - b. Identify the lesser of either (a) actual cost paid on final escrow statement for site purchase or (b) appraisal price on appraisal document. The site grant funding is approved by the SAB based on the lesser of the actual costs or the appraised value of the site. The lesser of the two amounts is eligible for State funding (and shall be considered the audited site purchase costs). Exception: if a court ordered amount was higher than the appraisal amount, then the court order (minus costs not related to site purchase) amount for site purchase would be the amount that was eligible for State Site Purchase Grant funding.
 - c. Prepare the following table to report the audited amounts.

A	Site Purchase Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Site Purchase	N/A
C	Audited Site Purchase Costs	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project, as this is a modernization project.

15. Verify the number of acres purchased is consistent with the approved acreage from the SAB approval item and complete the following:

Number of Acres Purchased	0
Number of Acres Approved	0
Difference	0

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

Site Relocation

16. Identify if the project was approved for and received a separate grant for site relocation assistance. If yes, complete this procedure. If no, any reported site relocation expenditures are not eligible for State Site Relocation Grant funding. In this case, skip to the next numbered procedure.
- a. Obtain the LEA's reported relocation costs detail and select a sample of reported costs. Agree and trace amounts to warrants and other supporting documents to validate that reported costs are allowable and do not exceed cost allowances pursuant to Title 25, CCR, Section 6000, *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Prepare the following table to report the audited amount.

A	Site Relocation Grant Amount (Approved by SAB)	N/A
B	Reported Amount of relocation cost	N/A
C	Audited relocation cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

Site Hazardous Waste Removal Costs

17. Identify if the project received a separate grant for hazardous waste removal or the LEA reported hazardous waste removal costs. If yes to either, complete this procedure. If neither, skip to the next numbered procedure.
- a. Select a sample of reported Site Hazardous Waste Removal Costs and trace amounts to supporting contracts or invoices. Verify that reported costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Obtain letter from DTSC that clears the site as safe to construct. Review the dates of all reported hazardous waste removal costs. Any costs dated after the date of the letter are not eligible for State Hazardous Waste Removal funding.
 - c. Prepare the following table to report the audited amounts.

A	Hazardous Waste Removal Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Hazardous Waste Removal	N/A
C	Audited Hazardous Waste Removal Cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

Department of Toxic Substance Control Costs

18. Identify if the project received a separate grant for Department of Toxic Substance Control (DTSC) fees. If yes, complete this procedure. If no, any reported DTSC expenditures are not eligible for State DTSC Grant funding. In this case, skip to the next numbered procedure.
- a. Select a sample of reported DTSC costs and trace to contracts or invoices that support costs. Verify that sampled costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Sections G and H).
 - b. Prepare the following table to report the audited amounts.

A	DTSC Fee Grant Amount (Approved by SAB)	N/A
B	Reported Amount of DTSC Fee	N/A
C	Audited DTSC Fee	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

19. Complete the "Schedule of School Facility Program – Site Grant Adjustments", that must be presented in the audit report, using the information from the tables completed in audit procedures 14 through 18 of this section. Note: the LEA will already have completed columns A and B in the schedule. The totals in this schedule will be carried over to the "Schedule of School Facility Program – Summary of Final Funding Determination".
20. Verify whether the OPSC, during the fund release review process, identified a date of occupancy that occurred after the submission of the application for funding. See OPSC website (K-12 Audit Resources). If yes, proceed to the next numbered procedure. If the date of occupancy was not identified by OPSC, document in a table the date of occupancy through inspecting any of the following documentation:
- 1) School Board Minutes
 - 2) Fire Marshall Inspection Letter
 - 3) Copy of news story indicating the date school opened
 - 4) Notice of Completion

Date of Application for Funding	N/A
Date of Occupancy	N/A
Source of Information	N/A

Result of testing: Not applicable to the project, as this is a modernization project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

Determination of Project Savings - New Construction

21. If the District had project savings, obtain the District's calculation of savings on the Non-FH New Construction project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project, as this is a modernization project.

Determination of Project Savings - Modernization

22. If the District had project savings, obtain the District's calculation of savings on the Non-FH Modernization project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project.

