

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

**AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2015**

**San Diego**

**Los Angeles**

**San Francisco  
Bay Area**

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

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
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June 30, 2015**

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## FINANCIAL SECTION

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**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Introduction and Citizens' Oversight Committee Member Listing  
June 30, 2015**

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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 November 4, 2008, the voters authorized the District to issue and sale \$29,445,000 of principal amount of general obligation bonds. These bonds were issued for the purpose of financing specific construction and modernization projects, including repairing, renovating, and improving aging facilities; repairing water damage and failing roofs; removing hazardous materials; making schools earthquake safe; replacing outdated fire and security systems; and improving classrooms to modern safety and instructional standards.

The first series of bonds, Election of 2008, Series A, was issued on April 14, 2009 for \$9,998,516 with interest rates ranging from 3.00% to 6.75%. The original issuance consisted of \$9,750,000 of current interest serial bonds and \$248,516 of capital appreciation serial bonds. The principal balance outstanding at June 30, 2015 amounted to \$7,104,009.

Series 2011 A Tax Exempt Bonds was issued on June 8, 2011 for \$9,382,294 with interest rates ranging from 4.70% to 7.47%. The original issuance consisted of \$1,460,798 of capital appreciation serial bonds and \$7,921,495 of convertible capital appreciation term bonds. The capital appreciation bonds will mature at August 1, 2036. Principal and accrued interest of convertible capital appreciation bonds will be payable only at maturity as per the repayment schedule, through the final maturity at August 1, 2038. The principal balance outstanding at June 30, 2015 amounted to \$12,269,735.

Series 2011 B Taxable Qualified School Construction Bonds was issued on June 8, 2011 for \$4,415,000 with an interest rate of 4.86%. The original issuance consisted entirely of a current interest term bond. Principal of the Qualified School Construction Bonds is payable on August 1, 2019. The principal balance outstanding at June 30, 2015 amounted to \$4,415,000.

Series 2013 B was issued on September 25, 2013 for \$5,644,564 with interest rates ranging from 1.50% to 8.00%. The original issuance consisted of \$1,000,000 of current interest serial bonds and \$4,644,564 of capital appreciation serial bonds. The bonds will mature through August 1, 2042. The principal balance outstanding at June 30, 2015 amounted to \$6,013,861.

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT**

**Introduction and Citizens' Oversight Committee Member Listing, continued  
June 30, 2015**

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The Citizens' Oversight Committee had the following members as of June 30, 2015, all of whom were appointed by the District's Board of Education with two year terms of office:

<b>Name</b>	<b>Title</b>	<b>Representation</b>	<b>Education Code Section</b>
Shary Trux	Chair ( COC )	Parent of Child Enrolled in District and Active in a Bona Fide Tax Payers' Organization	15282(a)(3)
Ronald Movich	Chair ( R )	Parent of Child Enrolled in District	15282(a)(4)
Steven Golove	Chair ( C6 )	Parent of Child Enrolled in District	15282(a)(4)
Keith Caruso	Member	Parent of Child Enrolled in District	15282(a)(4)
Jim Faul	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 Business Organization	15282(a)(1)
Vance Taylor	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

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

Christy White, CPA

Michael Ash, CPA

Heather Rubio

### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure R Bond of Oak Park Unified School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Measure R 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.

SAN DIEGO  
LOS ANGELES  
SAN FRANCISCO/BAY AREA

Corporate Office:  
348 Olive Street  
San Diego, CA 92103

toll-free: 877.220.7229  
tel: 619.270.8222  
fax: 619.260.9085  
www.christywhite.com

*Licensed by the California  
State Board of Accountancy*

## **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 R 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 R Bond Building Fund of Oak Park Unified School District as of June 30, 2015 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 13, 2016 on our consideration of the Measure R 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 R 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 13, 2016 on our consideration of the Measure R Bond's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure R Bond Building Fund for the fiscal year ended June 30, 2015 should be considered in assessing the results of our financial audit.

