

**OAK GROVE SCHOOL DISTRICT**

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**2008 MEASURE S FUND  
FINANCIAL REPORT AND PERFORMANCE AUDIT**

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

**OAK GROVE SCHOOL DISTRICT**

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**2008 MEASURE S FUND  
FINANCIAL REPORT**

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

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

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JUNE 30, 2015**

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***INDEPENDENT AUDITOR'S REPORT***

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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 (the District), 2008 Measure S Fund (the Fund), as of and for the year ended June 30, 2015, 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, 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.

***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 December 15, 2015, 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.

*Vavrinek, Trine, Day & Co. LLP*

Palo Alto, California  
December 15, 2015

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**BALANCE SHEET  
JUNE 30, 2015**

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**ASSETS**

Deposits and investments	\$	149,155
Accounts receivable		<u>11,637</u>
<b>Total Assets</b>	<b>\$</b>	<b><u><u>160,792</u></u></b>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Accounts payable	\$	3,263
Due to other funds		<u>25,558</u>
<b>Total Liabilities</b>		<b><u>28,821</u></b>

**Fund Balance:**

Restricted		<u>131,971</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$</b>	<b><u><u>160,792</u></u></b>

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

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

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**REVENUES**

Interest income	\$ 8,592
<b>Total Revenues</b>	<u>8,592</u>

**EXPENDITURES**

Current	
Salaries and benefits	3,459
Services and other operating expenditures	431,197
<b>Total Expenditures</b>	<u>434,656</u>

<b>NET CHANGE IN FUND BALANCE</b>	(426,064)
<b>FUND BALANCE - BEGINNING</b>	<u>558,035</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 131,971</u></u>

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

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

The accounting policies of the Oak Grove School District's (the District) 2008 Measure S 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 2008 Measure S Fund (the Fund) used to account for 2008 Measure S projects. This Fund was established to account for the expenditures of general obligation bonds issued under 2008 Measure S Fund. These financial statements are not intended to present fairly the financial position and results of operations of the Oak Grove School 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  
2008 MEASURE S FUND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**Fund Balance**

As of June 30, 2015, 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 an 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 an 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  
2008 MEASURE S FUND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**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 investment of \$149,155 with the Santa Clara County Investment Pool. The fair value of this investment is approximately \$149,230 with an average maturity of 469 days.

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2015, consisted of the following:

Interest and other	\$ 11,637
	<u>\$ 11,637</u>

**NOTE 4 - ACCOUNTS PAYABLE**

Accounts payable at June 30, 2015, consisted of the following:

Vendor payables	\$ 574
Salaries and benefits	2,689
	<u>\$ 3,263</u>

**NOTE 5 - GENERAL LONG-TERM OBLIGATIONS**

**Summary**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due in One Year
General obligation bonds	\$ 113,837,928	\$ 66,660,821	\$ 2,910,000	\$ 177,588,749	\$ 3,690,000
Premium on bonds	4,175,890	5,188,014	577,162	8,786,742	577,162
Defeasance Costs	(2,032,586)	-	(185,075)	(1,847,511)	(185,075)
Total	<u>\$ 115,981,232</u>	<u>\$ 71,848,835</u>	<u>\$ 3,302,087</u>	<u>\$ 184,527,980</u>	<u>\$ 4,082,087</u>

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**Bonded Debt**

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2014	Issued / Accreted	Defeased / Redeemed	Bonds Outstanding June 30, 2015
2005	8/1/2024	2.25-5.0%	\$ 34,335,000	\$ 20,930,000	\$ -	\$ 1,665,000	\$ 19,265,000
2008	8/1/2033	5.50%	10,000,000	10,000,000	-	-	10,000,000
2008	8/1/2033	4.45-6.83%	19,999,923	27,507,374	1,787,592	-	29,294,966
2008	8/1/2024	3.50-5.25%	8,390,000	8,390,000	-	-	8,390,000
2011	8/1/2042	2.72-6.97%	18,249,429	22,290,554	1,273,229	-	23,563,783
2011	8/1/2025	5.36%	1,750,000	1,750,000	-	-	1,750,000
2011	8/1/2025	1.25-4.00%	17,305,000	14,570,000	-	935,000	13,635,000
2013	8/1/2024	2.00-5.00%	8,400,000	8,400,000	-	310,000	8,090,000
2014	8/1/2044	4.00-5.00%	57,575,000	-	57,575,000	-	57,575,000
2014	8/1/2019	2.00-5.00%	6,025,000	-	6,025,000	-	6,025,000
				<u>\$ 113,837,928</u>	<u>\$ 66,660,821</u>	<u>\$ 2,910,000</u>	177,588,749
					Unamortized premium		8,786,743
					Unamortized defeasance costs		(1,847,511)
						Total	<u>\$ 184,527,981</u>