23. Display in "Schedule of School Facility Program Summary of Final Project Funding" (Section VII) the total amount to be returned to the State.

Result of testing: Not applicable to the project, as no funds are to be returned.

Unfunded List Projects

1. Obtain the LEA's listing of purchased Computers, Printers, and computer carts.

Result of testing: Not applicable to the project, as no Computers, Printers, and computer carts were purchased.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

2. If Computers, Printers, or computer carts were purchased, inspect the following documentation to determine if expenditures were made within the scope of the project funded.
 - a. The District must submit a letter or other documents which details:
 - i. Location of computers
 - ii. Use of computers
 - iii. District’s rationale for the amount of computers purchased
 - b. Per *Education Code* Section 17071.25(a)(2)(A) the California classroom loading standard has been used to determine the number of eligible computers.
 - i. K-6 = 25 pupils per classroom
 - ii. 7-8 = 27 pupils per classroom
 - iii. 9-12 = 27 pupils per classroom
 - iv. Non-Severe = 13 pupils per classroom
 - v. Severe = 9 pupils per classroom

In addition to the above, one additional computer per classroom has been allowed for the teaching station.

Result of testing: Not applicable, see step one above.

3. Obtain the number of classrooms approved for the project and type of project approved from the SAB item that approved the project apportionment.

Result of testing: Not applicable, see step one above.

4. Calculate the number of eligible computers.

A	Cost of Computers and Related Equipment	N/A
B	Number of Computers Purchased	N/A
C	Average Cost Per Computer (A/B)	N/A
D	Eligible Computers Calculation	N/A
E	Difference (D-B)	N/A
F	Audited – Amount Associated with Ineligible Computers (E*C)	N/A

Result of testing: Not applicable, see step one above.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Newport-Mesa Unified School District has properly accounted for the expenditures related to Non-Financial Hardship Project No. 57/66597-00-032. The Newport-Mesa Unified School District complied with all requirements of Proposition 51 and requirements outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SUMMARY OF AUDIT FINDINGS**

District: Newport-Mesa Unified School District					
Project Number: 57/66597-00-032					
School Name: Costa Mesa High School					
Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Amount)	All Other Ineligible Expenditures (CDE Action)
IIA	#3b	Determine if the type of project expenditures are eligible in accordance with the laws and regulations of the SFP	N/A	\$ -	\$ -

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SITE GRANT ADJUSTMENTS SUMMARY**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
District: Newport-Mesa Unified School District							
Project Number: 57/66597-00-032							
School Name: Costa Mesa High School							
		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Site Relocation	-	-	-	-	-	-
3.	Site Hazardous Waste Removal	-	-	-	-	-	-
4.	Department of Toxic Substance Control	-	-	-	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 DETERMINATION OF PROJECT SAVINGS**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) DETERMINATION OF PROJECT SAVINGS (LEA to report with SAB 50-06 for each SFP project)			
District: Newport-Mesa Unified School District			
Project Number: 57/66597-00-032			
School Name: Costa Mesa High School			
	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 309,987.00	\$ 309,987.00	-
B. Plus District Contribution	640,660.00	640,660.00	-
C. Plus Financial Hardship Apportionment	-	-	-
D. District Share: (B + C)	640,660.00	640,660.00	-
E. Plus Interest Earned on State Funds	-	-	-
F. Amounts Financed (A + D + E = F)	950,647.00	950,647.00	-
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)	950,647.00	950,647.00	-
H. Amount Overspent (if reported expenditures more than amounts financed) (F - G = H)	-	-	-
I. Amount of Savings (if reported expenditures less than amounts financed) (F - G = I)	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
 COSTA MESA HIGH SCHOOL
 PROJECT NO. 57/66597-00-032**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
 SUMMARY OF FINAL PROJECT FUNDING**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF FINAL PROJECT FUNDING (For Non-Financial Hardship Closeout Audits and Financial Hardship Closeout Audit)		
District: Newport-Mesa Unified School District		
Project Number: 57/66597-00-032		
School Name: Costa Mesa High School		
	Non- Hardship	Department
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 309,987.00	
B. Plus District Contribution	640,660.00	
C. Plus Financial Hardship Apportionment	N/A	
D. District Share (B + C = D)	640,660.00	
E. Plus Audited Interest Earned on State Funds	-	
F. Total Project Financing (A + D + E = F)	950,647.00	
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)	950,647.00	
H. Amount Overspent (if reported expenditures more than project financing) (G - F = H)	-	
I. Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	-	OPSC
J. Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	-	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	OPSC
L. Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	-	OPSC
M. Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments) (J + K + L= M)	-	
N. Total Amount to be returned to the State - Financial Hardship District (I + J + K + L = N)	N/A	

