MOORPARK CITY COUNCIL
AGENDA REPORT

TO: **The Honorable City Council**

FROM: **Ron Ahlers, Finance Director** RA

DATE: **February 22, 2012 (CC Meeting of March 7, 2012)**

SUBJECT: **Consider Annual Financial Statements and Other Audit Reports for Fiscal Year Ended June 30, 2011**

SUMMARY

The Comprehensive Annual Financial Report {CAFR}, Management Letter, Single Audit Report, 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*, Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets and the Independent Auditor's memo regarding the audit process of the City of Moorpark for June 30, 2011 are hereby submitted for Council approval.

BACKGROUND

The City is required to conduct an annual independent audit of its financial statements. The audit firm of Teaman, Ramirez & Smith, Inc. Certified Public Accountants {TRS} conducted the annual audit and with staff assistance prepared the required financial statements. For the fiscal year ended June 30, 2011, the City received an unqualified opinion. The City currently has six bond issues for which it is responsible (three redevelopment bonds and three assessment district bonds). The bond proceeds from these six issues have been spent in accordance with the bond documents.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

DISCUSSION

CAFR

Attached for your approval are the annual financial statements for the year ended June 30, 2011 for the City of Moorpark. The financial statements are comprehensive and include all of the fund types in the City.

The City Council engaged an independent certified public accounting firm, TRS, to perform the annual audit of the City of Moorpark and its component units. The results of the audit performed are formally published in the CAFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. Additionally, the CAFR is sent out to numerous government agencies and financial institutions in order to comply with various reporting, financial and subsequent bond disclosure requirements. The overall financial picture of the City is presented, in accordance to the Governmental Accounting Standards Board (GASB) pronouncements, on a Government-wide basis. This is designed to provide readers with a broad overview of the City's finances similar to a private-sector business. These statements show the June 30, 2011 fiscal year balances and overall results of operations for the period then ended, for all City funds, including the Redevelopment Agency. The statements are as follows:

Management's Discussion and Analysis (MD & A). This discussion and analysis starts the financial section of the CAFR and serves as an executive summary. GAAP requires that management provide this narrative introduction, overview and analysis to accompany the basic financial statements. The *letter of transmittal,* which precedes the MD & A in the introductory section, is designed to supplement the MD & A and should be read in conjunction with it. The MD & A is found immediately following the report from the independent auditors. The report from the auditors contains an opinion letter in which an entity can receive basically 3 opinions; unqualified, qualified, and adverse. An unqualified opinion from the auditors is the highest given. For the fiscal year 2010/11 audit, the City of Moorpark received an unqualified opinion.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets (page 21) may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cashflows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave). A decrease in net assets of $16.5 million was reported in fiscal year 2010/11 (page 22). The decrease is attributable to two main events. The City spent approximately $14 million from the Moorpark Highlands

Improvement Bonds on a bond call and allowable developer reimbursements. The Ruben Castro Human Services Center expenditure of approximately $2.1 million was funded by the 2006 Agency bond proceeds.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, public services, parks and recreation and interest on long-term debt.

Following the government-wide statements in the CAFR, the *Balance Sheet, and the Statement of Revenues. Expenditures and Changes in Fund Balances* are presented for all major and non-major governmental funds. A major fund is one of material significance and is determined through prescribed calculations. The General Fund is always considered a major fund by definition. Other governmental funds can be declared major funds by management due to other factors, even if they fail the qualifications resulting from the calculations. Non-major funds are all combined together for presentation. Reconciliations between these governmental statements and the government-wide statements are also presented.

The Statement of Fiduciary Assets and Liabilities, Agency Funds is located on page 31.

All of these statements are followed by the *Notes to the Financial Statements.*

The Required Supplementary Information begins at page 75 and details the budget to actual comparisons for all the major funds of the City, beginning with the General Fund.

The next section of the CAFR provides statements for each individual non-major governmental fund. The governmental funds are presented in their various categories: special revenue funds and capital project funds. Additionally, there is the budget to actual comparisons for each non-major fund.

The last section of the CAFR contains statistical data about the City of Moorpark. This section is prepared by staff and not reviewed by the auditors, All of the tables and schedules present numerous facts about the City, many for the last 10 years. The statistical facts include population figures, principal taxpayers, and assessed valuations of taxable property to name a few.

