

OAK PARK UNIFIED SCHOOL DISTRICT

AUDIT REPORT

JUNE 30, 2011



**OAK PARK UNIFIED SCHOOL DISTRICT
OF VENTURA COUNTY**

OAK PARK, CALIFORNIA

JUNE 30, 2011

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. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Barbara Laifman	President	November 2012
Jane Iceland	Vice President	November 2012
Allen Rosen	Clerk	November 2014
Mary Pallant	Member	November 2014
Sepideh Yeoh	Member	November 2012

ADMINISTRATION

Anthony W. Knight, Ed.D.
Superintendent

Martin Klauss
Assistant Superintendent, Business and Administrative Services

Leslie Heilbron, Ed.D.
Assistant Superintendent, Human Resources

Barbara Dickerson
Director, Fiscal Services

Julie Suarez
Director, Business Operations

Susan Roberts
Director, Pupil Services

Jane Mintz
Director, Technology Services

OAK PARK UNIFIED SCHOOL DISTRICT
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Oak Park Unified School District
Oak Park, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oak Park Unified School District, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Oak Park Unified School District's management. Our responsibility is to express opinions 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; and *Standards and Procedures for Audits of California K – 12 Local Educational Agencies 2010 – 11*. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oak Park Unified School District, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2011 on our consideration of the Oak Park Unified School District'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* and should be considered in assessing the results of our audit.

SAN DIEGO

RANCHO CUCAMONGA

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The required supplementary information, such as management's discussion and analysis on pages 3 through 10, and the budgetary comparison information on page 48 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oak Park Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the Combining Statements – Non-Major Governmental Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Chintala Accountancy Corporation". The signature is written in a cursive, flowing style.

San Diego, California

December 8, 2011

OAK PARK UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

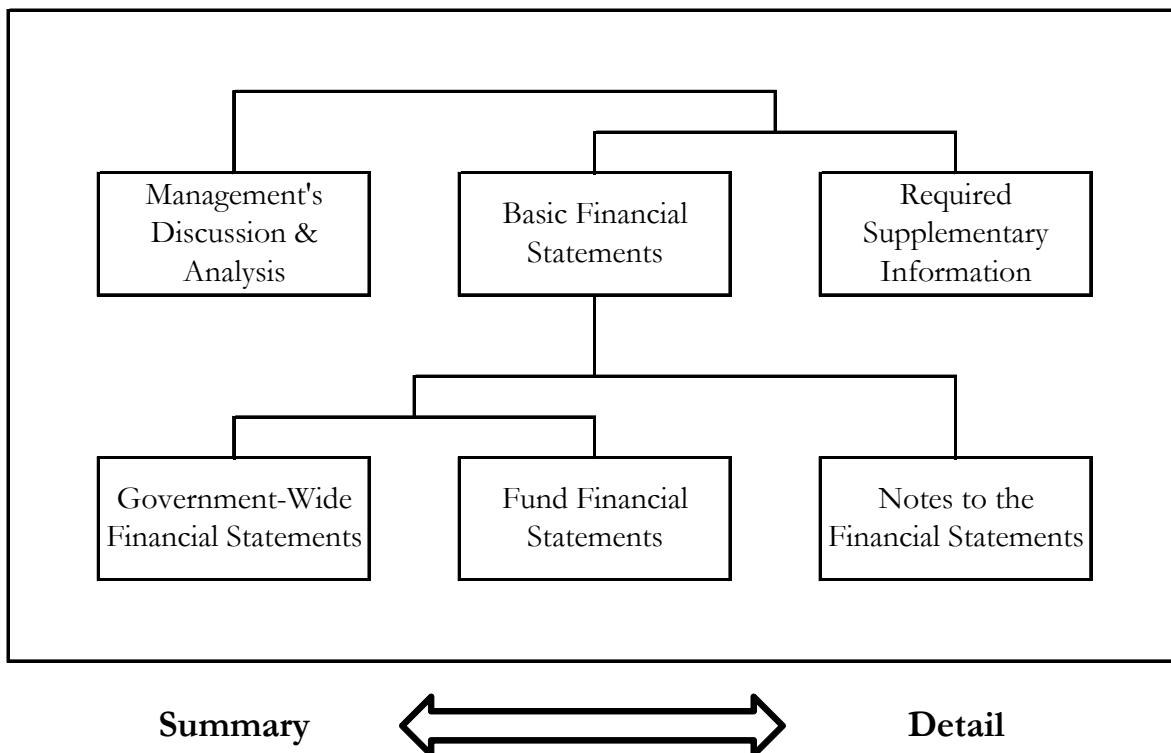
Our discussion and analysis of Oak Park Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2011. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total net assets were \$12,314,004 at June 30, 2011. This was an increase of \$1,799,618 over the prior year.
- Overall revenues were \$36,030,741, which exceeded expenses of \$34,231,123.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section



OAK PARK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, *continued*
JUNE 30, 2011

OVERVIEW OF FINANCIAL STATEMENTS (*continued*)

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.
- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.
 - ▶ **Fiduciary Funds** report balances for which the District is a custodian or *trustee* of the funds, such as Associated Student Bodies and pension funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between assets and liabilities, are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Revenue limit funding and federal and state grants finance most of these activities.

**OAK PARK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
JUNE 30, 2011**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Assets

The District's combined net assets were \$12,314,004 at June 30, 2011, as reflected in Table A-1 below. Of this amount, \$929,576 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations.

**Table A-1
Oak Park Unified School District's Net Assets**

	Governmental Activities		Total Percentage Change
	2010	2011	2010-11
Current assets	\$ 16,289,722	\$ 27,345,091	68%
Noncurrent assets	30,863,925	35,005,909	13%
Total assets	47,153,647	62,351,000	32%
Current liabilities	6,917,269	8,315,854	20%
Noncurrent liabilities	29,721,992	41,721,142	40%
Total liabilities	36,639,261	50,036,996	37%
Invested in capital assets, net of related debt	7,932,875	9,350,971	18%
Restricted	1,933,640	2,033,457	5%
Unrestricted	647,871	929,576	43%
Total net assets	\$ 10,514,386	\$ 12,314,004	17%

District government-wide assets increased primarily due to cash and accounts receivable associated with bond proceeds from the issuance of Measure R general obligation bonds and Qualified School Construction Bonds received in June 2011. Liabilities increased primarily due to a corresponding increase in bond-funded capital projects.

**OAK PARK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
JUNE 30, 2011**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Assets

As shown in Table A-2 below, the District's total revenues were \$36,030,741. The majority of the revenue comes from Revenue Limit and property taxes (80%). Federal and state aid for specific programs accounted for another 13% of total revenues. Miscellaneous local sources accounted for the remaining 7%. Revenues increased primarily due to an increase of 212 ADA, which generated about \$2.1 million in Revenue Limit dollars. Other increases were from additional FLAP grant dollars, donations, safety credit reimbursements, and summer school revenue. ARRA funds received in 2010 were one-time, as were the ARRA-JOBS funds received in 2011.

The total cost of all programs and services was \$34,231,123. The District's expenses are predominately related to educating and caring for students (69%). Pupil Services (including transportation and food) account for 9% of expenses. Administrative activities accounted for just 5% of total costs. Plant services, which represent the facilities maintenance and operations costs, account for 10% of all costs. The remaining expenses were for ancillary services, community services, and other outgo (7%). Expenditures decreased primarily due to staffing reductions made necessary by the State's extreme financial condition and inability to fund K-12 education to prescribed levels. Salaries and associated benefits for classroom, support, and administration were reduced as well as an increase in class size ratios. Expenditures were cut in virtually every category in an effort to mitigate State funding cuts.

