

**MEASURE C6 BOND BUILDING FUND OF  
OAK PARK UNIFIED SCHOOL DISTRICT**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2014**

**San Diego**

**Los Angeles**

**San Francisco  
Bay Area**

**christywhite**  
A PROFESSIONAL  
ACCOUNTANCY CORPORATION *associates*

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
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June 30, 2014**

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## FINANCIAL SECTION

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**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Introduction and Citizens' Oversight Committee Member Listing  
June 30, 2014**

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The Oak Park Unified School District was established on July 1, 1978, and consists of an area comprising approximately 28 square miles. The District operates three elementary schools, one middle school, one high school, one continuation high school, one independent study school, and one preschool.

In an election held on June 6, 2006, the voters authorized the District to issue and sale \$17,500,000 of principal amount of general obligation bonds. These bonds were issued for the purpose of financing specific vehicle and equipment purchases to improve student safety, replace aging school equipment and furnishings, and provide up-to-date educational technology, including updating science and computer lab equipment, replacing aging student desks and chairs, upgrading playground equipment to current safety standards, acquiring safe student transportation and maintenance vehicles.

The first series of bonds, Series 2007, was issued on September 20, 2007 for \$5,011,137 with interest rates ranging from 3.75% to 5.25%. The original issuance consisted of \$3,180,000 of current interest serial bonds, \$1,685,000 of current interest term bonds, and \$146,137 of capital appreciation serial bonds. The principal balance outstanding at June 30, 2014 amounted to \$3,433,348, including \$82,211 in accreted interest.

Series B was issued on April 14, 2009 for \$4,999,686 with interest rates ranging from 3.00% to 6.75%. The original issuance consisted of \$2,310,000 of current interest serial bonds and \$2,689,686 of capital appreciation serial bonds. The principal balance outstanding at June 30, 2014 amounted to \$5,951,099, including \$1,056,412 in accreted interest.

Series 2013A was issued on September 25, 2013 for \$3,655,000 with interest rates ranging from 3.00% to 4.00%. The original issuance consisted entirely of current interest serial bonds. The principal balance outstanding at June 30, 2014 amounted to \$3,655,000.

The Citizens' Oversight Committee had the following members as of June 30, 2014, all of whom were appointed by the District's Board of Education with two year terms of office:

<u>Name</u>	<u>Title</u>	<u>Representation</u>	<u>Education Code Section</u>
Daniel Perini	Chair ( COC )	Parent of Child Enrolled in District	15282(a)(4)
Shary Trux	Chair ( R )	Parent of Child Enrolled in District and Active in a Bona FideTax Payers' Organization	15282(a)(3)
Carl Belicheskyy	Chair ( C6 )	Parent of Child Enrolled in District	15282(a)(4)
Jim Faul	Member	Parent of Child Enrolled in District	15282(a)(4)
Steven Golove	Member	Parent of Child Enrolled in District	15282(a)(4)
Ronald Movich	Member	Parent of Child Enrolled in District	15282(a)(4)
Sherwin Samuels	Member	Community -at- Large	15282(a)
Marc Shapiro	Member	Parent of Child Enrolled in District and Active in a Business Organization	15282(a)(1)
Michael Schneider	Member	Parent of Child Enrolled in District and Active in a	15282(a)(1)
Vance Taylor	Member	Parent of Child Enrolled in District	15282(a)(4)
Jason Wilburn	Member	Parent of Child Enrolled in District	15282(a)(4)
Helene Winston	Member	Parent of Child Enrolled in District	15282(a)(4)

## INDEPENDENT AUDITORS' REPORT

Christy White, CPA

Michael Ash, CPA

Tanya M. Rogers, CPA, CFE

John Whitehouse, CPA

Heather Rubio

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LOS ANGELES

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*Licensed by the California  
State Board of Accountancy*