As of March 2, 2012 the CAFR was placed on the City's website: http://ci.moorpark.ca.us

General Fund Financial Status

For fiscal year ended June 30, 2011, the General Fund unreserved fund balance totaled $3.0 million, which equates to approximately 22% of operating expenses. Per Council policy the City transferred in $361,264 from the Special Projects Fund this past year. Please recall that the General Fund paid down a number of liabilities and funded

certain projects this past year, refer to page 16 of the CAFR for the detail listing. Had these not been approved the General Fund would have ended the year with a surplus of approximately $2.3 million.

Management Letter and Single Audit Report
As part of the annual audit, the independent auditors are also required to report to management regarding internal controls and the City's compliance with federal grants. The independent auditors issue two reports to satisfy this requirement: Management Letter and Single Audit Report.

Management Letter
It is standard practice for the independent auditors to note recommendations for improvement in the Management Letter.

There are various levels of observations that are reported to management. The first and most serious type of observation is known as a "material weakness". A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. The independent auditors reported no "material weakness" for the City.

The second level of deficiency is a "significant deficiency". A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affect the entity's ability to authorize, initiate, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. The independent auditors reported no "significant deficiency" for the City.

The third and final category of observations identified by the independent auditors is that of "control deficiency". A control deficiency 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 financial statement misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective is not always met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively. These comments are intended to improve internal controls or result in other operating efficiencies. The independent auditors reported three such observations. (1) Purchasing Policy – Staff will prepare appropriate policies and procedures for consideration by the City Council. (2) Developer Deposit Funds – Staff will continue to reconcile the developer deposit funds. (3) Fraud Prevention and Detection Program – The City will research fraud prevention programs to train new and existing staff. Additionally, staff will research a fraud

Single Audit Report ~ (Report required this year)
The City was required to conduct a single audit this year because the City did meet the $500,000 federal grant expenditure threshold. The Single Audit is specifically designed to meet the needs of all federal grantor agencies from which the City receives funds. Total federal assistance amounted to $2.3 million. Over half of which was the purchase of the three natural gas buses in the amount of $1.2 million. The independent auditors noted no findings in this report for the fiscal year ended June 30, 2011.

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
The independent auditors noted no findings in this report for the fiscal year ended June 30, 2011.

Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets
The independent auditors noted no findings for the City's calculations with regards to the appropriations limit for the fiscal year ended June 30, 2011.

Independent Auditor's memo regarding the audit process
The independent auditors noted no findings for the audit process for the fiscal year ended June 30, 2011.

STAFF RECOMMENDATION **(Roll Call Vote)**

Accept the Comprehensive Annual Financial Report (CAFR), Management Letter, Single Audit report, 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,* Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets, and the Independent Auditor's memo regarding audit process and receive and file this report.

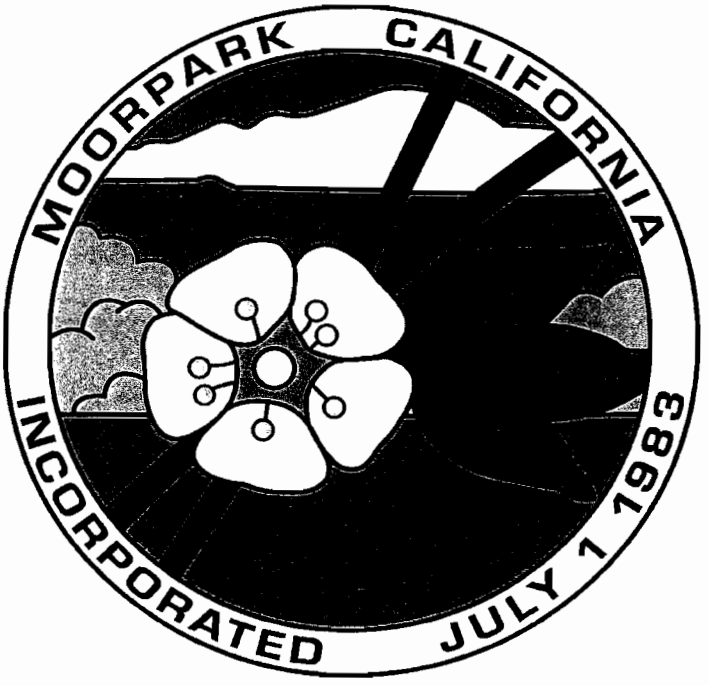
Attachments:

1. City of Moorpark CAFR for Fiscal Year Ending June 30, 2011
2. Management Letter
3. Single Audit Report on Federal Award Programs, year ended June 30, 2011
4. 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*
5. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets
6. Independent Auditor's memo regarding the audit process

