

OAK GROVE SCHOOL DISTRICT

**2014 MEASURE P FUND
FINANCIAL REPORT AND PERFORMANCE AUDIT**

**FOR THE YEAR ENDED
JUNE 30, 2018**

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OAK GROVE SCHOOL DISTRICT

**2014 MEASURE P FUND
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2018**

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**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Governing Board and
Citizens' Oversight Committee
Oak Grove School District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Oak Grove School District's (District) 2014 Measure P Fund (Fund), as of and for the year ended June 30, 2018, and the related notes to the 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 of 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 financial statements, whether due to error or fraud. 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2018, 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the financial position of the Fund and are not intended to present fairly the financial position and results of operations of the District in conformity 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 November 5, 2018, on our consideration of the Fund'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 the 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 Fund's internal control over financial reporting and compliance.



Palo Alto, California
November, 5, 2018

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**BALANCE SHEET
JUNE 30, 2018**

ASSETS

Deposits and investments	\$ 2,179,971
Total Assets	<u>\$ 2,179,971</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Vendor payable	\$ 938,660
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Fund Balance:

Restricted for capital projects	1,241,311
Total Liabilities and Fund Balance	<u>\$ 2,179,971</u>

The accompanying notes are an integral part of these financial statements.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

REVENUES

Interest income \$ 79,455

EXPENDITURES

Current

Salaries and benefits 95,104

Services and other expenditures 363,550

Capital outlay 24,624,875

Total Expenditures 25,083,529

Net Change in Fund Balance (25,004,074)

Fund Balance - Beginning 26,245,385

Fund Balance - Ending \$ 1,241,311

The accompanying notes are an integral part of these financial statements.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Oak Grove School District's (the District) 2014 Measure P Fund conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Financial Reporting Entity

The financial statements include only 2014 Measure P Fund (the Fund) used to account for 2014 Measure P projects. This Fund was established to account for the expenditures of general obligation bonds issued under 2014 Measure P Fund. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

The Fund is accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. The District's governing board adopts an operating budget no later than July 1 in accordance with State law. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements. The Board revises this budget during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances lapse at June 30.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Fund Balance

As of June 30, 2018, the fund balance is classified as follows:

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Spending Order Policy

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INVESTMENTS

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 instrument; 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 agreement; 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.

Investment 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 statement 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.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

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 is to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Santa Clara County Investment Pool. The Fund maintains investments of \$2,179,971 with the Santa Clara County Investment Pool. The fair value of this investment is approximately \$2,162,466 with an average maturity of 479 days. The investments are not categorized under the fair value measurement within the different level hierarchy because the investments are transferred on the basis of \$1 and not fair value.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 - GENERAL LONG-TERM OBLIGATIONS

District Summary of Debt: The District's aggregate outstanding debt as of June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
General obligation bonds	\$ 206,298,990	\$ 2,633,792	\$ 9,940,000	\$ 198,992,782
Premium on bonds	14,797,653	-	1,058,720	13,738,933
Defeasance costs	(7,767,258)	-	(499,821)	(7,267,437)
Total	\$ 213,329,385	\$ 2,633,792	\$ 10,498,899	\$ 205,464,278

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds	
				Outstanding July 1, 2017	Issued / Accreted	Defeased / Redeemed	Outstanding June 30, 2018	
2009	08/01/33	5.50%	\$10,000,000	\$ 2,195,000	\$ -	\$ -	\$ 2,195,000	
2009	08/01/33	4.45-6.83%	19,999,923	29,846,663	1,933,158	-	31,779,821	
2009	08/01/24	3.50-5.25%	8,390,000	3,790,000	-	935,000	2,855,000	
2011	08/01/35	2.72%-6.97%	18,249,429	12,457,327	700,634	800,000	12,357,961	
2011	08/01/24	5.360%	1,750,000	1,750,000	-	-	1,750,000	
2012	08/01/25	1.25-4.00%	17,305,000	10,730,000	-	1,800,000	8,930,000	
2014	08/01/24	2.00-5.00%	8,400,000	7,535,000	-	735,000	6,800,000	
2015	08/01/44	4.00-5.00%	57,575,000	57,575,000	-	-	57,575,000	
2015	08/01/19	2.00-5.00%	6,025,000	2,875,000	-	2,050,000	825,000	
2016	08/01/24	2.00-5.00%	15,415,000	13,795,000	-	1,000,000	12,795,000	
2016	08/01/23	2.00-4.00%	6,650,000	6,650,000	-	1,860,000	4,790,000	
2016	08/01/45	2.00-4.00%	26,200,000	26,200,000	-	100,000	26,100,000	
2016	08/01/33	2.00-5.00%	12,000,000	11,750,000	-	110,000	11,640,000	
2017	08/01/41	1.50-4.00	19,150,000	19,150,000	-	550,000	18,600,000	
				<u>\$206,298,990</u>	<u>\$ 2,633,792</u>	<u>\$ 9,940,000</u>	198,992,782	
				Unamortized premium			13,738,933	
				Unamortized defeasance costs			(7,267,437)	
				Total			<u>\$205,464,278</u>	