**Debt Service Requirements to maturity**

The bonds mature through 2045 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2016	\$ 3,690,000	\$ 4,381,928	\$ 8,071,928
2017	7,614,680	4,794,338	12,409,018
2018	7,292,416	4,495,146	11,787,562
2019	6,079,876	4,666,630	10,746,506
2020	6,456,058	4,642,448	11,098,506
2021-2025	37,407,736	25,601,256	63,008,992
2026-2030	16,879,597	35,269,553	52,149,150
2031-2035	26,960,046	34,814,082	61,774,128
2036-2040	23,983,210	49,851,754	73,834,964
2041-2045	26,615,733	23,526,816	50,142,549
Subtotal	162,979,352	<u>\$ 192,043,951</u>	<u>\$ 355,023,303</u>
Accretion to date	14,609,397		
Total bonds outstanding	<u>\$ 177,588,749</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 (the District) 2008 Measure S Fund (the Fund), as of and for the year ended June 30, 2015, and the related notes of the financial statements, and have issued our report thereon dated December 15, 2015. 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.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California  
December 15, 2015

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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**FINANCIAL STATEMENT FINDINGS  
JUNE 30, 2015**

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None reported.

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2015**

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

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**OAK GROVE SCHOOL DISTRICT**

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**2008 MEASURE S FUND  
PERFORMANCE AUDIT**

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

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**PERFORMANCE AUDIT  
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JUNE 30, 2015**

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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 (the District) 2008 Measure S Fund (the Fund) for the year ended June 30, 2015.

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 District'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 2008 Measure S 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.

*Vavrinek, Trine, Day & Co. LLP*

Palo Alto, California  
December 15, 2015

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**JUNE 30, 2015**

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***AUTHORITY FOR ISSUANCE***

The general obligation bonds associated with 2008 Measure S Fund were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The bonds are authorized to be issued by a resolution adopted by the Board of Supervisors of the County on April 7, 2009, pursuant to a request of the District made by a resolution adopted by the Board of Education of the District on March 12, 2009.

The District received authorization from an election held on November 4, 2008, to issue bonds of the District in an aggregate principal amount not to exceed \$125,000,000 to finance specific construction and renovation projects approved by eligible voters within the District. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District. The bonds represent the first, second and third series of the authorized bonds to be issued under the 2008 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, and the acquisition of one or more school sites, and related facilities costs, including, but not limited to, financing the following: renovation of student restrooms, classrooms, and locker rooms; repair and replacement of heating, upgrading of electrical systems and wiring to safely accommodate computers, technology and other electrical devices; repair and replacement of plumbing, sewer, and water pipes, fixtures and systems; replacement of emergency communications and security systems; demolition; seismic upgrades; asbestos and mold abatement; and, improved access for disabled persons. Project costs for expansion of existing facilities may include, but is not limited to, some or all of the following: site and/or other real property acquisition, including payments on or for interim financing, preparation, infrastructure and related expenses; construction or lease of temporary or permanent classrooms, instructional support and/or ancillary facilities. Project costs for furniture and equipment may include, but is not limited to some or all of the following: desks and tables; window and floor covering; computer, media recording and presentation equipment; cafeteria and food preparation equipment; science laboratory equipment; and/or other electronic equipment.

***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.

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**JUNE 30, 2015**

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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 citizen's 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.

***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 2008 Measure S.
2. Determine whether salary transactions, charged to the 2008 Measure S Fund were in support of 2008 Measure S and not for District general administration or operations.

***SCOPE OF THE AUDIT***

The scope of our performance audit covered the period of July 1, 2014 to June 30, 2015. 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, 2015, 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 2014 through June 30, 2015, 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, 2014 and ending June 30, 2015, 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 3 non-payroll transactions totaling \$337,862 and 12 payroll and benefit transactions aggregating \$3,459. This represents 78.53 percent of the total expenditures of \$434,656.
3. We verified that charges to the Fund were generally expended for the construction, renovation, furnishing and equipping of District facilities constituting authorized bond projects.

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**JUNE 30, 2015**

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***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 S projects.

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2015**

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None reported.

**OAK GROVE SCHOOL DISTRICT  
2008 MEASURE S FUND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2015**

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