ATTACHMENT 1

CITY OF MOORPARK

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDING JUNE 30, 2011

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CITY OF MOORPARK, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2011

Prepared By:

Ron Ahlers, Finance Director
Irmina Lumbad, Budget & Finance Manager
Debbie Burdorf, Accountant I

City of Moorpark
Comprehensive Annual Financial Report
Year Ended June 30, 2011

TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
Letter of Transmittal	i - vi
Directory of Officials	vii
Organizational Chart	viii
Certificate of Achievement of Excellence in Financial Reporting	ix
II. FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Management Discussion & Analysis	3 - 20
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Assets	21
Statement of Activities	22
Fund Financial Statements	
Balance Sheet - Governmental Funds	23 - 25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	27 - 29
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Fiduciary Assets and Liabilities	31
Notes to Financial Statements	32 - 74
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	75 - 78
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Street and Traffic Safety Development Special Revenue Fund	79
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Assessment District Special Revenue Fund	80 - 81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Endowment Special Revenue Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Park/Public Facilities Special Revenue Fund	83

TABLE OF CONTENTS - Continued

	PAGE
Required Supplementary Information - Continued:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – MRA Operating Special Revenue Fund	84 - 85
Notes to Required Supplementary Information	86
Supplementary Information:	
Budgetary Comparison Schedules - Major Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Police Facilities Fee Capital Projects Fund	87
Redevelopment Agency Capital Projects Fund	88
Redevelopment Agency Debt Service Fund	89
Non-Major Governmental Funds	90 - 91
Combining Balance Sheet	92 - 95
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	96 - 99
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Library Services Special Revenue Fund	100
Traffic Safety Special Revenue Fund	101
Affordable Housing Special Revenue Fund	102
Los Angeles Area of Contribution Special Revenue Fund	103
Tierra Rejada/Spring A.O.C Special Revenue Fund	104
Cassey/Gabbert Area of Contribution Special Revenue Fund	105
Freemont Storm Drain A.O.C Special Revenue Fund	106
State and Federal Assistance Special Revenue Fund	107
State Gas Tax Special Revenue Fund	108
Prop 1B Local Streets and Roads Special Revenue Fund	109
Art in Public Places Special Revenue Fund	110
Prop 1B Safety and Security Special Revenue Fund	111
Low and Moderate Income Housing Special Revenue Fund	112
Local Transportation Transit Special Revenue Fund	113
Solid Waste Special Revenue Fund	114
Capital Projects Fund	115
City Hall Building Capital Projects Fund	116
Equipment Replacement Capital Projects Fund	117
Statement of Changes in Net Assets - Agency Funds	118
III. STATISTICAL SECTION	
Net Assets by Component - Last Nine Fiscal Years	119 - 120
Changes in Net Assets Governmental Activities - Last Nine Fiscal Years	121 - 122
Fund Balances of Governmental Funds - Last Nine Fiscal Years	123 - 124
Changes in Fund Balances of Governmental Funds - Last Nine Fiscal Years	125 - 126

TABLE OF CONTENTS - Continued

	PAGE
III. STATISTICAL SECTION - Continued	
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	127
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	128
Principal Property Tax Payers- Current Year and Ten Years Ago	129
Property Tax Levies and Collections- Last Ten Fiscal Years	130
Ratios of Outstanding Debt by Type- Last Ten Fiscal Years	131
Ratio of General Bonded Debt Outstanding- Last Ten Fiscal Years	132
Direct and Overlapping Debt	133
Legal Debt Margin Information- Last Ten Fiscal Years	134 - 135
Pledged Revenue Coverage- Last Ten Fiscal Years	136
Demographic and Economic Statistics- Last Ten Calendar Years	137
Principal Employers- Current and Ten Calendar Years Ago	138
Full-Time and Part-Time City Employees by Function- Last Ten Fiscal Years	139
Operating Indicators by Function- Last Ten Fiscal Years	140
Capital Asset Statistics by Function- Last Ten Fiscal Years	141

INTRODUCTORY SECTION

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City of Moorpark
799 Moorpark Avenue, Moorpark, California93021 (805) 517-6200 fax (805) 532-2545

December 13, 2011

Honorable Mayor, Members of the City Council and Citizens of Moorpark:

We are pleased to present this Comprehensive Annual Financial Report (CAFR) of the City of Moorpark, California (City) for the fiscal year ended June 30, 2011. The City has continued to prepare the CAFR to comply with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. This model improves the financial reporting by adding significant additional information not previously available in local government financial statements prior to GASB 34.

