

OAK PARK UNIFIED SCHOOL DISTRICT

**ELECTION 2006, SERIES 2007
AND 2009 SERIES B
GENERAL OBLIGATION BONDS**

**FINANCIAL AUDIT - SECTION 1
AND
PERFORMANCE AUDIT - SECTION 2**

JUNE 30, 2010

**MEASURE C6
SCHOOL SAFETY, EQUIPMENT AND TECHNOLOGY BOND**

**GENERAL OBLIGATION BONDS
ELECTION 2006, SERIES 2007 AND SERIES B
BUILDING FUND - (PROPOSITION 39)**

FINANCIAL STATEMENT AUDIT

**OAK PARK UNIFIED SCHOOL DISTRICT
BUILDING FUND (PROPOSITION 39)**

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JUNE 30, 2010**

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Building Fund of the Oak Park Unified School District (the "District"), as of the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 opinion.

As discussed in Note 1, the financial statements present only the Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund of the District at June 30, 2010, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Vavrinek, Trine, Day & Co., LLP
Rancho Cucamonga, California
December 20, 2010

**OAK PARK UNIFIED SCHOOL DISTRICT
BUILDING FUND (PROPOSITION 39)**

**BALANCE SHEET
JUNE 30, 2010**

ASSETS

Cash in county treasury	\$ 3,914,064
Accounts receivable	<u>13,671</u>
Total Assets	<u>\$ 3,927,735</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	<u>\$ 135,784</u>
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Fund Balance:

Fund balance	
Undesignated	<u>3,791,951</u>

Total Liabilities and Fund Balance	<u>\$ 3,927,735</u>
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The accompanying notes are an integral part of these financial statements.

**OAK PARK UNIFIED SCHOOL DISTRICT
BUILDING FUND (PROPOSITION 39)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
JUNE 30, 2010**

REVENUES

Other local revenues	\$ 76,999
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EXPENDITURES

Capital outlay	
Salaries	54,755
Statutory benefits	6,587
Technology and non-capitalized computer expenditures	863,985
Equipment	109,164
Supplies	78,632
Building projects	150,000

Total Expenditures	1,263,123
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Excess of Expenditures Over Revenues	(1,186,124)
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OTHER FINANCING SOURCES

Other sources	210,451
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NET CHANGE IN FUND BALANCES	(975,673)
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FUND BALANCE, BEGINNING OF YEAR	4,767,624
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FUND BALANCE, END OF YEAR	\$ 3,791,951
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The accompanying notes are an integral part of these financial statements.

OAK PARK UNIFIED SCHOOL DISTRICT BUILDING FUND (PROPOSITION 39)

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Oak Park Unified School District (the "District") bond funds conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The Oak Park Unified School District Building Fund (the "Building Fund") accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting Entity

The audited financial statements include only the Building Fund of the Oak Park Unified School District that was established to account for the expenditures of the general obligation bond issued in April 2009. These financial statements are not intended to present fairly the financial position and the changes in financial position of the Oak Park Unified School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

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

Basis of Accounting

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

Governmental funds are generally accounted for using the modified accrual basis of accounting. Their revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered), except for unmatured interest on long-term debt, which is recognized when due.

Budgets and Budgetary Accounting

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

**OAK PARK UNIFIED SCHOOL DISTRICT
BUILDING FUND (PROPOSITION 39)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are liquidated when the commitments are paid and all outstanding encumbrances are liquidated at June 30, 2010, since they do not constitute expenditures or liabilities.

Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not available for appropriation or amounts legally segregated for a specific future use. Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes for the District. The District recognizes tax revenues when received.

Use of Estimates

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

NOTE 2 - INVESTMENTS

Investments at June 30, 2010, held on behalf of the Building Fund of the Oak Park Unified School District consisted of deposits in the County of Ventura Treasury:

	Reported Amount	Fair Value
Uncategorized		
Deposits with County Treasurer	\$ 3,914,064	\$ 3,929,720

Deposits with County Treasurer is an external investment pool sponsored by the County of Ventura. School districts are required to deposit all receipts and collections of monies with their county treasurer (*Education Code* Section 15146(b)). Therefore, the District is considered to be an involuntary participant in an external investments pool. County deposits are not required to be categorized. The pool sponsor provided the fair value for these deposits.

**OAK PARK UNIFIED SCHOOL DISTRICT
BUILDING FUND (PROPOSITION 39)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

NOTE 3 - ACCOUNT RECEIVABLE

Local	<u>\$ 13,671</u>
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NOTE 4 - ACCOUNT PAYABLE

Vendor payables	<u>\$ 135,784</u>
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NOTE 5 - LONG-TERM OBLIGATIONS

Summary

Under the modified accrual basis of accounting, liabilities for long-term obligations are reported in the long-term obligations rather than the building or other funds. A schedule of changes in long-term obligations for the year ended June 30, 2010, is shown below:

General Obligation Bonds (Proposition 39 Only)

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
General obligation bonds	<u>\$ 9,734,221</u>	<u>\$ 146,792</u>	<u>\$ 340,000</u>	<u>\$ 9,541,013</u>

