

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL BOND CONSTRUCTION PROGRAM
MEASURE RR
PERFORMANCE AUDIT
JUNE 30, 2024**



**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL BOND CONSTRUCTION PROGRAM
MEASURE RR
PERFORMANCE AUDIT
June 30, 2024**

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SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRANARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 2600
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

Independent Auditor's Report

The Honorable Board of Education and
School Construction Bond Citizens' Oversight Committee
Los Angeles Unified School District

We have conducted a performance audit of the Los Angeles Unified School District's (the District),
Measure RR School Bond Construction Program for the year ended June 30, 2024.

We conducted this performance audit in accordance with *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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 5 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure RR General Obligation Bonds and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. 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 control to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District expended Measure RR School Bond Construction Program funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Los Angeles, California
March 24, 2025

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL BOND CONSTRUCTION PROGRAM
MEASURE RR
PERFORMANCE AUDIT
LEGISLATIVE HISTORY
June 30, 2024**

On November 7, 2000, California voters approved Proposition 39, the *Smaller Classes, Safer Schools and Financial Accountability Act*. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, “for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities”, upon approval by 55% of the electorate. Additional accountability measures, as stipulated in Education Code Section 15278 – 15282, and 15286, are as follows:

1. A requirement that the school district establish and appoint members to an independent citizens’ oversight committee.
2. A requirement that the proceeds from the sale of the bonds be used only for the purposes described in Article XIII A, Section 1(b)(3)(A) of the California Constitution and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement that the school district list the specific school facilities projects to be funded and certification that the school district board has evaluated safety, class size reduction, and information technology needs in developing that list.
4. A requirement that the school district conduct an annual independent performance audit, in accordance with Government Auditing Standards issued by the Comptroller General of the United States, required by Article XIII A, Section 1(b)(3)(C) of the California Constitution, ensuring that the funds have been expended only on the specific projects listed.
5. A requirement that the school district conduct an annual independent financial audit, in accordance with Government Auditing Standards issued by the Comptroller General of the United States, required by Article XIII A, Section 1(b)(3)(D) of the California Constitution, of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
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MEASURE RR GENERAL OBLIGATION BONDS
June 30, 2024**

The Measure RR School Bond Construction Program (Measure RR) or "the school upgrades and safety measure" approved by the voters under California Proposition 39, known as the *Smaller Classes, Safer Schools and Financial Accountability Act* (Prop 39), is intended to provide the Los Angeles Unified School District (the District) funding to update classrooms/labs/technology for 21st century learning; implement COVID-19 facility safety standards; address school facility inequities; reduce asbestos, earthquake and water quality hazards; and replace/renovate aging school classrooms/buildings.

The Board of Education (the Board) has established a School Construction Bond Citizens' Oversight Committee (BOC) to ensure that the proceeds of Measure RR's bond issuances are used for the purposes stated in the Board Resolution (the Resolution), which placed Measure RR on the 2020 ballot.

The proceeds from the Measure RR are to be used for projects such as the following:

- Upgrade, acquire, and/or install communication and safety/security systems, networks, fixtures, infrastructure, and equipment.
- address/telecommunications, and exterior lighting.
- Install and/or replace security gates, fencing, and master key/door lock and access control systems, fixtures, and equipment.
- Replace plumbing systems and/or fixtures to address lead or deterioration and/or improve water quality.
- Upgrade and/or rehabilitate grounds, fixtures, buildings, and structures or portions thereof, including, but not limited to, hand sanitizing stations touchless faucets, automatic flush urinals, and toilets, motion sensor hand dryers, touchless/hands-free/automatic doors, physical barriers such as clear plastic sneeze guards, and ventilation systems, to eliminate or mitigate health and safety risks and/or comply with local, state and federal building, health, safety, access, and other related guidelines, guidance, or requirements, including those related to COVID-19.
- Retrofit, rehabilitate, reconstruct, and/or replace school buildings to improve earthquake safety.
- Install and/or upgrade air quality improvement systems and equipment.
- Furnish and equip school facilities with technology.
- Upgrade, replace, acquire, and/or install technology infrastructure, systems, fixtures, hardware, and software.
- Modernize, renovate, replace, and/or upgrade school facilities.
- Replace, upgrade, and/or install major site, building, and utility systems and equipment.
- Construct and/or upgrade clean, renewable, sustainable, and efficient energy and/or water systems, equipment, and features
- Renovate, install, construct, upgrade, and/or replace school grounds, gardens, outdoor areas, outdoor structures, outdoor learning areas, landscape, hardscape, permeable surfaces, irrigation, drainage, storm drain connections, and stormwater retention systems, which may include the removal of portable or modular buildings.
- Construct, upgrade, and/or expand pathways, path of travel, paved areas, roads, sidewalks, pick-up/drop-off areas, and parking lots and related areas.
- Construct, reconstruct, rehabilitate, expand, and/or replace athletic, recreational, and/or sports facilities including, but not limited to, play areas, playgrounds, play fields, gymnasiums, stadiums, athletic fields, and tracks (synthetic or natural), tennis courts and other hardcourts, pools, baseball/softball dugouts and batting cages, stadiums, bleachers, press boxes, announcer's booths, scoreboards, and locker rooms.