Governing Board Members and  
Measure C6 Citizens' Oversight Committee  
Oak Park Unified School District  
Oak Park, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure C6 Bond of Oak Park Unified School District (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Measure C6 Bond Building Fund's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial 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 reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### **Auditor's Responsibility (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As discussed in Note 1A, the financial statements present only the individual Proposition 39 Bond Building Fund, consisting of the net construction proceeds of the Measure C6 general obligation bonds as issued by the District, through the County of Ventura, and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure C6 Bond Building Fund of Oak Park Unified School District as of June 30, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2014 on our consideration of the Measure C6 Bond's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure C6 Bond's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated January 6, 2015 on our consideration of the Measure C6 Bond's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure C6 Bond Building Fund for the fiscal year ended June 30, 2014 should be considered in assessing the results of our financial audit.

*Christy White Associates*

San Diego, California  
January 6, 2015

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Balance Sheet  
June 30, 2014**

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**ASSETS**

Cash in county treasury	\$	3,417,643
Accounts receivable		5,065
		<hr/>

<b>Total Assets</b>	\$	<b>3,422,708</b>
		<hr/>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable	\$	154,074
		<hr/>

<b>Total Liabilities</b>		<b>154,074</b>
		<hr/>

**Fund Balance**

Restricted for capital projects		3,268,634
		<hr/>

<b>Total Liabilities and Fund Balance</b>	\$	<b>3,422,708</b>
		<hr/>

The accompanying notes to financial statements are an integral part of this statement.

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2014**

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<b>REVENUES</b>	
Interest income	\$ 12,203
	<hr/>
<b>Total Revenues</b>	12,203
	<hr/>
<b>EXPENDITURES</b>	
Plant Services	1,730,855
Debt Service	155,000
	<hr/>
<b>Total Expenditures</b>	1,885,855
	<hr/>
<b>OTHER FINANCING SOURCES AND USES</b>	
Proceeds from long-term debt	3,655,000
	<hr/>
<b>Total Other Financing Sources and Uses</b>	3,655,000
	<hr/>
<b>Net Change in Fund Balance</b>	1,781,348
	<hr/>
<b>Fund Balance, July 1, 2013</b>	1,487,286
	<hr/>
<b>Fund Balance, June 30, 2014</b>	\$ 3,268,634
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The accompanying notes to financial statements are an integral part of this statement.



**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements  
June 30, 2014**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Oak Park Unified School District (the District) was established on July 1, 1978, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K - 12 as mandated by the state and/or federal agencies. The District operates three elementary schools, one middle school, one high school, one continuation high school, one independent study school, and one preschool.

On June 6, 2006 the District voters authorized \$17,500,000 in general obligation bonds to finance specific vehicle and equipment purchases to improve student safety, replace aging school equipment and furnishings, and provide up-to-date educational technology, including updating science and computer lab equipment, replacing aging student desks and chairs, upgrading playground equipment to current safety standards, acquiring safe student transportation and maintenance vehicles.

An oversight committee to the District's Governing Board and Superintendent, called the Citizens' Oversight Committee (COC), was established pursuant to the requirements of state law and the provisions of the Measure C6 bond. The COC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The COC provides oversight and advises the public whether the District is spending the Measure C6 Bond funds for school capital improvements within the scope of projects outlined in the Measure C6 Bond project list. In fulfilling its duties, the COC reviews, among other things, the District's annual performance and financial audits of Measure C6 activity.

The statements presented are for the individual Measure C6 Bond Building Fund of the District, consisting of the net construction proceeds of Election of 2006, Series 2007, Series B, and Series 2013A general obligation bonds as issued by the District, through the County of Ventura, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

**B. Accounting Policies**

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2014**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collectible within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**D. Encumbrances**

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

**E. Deposits and Investments**

In accordance with Education Code Sections 15357 and 41001, the District maintains a portion of its cash in the Ventura County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

**F. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2014**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**H. Fund Balance**

Under GASB Statement No. 54, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The fund balance in Measure C6 is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2014**

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**NOTE 2 – CASH AND INVESTMENTS**

**Summary of Cash and Investments**

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as cash in county treasury for \$3,417,643.

**Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations. Investments of debt proceeds held by trustees are governed by the provisions of debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities up to 30 years.

**General Authorizations**

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. The table below identifies examples of the investment types permitted in the investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
Agency Obligations	5 years	None	25%
Local Agency Obligations	5 years	15%	10%
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	40%	5%
Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	1 year	40%	10-15%
Reverse Repurchase Agreements	92 days	20%	10%
Local Agency Investment Fund (LAIF)	N/A	10%	10%
Corporate Medium-Term Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	15%	10%
Bond Funds	N/A	2.5%	2.5%
Pass-Through Securities	5 years	20%	5%

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2014**

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**NOTE 2 – CASH AND INVESTMENTS (continued)**

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the Ventura County Investment Pool with a fair value of approximately \$3,410,312 and an amortized book value of \$3,417,643. The weighted average maturity for this pool as of June 30, 2014 was 290 days.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments within the Ventura County Investment Pool are rated at AA Af.

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable amounting to \$5,065 as of June 30, 2014 consists of interest earned on the District's investment in the County Treasury.

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2014**

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**NOTE 4 – MEASURE C6 GENERAL OBLIGATION BONDS**

As of June 30, 2014, the principal balance outstanding on the District’s Measure C6 general obligation bonds is indicated as follows:

Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2013	Issuance/ Accretion	Deletions	Outstanding June 30, 2014
September 20, 2007	3.75% - 5.25%	August 1, 2028	\$ 5,011,137	\$ 3,698,722	\$ 14,626	\$ 280,000	\$ 3,433,348
April 14, 2009	3.00% - 6.75%	August 1, 2033	4,999,686	5,760,009	236,090	45,000	5,951,099
September 25, 2013	3.00% - 4.00%	August 1, 2027	3,655,000	-	3,655,000	-	3,655,000
				<b>\$ 9,458,731</b>	<b>\$ 3,905,716</b>	<b>\$ 325,000</b>	<b>\$ 13,039,447</b>

**Series 2007**

Series 2007 was issued on September 20, 2007 for \$5,011,137 with interest rates ranging from 3.75% to 5.25%. The original issuance consisted of \$3,180,000 of current interest serial bonds, \$1,685,000 of current interest term bonds, and \$146,137 of capital appreciation serial bonds. Interest on the current interest bonds is payable each February 1 and August 1 to maturity, commencing February 1, 2008. Principal of the current interest bonds is payable on August 1 in each of the years as per the repayment schedule, commencing August 1, 2008 through the final maturity at August 1, 2028. The capital appreciation bonds will not bear current interest, but will increase in value by the accumulation of earned interest from their Denominational Amounts on the date of delivery to their respective Maturity Values at maturity. Interest on the capital appreciation bonds will be compounded on each February 1 and August 1, commencing February 1, 2008, through the final maturity at August 1, 2028. The principal balance outstanding at June 30, 2014 amounted to \$3,433,348.

**Series B**

Series B was issued on April 14, 2009 for \$4,999,686 with interest rates ranging from 3.00% to 6.75%. The original issuance consisted of \$2,310,000 of current interest serial bonds and \$2,689,686 of capital appreciation serial bonds. Interest on the current interest bonds is payable on each February 1 and August 1 to maturity, commencing August 1, 2009. Principal of the current interest bonds is payable on August 1 in each of the years and in the amounts as per the repayment schedule. The capital appreciation bonds will not bear current interest, but will increase in value by the accumulation of earned interest from their Denominational Amounts on the date of delivery to their respective Maturity Values at maturity. Interest on the capital appreciation bonds will be compounded on each February 1 and August 1, commencing August 1, 2009, through final maturity at August 1, 2033. The principal balance outstanding at June 30, 2014 amounted to \$5,951,099.