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
COSTA MESA HIGH SCHOOL
PROJECT NO. 57/66597-00-032**

**SCHEDULE OF THE PERCENT THE LEA SPENT ON
HARD CONSTRUCTION COSTS**

	Amount	Percentage
60% of Total Grant	\$ 570,388.20	60%
Reported Hard Costs and Percentage	950,647.00	100%
Audited Hard Costs and Percentage	950,647.00	100%
Difference	380,258.80	40%



Performance Audit
Corona Del Mar High School (Proposition 51)
Project No. 57/66597-00-033
Newport-Mesa Unified School District

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL**

**PERFORMANCE AUDIT
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INDEPENDENT AUDITOR'S REPORT

Governing Board
Newport-Mesa Unified School District
Costa Mesa, California

We were engaged to conduct a performance audit of the Newport-Mesa Unified School District (the District) *Non-Financial Hardship Project No. 57/66597-00-033*, completed and submitted on December 17, 2018.

We conducted this 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal controls in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 51, but not for the purpose of expressing an opinion of the effectiveness of the District's internal controls. Accordingly, we do not express an opinion on the effectiveness of the District's internal controls. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District complied with the performance requirements as referred to in Proposition 51 and outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Rancho Cucamonga, California
December 17, 2019

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

AUTHORITY AND PURPOSE FOR FUNDING

Proposition 51 is a California ballot proposition that passed on the November 8, 2016 ballot, approving \$9 billion in bonds to fund construction and improvement of K-12 and community college facilities. The measure designates \$7 billion for K-12 projects falling under four types of projects (new construction, modernization, career technical education facilities, and charter school facilities), and \$2 billion for any facility project for community colleges.

AUTHORITY FOR THE AUDIT

California Code, *Education Code* Section 41024 Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of State funds, including interest, and of the local educational agency's matching funds for completed projects until all State funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed. Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the fiscal year shall be audited.

OBJECTIVES OF THE AUDIT

1. Determine whether funds identified by the District on its detailed list of expenditures have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and any accompanying grant agreement signed by a local educational agency.
2. Determine that savings achieved, including interest, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 associated regulations, and as specified in any accompanying grant agreement.
3. Determine adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures.
4. Determine if there are any unspent funds associated with the completion of a project where the local educational agency received hardship funding that must either be returned to the Office of Public School Construction or expended.
5. Determine adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

SCOPE OF THE AUDIT

The scope of our performance audit covered the project period of October 25, 2013 to July 16, 2014. The population of expenditures tested included all project expenditures reported on the final form SAB 50-06 and Detailed Listing of Project Expenditures (DLOPE) funds. The propriety of expenditures for projects funded through other State or local funding sources, other than those reported on the final form SAB 50-06 and DLOPE, were not included within the scope of the audit. Expenditures incurred subsequent to the final form SAB 50-06 and DLOPE were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the expenditure reports prepared by the District for the fiscal period of October 25, 2013 to July 16, 2014, for the Non-Financial Hardship Project No. 57/66597-00-033 Program. We performed the following procedures:

Non-Financial Hardship Projects - Closeout Audits

1. Verify the Grantee has maintained, over the course of the project, a general ledger that reflects expenditures at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure pursuant to Grant Agreement (Section F, paragraph 1).
2. Verify any statutorily required District matching funds have been deposited in the County School Facility Fund or expended by the District from the matching funding source prior to the "Notice of Completion" by inspecting the SAB's project approval document for the applicable project and supporting accounting records provided by the LEA. The SAB's project approval document for the applicable project can be obtained on the OPSC's website (K12 Audit Resources) <http://www.dgs.ca.gov/opsc/Resources.aspx>.
3. Determine whether expenditures have been expended in accordance with the laws and regulations governing the SFP. Select a representative sample of the project expenditures reported on the final form SAB 50-06 and DLOPE previously obtained on the OPSC website (K-12 Audit Resources) to perform the following procedures:
 - a. For each item selected, agree and trace expenditures reported on the final Form SAB 50-06 and the DLOPE to the supporting documentation (invoices, contract or purchase order, warrant and posting to the general ledger). If amounts selected do not reconcile to the 50-06 and DLOPE, inquire if any of the sampled expenditures are prorated over multiple projects. If the LEA prorated an invoice or contract over multiple projects, verify that the LEA has documentation demonstrating the proration method used.
 - b. Determine if the type of project expenditures reported are eligible in accordance with the laws and regulations of the SFP and/or the Advisory Listings in the Grant Agreement (Section G and Section H). Per *Education Code* Section 41024, the State share of any ineligible expenditure shall be returned to the State.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

4. Determine if the expenditures were made within an eligible time frame (prior to completion date) by obtaining the DLOPE. Review all expenditure dates listed in the DLOPE to verify they were within the three or four-year time limits.
 - a. A project is deemed complete per the criteria detailed in SFP Regulation Section 1859.104(a)(1)(A) or (B). A project is complete three years from the final fund release for an elementary school and four years for a middle or high school. Review the "Project Transaction Detail" for the final fund release date.
 - b. Expenditures made after the completion date are not eligible for State funding unless the expenditures were under contract prior to the completion date.
5. Verify the final DLOPE grand total for the project reconciles back to the District's general ledger grand total for the project.

Planning Costs

6. Obtain any Architect/Design contracts and perform the following procedures:
 - a. Agree and trace the final contracted amount to the final billed amount.
 - b. Determine if the expenditures reported for an Architect/Design contract on the Final Form SAB 50-06 and DLOPE were paid to the architect by agreeing to the LEA's general ledger and final billed amount.

Construction Costs

7. Select a sample of construction contracts, including change order amounts, and associated final billed amount and perform the following procedures:
 - a. Agree and trace the expenditures and dollar amounts authorized in the contract (after addendums and change orders) to the final billed amounts.
 - b. Agree and trace the expenditures reported on the DLOPE and general ledger to the final billed amounts to ensure the expenditures were not over reported. Any expenditure beyond the contract amount (including change order amounts) is not eligible for State funding.
8. For construction contracts sampled, inspect documentation substantiating compliance with provisions of the PCC concerning competitive bidding. If the construction contracts were required to follow competitive bidding and the LEA did not comply with the provisions of the PCC concerning competitive bidding, then any reported expenditures associated with those contracts are not eligible for State funding.
9. If the District has used a Construction Manager, agree the amount included in the Construction Manager contract to the amounts indicated as paid on the final billed amounts. Any expenditure beyond the final billed amount is not eligible for State funding.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

10. Obtain the approval document from the OPSC website (K-12 Audit Resources) that indicates that the LEA's estimate of project costs required that 60 percent of the project funding be spent on hard construction costs. When the LEA submitted their application for funding, they certified that the cost estimate of construction work or construction contract(s) submitted to the Department of State Architect was greater than 60 percent of the total grant. Prepare the table to report the percent the LEA spent on hard construction costs and display the table in the audit report.

	Amount	Percentage
60% of Total Grant	\$1,260,009.53	60%
Reported Hard Costs and Percentage	2,097,827.14	100%
Audited Hard Costs and Percentage	2,097,827.14	100%
Difference	837,817.61	40%

11. Inspect supporting documentation for any transfers of SFP funds out of Fund 35 (School Facility Fund) to other LEA funds and determine if they are allowable.

Result of testing: No exceptions noted.

12. Agree and trace any interest reported on the final Form SAB 50-06 to amounts recorded in the general ledger and other interest documentation. Prepare the following table to report the audited amounts.