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The proceeds from the Measure RR are to be used for projects such as the following (continued):

- Renovate, replace, and/or install lighting for athletic fields, play fields, tracks, courts, and stadiums.
- Rehabilitate closed schools, centers, and/or sites to be operational, and renovate/upgrade such schools, centers, and/or sites to meet health, safety, and access requirements, and efficiency and program needs.
- Acquire or replace school buses.
- Americans with Disabilities Act (ADA) and other accessibility upgrades, renovations, and installations to physical elements/areas.
- Indoor and outdoor furniture including, but not limited to, desks, chairs, benches, tables, modular furniture, bookcases and lockers.
- Technology including, but not limited to, laptops, laptop carts, computers, tablets, mobile devices, digital projectors, 3D printers, smart/interactive whiteboards, UAV/UAS educational drones, cameras, document cameras, sound amplification devices, monitors, ceiling mounted projectors, televisions, copiers, scanners, printers, microphones, audio systems, video systems, announcement displays, and digital marquees.
- Equipment, including, but not limited to, computer science equipment, robotics equipment, science lab equipment, career technical education industry-specific equipment, food service equipment, and gymnasium or athletic equipment such as basketball backboard and rim systems, baseball/softball dugouts and batting cages, and soccer goal posts and nets.
- Acquire, construct, furnish, and equip new schools, classrooms, classroom buildings, adult and career technical education facilities, preschool facilities, labs, gymnasiums, other school athletic, recreational, and sports facilities.
- Development of District-owned facilities for charter schools pursuant to, without limitation, a District augmentation program.
- Consistent with the District's responsibilities under Education Code Section 47614, renovate school facilities.
- Construction of new and expansion of existing school-based wellness clinics.
- Construction, reconstruction, rehabilitation, and replacement of athletic, recreational, and/or sports facilities.

All projects to be funded under Measure RR must be included in the Strategic Execution Plans (SEPs) approved by the Board. The District has established General Obligation Bond Charging Guidelines to outline the allowable expenditures for Measure RR. Such guidelines specifically state that no funds will be spent for teacher, administrator salaries or for school operating expenses.

The Measure RR initiative authorized the issuance of \$7.0 billion in bonds. \$1.025 billion has since been issued between November 2021 and June 2024. The bonds are included in the audited financial statements of the District.

The District tracks the financial activities related to Measure RR in the District Bonds Fund. The District Bonds Fund is comprised of multiple funds in the District's Audited Annual Financial Report (AAFR).

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL BOND CONSTRUCTION PROGRAM
MEASURE RR
PERFORMANCE AUDIT
OBJECTIVES, SCOPE, METHODOLOGY, AND CONCLUSIONS
June 30, 2024**

OBJECTIVES OF THE AUDIT

The following represents the objectives of our performance audit:

1. Bond Expenditures and Recordkeeping

Determine that the District expended Measure RR funds for the year ended June 30, 2024, only for the purpose approved by the voters and only on the specific projects enumerated in the Resolution and included in the Board approved SEPs and amendments, in accordance with the requirements of Proposition 39, as specified by Article XIII A, Section 1(b)(3)(C) of the California Constitution.