*Christy White Associates*

San Diego, California  
January 13, 2016

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Balance Sheet  
June 30, 2015**

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<b>ASSETS</b>	
Cash in county treasury	\$ 3,786,052
Accounts receivable	3,732
	<hr/>
<b>Total Assets</b>	<b>\$ 3,789,784</b>
	<hr/>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 364,888
Due to other funds	69,551
	<hr/>
<b>Total Liabilities</b>	<b>434,439</b>
	<hr/>
<b>Fund Balance</b>	
Restricted for capital projects	3,355,345
	<hr/>
<b>Total Fund Balance</b>	<b>3,355,345</b>
	<hr/>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,789,784</b>
	<hr/>

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



**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2015**

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<b>REVENUES</b>	
Interest income	\$ 5,770
	<hr/>
<b>Total Revenues</b>	<b>5,770</b>
	<hr/>
<b>EXPENDITURES</b>	
Facilities acquisition and maintenance	4,283,915
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<b>Total Expenditures</b>	<b>4,283,915</b>
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<b>OTHER FINANCING SOURCES AND USES</b>	
Transfers out	(300,000)
	<hr/>
<b>Total Other Financing Sources and Uses</b>	<b>(300,000)</b>
	<hr/>
<b>Net Change in Fund Balance</b>	<b>(4,578,145)</b>
<b>Fund Balance, July 1, 2014</b>	<b>7,933,490</b>
	<hr/>
<b>Fund Balance, June 30, 2015</b>	<b>\$ 3,355,345</b>
	<hr/>

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

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements  
June 30, 2015**

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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 November 4, 2008 the District voters authorized \$29,445,000 in general obligation bonds to finance specific construction and modernize projects, including repairing, renovating, and improving aging facilities; repairing water damage and failing roofs; removing hazardous materials; making schools earthquake safe; replacing outdated fire and security systems; and improving classrooms to modern safety and instructional standards.

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 R 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 R Bond funds for school capital improvements within the scope of projects outlined in the Measure R Bond project list. In fulfilling its duties, the COC reviews, among other things, the District's annual performance and financial audits of Measure R activity.

The statements presented are for the individual Measure R Bond Building Fund of the District, consisting of the net construction proceeds of Election of 2008, Series A, Series 2011, A and B, and Series 2013 B 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 R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015**

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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 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 R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015**

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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 R 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 regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

**NOTE 2 – CASH AND INVESTMENTS**

**Summary of Cash and Investments**

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as cash in county treasury for \$3,786,052.

**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.

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015**

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

**Policies and Practices (continued)**

*Cash in County Treasury* – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District’s investment in the pool is reported in the accounting financial statements at amounts based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**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%

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 \$3,782,436 and an amortized book value of \$3,786,052. The weighted average maturity for this pool as of June 30, 2015 was 295 days.

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015**

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

**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 AAAf.

**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 \$3,732 as of June 30, 2015 consists of interest earned on the District's investment in the County Treasury.

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

As of June 30, 2015, the principal balance outstanding on the District's Measure R general obligation bonds is indicated as follows:

<b>Date of Issue</b>	<b>Interest Rate %</b>	<b>Maturity Date</b>	<b>Amount of Original Issue</b>	<b>Outstanding July 1, 2014</b>	<b>Issuance/ Accretion</b>	<b>Deletions</b>	<b>Outstanding June 30, 2015</b>
April 14, 2009	3.00% - 6.75%	August 1, 2033	\$ 9,998,516	\$ 7,805,714	\$ 53,295	\$ 755,000	\$ 7,104,009
June 8, 2011	4.70% - 7.47%	August 1, 2038	9,382,294	11,461,970	807,765	-	12,269,735
June 8, 2011	4.86%	August 1, 2019	4,415,000	4,415,000	-	-	4,415,000
September 25, 2013	1.50% - 8.00%	August 1, 2042	5,644,564	5,729,562	284,299	-	6,013,861
				<b>\$ 29,412,246</b>	<b>\$ 1,145,359</b>	<b>\$ 755,000</b>	<b>\$ 29,802,605</b>

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015**

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

**Election of 2008, Series A**

On April 14, 2009, Series A bonds were issued for \$9,998,516, with stated interest rates of 3.00% to 6.75%. The original issuance consisted of \$9,750,000 of current interest serial bonds and \$248,516 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, 2010. 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, 2010, through final maturity at August 1, 2033. The principal balance outstanding at June 30, 2015 amounted to \$7,104,009.