**Table A-2
Changes in Oak Park Unified School District's Net Assets**

	Governmental Activities		Total Percentage Change
	2010	2011	2010-11
Revenues:			
<i>Program revenues</i>			
Charges for services	\$ -	\$ 678,146	100%
Operating grants and contributions	5,460,769	4,839,494	-11%
Capital grants and contributions	2,327	13	-99%
<i>General revenues</i>			
Property taxes	13,232,653	14,289,001	8%
Federal and state aid not restricted for specific purposes	11,986,846	14,369,934	20%
Other revenues	2,715,349	1,854,153	-32%
Total revenues	33,397,944	36,030,741	8%
Expenses:			
Instruction-related	24,940,333	23,613,537	-5%
Student support services	3,802,654	3,186,480	-16%
Maintenance and operations	3,869,518	3,281,483	-15%
Administration	2,232,644	1,871,150	-16%
Other expenses	2,596,672	2,278,473	-12%
Total expenses	37,441,821	34,231,123	-9%
Change in net assets	\$ (4,043,877)	\$ 1,799,618	145%

OAK PARK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, *continued*
JUNE 30, 2011

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (*continued*)

Changes in Net Assets (*continued*)

As reported in the Statement of Activities on page 12, the cost of all our governmental activities this year was \$34,231,123 (refer to Table A-3). The amount that our taxpayers ultimately financed for these activities through taxes was only \$14,289,001 because the cost was paid by those who benefited from the programs (\$678,146), by other governments and organizations who subsidized certain programs with grants and contributions (\$19,209,441) or through other local sources (\$1,854,153).

Table A-3
Net Costs of Oak Park Unified School District's
Governmental Activities

	Total Cost of Services	Net Cost of Services
Instructional services	\$ 23,613,537	\$ 20,037,548
Pupil support services	3,186,480	2,223,243
Maintenance and operations	3,281,483	2,507,807
Administration	1,871,150	1,806,858
Other expenses	2,278,473	2,138,014
Total expenses	\$ 34,231,123	\$ 28,713,470

**OAK PARK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
JUNE 30, 2011**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$21,384,367, which is greater than last year's ending fund balance of \$12,065,096. The District's General Fund had \$229,305 more in operating revenues than expenditures in 2010-2011.

CURRENT YEAR BUDGET 2010-11

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a monthly basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

Budget adjustments to revenues and expenditures for the year include adjustments to the Revenue Limit due to the State's elimination of a 3.85% reduction to the base revenue limit and a reduction to the deficit factor from 18.335% to 17.963%. In addition, actual enrollment was greater than projected at budget adoption, so the Revenue Limit budget was increased. Budget for Federal revenues was increased to reflect revenues from the Federal Education Jobs Bill, with an offsetting increase in salaries and ancillary benefits for the elimination of furlough days that were assumed in the Adopted Budget. Budget amounts for K-3 Class size reduction revenue was reduced to reflect actual penalty amounts, while budget revenue was added for Mandated Cost reimbursement actually received during the year. Local revenue budgets were increase to reflect the increase in donations from generous parent groups, with offsetting increases in expenditure budgets. Budgets for services and other operating expenditures included additions for Special Education costs and routine maintenance which were offset by budget reductions to technology services, insurance premium savings and other consulting services.

OAK PARK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
JUNE 30, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table A-4
Oak Park Unified School District's Capital Assets

	Governmental Activities		Total Percentage Change
	2010	2011	2010-11
Land	\$ 4,809,841	\$ 4,809,841	0%
Site improvements	1,293,634	1,263,884	-2%
Buildings	21,544,782	24,023,316	12%
Furniture and equipment	1,909,625	1,713,451	-10%
Construction in progress	1,306,043	3,195,417	145%
Total capital assets	\$ 30,863,925	\$ 35,005,909	13%

Long-Term Debt

At year-end, the District had \$44,568,528 in long-term debt, an increase of 37% from last year – as shown in Table A-5. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

Table A-5
Oak Park Unified School District's Long-Term Debt

	Governmental Activities		Total Percentage Change
	2010	2011	2010-11
General obligation bonds	\$ 31,431,755	\$ 43,418,791	38%
Premium on issuance	645,001	745,782	16%
Compensated absence	199,043	245,763	23%
Early retirement incentive	262,822	158,192	-40%
Total long-term debt	\$ 32,538,621	\$ 44,568,528	37%

**OAK PARK UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
JUNE 30, 2011**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

- At the state level, the budget situation continues to reflect challenging economic times. The 2011 State Budget was balanced on optimistic revenue projections and contains "trigger" language that would reduce school funding mid-year, should the state fail to meet those projections. In addition, one-time sources of federal funding from the American Recovery and Reinvestment Act and the Education Jobs Act are ending and to continue program services funded by these sources will require either new federal funding or a reallocation of district funds. State categorical program flexibility continues for the 2010-11 and 2011-12 fiscal years with no anticipated changes. School districts continue to be authorized to use funding from 42 Tier III categorical programs for any purpose. K-3 class size reduction penalties have been relaxed through 2012-13 and school agencies maintain the flexibility to shorten the school year until 2014-15.
- Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2011-12 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Assistant Superintendent, Business and Administrative Services, at Oak Park Unified School District, Oak Park, California, 91377, or by e-mail at mklauss@oakparkusd.org.

OAK PARK UNIFIED SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 21,254,237
Accounts receivable	6,090,854
Total current assets	27,345,091
Capital assets, non-depreciable	8,005,258
Capital assets, depreciable, net	27,000,651
Total non-current assets	35,005,909
Total Assets	62,351,000
LIABILITIES	
Accrued liabilities	2,626,161
Current loans	3,584,535
Deferred revenue	44,502
Long-term liabilities, current portion	2,060,656
Total current liabilities	8,315,854
Long-term liabilities, non-current portion	41,721,142
Total Liabilities	50,036,996
NET ASSETS	
Invested in capital assets, net of related debt	9,350,971
Restricted for	
Capital projects	6,176
Debt service	1,900,085
Educational programs	127,196
Unrestricted	929,576
Total Net Assets	\$ 12,314,004

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

OAK PARK UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Function/Programs	Expenses	Program Revenues			Net (Expenses)	
		Charges for Services	Operating Grants and Contributions	Capital Grants	Revenues and Changes in Net Assets	
					Governmental Activities	
GOVERNMENTAL ACTIVITIES						
Instruction	\$ 21,361,923	\$ -	\$ 3,338,289	\$ 13	\$ (18,023,621)	
Instruction-related services						
Instructional supervision and administration	202,737	-	78,735	-	(124,002)	
Instructional library, media, and technology	225,444	-	42,272	-	(183,172)	
School site administration	1,823,433	-	116,680	-	(1,706,753)	
Pupil services						
Home-to-school transportation	132,858	-	38,770	-	(94,088)	
Food services	789,146	678,146	89,905	-	(21,095)	
All other pupil services	2,264,476	-	156,416	-	(2,108,060)	
General administration						
Centralized data processing	368,692	-	-	-	(368,692)	
All other general administration	1,502,458	-	64,292	-	(1,438,166)	
Plant services	3,281,483	-	773,676	-	(2,507,807)	
Ancillary services	214,669	-	1,476	-	(213,193)	
Community services	21,337	-	-	-	(21,337)	
Interest on long-term debt	1,791,087	-	-	-	(1,791,087)	
Transfer to other agencies	251,380	-	138,983	-	(112,397)	
Total Governmental Activities	\$ 34,231,123	\$ 678,146	\$ 4,839,494	\$ 13	(28,713,470)	
General revenues						
Taxes and subventions						
Property taxes, levied for general purposes						8,952,337
Property taxes, levied for debt service						4,434,703
Property taxes, levied for other specific purposes						901,961
Federal and state aid not restricted for specific purposes						14,369,934
Interest and investment earnings						162,801
Miscellaneous						1,691,352
Subtotal, General Revenue						30,513,088
CHANGE IN NET ASSETS						1,799,618
Net Assets - Beginning						10,514,386
Net Assets - Ending						\$ 12,314,004