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2014**

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**NOTE 4 – MEASURE C6 GENERAL OBLIGATION BONDS (continued)**

**Series 2013A**

Series 2013A was issued on September 25, 2013 for \$3,655,000 with interest rates ranging from 3.00% to 4.00%. The original issuance consisted entirely of current interest serial bonds. Interest on the current interest bonds is payable on each February 1 and August 1 to maturity, commencing February 1, 2014. Principal of the current interest bonds is payable on August 1 in each of the years and in the amounts as per the repayment schedule. The principal balance outstanding at June 30, 2014 amounted to \$3,655,000.

The annual requirements to amortize all Measure C6 general obligation bonds payable outstanding as of June 30, 2014, are as follows:

Year Ended				
June 30,	Principal	Interest	Total	
2015	\$ 365,000	\$ 342,405	\$ 707,405	
2016	410,000	353,263	763,263	
2017	460,000	333,957	793,957	
2018	515,000	310,582	825,582	
2019	590,000	286,513	876,513	
2020 - 2024	3,972,038	1,270,234	5,242,272	
2025 - 2029	4,137,318	2,828,860	6,966,178	
2030 - 2034	1,451,468	5,208,532	6,660,000	
Accretion	1,138,623	(1,138,623)	-	
Total	<u>\$ 13,039,447</u>	<u>\$ 9,795,723</u>	<u>\$ 22,835,170</u>	

**NOTE 5 – CONSTRUCTION COMMITMENTS**

The Measure C6 Bond Building Fund has no construction commitments as of June 30, 2014.

**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2014**

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**NOTE 6 – MEASURE C6 EXPENDITURES BY PROJECT**

The following table presents expenditure amounts by project for the year ended June 30, 2014.

	21st Century		Miscellaneous Hardware and	Other Equipment	Salaries and	System	Total
	Classrooms	Computers	Software	(Non-technology)	Support	Servers	
Salaries and benefits	\$ -	\$ -	\$ -	\$ -	\$ 75,661	\$ -	\$ 75,661
Supplies	317	34,434	-	44,685	-	1,414	80,850
Non-capitalized expenditures	63,079	731,333	30,448	53,168	-	560	878,588
Operating expenses	-	11,100	-	2,964	-	4,050	18,114
Equipment	-	-	-	229,264	-	448,378	677,642
Debt service	-	-	-	-	155,000	-	155,000
Total project expenditures	\$ 63,396	\$ 776,867	\$ 30,448	\$ 330,081	\$ 230,661	\$ 454,402	\$ 1,885,855

**NOTE 7 – MEASURE C6 EXPENDITURES BY MAJOR OBJECT**

The following table presents the expenditure amounts by major object for the year ended June 30, 2014.

<u>Expenditures by Object</u>	<u>Amount</u>
Classified salaries	\$ 59,170
Employee benefits	16,491
Books and supplies	959,438
Services and other operating	18,114
Capital Outlay	677,642
Debt service	155,000
Total	<u>\$ 1,885,855</u>



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**OTHER INDEPENDENT AUDITORS'  
REPORTS**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

Christy White, CPA

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State Board of Accountancy*

Independent Auditors' Report

Governing Board Members and  
Measure C6 Citizens' Oversight Committee  
Oak Park Unified School District  
Oak Park, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure C6 Bond Building Fund, as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Measure C6 Bond Building Fund's basic financial statements, and have issued our report thereon dated January 6, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Measure C6 Bond's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Measure C6 Bond's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure C6 Bond's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Measure C6 Bond Building Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christy White Associates*

San Diego, California  
January 6, 2015

## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Christy White, CPA

Michael Ash, CPA

Tanya M. Rogers, CPA, CFE

John Whitehouse, CPA

Heather Rubio

SAN DIEGO

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*Licensed by the California  
State Board of Accountancy*