2. Procurement of Contracts/Agreements

Determine that the District procured Professional Service Agreements in accordance with the District's Desk-Top Procedures for Facilities Contracts, Construction Contracts in accordance with the District's Operational Standards Policies & Procedures and Desk-Top Procedures for Facilities Contracts, and Goods and Supplies Contracts in accordance with the District's Procurement Manual.

The scope, methodology, and conclusions of the above objectives are enumerated on pages 6 through 13 of this report.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL BOND CONSTRUCTION PROGRAM
MEASURE RR
PERFORMANCE AUDIT
OBJECTIVES, SCOPE, METHODOLOGY, AND CONCLUSIONS
June 30, 2024**

1. BOND EXPENDITURES AND RECORDKEEPING

Objective

Determine that the District expended Measure RR funds for the year ended June 30, 2024, only for the purpose approved by the voters and only on the specific projects enumerated in the Resolution and included in the Board approved SEPs and amendments, in accordance with the requirements of Proposition 39, as specified by Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Scope

The scope covers the period from July 1, 2023, to June 30, 2024. The population of expenditures tested includes object codes and specific projects associated with Measure RR.

A total of \$269.1 million in expenditures were identified for fiscal year ended June 30, 2024, which consists of the following (thousands):

Non-Payroll Expenditures:	
Books and supplies	\$ 52
Services and other operating expenditures	15,668
Capital outlay	<u>253,673</u>
<i>Total non-payroll expenditures</i>	<u>269,393</u>
Payroll Expenditures:	
Classified salaries	(175)
Employee benefits	<u>281</u>
<i>Total payroll expenditures</i>	<u>106</u>
Other Financing Uses:	
Transfers out	<u>364</u>
<i>Total other financing uses</i>	<u>364</u>
Total Measure RR Expenditures per AAFR - District Bonds Fund	<u>\$ 269,863</u>

**LOS ANGELES UNIFIED SCHOOL DISTRICT
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OBJECTIVES, SCOPE, METHODOLOGY, AND CONCLUSIONS
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1. BOND EXPENDITURES AND RECORDKEEPING *(continued)*

a. Procedure Performed

We obtained a general ledger report prepared by the District detailing balances for all funds which made up the District Bonds Fund to reconcile the totals to the balances reported as of June 30, 2024, in the AAFR. We extracted from the general ledger report all activities pertaining to Measure RR, Fund 216, as of June 30, 2024.

Conclusion

The results of our test indicated that all Measure RR expenditure balances reconciled to the District Bonds Fund reported in the AAFR.

b. Procedures Performed

We selected a total of 185 individual invoices (sampled project expenditures) representing non-payroll expenditures amounting to \$126 million or 46.8% of the total population of non-payroll expenditures.

We obtained the original invoices and other relevant supporting documentation for expenditures sampled to determine compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and Measure RR's approved specific projects enumerated in the Resolution and included in the Board approved SEPs and amendments. We performed the following procedures:

- i. Determined that the sampled project expenditures were in compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and were consistent with the work scope of Measure RR's Resolution as presented to the voters and further defined by various Board approved SEPs and amendments.
- ii. Determined that the sampled project expenditures were not expended on school operating expenditures.
- iii. Verified that the appropriate District personnel had approved and reviewed all sampled project expenditures before payment was made.
- iv. Verified that corresponding projects or non-project allocations in each of the sampled project expenditures were included in the cumulative and various SEPs and amendments. For invoices which covered multiple projects, up to 5 projects were selected and tested.
- v. For sampled project expenditures representing Facilities Services Division (FSD) related construction payments, we verified construction project payment procedures had been met by testing the following:
 - The Contractor certified the Application for Payment by evidence of a signature.
 - The Owner Authorized Representative (OAR) certified that the services had been rendered by evidence of a signature.
 - The payment package included the Encumbrance/Payment request form, the Application for Payment, the Owner Assessment Summary, and other necessary supporting documents.

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1. BOND EXPENDITURES AND RECORDKEEPING *(continued)*

Conclusions

The results of our tests indicated that sampled non-payroll expenditures were properly expended only for the purposes approved by the voters and only on the specific projects enumerated in the Resolution and included in the Board approved SEPs and amendments, in accordance with the requirements of Proposition 39, as specified by Article XIII A, Section 1(b)(3)(C) of the California Constitution and were not expended on school operating expenditures.