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

OAK PARK UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011

	General Fund	Building Fund	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 246,827	\$ 18,804,838	\$ 2,190,142	\$ 12,430	\$ 21,254,237
Accounts receivable	6,072,382	13,944	4,417	111	6,090,854
Due from other funds	404	-	-	-	404
Total Assets	\$ 6,319,613	\$ 18,818,782	\$ 2,194,559	\$ 12,541	\$ 27,345,495
LIABILITIES					
Accrued liabilities	\$ 1,089,092	\$ 1,242,429	\$ -	\$ 166	\$ 2,331,687
Due to other funds	-	-	-	404	404
Current loans	3,584,535	-	-	-	3,584,535
Deferred revenue	44,502	-	-	-	44,502
Total Liabilities	4,718,129	1,242,429	-	570	5,961,128
FUND BALANCES					
Non-spendable	2,000	-	-	-	2,000
Spendable					
Restricted					
Educational programs	127,196	-	-	5,795	132,991
Capital projects	-	17,576,353	-	3,743	17,580,096
Debt service	-	-	2,194,559	-	2,194,559
Assigned	863	-	-	2,433	3,296
Unassigned	1,471,425	-	-	-	1,471,425
Total Fund Balances	1,601,484	17,576,353	2,194,559	11,971	21,384,367
Total Liabilities and Fund Balances	\$ 6,319,613	\$ 18,818,782	\$ 2,194,559	\$ 12,541	\$ 27,345,495

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

OAK PARK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT
OF NET ASSETS
JUNE 30, 2011

Total Fund Balance - Governmental Funds \$ 21,384,367

Amounts reported for assets and liabilities for governmental activities in the statement of net assets are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net assets, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 59,774,256	
Accumulated depreciation	(24,768,347)	35,005,909

Unamortized costs:

In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the governmental-wide statements, debt issue costs are amortized over the life of the debt. Unamortized debt issue costs included in net long-term debt on the statement of net assets are:

786,730

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unamatured interest owing at the end of the period was:

(294,474)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable	(43,418,791)	
Premium on issuance	(745,782)	
Compensated absences	(245,763)	
Early retirement incentive	(158,192)	(44,568,528)

Total Net Assets - Governmental Activities \$ 12,314,004

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

OAK PARK UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Building Fund	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Revenue limit sources					
State aid	\$ 11,512,472	\$ -	\$ -	\$ -	\$ 11,512,472
Local sources	8,952,337	-	-	-	8,952,337
Transfers	53,208	-	-	-	53,208
Federal sources	1,951,818	-	-	99,603	2,051,421
Other state sources	3,609,166	2,103	44,408	10,467	3,666,144
Other local sources	4,633,615	69,485	4,409,292	682,767	9,795,159
Total Revenues	30,712,616	71,588	4,453,700	792,837	36,030,741
EXPENDITURES					
Current					
Instruction	21,110,923	-	-	-	21,110,923
Instruction-related services					
Instructional supervision and administration	202,737	-	-	-	202,737
Instructional library, media, and technology	187,029	-	-	-	187,029
School site administration	1,784,257	-	-	-	1,784,257
Pupil services					
Home-to-school transportation	70,124	-	-	-	70,124
Food services	-	-	-	788,101	788,101
All other pupil services	2,199,014	-	-	-	2,199,014
General administration					
Centralized data processing	366,892	-	-	-	366,892
All other general administration	1,534,980	-	-	-	1,534,980
Plant services	2,428,232	757,749	-	1,713	3,187,694
Facilities acquisition and maintenance	5,725	4,715,835	-	-	4,721,560
Ancillary services	213,902	-	-	-	213,902
Community services	21,337	-	-	-	21,337
Transfers to other agencies	251,380	-	-	-	251,380
Debt service					
Principal	-	-	2,020,889	-	2,020,889
Interest and other	61,940	-	1,918,438	-	1,980,378
Total Expenditures	30,438,472	5,473,584	3,939,327	789,814	40,641,197
Excess (Deficiency) of Revenues					
Over Expenditures	274,144	(5,401,996)	514,373	3,023	(4,610,456)
Other Financing Sources (Uses)					
Transfers in	-	44,839	-	-	44,839
Other sources	-	13,411,677	518,050	-	13,929,727
Transfers out	(44,839)	-	-	-	(44,839)
Net Financing Sources (Uses)	(44,839)	13,456,516	518,050	-	13,929,727
NET CHANGE IN FUND BALANCE	229,305	8,054,520	1,032,423	3,023	9,319,271
Fund Balance - Beginning, as previously reported	355,703	9,521,833	1,162,136	1,025,424	12,065,096
Restatement (Note 15)	1,016,476	-	-	(1,016,476)	-
Fund Balance - Beginning, restated	1,372,179	9,521,833	1,162,136	8,948	12,065,096
Fund Balance - Ending	\$ 1,601,484	\$ 17,576,353	\$ 2,194,559	\$ 11,971	\$ 21,384,367

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

**OAK PARK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Net Change in Fund Balances - Governmental Funds **\$ 9,319,271**

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	4,769,322	
Depreciation expense:	(627,338)	4,141,984

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

2,800,000

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount, were:

(13,929,727)

Debt issue costs:

In governmental funds, debt issue costs are recognized as expenditures in the period they are incurred. In the government-wide statements, issue costs are amortized over the life of the debt. The difference between debt issue costs recognized in the current period and issue costs amortized for the period is:

Issue costs incurred during the period:	385,616	
Issue costs amortized for the period:	(31,843)	353,773

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds decreased by \$14,497, and second, \$989,742 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds.

(975,245)

Compensated absences and early retirement incentive:

In the Statement of Activities, certain operating expenses - compensated absences (vacations) and special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the early retirement incentive used was more than amounts earned by \$104,630. Vacation earned was more than the amounts used by \$46,720.

57,910

Amortization of debt issue premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized as interest over the life of the debt. Amortization of premium or discount for the period is:

31,652

Change in net assets of Governmental Activities	\$	1,799,618
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The accompanying notes are an integral part of these financial statements.

OAK PARK UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Scholarship Trust Fund	ASB Agency Funds
ASSETS		
Cash and cash equivalents	\$ 4,782	\$ 489,182
Accounts receivable	10	-
Total Assets	\$ 4,792	\$ 489,182
LIABILITIES		
Due to other agencies/student groups	\$ -	\$ 489,182
Total Liabilities	-	\$ 489,182
NET ASSETS		
Unrestricted	4,792	
Total Net Assets	4,792	
Total Liabilities and Fund Balance	\$ 4,792	

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

OAK PARK UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Scholarship Trust Fund
ADDITIONS	
Private donations	\$ 500
Investment earnings	121
Total Additions	621
DELETIONS	
Other trust activities	11,959
Total Deletions	11,959
NET CHANGE IN FUND BALANCE	(11,338)
Net Assets - Beginning	16,130
Net Assets - Ending	\$ 4,792

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

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Oak Park Unified School District, this includes general operations, food service, and student related activities of the District.

B. Component Unit

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and thus are included in the financial statements of the District. The District has no such component units.

C. Other Related Entities

Joint Powers Authority (JPA). The District is associated with two JPAs. These organizations do not meet the criteria for inclusion as a component unit of the District. Additional information is presented in Note 14 to the financial statements. These organizations are:

- Ventura County Schools' Self-Funding Authority (VCSSFA)
- Ventura County Fast Action School Transit Authority (VCFAST)

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation

Government-Wide Statements. The statement of net assets and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Fiduciary funds are used to account for assets held by the LEA in a trustee or agency capacity for others that cannot be used to support the LEA's own programs.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation (continued)

Major Governmental Funds

General Fund. The general fund is the main operating fund of the LEA. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of an LEA's activities are reported in the general fund unless there is a compelling reason to account for an activity in another fund. An LEA may have only one general fund.