As a result of GASB 34, the Government-Wide Financial Statements are presented along with the fund-by-fund financial information. The Government-Wide Financial Statements include a Statement of Net Assets that provides the total net equity of the City including infrastructures and the Statement of Activities that shows the cost of providing government services. These statements include all assets and liabilities using the accrual basis of accounting (similar to a private-sector business) versus the modified accrual method used in the fund financial statements. A reconciliation of the balance sheet of the Governmental Funds to the Statement of Net Assets has been prepared to reflect the changes between the two reporting methods. In addition, the reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. These statements and other significant information are analyzed in the narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and a brief overview of the basic financial statements. In addition, the MD&A provides the readers of the City's financial statements with financial trends, explanation of variances and economic factors for the upcoming fiscal year's budget.

Furthermore, in May 2004, the GASB issued Statement No. 44, Economic Condition Reporting. This statement requires the statistical section to be presented with detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. This statement was effective starting with fiscal year 2005/06 and has resulted in changes to the statistical section. The City continues to present the statistical section with detail information to be in compliance with GASB No. 44 requirements for fiscal year 2010/11.

JANICE S. PARVIN, Mayor | DAVID POLLOCK, Mayor Pro Tem | KEITH F. MILLHOUSE, Councilmember | ROSEANN MIKOS, Councilmember | MARK VAN DAM, Councilmember

Responsibility for both the accuracy of this data, and the completeness and fairness of its presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the account groups and the financial position and operational results of the City's various funds and component units. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

THE REPORTING ENTITY AND ITS SERVICES

The financial reporting entity includes all the funds of the City as well as all of its component units. The City is the primary government. The component units are the Moorpark Redevelopment Agency (Agency), the Moorpark Public Financing Authority (Authority) and the Moorpark Industrial Development Authority (IDA).

The City was incorporated in 1983 as a general law city and operates under a Council-Manager form of government.

The Agency was formed in 1987 with the objective of providing long-term financing of capital improvements designed to eliminate physical and economic blight in the designated project area.

The Authority was formed in 1993 as a joint powers authority between the City and the Agency in order to provide financial assistance to the City and the Agency by issuing debt and financing the construction of public facilities.

The IDA of the City was formed in 1985 pursuant to the California Industrial Development Financing Act (the "Act"). Its purpose is to finance the acquisition and development of certain industrial activities as permitted by the Act and to issue bonds for the purpose of enabling industrial firms to finance the cost of such activities.

PROFILE OF THE CITY OF MOORPARK

The City provides a full range of services to its residents with a total regular full-time staff of approximately 56 and part-time staff of approximately 45 employees. Major services such as police (contracted with Ventura County Sheriff), attorney, library, development engineering and inspection, building and safety plan check/inspection, transit, street sweeping and landscape maintenance are provided through contractual arrangements. In addition, fire protection is provided by the Ventura County Fire District. The City provides services such as emergency management, redevelopment, housing, planning, code compliance, recreation programs, vector/animal control, park and facilities maintenance, street maintenance, city engineering, crossing guard and administrative management services with city employees.

HISTORY OF THE CITY OF MOORPARK

In 1887, Robert W. Poindexter was granted title to the present site of Moorpark. He named the City after the Moorpark apricot which grew throughout the valley. Poindexter plotted Moorpark city streets and planted Pepper trees in the downtown area. The City was incorporated in 1983 as the tenth city of Ventura County with a Council-Manager form of government. The Mayor is elected at large to serve a two-year term. The four Council Members are elected at large to serve staggered four-year terms. The size of the City was 12.36 square miles with a population of about 10,000 at incorporation and is currently at 12.44 square miles with a population of approximately 34,710 (source: California Department of Finance). Moorpark is recognized for having the lowest number of serious crimes committed in Ventura County and is one of the safest cities of its size in the United States.

BUDGETARY CONTROL

The City prepares an annual budget consistent with Generally Accepted Accounting Principles (GAAP) for all governmental funds on a modified accrual basis where revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recorded when the goods or services are received and the liabilities are incurred.

Department directors are responsible, not only to accomplish his/her particular goals within each program, but also to monitor budget allocations consistent to the funding levels adopted by the City Council prior to July 1 of the budget year.