Bonded Debt

The outstanding general obligation bonded debt is as follows:

2006 Election, Series 2007 and 2009 Series B

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Beginning of Year	Issued	Accreted Interest	Redeemed	Bonds End of Year
Sept. 2007	August 2028	3.60 - 4.60%	\$ 5,011,137	\$ 4,734,535	\$ -	\$ 10,916	\$ 280,000	\$ 4,465,451
April 2009	August 2033	3.00 - 6.75%	4,999,686	4,999,686	-	135,876	60,000	5,075,562
			<u>\$ 10,010,823</u>	<u>\$ 9,734,221</u>	<u>\$ -</u>	<u>\$ 146,792</u>	<u>\$ 340,000</u>	<u>\$ 9,541,013</u>

**OAK PARK UNIFIED SCHOOL DISTRICT
BUILDING FUND (PROPOSITION 39)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Debt Service Requirements

In June 2006, the qualified electorate of the School Facilities Improvement District No. 1 of the Oak Park Unified School District approved the issuance and sale of General Obligation Bonds of \$17,500,000. The first issuance of Current Bonds Series 2007 in the amount of \$5,011,137 occurred in 2007. The second issuance of Current Bond Series B in the amount of \$4,999,686 occurred in 2009. The proceeds of \$ 5,011,137 and \$4,999,686 were used to finance improvements to school facilities, upgrade technology, and construct additional classroom and student performance facilities. Taxes are collected by the Ventura County Tax Assessor and remitted to a trustee for payment of principal and interest. The bonds mature each August 1 through August 2033 with semi-annual interest payments due February 1 and August 1 each year. At June 30, 2010, the principal balance outstanding was \$9,541,013.

The Series 2007 General Obligation Bonds mature through 2029 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Current Interest to Maturity	Total
2011	\$ 260,000	\$ 180,400	\$ 440,400
2012	250,000	170,000	420,000
2013	300,000	160,625	460,625
2014	280,000	148,625	428,625
2015	285,000	137,425	422,425
2016-2020	1,535,000	489,013	2,024,013
2021-2025	550,000	241,956	791,956
2026-2029	1,005,451	409,550	1,415,001
Total	<u>\$ 4,465,451</u>	<u>\$ 1,937,594</u>	<u>\$ 6,403,045</u>

**OAK PARK UNIFIED SCHOOL DISTRICT
BUILDING FUND (PROPOSITION 39)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

The 2009 Series B General Obligation Bonds mature through 2034 as follows:

<u>Fiscal Year</u>	<u>Principal Including Accreted Interest to Date</u>	<u>Current Interest to Maturity</u>	<u>Total</u>
2011	\$ -	\$ 100,900	\$ 100,900
2012	-	100,900	100,900
2013	-	100,900	100,900
2014	45,000	100,900	145,900
2015	80,000	99,100	179,100
2016-2020	1,035,000	415,700	1,450,700
2021-2025	1,486,351	638,712	2,125,063
2026-2030	1,242,139	2,706,192	3,948,331
2031-2034	1,187,072	4,238,159	5,425,231
Total	<u>\$ 5,075,562</u>	<u>\$ 8,501,463</u>	<u>\$ 13,577,025</u>

**GENERAL OBLIGATION BONDS
ELECTION 2006, SERIES 2007 AND 2009 SERIES B
PERFORMANCE AUDIT**

**AGREED-UPON PROCEDURES
REPORT**

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION 2006,
SERIES 2007 AND SERIES B**

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JUNE 30, 2010**

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**INDEPENDENT AUDITORS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

and

The 2006 General Obligation Citizens' Bond Oversight Committee

We have performed the agreed-upon procedures enumerated in Exhibit A, which were agreed to by Oak Park Unified School District (the "District") of Ventura County, solely to assist the users in identifying findings and recommendations in the areas with respect to the Oak Park Unified School District (County of Ventura) General Obligation Bonds 2006 election, 2007 Series and 2009 Series B, for the period ended June 30, 2010. This engagement to perform agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants and meets the compliance requirements to perform a performance "audit" as outlined in subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated results, findings and recommendations are described in this report as Exhibits A and B, respectively. Based upon these procedures, the District has complied with Measure "C6" General Obligation bond requirements.

We were not engaged to, and did not perform an audit of all financial statements of the District, the objective of which would be the expression of an opinion relating to the matters included in the agreed-upon procedures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Vavrinek, Trine, Day & Co., LLP
Rancho Cucamonga, California
December 20, 2010

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION 2006,
SERIES 2007 AND SERIES B**

EXHIBIT A

**AGREED-UPON PROCEDURES
JUNE 30, 2010**

The District requested that the following agreed-upon procedures be performed in accordance with the *Education Code* Section 15280(b):

Procedures Performed

1. Verify that the expenditure of funds was accounted for separately in the accounting records to allow for accountability.
2. Select the expenditures at each location and verify that the funds expended complied with the purpose that was specified to the registered voters of the District through election materials and district resolutions that were distributed.