Building Fund. This fund exists primarily to account separately for proceeds from the sale of bonds (Education Code Section 15146) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund (Fund 21) are proceeds from the sale or lease-with-option-to-purchase of real property (Education Code Section 17462) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (Education Code Section 41003).

Bond Interest and Redemption Fund. This fund is used for the repayment of bonds issued for an LEA (Education Code Sections 15125–15262). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund (Fund 21) of the LEA. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund (Fund 51) of the LEA. The county auditor maintains control over the LEA's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Non-Major Governmental Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Cafeteria Special Revenue Fund. This fund is used to account separately for federal, state, and local resources to operate the food service program (Education Code Sections 38090–38093). The Cafeteria Special Revenue Fund (Fund 13) shall be used only for those expenditures authorized by the governing board as necessary for the operation of the LEA's food service program (Education Code Sections 38091 and 38100).

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, *continued*
JUNE 30, 2011

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

D. Basis of Presentation (*continued*)

Capital Project Funds. Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Capital Facilities Fund. This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (Education Code Sections 17620–17626). The authority for these levies may be county/city ordinances (Government Code Sections 65970–65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund (Fund 25) is restricted to that fund (Government Code Section 66006).

County School Facilities Fund. This fund is established pursuant to Education Code Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (Education Code Section 17070 et seq.).

Special Reserve Fund for Capital Outlay Projects. This fund exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes (Education Code Section 42840).

Fiduciary Funds

Trust and Agency Funds. Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the LEA's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Foundation Private-Purpose Trust Fund. This fund is used to account separately for gifts or bequests per Education Code Section 41031 that benefit individuals, private organizations, or other governments and under which neither principal nor income may be used for purposes that support the LEA's own programs.

Student Body Fund. The Student Body Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (Education Code Sections 48930–48938).

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other activities result from special revenue funds and the restrictions on their net asset use.

All governmental activities of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the District receives cash. Revenue limits, property taxes, and grant awards are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Revenues – Exchange and Non-Exchange Transactions

Revenue limits and other state apportionments are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. When the annual calculation of the revenue limit (Form K-12 Annual) is made, and the District's actual tax receipts as reported by the county auditor is subtracted, the result determines the annual state aid to which the LEA is entitled. If the difference between the calculated annual state aid and the state aid received on the second principal apportionment is positive a receivable is recorded, and if it is negative a payable is recorded. The District recognizes property tax revenues actually received as reported on CDE's Principal Apportionment Tax Software, used by county offices of education and county auditors to report school district and county taxes. The District makes no accrual for property taxes receivable as of June 30.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting – Measurement Focus (continued)

The District receives grant awards that are "reimbursement type" or "expenditure driven." The eligibility requirements of these awards have not been met until the LEA has made the required expenditures of the grant within the time period specified by the grantor. Revenue is recognized in the period in which the qualifying expenditures are made. Cash received but unspent at the end of the fiscal period is booked as a liability, and revenue is reduced to the amount that has been expended.

The District also receives funds for which they have fulfilled specific eligibility requirements or have provided a particular service. Once the LEAs have provided these services, they have earned the revenue provided. Any unspent money may be carried to the next year to be expended for the same restricted purposes. Revenue is recognized in the period that the service is provided, and any carryover becomes a part of the LEA's ending fund balance.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as deferred revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities, and Net Assets

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the county treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2011, based on market process. The individual funds' portions of the pool's fair value are presented as "Cash in County." Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

Cash and Cash Equivalents

The District considers cash and cash equivalents to be cash on hand and demand deposits. In addition, because the Cash in County is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide Statement of Net Assets. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	20 – 50 years
Site Improvements	40 years
Equipment	5 – 15 years
Vehicles	6 – 15 years

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities, and Net Assets (continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net assets.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the accounts payable in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

Deferred Issuance Costs, Premiums, and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

Fund Balance

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 classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, *continued*
JUNE 30, 2011

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

F. Assets, Liabilities, and Net Assets (*continued*)

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net assets as reported in the government-wide, proprietary fund, and fiduciary trust fund statements.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the general fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the general fund, that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities, and Net Assets (continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The District has related debt outstanding as of June 30, 2011. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The district-wide financial statements report \$2,033,457 of restricted net assets.

G. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

H. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

I. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For purposes of the budget, on-behalf payments have been included as revenue and expenditures as required under generally accepted accounting principles.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Changes in Accounting Principle

For the fiscal year ended June 30, 2011, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Summary of Deposits and Investments

	Governmental Activities	Fiduciary Funds	Total
Deposits in financial institutions	\$ 5,001	\$ 489,182	\$ 494,183
Cash in County	21,249,236	4,782	21,254,018
Total	\$ 21,254,237	\$ 493,964	\$ 21,748,201

B. 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; collateralized mortgage obligations; and the Ventura County Investment Pool.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

B. Policies and Practices (continued)

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 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.

C. 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. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. 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>
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

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

D. 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 pool and purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Weighted Average Maturity

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

<u>Investment Type:</u>	<u>Fair Value</u>	<u>Maturity</u>
County Pool	\$ 21,328,977	353 days

E. 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. The District's investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2011.

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2011, all of the District's bank balance was insured.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 3 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2011, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Activities	Scholarship Trust Fund
Federal Government						
Categorical aid	\$ 333,749	\$ -	\$ -	\$ -	\$ 333,749	\$ -
State Government						
Apportionment	3,976,067	-	-	-	3,976,067	-
Categorical aid	483,066	-	-	-	483,066	-
Lottery	289,906	-	-	-	289,906	-
Local Government	989,594	13,944	4,417	111	1,008,066	10
Total	\$ 6,072,382	\$ 13,944	\$ 4,417	\$ 111	\$ 6,090,854	\$ 10

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance July 01, 2010	Additions	Deductions	Balance June 30, 2011
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 4,809,841	\$ -	\$ -	\$ 4,809,841
Construction in progress	1,306,043	4,617,828	2,728,454	3,195,417
Total Capital Assets not Being Depreciated	6,115,884	4,617,828	2,728,454	8,005,258
Capital assets being depreciated				
Land improvements	1,383,385	-	-	1,383,385
Buildings & improvements	43,101,104	2,728,454	-	45,829,558
Furniture & equipment	4,404,561	151,494	-	4,556,055
Total Capital Assets Being Depreciated	48,889,050	2,879,948	-	51,768,998
Less Accumulated Depreciation				
Land improvements	89,751	29,750	-	119,501
Buildings & improvements	21,556,322	249,920	-	21,806,242
Furniture & equipment	2,494,936	347,668	-	2,842,604
Total Accumulated Depreciation	24,141,009	627,338	-	24,768,347
Governmental Activities				
Capital Assets, net	\$ 30,863,925	\$ 6,870,438	\$ 2,728,454	\$ 35,005,909

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	\$ 250,934
Instructional library, media, and technology	62,734
School site administration	31,367
Food services	62,734
All other pupil services	62,734
All other administration	62,734
Plant services	94,101
Total Depreciation Expenses Governmental Activities	<u>\$ 627,338</u>

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

	<u>Due From Other Funds</u>	
	<u>General Fund</u>	<u>Total</u>
<u>Due To Other Funds</u>		
Non-Major Governmental Funds	\$ 404	\$ 404
Total Due From Other Funds	\$ 404	\$ 404

The Non-Major Cafeteria Fund owed the General Fund for a prior year salary adjustment.