**Series 2011 A**

Series 2011 A Tax Exempt Bonds was issued on June 8, 2011 for \$9,382,294 with interest rates ranging from 4.70% to 7.47%. The original issuance consisted of \$1,460,798 of capital appreciation serial bonds and \$7,921,495 of convertible capital appreciation term bonds. The capital appreciation bonds will not bear current interest but will increase in value by the accumulation of earned interest from their principal amounts on the date of delivery to their respective values at maturity. Interest on the capital appreciation bonds will be compounded on February 1 and August 1 of each year, commencing August 1, 2011, through the final maturity at August 1, 2036. The convertible capital appreciation bonds will accrete interest from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2011, to the date on which the Convertible Capital Appreciation Bonds convert to current interest bonds and will bear interest from such conversion date on the accreted value thereof as of the conversion date, payable semiannually on February 1 and August 1 of each year, commencing on the February 1 or August 1 immediately succeeding the conversion date. Principal and accrued interest will be payable only at maturity as per the repayment schedule, through the final maturity at August 1, 2038. The principal balance outstanding at June 30, 2015 amounted to \$12,269,735.

**Series 2011 B**

On June 8, 2011, Series 2011 B Taxable Qualified School Construction Bonds was issued for \$4,415,000 with an interest rate of 4.86%. The original issuance consisted entirely of a current interest term bond. Interest on the Qualified School Construction Bonds is payable commencing on February 1, 2012, and thereafter on each February 1 and August 1 to maturity or redemption prior thereto. Principal of the Qualified School Construction Bonds is payable on August 1, 2019. The principal balance outstanding at June 30, 2015 amounted to \$4,415,000.

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015**

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

**Series 2013B**

On September 25, 2013, Series B bonds were issued for \$5,644,564, with stated interest rates of 1.50% to 8.00%. The original issuance consisted of \$1,000,000 of current interest serial bonds and \$4,644,564 of capital appreciation 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 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, 2014, through final maturity at August 1, 2042. The principal balance outstanding at June 30, 2015 amounted to \$6,013,861.

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2015, are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 929,040	\$ 583,801	\$ 1,512,841
2017	1,002,943	535,521	1,538,464
2018	1,071,079	489,422	1,560,501
2019	1,024,465	559,409	1,583,874
2020	949,975	673,829	1,623,804
2021 - 2025	2,907,744	3,037,340	5,945,084
2026 - 2030	4,018,770	2,442,277	6,461,047
2031 - 2035	5,761,623	4,960,466	10,722,089
2036 - 2040	5,956,547	12,188,453	18,145,000
2041 - 2044	2,673,187	7,836,813	10,510,000
Accretion	3,507,232	(3,507,232)	-
Total	<u>\$ 29,802,605</u>	<u>\$ 29,800,099</u>	<u>\$ 59,602,704</u>

**NOTE 5 – CONSTRUCTION COMMITMENTS**

As of June 30, 2015, the District had construction commitments of \$477,776 with respect to unfinished Measure R capital projects.



**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015**

**NOTE 6 – EXPEDITURES BY OBJECT/SITE**

<u>Disbursements</u>	District Wide	District Office	Brookside Elementary	Oak Hills Elementary	Red Oak Elementary	Medea Creek Middle School	Oak Park High School	Oak View High School	Total
Architect fees	\$ 6,232	\$ -	\$ 8,596	\$ 7,600	\$ 7,600	\$ -	\$ 47,472	\$ -	\$ 77,500
Building and improvement	-	-	781,126	15,003	140,735	163,126	952,227	-	2,052,217
Site improvement	45,444	-	5,888	3,865	4,461	-	319,528	-	379,186
Tests, inspections, and planning	8,837	-	87,080	1,341	1,692	667	95,135	100	194,852
Equipment	209,147	-	8,192	-	-	68,397	25,000	-	310,736
Rentals, Leases, Repairs and Non-capitalized improvements	801,478	43,238	98,528	29,951	42,219	23,112	123,917	9,385	1,171,828
Salaries and benefits	62,022	-	-	-	-	-	-	-	62,022
Material and supplies	35,574	-	-	-	-	-	-	-	35,574
Total project expenditures	\$ 1,168,734	\$ 43,238	\$ 989,410	\$ 57,760	\$ 196,707	\$ 255,302	\$ 1,563,279	\$ 9,485	\$ 4,283,915