Results of Procedures

1. The general obligation bond fund expenditures were accounted for separately in the Building Fund of the District.
2. Our review of the expenditures for the period ended June 30, 2010, did not reveal any items that were paid from the General Obligation Bond Funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District on June 6, 2006.

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION 2006,
SERIES 2007 AND SERIES B**

EXHIBIT B

**FINDINGS AND RECOMMENDATIONS
JUNE 30, 2010**

There were no findings and recommendations reported.

OAK PARK UNIFIED SCHOOL DISTRICT

\$10,010,823

(Oak Park, California)

GENERAL OBLIGATION BONDS, ELECTION 2006, SERIES 2007 AND SERIES B

THE BONDS

Authority for Issuance

The Bonds were issued pursuant to the provisions of the California *Education Code* commencing with Section 15264 and pursuant to resolutions adopted by the Board of Trustees of the District, and by the Board of Supervisors of the County. The District received authorization at an election held on June 6, 2006, by fifty-five percent of the votes cast by eligible voters within the District, to issue \$17,500,000 of General Obligation Bonds. The Bonds of \$5,011,137 and \$4,999,686 represent the first and second series of bonds issued under the Authorization. After the issuance of the Bonds, the District will have \$7,489,177 of the authorized but unissued bonds.

Purpose of Issue

The general obligation bond funds of the Oak Park Unified School District ("District") would be used to acquire school equipment as follows:

- Educational technology, including computers, networking equipment, printers, interactive whiteboards, scanners, video production labs, and copy machines.
- Classroom furniture and equipment, including that for visual and performing arts, special education, culinary and practical arts, athletics, and science labs, as well as general classroom furnishings.
- Playground equipment replacement to meet current safety standards.
- District vehicles for student transportation.
- Food preparation and kitchen equipment to furnish kitchen facilities at school sites.

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION 2006,
SERIES 2007 AND SERIES B**

**BALANCE SHEET
JUNE 30, 2010**

ASSETS

Cash in county treasury	\$ 3,914,064
Accounts receivable	<u>13,671</u>
Total Assets	<u>\$ 3,927,735</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	<u>\$ 135,784</u>
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Fund Balance:

Fund balance	
Undesignated	<u>3,791,951</u>
Total Fund Balance	<u>3,791,951</u>
Total Liabilities	
and Fund Balance	<u>\$ 3,927,735</u>

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION 2006,
SERIES 2007 AND SERIES B**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
JUNE 30, 2010**

REVENUES

Local income	
Interest income	\$ 76,999

EXPENDITURES

Capital outlay	
Salaries	54,755
Statutory benefits	6,587
Technology and non-capitalized computer expenditures	863,985
Equipment	109,164
Supplies	78,632
Building projects	150,000
Total Expenditures	1,263,123

EXCESS OF EXPENDITURES OVER REVENUES	<u>(1,186,124)</u>
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OTHER FINANCING SOURCES

Other sources	<u>210,451</u>
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**EXCESS OF EXPENDITURES AND OTHER
FINANCING SOURCES OVER REVENUES**

<u>(975,673)</u>

FUND BALANCE, BEGINNING OF YEAR

<u>4,767,624</u>

FUND BALANCE, END OF YEAR

<u>\$ 3,791,951</u>

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION 2006,
SERIES 2007 AND SERIES B**

**SCHEDULE OF DISBURSEMENTS BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2010**

	21st Century Classrooms	Computer	Computer On Wheels	Maintenance Equipment
Salaries	\$ -	\$ -	\$ -	\$ -
Statutory Benefits	-	-	-	-
Supplies	13,210	9	-	-
Non-Capitalized Expenditures	168,178	103,104	465,514	1,205
Operating Expenses	-	-	-	-
Building Projects	-	-	-	-
Equipment	-	-	6,579	46,688
Total Project Expenditures	<u>\$ 181,388</u>	<u>\$ 103,113</u>	<u>\$ 472,093</u>	<u>\$ 47,893</u>

	Miscellaneous Hardware and Software	Other Equipment (Non-technology)	Performing Arts Seating and Sound	Salaries and Tech Support
Salaries	\$ -	\$ -	\$ -	\$ 54,755
Statutory Benefits	-	-	-	6,587
Supplies	52,540	-	12,873	-
Non-Capitalized Expenditures	1,395	5,316	6,607	-
Operating Expenses	-	480	2,344	64,557
Building Projects	-	-	150,000	-
Equipment	-	41,116	-	-
Total Project Expenditures	<u>\$ 53,935</u>	<u>\$ 46,912</u>	<u>\$ 171,824</u>	<u>\$ 125,899</u>

**OAK PARK UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, ELECTION 2006,
SERIES 2007 AND SERIES B**

**SCHEDULE OF DISBURSEMENTS BY PROJECT (Continued)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>System Servers</u>	<u>Total Expenditures</u>
Salaries	\$ -	\$ 54,755
Statutory Benefits	-	6,587
Supplies	-	78,632
Non-Capitalized Expenditures	45,285	796,604
Operating Expenses	-	67,381
Building Projects	-	150,000
Equipment	14,781	109,164
Total Project Expenditures	<u>\$ 60,066</u>	<u>\$ 1,263,123</u>