	\$	404
Total	\$	404

B. Operating Transfers

	<u>Interfund Transfers In</u>	
	<u>Building Fund</u>	<u>Total</u>
<u>Interfund Transfers Out</u>		
General Fund	\$ 44,839	\$ 44,839
Total Interfund Transfers	\$ 44,839	\$ 44,839

The General Fund transferred to the Building Fund for reimbursement for capital improvements.

	\$	44,839
Total	\$	44,839

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2011, consisted of the following:

	General Fund	Building Fund	Non-Major Governmental Funds	Total Governmental Activities
Payroll	\$ 62,047	\$ -	\$ 112	\$ 62,159
Construction	-	1,242,429	-	1,242,429
Vendors payable	830,351	-	54	830,405
Due to Ventura County Office of Education	196,694	-	-	196,694
Totals	\$ 1,089,092	\$ 1,242,429	\$ 166	\$ 2,331,687
Unmatured interest on long-term debt				294,474
			Total	\$ 2,626,161

NOTE 7 – CURRENT LOANS

On July 1, 2010, the District issued a \$3,185,000 Tax Revenue Anticipation Notes (TRANs). The notes have an interest rate of 2.50% and mature June 1, 2011. The notes were issued to supplement cash flow.

On April 1, 2011, the District issued a \$3,580,000 TRANs. The notes have an interest rate of 2.50% and mature January 31, 2012. The repayment period is such that the District must have 33.7% of total principal due at maturity deposited by July 31, 2011, 75.6% of total principal due at maturity deposited by August 31, 2011 and 100% of total principal due at maturity deposited by September 30, 2011. The notes were issued to supplement cash flow. The balance due on the notes of \$3,584,535 as of June 30, 2011 is shown as Current Loans on the financial statements.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 8 – DEFERRED REVENUE

The District periodically will receive grant money prior to making expenditures for that grant. The source of that grant money is listed below by fund. The deferred revenue totals at June 30, 2011, consist of the following:

	General Fund
Federal sources	\$ 27,864
Local deferrals	16,638
Total	\$ 44,502

NOTE 9 – LONG-TERM DEBT

A. Long-Term Debt Summary

	Balance July 01, 2010	Accretion/ Additions	Deductions	Balance June 30, 2011	Balance Due In One Year
Governmental Activities					
General Obligation (GO) Bonds	\$ 31,431,755	\$ 14,787,036	\$ 2,800,000	\$ 43,418,791	\$ 2,001,768
Premium on issuance	645,001	132,433	31,652	745,782	-
Deferred issuance costs	(432,957)	(385,616)	(31,843)	(786,730)	-
Compensated absences	199,043	46,720	-	245,763	-
Early retirement incentives	262,822	-	104,630	158,192	58,888
Total	\$ 32,105,664	\$ 14,580,573	\$ 2,904,439	\$ 43,781,798	\$ 2,060,656

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 9 – LONG-TERM DEBT (continued)

B. Bonded Debt

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds		Issuance/ Accretion	Redeemed	Bonds	
				Outstanding	June 30, 2010			Outstanding	June 30, 2011
May 26, 2000	May 1, 2017	5.70% - 6.15%	\$5,999,943	\$	11,065,036	\$	669,792	\$	10,124,828
May 26, 2000	May 1, 2012	4.40% - 5.30%	8,665,000		805,000	-	390,000		415,000
September 20, 2007	August 1, 2028	3.75% - 5.25%	5,011,137		4,465,451	16,770	260,000		4,222,221
April 14, 2009	August 1, 2033	3.00% - 6.75%	9,998,516		10,020,706	46,975	540,000		9,527,681
April 14, 2009	August 1, 2033	3.00% - 6.75%	4,999,686		5,075,562	256,205	-		5,331,767
June 8, 2011	August 1, 2036	4.70% - 7.47%	9,382,294		-	9,382,294	-		9,382,294
June 8, 2011	August 1, 2019	4.86%	4,415,000		-	4,415,000	-		4,415,000
				\$	31,431,755	\$	14,787,036	\$	2,800,000
								\$	43,418,791

Election 1977

In elections held on November 8, 1977 and November 2, 1982, the voters authorized the District to issue and sale \$40,525,000 of principal amount of general obligation bonds. These bonds were issued for the purpose of repairing and constructing school facilities within the District. There was one outstanding issuance under this election:

- Series of 2000, which was issued on May 26, 2000 for \$5,999,943 with interest rates ranging from 5.70% to 6.15%. The original issuance consisted entirely of capital appreciation bonds. The bonds accrete in value from the date of issuance, compounded semi-annually on May 1 and November 1 of each year, commencing November 1, 2000, payable at maturity, May 1, 2017. The principal balance outstanding at June 30, 2011 amounted to \$10,124,828.

Series 2000A Refunding Bonds

On May 26, 2000, the District issued \$8,665,000 of Series 2000A general obligation refunding bonds. The bonds were issued to advance refund all of the outstanding Election of 1977, Series 1992 bonds and the Election of 1977, Series 1995 bonds. The original issuance had interest rates ranging from 4.40% to 5.30% and consisted entirely of current interest serial bonds. Interest on the bonds accrues from the date of issuance and is payable semi-annually on May 1 and November 1 of each year, commencing November 1, 2000. Principal payments are made annually, commencing May 1, 2001 through the final maturity at May 1, 2012. The principal balance outstanding at June 30, 2011 amounted to \$415,000.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 9 – LONG-TERM DEBT (continued)

B. Bonded Debt (continued)

Election 2006

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

- Series 2007, which was issued on September 20, 2007 for \$5,011,137 with interest rates ranging from 3.75% to 5.25%. The original issuance consisted of \$4,865,000 of current interest serial bonds, \$1,685,000 of current interest term bonds, and \$146,137 of capital appreciation serial bonds. Interest on the current interest bonds is payable each February 1 and August 1 to maturity, commencing February 1, 2008. Principal of the current interest bonds is payable on August 1 in each of the years as per the repayment schedule, commencing August 1, 2008 through the final maturity at August 1, 2027. The capital appreciation bonds will not bear current interest, but will increase in value by the accumulation of earned interest from their Denominational Amounts on the date of delivery to their respective Maturity Values at maturity. Interest on the capital appreciation bonds will be compounded on each February 1 and August 1, commencing February 1, 2008, through the final maturity at August 1, 2028. The principal balance outstanding at June 30, 2011 amounted to \$4,222,221.
- Series B, which was issued on April 14, 2009 for \$4,999,686 with interest rates ranging from 3.00% to 6.75%. The original issuance consisted of \$2,310,000 of current interest serial bonds and \$2,689,686 of capital appreciation serial bonds. Interest on the current interest bonds is payable on each February 1 and August 1 to maturity, commencing August 1, 2009. Principal of the current interest bonds is payable on August 1 in each of the years and in the amounts as per the repayment schedule. The capital appreciation bonds will not bear current interest, but will increase in value by the accumulation of earned interest from their Denominational Amounts on the date of delivery to their respective Maturity Values at maturity. Interest on the capital appreciation bonds will be compounded on each February 1 and August 1, commencing August 1, 2009, through final maturity at August 1, 2033. The principal balance outstanding at June 30, 2011 amounted to \$5,331,767.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 9 – LONG-TERM DEBT (continued)

B. Bonded Debt (continued)

Election 2008

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. There were three issuances under this election:

- Series A, which 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. 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, 2011 amounted to \$9,527,681.
- Series 2011 A Tax Exempt Bonds, which was issued on June 8, 2011 for \$9,382,294 with interest rates ranging from 4.70% to 7.10%. 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, 2011 amounted to \$9,382,294.
- Series 2011 B Taxable Qualified School Construction Bonds, which was issued on June 8, 2011 for \$4,415,000 with an interest rate of 4.857%. 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, 2011 amounted to \$4,415,000.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 9 – LONG-TERM DEBT (continued)

C. Debt Service Requirements to Maturity – Bonds

The bonds mature through 2039 as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 2,001,768	\$ 1,660,529	\$ 3,662,297
2013	1,903,734	2,047,243	3,950,977
2014	1,958,008	2,107,744	4,065,752
2015	2,049,476	2,163,876	4,213,352
2016	2,200,979	2,210,587	4,411,566
2017 - 2021	7,665,066	4,809,130	12,474,196
2022 - 2026	4,395,682	8,135,402	12,531,084
2027 - 2031	6,455,446	10,936,941	17,392,387
2032 - 2034	6,492,578	12,095,037	18,587,615
2037 - 2039	2,837,950	4,190,533	7,028,483
Accretion	5,458,104	(5,458,104)	-
	<u>\$ 43,418,791</u>	<u>\$ 44,898,918</u>	<u>\$ 88,317,709</u>

D. Compensated Absences

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2011, amounted to \$245,763. Accumulated vacation will be paid by the fund for which the employee worked.