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Debt Service Requirements to Maturity

The bonds mature through 2048 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest to Maturity</u>	<u>Total</u>
2019	\$ 8,354,876	\$ 6,867,707	\$ 15,222,583
2020	8,086,058	6,750,275	14,836,333
2021	6,600,700	6,777,283	13,377,983
2022	9,281,698	6,892,985	16,174,683
2023	8,046,753	6,998,998	15,045,751
2024-2028	27,193,855	38,558,401	65,752,256
2029-2033	24,485,706	37,456,844	61,942,550
2034-2038	30,583,586	30,642,251	61,225,837
2039-2043	36,940,000	7,972,267	44,912,267
2044-2046	21,710,000	1,346,600	23,056,600
Subtotal	<u>181,283,232</u>	<u>\$ 150,263,610</u>	<u>\$ 331,546,842</u>
Accretion to date	17,709,550		
Total bonds outstanding	<u>\$ 198,992,782</u>		

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INDEPENDENT AUDITOR'S REPORT

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**INDEPENDENT AUDITOR'S 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***

Governing Board and
Citizens' Oversight Committee
Oak Grove School District
San Jose, 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 accompanying financial statements of the Oak Grove School District (District) 2014 Measure P Fund (Fund), as of and for the year ended June 30, 2018, and the related notes of the financial statements, and have issued our report thereon dated November 5, 2018. As discussed in Note 1, the financial statements present only the Fund, and are not intended to present fairly the financial position and results of operations of the Oak Grove School District in conformity with accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting as a basis for designing our auditing procedures 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 Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be, significant deficiencies or material weaknesses. 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 the 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 Fund'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.



Palo Alto, California
November 5, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**FINANCIAL STATEMENT FINDINGS
JUNE 30, 2018**

None reported.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2018**

There were no audit findings reported in the prior year's schedule of financial statement findings.

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OAK GROVE SCHOOL DISTRICT

**2014 MEASURE P FUND
PERFORMANCE AUDIT**

**FOR THE YEAR ENDED
JUNE 30, 2018**

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**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**PERFORMANCE AUDIT
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JUNE 30, 2018**

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INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board and
Citizens' Oversight Committee
Oak Grove School District
San Jose, California

We were engaged to conduct a performance audit of the Oak Grove School District's (District) 2014 Measure P Fund (Fund) for the year ended June 30, 2018.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the Fund's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the Fund's internal control in order to determine if the internal controls were adequate to help ensure the Fund'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 of the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

The results of our tests indicated that the District expended the 2014 Measure P 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.

Palo Alto, California
November 5, 2018

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

JUNE 30, 2018

AUTHORITY FOR ISSUANCE

The general obligation bonds associated with the 2014 measure P Fund were issued by the Oak Grove School District (District) pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District. The Bonds were authorized at an election of the registered voters of the District held on November 4, 2014, which authorized the issuance of \$89,800,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. Three series of bonds were issued totaling \$89,800,000 under the Measure P authorization.

PURPOSE OF ISSUANCE

The general obligation bond funds of the District would be used to finance the design, acquisition, installation, restoration and construction of public schools and school facilities and providing facilities improvements and upgrades, renovating, repairing, acquiring, constructing and modernizing classrooms and educational facilities; and increasing access to computers and modern technology.

AUTHORITY FOR THE AUDIT

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, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code Sections 15278-15282:

1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
2. The school district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.
3. Requires the school district to appoint a citizens' oversight committee.
4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.
5. Requires the school district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

JUNE 30, 2018

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Fund have been made in accordance with the bond project list approved by the voters through the approval of 2014 Measure P.
2. Determine whether salary transactions, charged to the Building Fund were in support of 2014 Measure P and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2017 to June 30, 2018. The population of expenditures tested included all object and project codes associated with the Measure. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2018, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the period July 1 2017 through June 30, 2018, for the Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution and the Measure as to the approved bond projects list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2017 and ending June 30, 2018, and reviewed supporting documentation to ensure that such funds were properly expended on the specific projects listed in the ballot text.
2. Our sample included 47 non-payroll transactions totaling \$24,640,015 and 1 payroll transactions of \$68,448. This representing 99% of total expenditure of \$25,083,529.
3. We verified that charges to the Fund were expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

JUNE 30, 2018

CONCLUSION

The results of our tests indicated that, in all significant respects, the Oak Grove School District has properly accounted for the expenditures held in the Fund and that such expenditures were made for authorized Measure P projects.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

None reported.

**OAK GROVE SCHOOL DISTRICT
2014 MEASURE P FUND**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2018**

There were no audit findings reported in the prior year's schedule of financial statement findings.