Information Technology Services (ITS) issued its most recent Board approved SEP in 2023, which was used for testing. Expenditures pertaining to projects not listed in the 2023 SEP were tested in accordance with the board approved SEP amendments.

Additionally, the non-payroll expenditures were properly approved and reviewed by District personnel, along with construction payments adhering to construction project payment procedures.

c. Procedures Performed

We selected a total of 24 employees' payroll expenditures (sampled employees) for the entire fiscal year amounting to \$799.3K of the total population of payroll expenditures. We performed the following procedures:

- i. Determined that the sampled employees' payroll expenditures were in compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and were consistent with the work scope of Measure RR's Resolution as presented to the voters and further defined by various Board approved SEPs and amendments.
- ii. Verified, based on interviews with the sampled employees, the work conducted in connection with the time charged to Measure RR was in compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution, and was not related to teacher or school administrative activities.
- iii. Verified that the District maintained adequate time and effort reporting controls and procedures for regular review of appropriate charges to Measure RR by testing the following:
 - Sampled employees maintained a multi-funded timesheet, or
 - Sampled employees' Semi-Annual Certification Forms of Bond-Funded Work (Certification) were submitted to the Office of Chief Financial Officer's (CFO) Bond Compliance Unit in accordance with the District's Bulletin BUL-6521.2 dated December 17, 2021, for the entire fiscal year.
- iv. For employees who submitted a Certification with a "0% of Regular Time Spent on Bond-Eligible Projects/Activities" under 100% or whose time was not tracked on a project basis, we determined that payroll expenditures were based on the time associated with actual activities performed on Measure RR, and not based on a predetermined budgeted rate/allocation, by reviewing supporting documentation to verify that payroll expenditures charged to Measure RR were based on actual time spent on Measure RR related activities.

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OBJECTIVES, SCOPE, METHODOLOGY, AND CONCLUSIONS
June 30, 2024**

1. BOND EXPENDITURES AND RECORDKEEPING *(continued)*

Conclusions

The results of our tests indicated that the sampled payroll expenditures were properly expended only for the purposes approved by the voters and only on the specific projects enumerated in the Resolution and included in the Board approved SEPs and amendments, in accordance with the requirements of Proposition 39, as specified by Article XIII A, Section 1(b)(3)(C) of the California Constitution and were not expended on teacher or school administrative activities.

The sampled employees maintained adequate time and effort reporting documents by either tracking time in Colin, Maximo, PATS, or custom forms on an internal order or project basis or submitting Semi-Annual Certifications of Bond-Funded Work.

For employees who submitted a Certification with a “% of Regular Time Spent on Bond-Eligible Projects/Activities” under 100% or whose time was not tracked on a project basis, the results of our tests indicated that payroll expenditures were based on the time associated with actual activities performed on Measure RR, and not based on a predetermined budgeted rate/allocation, by reviewing supporting documentation which verified that payroll expenditures charged to Measure RR were based on actual time spent on Measure RR related activities.

d. Procedures Performed

We selected 16 Transfer Out (sampled transfer) and performed the following procedures:

- i. Determined that the sampled non-payroll expenditures were in compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and were consistent with the work scope of Measure RR’s Resolution as presented to the voters and further defined by various Board approved SEPs and amendments, and not expended on school operating expenditures.
- ii. For non-payroll project expenditures, we reviewed the supporting documents for the transfers out and determined that the amounts expended were consistent with the Board approved SEPs and amendments or Board Report authorizing use of Measure RR funds.

Conclusions

The results of our tests indicated that sampled non-payroll expenditures were properly expended only for the purposes approved by the voters and only on the specific projects enumerated in the Resolution and included in the Board approved SEPs and amendments, in accordance with the requirements of Proposition 39, as specified by Article XIII A, Section 1(b)(3)(C) of the California Constitution and were not expended on school operating expenditures. Additionally, the amounts expended were consistent with the Board approved SEPs and amendments or Board Report authorizing use of Measure RR funds.