E. Early Retirement Incentive

The District adopted a Retirement Incentive Plan (the Plan) in May 2006. The District adopted an additional Retirement Incentive Plan on May 2010. Eligible employees, who retired prior to August 1, 2006 and August 2010, are provided an annual cash payment according to the Plan's provisions. 13 employees met the Plan's requirements and chose to participate in the Plan.

The remaining liability at June 30, 2011 amounted to:

<u>Year Ending June 30,</u>	<u>Payment</u>
2012	\$ 58,888
2013	45,416
2014	33,680
2015	20,208
	<u>\$ 158,192</u>

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 10 – FUND BALANCES

Fund balances are composed of the following elements:

	General Fund	Building Fund	Bond Interest & Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Non-restricted					
Reserve for revolving cash	\$ 2,000	\$ -	\$ -	\$ -	2,000
Spendable					
Restricted					
Educational programs					
State	127,196	-	-	-	127,196
Other	-	-	-	5,795	5,795
Capital projects	-	17,576,353	-	3,743	17,580,096
Debt service	-	-	2,194,559	-	2,194,559
Assigned	863	-	-	2,433	3,296
Unassigned	1,471,425	-	-	-	1,471,425
Total	\$ 1,601,484	\$ 17,576,353	\$ 2,194,559	\$ 11,971	\$ 21,384,367

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than two months of general fund operating expenditures, or 3 percent of General Fund expenditures and other financing uses.

NOTE 11 – EXPENDITURES (BUDGET VERSUS ACTUAL)

At June 30, 2011, the following District major fund exceeded the budgeted amount in total as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund	\$ 29,838,934	\$ 30,438,472	\$ (599,538)

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS).

A. CalSTRS

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2011 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalSTRS for the last three fiscal years were as follows:

	Contribution	Percent of Required Contribution
2010-11	\$ 1,278,117	100%
2009-10	\$ 1,285,982	100%
2008-09	\$ 1,291,360	100%

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$661,058 to CalSTRS (4.267% of salaries subject to CalSTRS in 2010-11).

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS (continued)

B. CalPERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Funding Policy

Active plan members are required to contribute 7.0% of their salary, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2011 was 10.707% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the last three fiscal years were as follows:

	Contribution	Percent of Required Contribution
2010-11	\$ 310,744	100%
2009-10	\$ 291,000	100%
2008-09	\$ 276,668	100%

C. Social Security

As established by federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2011.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2011.

C. Construction Commitments

As of June 30, 2011, the District had the following commitments with respect to the unfinished capital projects:

	Remaining Construction Commitment	Expected Date of Completion
Project 10-01R, Fire Alarm Replacement	\$ 1,247,451	January 2012
Project 11-03R, BES Roof Replacement	154,400	September 2011
Project 11-04R, BES Exterior Painting	44,826	September 2011
Project 11-09R, OHES Playground	246,851	September 2011
Project 11-01R, OPHS Science Lab Rehab	1,125,572	January 2012
Project 10-12R, OPHS Gym Roof Replacement	1,436	August 2011
Project 11-13R, OPHS Science Building	65,342	November 2011
Project 11-14R, OVHS Restroom	92,192	August 2012
Total	\$ 2,978,070	

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 14 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District is a member of the Ventura County Schools' Self-Funding Authority (VCSSFA) and the Ventura County Fast Action School Transit Authority (VCFast) joint powers authorities (JPAs). The District pays an annual premium to the VCSSFA for its workers' compensation, and property liability coverage. Payments for the County-Wide Courier Service are paid to the VCFast. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are generally available from the respective entities.

During the year ended June 30, 2011, the District made payments of \$103,147 and \$3,269 to VCSSFA and VCFast, respectively.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 15 – PRIOR PERIOD RESTATEMENTS

The prior period adjustments of fund balances consist of the following:

	General Fund	Deferred Maintenance Fund	Special Reserve Fund for Other Than Capital Outlay Projects
2010 Change in Fund Balance	\$ (1,738,277)	\$ (477,641)	\$ (72,642)
Decrease in:			
Local revenue	-	(9,228)	(17,358)
Transfers In	(253,679)	-	-
Plant services	-	305,416	-
Facility acquisition and construction	-	17,774	-
Transfers Out	-	163,679	90,000
Increase in:			
Local revenue	26,586	-	-
Plant services	(305,416)	-	-
Facility acquisition and construction	(17,774)	-	-
Restated Change in Fund Balance	\$ (2,288,560)	\$ -	\$ -

	General Fund	Deferred Maintenance Fund	Special Reserve Fund for Other Than Capital Outlay Projects
2010 Fund Balance	\$ 355,703	\$ 79,465	\$ 937,011
Decrease in:			
Cash in County	-	(257,153)	(933,448)
Accounts receivable	-	(906)	(3,563)
Due from other funds	(163,679)	-	-
Accounts payable	-	14,915	-
Due to other funds	-	163,679	-
Increase in:			
Cash in County	1,190,601	-	-
Accounts receivable	4,469	-	-
Accounts payable	(14,915)	-	-
Restated Fund Balance	\$ 1,372,179	\$ -	\$ -

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2011

NOTE 16 – SUBSEQUENT EVENTS

A. Tax Revenue Anticipation Notes (TRANs)

The District issued \$5,770,000 of TRANs dated July 1, 2011. The notes mature on February 1, 2012, and yield a 2.00% interest rate. The notes were sold to supplement cash flow. Repayment requirements are that amounts be deposited with the Fiscal Agent during the period December 1, 2011 through and including January 31, 2012 until 100% of total principal and interest have been deposited.

REQUIRED SUPPLEMENTARY INFORMATION

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts			Variances - Positive / (Negative) Final to Actual
	Original	Final	Actual	
REVENUES				
Revenue limit sources				
State aid	\$ 9,922,287	\$ 11,509,694	\$ 11,512,472	\$ 2,778
Local sources	9,372,534	8,952,337	8,952,337	-
Transfers	65,042	53,208	53,208	-
Federal sources	870,614	1,947,110	1,951,818	4,708
Other state sources	2,893,994	2,950,710	3,609,166	658,456
Other local sources	3,978,943	4,666,048	4,633,615	(32,433)
Total Revenues	27,103,414	30,079,107	30,712,616	633,509
EXPENDITURES				
Certificated salaries	14,438,468	15,755,229	15,755,227	2
Classified salaries	3,686,547	4,057,716	4,099,390	(41,674)
Employee benefits	5,237,856	5,849,110	6,511,426	(662,316)
Books and supplies	692,208	918,438	917,942	496
Services and other operating expenditures	3,137,843	2,965,655	2,861,701	103,954
Capital outlay	-	41,406	41,406	-
Other outgo				
Excluding transfers of indirect costs	238,000	251,380	251,380	-
Total Expenditures	27,430,922	29,838,934	30,438,472	(599,538)
Excess (Deficiency) of Revenues				
Over Expenditures	(327,508)	240,173	274,144	33,971
Other Financing Sources (Uses):				
Transfers out	-	(44,839)	(44,839)	-
Net Financing Sources (Uses)	-	(44,839)	(44,839)	-
NET CHANGE IN FUND BALANCE	(327,508)	195,334	229,305	33,971
Fund Balance - Beginning, restated	1,372,179	1,372,179	1,372,179	-
Fund Balance - Ending	\$ 1,044,671	\$ 1,567,513	\$ 1,601,484	\$ 33,971