**NOTE 7 – INTERFUND ACTIVITIES**

**Interfund Receivables/Payables (Due From/DueTo)**

The Measure R Building Fund owed the General Fund \$69,551 for costs related to the OPIS classroom.

**Operating Transfers**

The Building Fund transferred \$300,000 to the General Fund for costs related to the OPIS classroom.

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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**

Independent Auditors' Report

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board Members and  
Measure R 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 R Bond Building Fund, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Measure R Bond Building Fund's basic financial statements, and have issued our report thereon dated January 13, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Measure R 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 R Bond's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure R 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.

SAN DIEGO  
LOS ANGELES  
SAN FRANCISCO/BAY AREA

Corporate Office:  
348 Olive Street  
San Diego, CA 92103

toll-free: 877.220.7229  
tel: 619.270.8222  
fax: 619.260.9085  
www.christywhite.com

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State Board of Accountancy*

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 R 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 13, 2016

## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

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

Christy White, CPA

Michael Ash, CPA

Heather Rubio

### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure R Bond Building Fund, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Measure R 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.

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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 R General Obligation Bonds for the fiscal year ended June 30, 2015. 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 R General Obligation Bonds were only used for the purposes set forth in the Measure R 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 remodeling, new construction and renovations of items which will improve learning, 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 R projects, including budgetary controls
- Ensure adequate separation of duties exists in the fiscal services department for Measure R 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 year ended June 30, 2015 financial statement balances for the Measure R Bond Building Fund are not materially misstated.

**Results of Procedures Performed:**

The results 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 R funds expended for the year ended June 30, 2015 were for valid facilities acquisition and construction purposes. CWA toured construction work at Oak Park High (Cargo container building construction, security cameras, and lighting).

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

Results of the site walks indicate that the major 2014-15 Measure R repair and maintenance construction projects at Oak Park High were successfully completed.

## Test of Expenditures

### **Procedures Performed:**

The following performance tests of expenditures and transfers were performed:

We tested approximately \$2,613,188 (61%) of the 2014-15 expenditures (29 separate payments) for validity, allowability and accuracy. Expenditures sampled in our test included payments made to contractors, consultants and other vendors.

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

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

## Test of Contracts and Bid Procedures

### **Procedures Performed:**

For the fiscal year ended June 30, 2015, we performed testing of eight contracts to determine compliance with District policy and Public Contract Code provisions related to contracting and bidding:

- Project: Districtwide Public Address/Bell System Upgrade
- Project: Districtwide Exterior Campus Lighting Upgrade
- Project: Oak Park High School Track Resurfacing
- Project: Solar Installation/Shade Structure
- Project: Medea Creek Middle School Roof Replacement

**Test of Contracts and Bid Procedures (continued)**

**Procedures Performed (continued):**

- Project: Oak Park High School Softball Field
- Project: Oak Park High School Field House Improvement
- Project: Oak Park High School Exterior Painting

**Results of Procedures Performed:**

We found that the contracts tested above followed proper bidding procedures and were awarded to the lowest responsible bidders.

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.

**Opinion**

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

This report is intended solely for the information and use of the Measure R 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 13, 2016



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**SCHEDULE OF FINDINGS AND  
RECOMMENDATIONS**

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**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Schedule of Findings and Recommendations  
For the Fiscal Year Ended June 30, 2015**

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*There were no findings or recommendations related to the audit of the Measure R Bond Building Fund for the fiscal year ended June 30, 2015.*

**MEASURE R BOND BUILDING FUND  
OAK PARK UNIFIED SCHOOL DISTRICT  
Schedule of Prior Year Findings and Recommendations  
For the Fiscal Year Ended June 30, 2015**

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