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2. PROCUREMENT OF CONTRACTS/AGREEMENTS

Objective

Determine that the District procured Professional Service Agreements in accordance with the District's Desk-Top Procedures for Facilities Contracts, Construction Contracts in accordance with the District's Operational Standards Policies & Procedures and Desk-Top Procedures for Facilities Contracts, and Goods and Supplies Contracts in accordance with the District's Procurement Manual.

Scope

The scope covers contracts/agreements procured during the period of July 1, 2023, to June 30, 2024, in which the original funding strategy source assigned was Measure RR.

Procedures Performed

We selected 3 Professional Services Agreements to determine whether the District procured the contracts in accordance with the applicable requirements of the District's Desk-Top Procedures for Facilities Contracts by testing the following for the selected agreements:

- i. We verified that the selected firm was approved by the board before performance was conducted, or that project-specific contract actions delegated by the Board were properly reported.
- ii. We verified a Request for Proposal (RFP), Request for Qualifications (RFQ), or Invitation for Bid (IFB) was established.
- iii. If the Pre-Bid Meeting was mandatory the sign in sheet/attendance sheet showed that the firm attended the Pre-Bid Meeting.
- iv. We verified the Evaluation Panel Members signed the Non-Disclosure Form.
- v. We verified that the Scoring and Ranking Forms were completed.
- vi. We verified, for agreements valued at \$500,000 or higher, that a Dunn and Bradstreet report was completed.
- vii. We verified, for agreements valued at \$5,000,000 or higher, that a Due Diligence Background Check was completed.
- viii. We verified that the Recommendation to Award (RTA) was signed by Panel Members and the Director of Facilities Contracts. For design service contracts, we verified a Ratification Memo was issued.
- ix. We verified the firm completed conflict of interest and ethics rules of conduct forms.
- x. We verified Written Qualifications and Cost Proposals were collected for PS agreements between \$10,000 - \$114,500. For any sole source contracts, we verified a non-competitive/sole source justification form was filled out.
- xi. We verified a fully signed contract was entered between the District and the contractor.
- xii. For contracts up to \$250,000, we verified the District completed an Informal Request for Proposal (IFRP), shopping cart (if applicable), Request for Procurement Action (RFPA) and a Statement of Work form was completed.

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OBJECTIVES, SCOPE, METHODOLOGY, AND CONCLUSIONS
June 30, 2024**

2. PROCUREMENT OF CONTRACTS/AGREEMENTS *(continued)*

Procedures Performed *(continued)*

We selected 2 Construction Contracts to determine the District procured those contracts in accordance with the applicable requirements of the Operational Standards Policies & Procedures and Desk-Top Procedures for Facilities Contracts by testing the following for the selected contracts:

- i. We verified that the bid was properly advertised by testing the following:
 - Request for Advertising of a Construction Project was submitted by the OAR and approved by authorized District officials.
 - Bid Advertisements were placed in the Los Angeles Daily Journal and bidding information was provided to various trade publications.
 - Bids were advertised for two consecutive weeks.
- ii. We verified that the contract was awarded to a prequalified bidder by testing the following:
 - The prequalified bidder was included in the List of Currently Prequalified Prime/General Contractors for Formal Competitively Bid Projects. Projects that did not require formally pre-qualified bidders were approved by the Acquisition Strategy Board (ASB).
 - The bid date (from the Request for Advertisement) was valid as of the effective date of the List of Currently Prequalified Prime/General Contractors for Formal Competitively Bid Projects.
- iii. We verified that the contract was awarded to the lowest responsive bidder pursuant to Public Contract Code Section 20103.8(b) by reviewing the following:
 - If the Pre-Bid Meeting was mandatory the sign-in sheet/attendance sheet showed that the Bidder attended the Pre-Bid Meeting.
 - The required bid forms were submitted by the bidder along with their sealed bid (Bid and Acceptance Form, Bid Security Form, Certification Requirement, and Non-Collusion Affidavit).
 - At least 3 bidders responded to the advertisement (non-mandatory) or were among the attendees of the mandatory pre-bid meeting.
 - The contract was awarded to the lowest bidder as stated on the Tabulation of Bids Received by Facilities Construction Contracts. Lowest bid price is the lowest base bid without consideration of the prices on the additive or deductive bid items.