Governing Board Members and  
Measure C6 Citizens' Oversight Committee  
Oak Park Unified School District  
Oak Park, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure C6 Bond Building Fund, as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Measure C6 Bond Building Fund's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial 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 reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Objectives**

In connection with our audit, we also performed an audit of compliance as required in the performance requirements for the Measure C6 General Obligation Bonds for the fiscal year ended June 30, 2014. The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that:

- The proceeds of the sale of the Measure C6 General Obligation Bonds were only used for the purposes set forth in the Measure C6 ballot language and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure, evaluated the replacement of aging school equipment and furnishings, updating of educational technology, including updating of science and computer lab equipment, replacement of aging student desks and chairs, upgrading of playground equipment to current safety standards, and acquisition of safe student transportation and maintenance vehicles, with no funds expended on administrator salaries.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

<b>Internal Control Evaluation</b>
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**Procedures Performed:**

Inquiries were made of management regarding internal controls to:

- Prevent fraud or waste regarding Measure C6 projects, including budgetary controls
- Ensure adequate separation of duties exists in the fiscal services department for Measure C6 funds
- Prevent material misstatements in the financial statements
- Ensure expenditures are allocated to the proper fund(s)
- To follow applicable regulations, including regulations related to bidding and contract management

We then performed substantive tests of financial statement balances to determine whether the controls designed by management were operating effectively, and to provide reasonable assurance that the fiscal year 2013-14 financial statement balances for the Measure C6 Bond Building Fund are not materially misstated.

**Results of Procedures Performed:**

The result of our audits tests show that internal control procedures appear to be working to meet the financial and compliance objectives required by generally accepted accounting standards and applicable laws and regulations. An unmodified opinion was expressed on the financial statements.

## Facilities Site Walk

### **Procedures Performed:**

We performed a site walk to verify that Measure C6 funds expended for the fiscal year ended June 30, 2014 were for valid acquisitions. CWA toured Oak Park High verifying that equipment purchases were in existence and used as intended.

### **Results of Procedures Performed:**

Results of the site walks demonstrate the proper use and implementation of the major 2013-14 Measure C6 expenditures at Oak Park High.

## Test of Expenditures

### **Procedures Performed:**

We tested expenditures to determine whether Measure C6 funds were spent solely on voter and Board approved school facilities projects (as set forth in the District's Facilities Master Plan and the Measure C6 ballot measure language). The expenditure test included a sample of 15 payments totaling \$1,204,006, or 70% of total expenditures for the year ended June 30, 2014.

### **Results of Procedures Performed:**

We found the expenditures and transfers tested to be in compliance with the terms of the Measure C6 ballot measure, Facilities Plan, and applicable state laws and regulations without exception.

## Test of Contracts and Bid Procedures

### **Procedures Performed:**

We did not perform test of contracts and bid procedures for 2013-14 due to no contracts being subject to formal bidding requirements.

Our audit of compliance was made for the purposes set forth in the objectives section of this report would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied, in all material respects, with the compliance requirements for the Measure C6 General Obligation Bond as listed and tested above.

This report is intended solely for the information and use of the Measure C6 Citizens' Bond Oversight Committee, the District's Governing Board, management, and the taxpayers of Oak Park Unified School District and is not intended to be and should not be used by anyone other than these specified parties.

*Christy White Associates*

San Diego, California  
January 6, 2015

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**SCHEDULE OF FINDINGS AND  
RECOMMENDATIONS**

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**MEASURE C6 BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Schedule of Findings and Recommendations  
For the Year Ended June 30, 2014**

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*There were no findings or recommendations related to the audit of the Measure C6 Bond Building Fund for the fiscal year ended June 30, 2014.*

**MEASURE C6 BOND BUILDING FUND  
OF OAK PARK UNIFIED SCHOOL DISTRICT  
Schedule of Prior Year Findings and Recommendations  
For the Year Ended June 30, 2014**

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*There were no findings or recommendations related to the audit of the Measure C6 Bond Building Fund for the fiscal year ended June 30, 2013.*