Reported Interest	N/A
Audited Interest	N/A
Difference	N/A

A difference in audited interest will result in a difference in audited savings funds in procedure 21 or 22.

Result of testing: No interest earnings noted.

13. Verify the LEA has (1) established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings, (2) commencing fiscal year 2018-2019 has deposited into the account a minimum of three percent of the LEA's total General Fund expenditures for the most recent fiscal year and prior fiscal years after receipt of funds including the fiscal year that it received funds, and (3) has developed an ongoing major maintenance plan that complies with and is implemented under the provisions of *Education Code* Sections 17070.75 and 17070.77, and Grant Agreement Section D, Paragraph 3.

Result of testing: No exceptions noted.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

New Construction Projects

Site Purchase

14. Identify if the project received a separate grant for site purchase. If yes, complete procedure 14 and then proceed to procedure 15. If no, any reported site purchase expenditures are not eligible for State Site Purchase Grant funding. In this case, proceed directly to procedure 16.
- a. Agree and trace the reported amount for the site purchase back to source documents such as the final escrow amount or court orders in condemnation.
 - b. Identify the lesser of either (a) actual cost paid on final escrow statement for site purchase or (b) appraisal price on appraisal document. The site grant funding is approved by the SAB based on the lesser of the actual costs or the appraised value of the site. The lesser of the two amounts is eligible for State funding (and shall be considered the audited site purchase costs). Exception: if a court ordered amount was higher than the appraisal amount, then the court order (minus costs not related to site purchase) amount for site purchase would be the amount that was eligible for State Site Purchase Grant funding.
 - c. Prepare the following table to report the audited amounts.

A	Site Purchase Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Site Purchase	N/A
C	Audited Site Purchase Costs	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project, as this is a modernization project.

15. Verify the number of acres purchased is consistent with the approved acreage from the SAB approval item and complete the following:

Number of Acres Purchased	0
Number of Acres Approved	0
Difference	0

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

Site Relocation

16. Identify if the project was approved for and received a separate grant for site relocation assistance. If yes, complete this procedure. If no, any reported site relocation expenditures are not eligible for State Site Relocation Grant funding. In this case, skip to the next numbered procedure.
- a. Obtain the LEA's reported relocation costs detail and select a sample of reported costs. Agree and trace amounts to warrants and other supporting documents to validate that reported costs are allowable and do not exceed cost allowances pursuant to Title 25, CCR, Section 6000, *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Prepare the following table to report the audited amount.

A	Site Relocation Grant Amount (Approved by SAB)	N/A
B	Reported Amount of relocation cost	N/A
C	Audited relocation cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

Site Hazardous Waste Removal Costs

17. Identify if the project received a separate grant for hazardous waste removal or the LEA reported hazardous waste removal costs. If yes to either, complete this procedure. If neither, skip to the next numbered procedure.
- a. Select a sample of reported Site Hazardous Waste Removal Costs and trace amounts to supporting contracts or invoices. Verify that reported costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Section G and H).
 - b. Obtain letter from DTSC that clears the site as safe to construct. Review the dates of all reported hazardous waste removal costs. Any costs dated after the date of the letter are not eligible for State Hazardous Waste Removal funding.
 - c. Prepare the following table to report the audited amounts.

A	Hazardous Waste Removal Grant Amount (Approved by SAB)	N/A
B	Reported Amount of Hazardous Waste Removal	N/A
C	Audited Hazardous Waste Removal Cost	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

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Department of Toxic Substance Control Costs

18. Identify if the project received a separate grant for Department of Toxic Substance Control (DTSC) fees. If yes, complete this procedure. If no, any reported DTSC expenditures are not eligible for State DTSC Grant funding. In this case, skip to the next numbered procedure.
- a. Select a sample of reported DTSC costs and trace to contracts or invoices that support costs. Verify that sampled costs are allowable pursuant to *Education Code* Sections 17072.13, 17072.35 and the Advisory Listing(s) Detailing Common Eligible and Ineligible Project Expenditures in the Grant Agreement (Sections G and H).
 - b. Prepare the following table to report the audited amounts.

