

**OAK PARK UNIFIED SCHOOL DISTRICT**

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**ELECTION 2008, SERIES A  
GENERAL OBLIGATION BONDS**

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

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**JUNE 30, 2010**

**MEASURE R  
SCHOOL REPAIR AND IMPROVEMENT BOND**

**GENERAL OBLIGATION BONDS  
ELECTION 2008, SERIES A  
BUILDING FUND - (PROPOSITION 39)**

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**FINANCIAL STATEMENT AUDIT**

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**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**

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**ASSETS**

Cash in county treasury	\$ 4,670,946
Accounts receivable	17,180
Due from General Fund	<u>1,400,000</u>
Total Assets	<u>\$ 6,088,126</u>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Accounts payable	<u>\$ 486,430</u>
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**Fund Balance:**

Fund balance	
Undesignated	<u>5,601,696</u>

Total Liabilities and Fund Balance	<u>\$ 6,088,126</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**

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**REVENUES**

Interest Income \$ 157,776

**EXPENDITURES**

Professional Services 1,356,813

Non-capitalized Improvements 167,964

Building and Improvements 2,419,351

Total Expenditures 3,944,128

**Excess of Expenditures Over Revenues** (3,786,352)

**OTHER FINANCING SOURCES**

Other Sources 255,797

Total Other Financing Sources 255,797

**NET CHANGE IN FUND BALANCES** (3,530,555)

**FUND BALANCE, BEGINNING OF YEAR** 9,132,251

**FUND BALANCE, END OF YEAR** \$ 5,601,696

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**

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***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**

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**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 consist of deposits in the County of Ventura Treasury:

	<u>Reported Amount</u>	<u>Fair Value</u>
Uncategorized		
Deposits with County Treasurer	<u>\$ 4,670,946</u>	<u>\$ 4,689,630</u>

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**

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**NOTE 3 - ACCOUNTS RECEIVABLE**

Local	<u><u>\$ 17,180</u></u>
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**NOTE 4 - ACCOUNTS PAYABLE**

Vendor payables	<u><u>\$ 486,430</u></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><u>\$ 9,998,516</u></u>	<u><u>\$ 22,190</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,020,706</u></u>

**Bonded Debt**

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Beginning of Year	Interest Accreted	Redeemed	Bonds End of Year
April 2009	August 2033	4.71-6.75%	<u><u>\$ 9,998,516</u></u>	<u><u>\$ 9,998,516</u></u>	<u><u>\$ 22,190</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,020,706</u></u>

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

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

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**Debt Service Requirements**

In November 2008, 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 \$29,445,000. The first issuance of General Obligation Bonds Election 2008, Series A in the amount of \$9,998,516 occurred in April 2009. The proceeds of \$9,998,516 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, commencing August 1, 2009. At June 30, 2010, the principal balance outstanding was \$10,020,706.

The General Obligation Bonds mature through 2034 as follows:

Fiscal Year	Principal Including Accreted Interest to Date	Current Interest to Maturity	Total
2011	\$ 540,000	\$ 443,240	\$ 983,240
2012	560,000	427,040	987,040
2013	615,000	410,240	1,025,240
2014	675,000	391,790	1,066,790
2015	755,000	364,790	1,119,790
2016-2020	241,343	1,906,854	2,148,197
2021-2025	1,324,713	1,731,717	3,056,430
2026-2030	2,800,000	1,096,481	3,896,481
2031-2034	2,509,650	1,196,898	3,706,548
Total	\$ 10,020,706	\$ 7,969,050	\$ 17,989,756

**GENERAL OBLIGATION BONDS  
ELECTION 2008, SERIES A  
PERFORMANCE AUDIT**

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**AGREED-UPON PROCEDURES  
REPORT**

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**OAK PARK UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION 2008, SERIES A**

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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 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 Election of 2008, Series A General Obligation Bonds 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 "R" 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 2008, SERIES A**

**EXHIBIT A**

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

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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 November 4, 2008.