SUPPLEMENTARY INFORMATION

**OAK PARK UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/Program or Cluster	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U. S. DEPARTMENT OF EDUCATION:			
Passed through California Department of Education (CDE):			
No Child Left Behind Act (NCLB):			
Title I, Part A Cluster:			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14416	\$ 108,809
ARRA Title I, Part A, Basic Grants Low Income and Neglected	84.389	15005	4,542
Subtotal			113,351
Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341	50,133
Title II, Part D Cluster:			
Title II, Part D, Enhancing Education Through Technology (EETT), Formula Grants	84.318	14334	287
ARRA Title II, Part D, Enhancing Education Through Technology (EETT) Formula Grants	84.386	15019	4,717
Subtotal			5,004
Title III, Limited English Proficient (LEP) Student Program	84.365	10084	190
ARRA: State Fiscal Stabilization Fund (SFSF)	84.394	25008	167,607
Education Jobs Fund (SB 847)	84.410	25152	610,169
Foreign Language Acquisition	84.293B	*	294,356
Special Education Cluster:			
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	667,795
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	14,844
IDEA Preschool Local Entitlement, Part B, Section 611 (Age 3-4-5)	84.027A	13682	28,370
Subtotal			711,009
Total U. S. Department of Education			1,951,819
U. S. DEPARTMENT OF AGRICULTURE:			
Passed through CDE:			
Child Nutrition Cluster:			
National School Lunch	10.555	13396	62,285
School Basic Breakfast	10.553	13390	16,878
Commodities	10.555	13389	20,439
Total U. S. Department of Agriculture			99,602
Total Federal Expenditures			\$ 2,051,421

See accompanying note to supplementary information.

**OAK PARK UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2011**

	Second Period Report	Annual Report
ELEMENTARY		
Kindergarten	256	257
First through third	668	671
Fourth through sixth	835	838
Seventh through eighth	712	713
Special day class	5	4
Total Elementary	2,476	2,483
SECONDARY		
Regular classes	1,365	1,360
Continuation education	44	43
Home and hospital	5	5
Special day class	12	13
Total Secondary	1,426	1,421
Average Daily Attendance Total	3,902	3,904

See accompanying note to supplementary information.

**OAK PARK UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2011**

Grade Level	1982 - 83	1982 - 83	1986 - 87	1986 - 87	2010-11	Number of Days	Status
	Actual Minutes	Actual Minutes Reduced	Minutes Requirement	Minutes Requirement Reduced	Actual Minutes		
Kindergarten	31,680	30,800	36,000	35,000	40,845	180	Complied
Grade 1	48,830	47,474	50,400	49,000	51,520	180	Complied
Grade 2	48,830	47,474	50,400	49,000	51,520	180	Complied
Grade 3	48,830	47,474	50,400	49,000	51,520	180	Complied
Grade 4	52,350	50,896	54,000	52,500	54,120	180	Complied
Grade 5	52,350	50,896	54,000	52,500	54,120	180	Complied
Grade 6	52,350	50,896	54,000	52,500	58,500	180	Complied
Grade 7	56,685	55,110	54,000	52,500	58,500	180	Complied
Grade 8	56,685	55,110	54,000	52,500	58,500	180	Complied
Grade 9	56,685	55,110	64,800	63,000	64,980	180	Complied
Grade 10	56,685	55,110	64,800	63,000	64,980	180	Complied
Grade 11	56,685	55,110	64,800	63,000	64,980	180	Complied
Grade 12	56,685	55,110	64,800	63,000	64,980	180	Complied

See accompanying note to supplementary information.

**OAK PARK UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

	2012 (Budget)	2011	2010	2009
GENERAL FUND:				
Revenues	\$ 29,849,733	\$ 30,712,616	\$ 28,988,886	\$ 30,364,615
Transfers in	-	-	473,679	680,323
Total	29,849,733	30,712,616	29,462,565	31,044,938
Expenditures	30,213,716	30,438,472	30,883,940	30,099,849
Other uses and transfers out	-	44,839	226,902	311,244
Total	30,213,716	30,483,311	31,110,842	30,411,093
INCREASE/(DECREASE)				
IN FUND BALANCE	\$ (363,983)	\$ 229,305	\$ (1,648,277)	\$ 633,845
ENDING FUND BALANCE	\$ 1,237,501	\$ 1,601,484	\$ 1,372,179	\$ 2,093,980
AVAILABLE RESERVES ¹	\$ 955,774	\$ 1,471,425	\$ 1,100,326	\$ 1,445,597
AVAILABLE RESERVES AS A PERCENTAGE OF OUTGO	3.2%	4.8%	3.5%	4.8%
LONG-TERM DEBT	n/a	\$ 43,781,798	\$ 32,538,621	\$ 34,675,762
AVERAGE DAILY ATTENDANCE AT P-2	4,124	3,902	3,690	3,529

The General Fund balance has decreased by \$405,540 over the past two years. The fiscal year 2011-2012 budget projects a further decrease of \$363,983 (21.8 percent). For a district this size, the State recommends available reserves of at least three percent of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in two of the past three years but anticipates incurring an operating deficit during the 2011-2012 fiscal year. Total long term obligations have increased by \$9,106,036 over the past two years.

Average daily attendance has increased by 373 ADA over the past two years. An increase of 222 ADA is anticipated during the 2011-2012 fiscal year.

¹ Available reserves consist of all unassigned fund balance within the General Fund and the Reserve for Economic Uncertainty.

**OAK PARK UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund	Deferred Maintenance Fund	Special Reserve Fund for Other Than Capital Outlay Projects
FUND BALANCE			
Balance June 30, 2011, Unaudited Actuals	\$ 654,430	\$ 863	\$ 946,191
Increase in:			
Cash and cash equivalents	145,212	-	-
Accounts receivable	1,842	-	-
Decrease in:			
Cash and cash equivalents	-	(860)	(144,352)
Accounts receivable	-	(3)	(1,839)
Due from other funds	-	-	(800,000)
Due to other funds	800,000	-	-
Audited financial statement	\$ 1,601,484	\$ -	\$ -

See accompanying note to supplementary information.

OAK PARK UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2011

	Cafeteria Fund	Deferred Maintenance Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 6,265	\$ -	\$ -	\$ 2,286	\$ 1,450	\$ 2,429	\$ 12,430
Accounts receivable	100	-	-	4	3	4	111
Total Assets	\$ 6,365	\$ -	\$ -	\$ 2,290	\$ 1,453	\$ 2,433	\$ 12,541
LIABILITIES							
Accrued liabilities	\$ 166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166
Due to other funds	404	-	-	-	-	-	404
Total Liabilities	570	-	-	-	-	-	570
FUND BALANCES							
Spendable							
Restricted							
Educational programs	5,795	-	-	-	-	-	5,795
Capital projects	-	-	-	2,290	1,453	-	3,743
Assigned	-	-	-	-	-	2,433	2,433
Total Fund Balances	5,795	-	-	2,290	1,453	2,433	11,971
Total Liabilities and Fund Balance	\$ 6,365	\$ -	\$ -	\$ 2,290	\$ 1,453	\$ 2,433	\$ 12,541

See accompanying note to supplementary information.