A	DTSC Fee Grant Amount (Approved by SAB)	N/A
B	Reported Amount of DTSC Fee	N/A
C	Audited DTSC Fee	N/A
D	Difference	N/A
E	Grant Adjustment (C-A)	N/A
F	Final Grant Amount (A+E)	N/A

Result of testing: Not applicable to the project.

19. Complete the "Schedule of School Facility Program – Site Grant Adjustments", that must be presented in the audit report, using the information from the tables completed in audit procedures 14 through 18 of this section. Note: the LEA will already have completed columns A and B in the schedule. The totals in this schedule will be carried over to the "Schedule of School Facility Program – Summary of Final Funding Determination".
20. Verify whether the OPSC, during the fund release review process, identified a date of occupancy that occurred after the submission of the application for funding. See OPSC website (K-12 Audit Resources). If yes, proceed to the next numbered procedure. If the date of occupancy was not identified by OPSC, document in a table the date of occupancy through inspecting any of the following documentation:
- 1) School Board Minutes
 - 2) Fire Marshall Inspection Letter
 - 3) Copy of news story indicating the date school opened
 - 4) Notice of Completion

Date of Application for Funding	N/A
Date of Occupancy	N/A
Source of Information	N/A

Result of testing: Not applicable to the project, as this is a modernization project.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
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Determination of Project Savings - New Construction

21. If the District had project savings, obtain the District's calculation of savings on the Non-FH New Construction project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project, as this is a modernization project.

Determination of Project Savings - Modernization

22. If the District had project savings, obtain the District's calculation of savings on the Non-FH Modernization project on the "Schedule of School Facility Program Determination of Project Savings" and recalculate the amounts reported.

Savings Reported	N/A
Savings Funds Audited	N/A
Difference	N/A

Display the audited Savings Amount in the "Schedule of School Facility Program Determination of Project Savings".

Result of testing: Not applicable to the project.

23. Display in "Schedule of School Facility Program Summary of Final Project Funding" (Section VII) the total amount to be returned to the State.

Result of testing: Not applicable to the project, as no funds are to be returned.

Unfunded List Projects

1. Obtain the LEA's listing of purchased Computers, Printers, and computer carts.

Result of testing: Not applicable to the project, as no Computers, Printers, and computer carts were purchased.

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2. If Computers, Printers, or computer carts were purchased, inspect the following documentation to determine if expenditures were made within the scope of the project funded:
 - a. The District must submit a letter or other documents which details:
 - i. Location of computers
 - ii. Use of computers
 - iii. District’s rationale for the amount of computers purchased
 - b. Per *Education Code* Section 17071.25(a)(2)(A) the California classroom loading standard has been used to determine the number of eligible computers.
 - i. K-6 = 25 pupils per classroom
 - ii. 7-8 = 27 pupils per classroom
 - iii. 9-12 = 27 pupils per classroom
 - iv. Non-Severe = 13 pupils per classroom
 - v. Severe = 9 pupils per classroom

In addition to the above, one additional computer per classroom has been allowed for the teaching station.

Result of testing: Not applicable, see step one above.

3. Obtain the number of classrooms approved for the project and type of project approved from the SAB item that approved the project apportionment.

Result of testing: Not applicable, see step one above.

4. Calculate the number of eligible computers.

A	Cost of computers and Related Equipment	N/A
B	Number of Computers Purchased	N/A
C	Average Cost Per Computer (A/B)	N/A
D	Eligible Computers Calculation	N/A
E	Difference (D-B)	N/A
F	Audited – Amount Associated with Ineligible Computers (E*C)	N/A

Result of testing: Not applicable, see step one above.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Newport-Mesa Unified School District has properly accounted for the expenditures related to Non-Financial Hardship Project No. 57/66597-00-033. The Newport-Mesa Unified School District complied with all requirements of Proposition 51 and requirements outlined in Appendix B contained in the *2018-2019 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, issued by the California Education Audit Appeals Panel.