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2. PROCUREMENT OF CONTRACTS/AGREEMENTS *(continued)*

Procedures Performed *(continued)*

- iv. We verified that the award of the contract was properly executed.
 - The Contract Administrator (CA) prepared the Recommendation to Award (RTA) and signed off that all bidding requirements were met and that the identified bidder was the lowest responsive and responsible bidder.
 - Facilities Construction Contracts (FCC) forwarded the RTA (Exhibit L) to Facilities Procurement and Payment Services (FPPS) for funding verification and approval. The RTA under a Master Contract did not show the specific amount of the contract but rather the pre-encumbered minimum guaranteed amount. This form showed the range (minimum to maximum) amount of the contract.
 - RTA was signed by the CA, the Director/Deputy Director (Delegated/Authorized signatories), and a copy was given to the OAR and/or Project Manager.
 - Notice of Intent to Award (NOIA) was transmitted to the Contractor with the remaining requirements before the contract was awarded.
 - Within 10 days of receipt of NOIA, the awarded contractor picked up the NOIA package, plans, and specification, including any addenda; enrolled in OCIP; and submitted the package to the FCC: (1) one executed original of the payment bond (2) one executed original of the performance bond (3) confirmation that bidder submitted the required paperwork to enroll in the Owner Controlled Insurance Program (OCIP). Certain contracts do not require OCIP and Advertisement because of the nature of the service rendered, such as "Emergency Asbestos Removal". In these cases, the contractor was required to provide a copy of their own insurance coverage.
 - Final contract was issued with evidence of all required approvals.
- v. We verified that the contract award was properly authorized and approved by the Board.
- vi. We verified that the extract of the Public Works Contract (PWC) Award was forwarded to the California Department of Industrial Relations - Division of Apprenticeship Standards.

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2. PROCUREMENT OF CONTRACTS/AGREEMENTS *(continued)*

Procedures Performed *(continued)*

We selected 1 Goods and Supplies Contract to determine the District procured the contract in accordance with the applicable requirements of the Procurement Manual by testing the following for the selected contract:

- i. We verified that a contract was established with required approvals.
- ii. We verified that a Fully Funded Shopping Cart was established, with the exception of Invitation for Bid (IFB) Contracts.
- iii. We verified that a Request for Procurement Action (RFPA) was established with required approvals.
- iv. We verified that a Formal Invitation for Bid was established, and a formal competition was conducted.
- v. We verified that the supporting documentation was included in the Informative for Board Review, such as the background on the suggested award along with details of usage and funding.
- vi. We verified that the contract award was properly authorized and approved by the Board.
- vii. For contracts established via Single/Sole Source, we verified the existence of a justification form with proof of approval by the designated officials.

Conclusions

The results of our tests indicated that the District procured the selected Professional Service Agreements in accordance with the District's Desk-Top Procedures for Facilities Contracts, the selected Construction Contract in accordance with the applicable requirements of the District's Operational Standards Policies & Procedures, and Desk-Top Procedures for Facilities Contracts, and selected Goods and Supplies Contracts in accordance with the District's Procurement Manual.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL BOND CONSTRUCTION PROGRAM
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SCHEDULE OF FINDINGS AND RESPONSES
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No matters were reported.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL BOND CONSTRUCTION PROGRAM
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SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
June 30, 2024**

MRR-2023-001 – Payroll Expenditure Charges

Recommendation

We recommend the following to the District:

- a. Provide training, guidance, and support to the specific departments of the employees identified in our finding, regarding the analysis of payroll expenditures charged to Measure RR against actual time spent or a system in place to properly establish relevant metrics, not based on budgeted assumptions, necessary to distinguish bond-funded versus non-bond funded activities, on Measure Rr related activities. Further, the District should ensure that personnel responsible for making such decisions on behalf of the departments are present for the training.

Views of Responsible Officials and Planned Corrective Actions

- a. The District will provide annual training, guidance, and support to all departments with employees charging time on bond funds. The District will require personnel that are responsible for employees that charge the bond funds be provided training to include the time reporting procedures and collection of relevant metrics in order to evaluate necessary adjustments to the bond charges.

Current Status

Implemented.