**OAK PARK UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	Cafeteria Fund	Deferred Maintenance Fund	Special Reserve Fund for Other Than Capital Outlay Projects	Capital Facilities Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES							
Revenue limit sources							
Federal sources	\$ 99,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,603
Other state sources	10,467	-	-	-	-	-	10,467
Other local sources	681,029	-	-	1,702	13	23	682,767
Total Revenues	791,099	-	-	1,702	13	23	792,837
EXPENDITURES							
Current							
Pupil services							
Food services	788,101	-	-	-	-	-	788,101
Plant services	1,713	-	-	-	-	-	1,713
Total Expenditures	789,814	-	-	-	-	-	789,814
NET CHANGE IN FUND BALANCE	1,285	-	-	1,702	13	23	3,023
Fund Balance - Beginning, as previously reported	4,510	79,465	937,011	588	1,440	2,410	1,025,424
Restatement (Note 15)	-	(79,465)	(937,011)	-	-	-	(1,016,476)
Fund Balance - Beginning, restated	4,510	-	-	588	1,440	2,410	8,948
Fund Balance - Ending	\$ 5,795	\$ -	\$ -	\$ 2,290	\$ 1,453	\$ 2,433	\$ 11,971

See accompanying note to supplementary information.

OAK PARK UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2011

NOTE 1 – PURPOSE OF SCHEDULES

A. Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

B. Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

C. Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirements, whichever is greater, as required by Education Code Section 46201.

D. Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

E. Schedule of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

F. Combining Statements – Non-Major Governmental Funds

These statements provide information on the District's non-major funds.

G. Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration. (Located in the front of the audit report)

**OTHER INDEPENDENT
AUDITORS' REPORTS**



**INDEPENDENT AUDITORS' 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**

Board of Trustees
Oak Park Unified School District
Oak Park, California

We have audited the financial statements of Oak Park Unified School District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 8, 2011. 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.

Internal Control over Financial Reporting

Management of Oak Park Unified School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Oak Park Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oak Park Unified School District'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*.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the California State Controller's Office, the California Department of Finance, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chuntz & White Accountancy Corporation

San Diego, California

December 8, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Oak Park Unified School District
Oak Park, California

Compliance

We have audited Oak Park Unified School District's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Oak Park Unified School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Oak Park Unified School District's management. Our responsibility is to express an opinion on Oak Park Unified School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Oak Park Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Oak Park Unified School District's compliance with those requirements.

In our opinion, Oak Park Unified School District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of Oak Park Unified School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Oak Park Unified School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses* as defined above.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the California State Controller's Office, the California Department of Finance, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Chint White".

San Diego, California
December 8, 2011

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Trustees
Oak Park Unified School District
Oak Park, California

We have audited Oak Park Unified School District's compliance with the types of compliance requirements described in the *Standards and Procedures for Audits of California K – 12 Local Educational Agencies 2010-11*, issued by the California Education Audit Appeals Panel as regulations for the year ended June 30, 2011. Compliance with the requirements of laws, regulations, contracts, and grants listed below is the responsibility of Oak Park Unified School District's management. Our responsibility is to express an opinion on Oak Park Unified School District's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K – 12 Local Educational Agencies 2010-11*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Oak Park Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Oak Park Unified School District's compliance with the state laws and regulations referred to above.

In connection with the audit referred to above, we selected and tested transactions and records to determine Oak Park Unified School District's compliance with the state laws and regulations applicable to the following items:

<u>PROGRAM NAME</u>	<u>PROCEDURES IN AUDIT GUIDE</u>	<u>PROCEDURES PERFORMED</u>
Attendance Accounting:		
Attendance Reporting	8	Yes
Kindergarten Continuance	3	Yes
Independent Study	23	Yes
Continuation Education	10	No, see below
Instructional Time for:		
School Districts	6	Yes
County offices of education	3	Not Applicable
Instructional Materials, general requirements	8	Yes
Ratios of Administrative Employees to Teachers	1	Yes

SAN DIEGO

RANCHO CUCAMONGA

PROGRAM NAME	PROCEDURES IN AUDIT GUIDE	PROCEDURES PERFORMED
Classroom Teacher Salaries	1	Yes
Early Retirement Incentive	4	Not Applicable
Gann Limit Calculation	1	Yes
School Accountability Report Card	3	Yes
Public Hearing Requirement - Receipt of Funds	1	Yes
Class Size Reduction (including in charter schools):		
General requirements	7	Yes
Option One	3	Yes
Option Two	4	Not Applicable
Districts or charter schools with only one school serving K - 3	4	Not Applicable
After School Education and Safety Program:		
General requirements	4	Not Applicable
After school	4	Not Applicable
Before school	5	Not Applicable
Contemporaneous Records of Attendance; for charter schools	1	Not Applicable
Mode of Instruction; for charter schools	1	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	15	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	3	Not Applicable
Annual Instructional Minutes – Classroom Based; for charter schools	3	Not Applicable

We did not perform testing for Continuation Education because ADA was below the required threshold for testing.

In our opinion, Oak Park Unified School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2011, except as described in the accompanying schedule of findings and questioned costs as items #2011-01 through #2011-02.

Oak Park Unified School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses, and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the California State Controller's Office, the California Department of Finance, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Christine White Accountancy Corporation

San Diego, California

December 8, 2011

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

**OAK PARK UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2011**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	<u>No</u>
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.410	Education Jobs Fund (SB 847)
84.027, 84.027A, 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over state programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Qualified</u>

OAK PARK UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

FIVE DIGIT CODE

20000
30000
60000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control
Miscellaneous

There were no financial statement findings in 2010-11.

OAK PARK UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

There were no federal award findings or questioned costs in 2010-11.

OAK PARK UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

FIVE DIGIT CODE

40000

72000

AB 3627 FINDING TYPE

State Compliance

School Accountability Report Card

FINDING #2011-1 INDEPENDENT STUDY – BROOKSIDE ELEMENTARY SCHOOL (40000)

Condition: In testing short-term independent study contracts, we found that one contract had amounts of apportionment credit per teacher determination that did not reconcile to the apportionment credit in the attendance system and one contract that did not contain the proper dates to verify the contract was signed prior to the contract beginning.

Criteria: California Education Code Section 51747.5 (b) states that “school districts...may claim apportionment credit for independent study only to the extent of the time value of pupil or student work products, as personally judged in each instance by a certificated teacher.”

Cause: Insufficient controls over monitoring Independent Study credit claimed.

Effect: Noncompliance with state requirements and possible loss of ADA.

Questioned Cost: \$190.96 – comprised 6 apportionment days, or 0.03 ADA, at a base revenue limit of \$6,365.26.

Recommendation: We recommend that the District revise their Second Period and Annual attendance reports and implement appropriate internal control procedures to ensure all independent study apportionment is being properly reported.

District Response: The District has revised and resubmitted its Second Period and Annual attendance reports to the State, and is reviewing and modifying its internal control procedures to ensure all independent study apportionment is properly reported.

OAK PARK UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, *Continued*
FOR THE YEAR ENDED JUNE 30, 2011

FINDING #2011-2 SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Condition: In testing the School Accountability Report Cards (SARC), as posted online through the District website, we found that the information contained on the SARC for Oak Park High School did not match the information that was recorded on the Facilities Inspection Tool (FIT).

Criteria: California Education Code Section 14502.1 states that the SARC must contain, but is not limited to, this information.

Cause: Insufficient controls over monitoring the SARC preparation.

Effect: Noncompliance with state requirements.

Questioned Cost: None

Recommendation: We recommend that the District implement appropriate internal control procedures to ensure that information reported on the SARC is accurate and consistent with the FIT.

District Response: The District has amended its internal control procedures to require that District staff review and proofread the draft SARC prepared by its consultant prior to its publication to ensure that information reported is accurate and consistent with the FIT.

OAK PARK UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

There were no prior audit findings in 2009-10.