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SUMMARY OF AUDIT FINDINGS**

District: Newport-Mesa Unified School District					
Project Number: 57/66597-00-033					
School Name: Corona Del Mar High School					
Section	Procedure	Objective	Finding/Outcome	Site Related Amount (OPSC Amount)	All Other Ineligible Expenditures (CDE Action)
IIA	#3b	Determine if the type of project expenditures are eligible in accordance with the laws and regulations of the SFP	N/A	\$ -	\$ -

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SITE GRANT ADJUSTMENTS SUMMARY**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) – SITE GRANT ADJUSTMENTS SUMMARY							
District: Newport-Mesa Unified School District							
Project Number: 57/66597-00-033							
School Name: Corona Del Mar High School							
		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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Site Relocation	-	-	-	-	-	-
3.	Site Hazardous Waste Removal	-	-	-	-	-	-
4.	Department of Toxic Substance Control	-	-	-	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
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**SCHEDULE OF SCHOOL FACILITY PROGRAM
DETERMINATION OF PROJECT SAVINGS**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) DETERMINATION OF PROJECT SAVINGS (LEA to report with SAB 50-06 for each SFP project)			
District: Newport-Mesa Unified School District			
Project Number: 57/66597-00-033			
School Name: Corona Del Mar High School			
	Reported	Audited	Difference
A. State Share: Grant Amount (do not include site acquisition, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 2,012,214.00	\$ 2,012,214.00	-
B. Plus District Contribution	87,801.89	87,801.89	-
C. Plus Financial Hardship Apportionment	-	-	-
D. District Share: (B + C)	87,801.89	87,801.89	-
E. Plus Interest Earned on State Funds	-	-	-
F. Amounts Financed (A + D + E = F)	2,100,015.89	2,100,015.89	-
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)	2,100,015.89	2,100,015.89	-
H. Amount Overspent (if reported expenditures more than amounts financed) (F - G = H)	-	-	-
I. Amount of Savings (if reported expenditures less than amounts financed) (F - G = I)	-	-	-

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

**SCHEDULE OF SCHOOL FACILITY PROGRAM
SUMMARY OF FINAL PROJECT FUNDING**

SCHEDULE OF SCHOOL FACILITY PROGRAM (SFP) SUMMARY OF FINAL PROJECT FUNDING (For Non-Financial Hardship Closeout Audits and Financial Hardship Closeout Audit)		
District: Newport-Mesa Unified School District		
Project Number: 57/66597-00-033		
School Name: Corona Del Mar High School		
	Non- Hardship	Department
A. State Share: Grants Received (do not include site purchase, relocation assistance, hazardous waste removal, or DTSC grants in this figure)	\$ 2,012,214.00	
B. Plus District Contribution	87,801.89	
C. Plus Financial Hardship Apportionment	N/A	
D. District Share (B + C = D)	87,801.89	
E. Plus Audited Interest Earned on State Funds	-	
F. Total Project Financing (A + D + E = F)	2,100,015.89	
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)	2,100,015.89	
H. Amount Overspent (if reported expenditures more than project financing) (G - F = H)	-	
I. Amount of Audited Savings (if reported expenditures less than project financing) (F - G = I; also Audited Savings amount on SFP Project Savings Schedule)	-	OPSC
J. Ineligible Expenditures – Audit Findings from SFP Summary of Audit Findings	-	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	OPSC
L. Site Grant Adjustments – from Schedule of Site Grant Adjustments Summary	-	OPSC
M. Total Amount to be returned to the State (Non-Financial Hardship For Audit Findings and Site Grant Adjustments) (J + K + L = M)	-	
N. Total Amount to be returned to the State - Financial Hardship District (I + J + K + L = N)	N/A	

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
CORONA DEL MAR HIGH SCHOOL
PROJECT NO. 57/66597-00-033**

**SCHEDULE OF THE PERCENT THE LEA SPENT ON
HARD CONSTRUCTION COSTS**

	Amount	Percentage
60% of Total Grant	\$ 1,260,009.53	60%
Reported Hard Costs and Percentage	2,097,827.14	100%
Audited Hard Costs and Percentage	2,097,827.14	100%
Difference	837,817.61	40%