**OAK PARK UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION 2008, SERIES A**

**EXHIBIT B**

**FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2010**

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There were no findings and recommendations reported.

**OAK PARK UNIFIED SCHOOL DISTRICT**

**\$9,998,516**

**(Oak Park, California)**

**GENERAL OBLIGATION BONDS, ELECTION 2008, SERIES A**

**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 November 4, 2008, by fifty-five percent of the votes cast by eligible voters within the District, to issue \$29,455,000 of General Obligation Bonds. The Bonds of \$9,998,516 represent the first series of bonds issued under the Authorization. After the issuance of the Bonds, the District will have \$19,456,484 of the authorized but unissued Bonds.

**Purpose of Issue**

The General Obligation Bond funds of the Oak Park Unified School District ("District") were permitted to be used for the following:

- Finance specific construction and modernization projects approved by the voters summarized as follows: 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.



**OAK PARK UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION 2008, SERIES A**

**BALANCE SHEET  
JUNE 30, 2010**

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**ASSETS**

Investments	\$ 4,670,946
Accounts receivable	17,180
Due from other funds	<u>1,400,000</u>
Total Assets	<u>\$ 6,088,126</u>

**LIABILITIES AND FUND BALANCE**

**Liabilities:**

Accounts payable	<u>\$ 486,430</u>
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**Fund Balance:**

Fund balance	
Unreserved	
Undesignated	<u>5,601,696</u>
Total Liabilities and Fund Balance	<u>\$ 6,088,126</u>

**OAK PARK UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION 2008, SERIES A**

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

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**REVENUES**

Local income	
Interest income	<u>\$ 157,776</u>

**EXPENDITURES**

Capital outlay	
Professional services	1,356,813
Improvements to buildings	2,419,351
Rentals, leases and repairs	116,542
Other supplies, including non-capitalized equipment	51,422
Total Expenditures	<u>3,944,128</u>

**EXCESS OF EXPENDITURES OVER REVENUES** (3,786,352)

**OTHER FINANCING SOURCES**

Other sources	<u>255,797</u>
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**EXCESS OF EXPENDITURES OVER OTHER  
FINANCING SOURCES AND REVENUES**

(3,530,555)

**FUND BALANCE, BEGINNING OF YEAR**

9,132,251

**FUND BALANCE, END OF YEAR**

\$ 5,601,696

**OAK PARK UNIFIED SCHOOL DISTRICT  
GENERAL OBLIGATION BONDS, ELECTION 2008, SERIES A**

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

Disbursements	District Wide	Brookside Elementary	Oak Hills Elementary	Red Oak Elementary	Medea Creek Middle School
Architect Fees	\$ 13,398	\$ 177,320	\$ 10,586	\$ 13,823	\$ 29,896
Building and Improvement	53,349	-	457,687	351,983	53,500
Site Improvement	-	-	-	-	-
Test, inspections, and planning	-	-	225	3,640	-
Equipment	-	-	-	-	5,712
Consultants	560,787	-	-	-	-
Other Operating Cost	36,350	-	-	-	989
Rentals, leases and repairs	79,120	-	-	-	21,303
Non-capitalized improvements	5,445	-	-	-	-
Total Site Expenditures	\$ 748,449	\$ 177,320	\$ 468,498	\$ 369,446	\$ 111,400

Disbursements	Oak Park High School	Oak View High School	Total
Architect Fees	\$ 511,943	\$ 10,211	\$ 767,177
Building and Improvement	314,900	-	1,231,419
Site Improvement	1,187,932	-	1,187,932
Test, inspections, and planning	24,984	-	28,849
Equipment	-	-	5,712
Consultants	-	-	560,787
Other Operating Cost	2,926	-	40,265
Rentals, leases and repairs	16,119	-	116,542
Non-capitalized improvements	-	-	5,445
Total Site Expenditures	\$ 2,058,804	\$ 10,211	\$ 3,944,128