In addition, the City maintains budgetary control through the use of an encumbrance accounting system. As purchase orders are issued, corresponding amounts are encumbered for later payments to ensure that budget amounts are not over-spent.

INTERNAL CONTROLS

The City's management is responsible for developing and establishing an internal control structure to ensure that the assets of the government are protected from loss, theft, misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of the costs and benefits requires estimates and judgments by management.

ANNUAL AUDIT

An independent accounting firm has performed the annual audit of the City's financial statements for the fiscal year ended June 30, 2011. As part of the annual audit, reviews are made to determine the adequacy of the City's internal control structure, as well as to determine that the City has complied with certain provisions of laws and regulations. Their examination has been completed and the auditor's report on the City's financial statements is included at the beginning of the Financial Section of this report.

APPROPRIATION LIMIT

Article XIIIB of the California Constitution (Proposition 4), commonly referred to as the "Gann Initiative" was approved by California voters in 1979, which placed limits on the amount of proceeds of taxes that State and Local agencies can appropriate and spend each fiscal year. In addition, voters approved Proposition 111 in 1990 to further increase the accountability of local government in adopting their limits by requiring the governing body to annually adopt, by resolution, an appropriation limit for the upcoming fiscal year. The appropriation limit and the City's appropriations subject to the limit for fiscal year 2010/11 amounted to $25,896,031 and $13,088,019 respectively.

CASH MANAGEMENT

The City Treasurer is responsible for investing cash temporarily idle during the year in accordance with the State Government Code and the Investment Policy adopted by the City Council. The City diversified its investment portfolio by utilizing several investment instruments. At fiscal year end June 30, 2011, approximately $51.4 million (City & Agency combined) was invested with the Ventura County Pool; $27.2 million in various U.S. Treasury Notes and Agency Securities; about $15.5 million in the State Treasurer's Local Agency Investment Fund (LAIF); and $0.1 million was invested in Certificate of Deposits (CDs).

The cash management system of the City is designed to monitor revenues and expenditures to ensure the investment of monies to the fullest extent possible. The criteria for selecting investments and the order of priority are (a) safety, (b) liquidity, and (c) yield. The underlying objective of the City's policy is to obtain the highest interest rate yields, and at the same time, ensure that money is available when needed and all deposits are insured by the Federal Deposit Insurance Corporation or collateralized.

CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Assets. The City elected to use the basic approach for all infrastructure reporting, whereby depreciation expense and accumulated

depreciation have been recorded. Capital assets for the fiscal year ended June 30, 2011 have a net ending balance of $145.8 million.

LONG-TERM LIABILITIES/BONDED LIABILITIES

At June 30, 2011, the City has no outstanding bonds or other debt but does have long-term liabilities in the approximate amount of $0.7 million for employee compensated absences (accrued leave). The City paid off $1.3 million for Pension related liabilities.

The Agency has the 1999 Tax Allocation Refunding Bonds, the 2001 Tax Allocation Bonds and the 2006 Tax Allocation Bonds outstanding in the amounts of $5.0 million, $11.5 million and $11.4 million, respectively. The purpose of the 1999 Bonds was to advance refund the Agency's previously issued 1993 Tax Allocation Bonds. The purpose of the 2001 and 2006 bonds were to finance a portion of the costs of implementing the Redevelopment Plan and fund redevelopment activities within the Agency project area.

RISK MANAGEMENT

The City is a member of the California Joint Powers Insurance Authority (CJPIA) established under the provisions of California Government Code 6500 et seq., consisting of over 100 California public entities. The CJPIA provides risk coverage for its members through the pooling of losses and purchased insurance. The coverage extends to general liability and workers' compensation administered by CJPIA. In addition, the City also participates in the all-risk property protection offered by CJPIA. Various control techniques, including safety, ergonomic, harassment and driver awareness training have been implemented to minimize losses.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENT

We would like to express appreciation to all City staff that assisted and contributed to the preparation of this report, particularly to the members of the Finance Department. We would also like to extend our appreciation to the auditors, Teaman, Ramirez & Smith, Inc., Certified Public Accountants for their professional assistance. As in the past, the CAFR is available on the City's website at www.ci.moorpark.ca.us.

Respectfully submitted,

STEVEN KUENY
CITY MANAGER

RON AHLERS
FINANCE DIRECTOR

City of Moorpark

ComprehensiveAnnual Financial Report
For the Fiscal Year Ended June 30, 2011

DIRECTORY OF CITY OFFICIALS

CITY COUNCIL

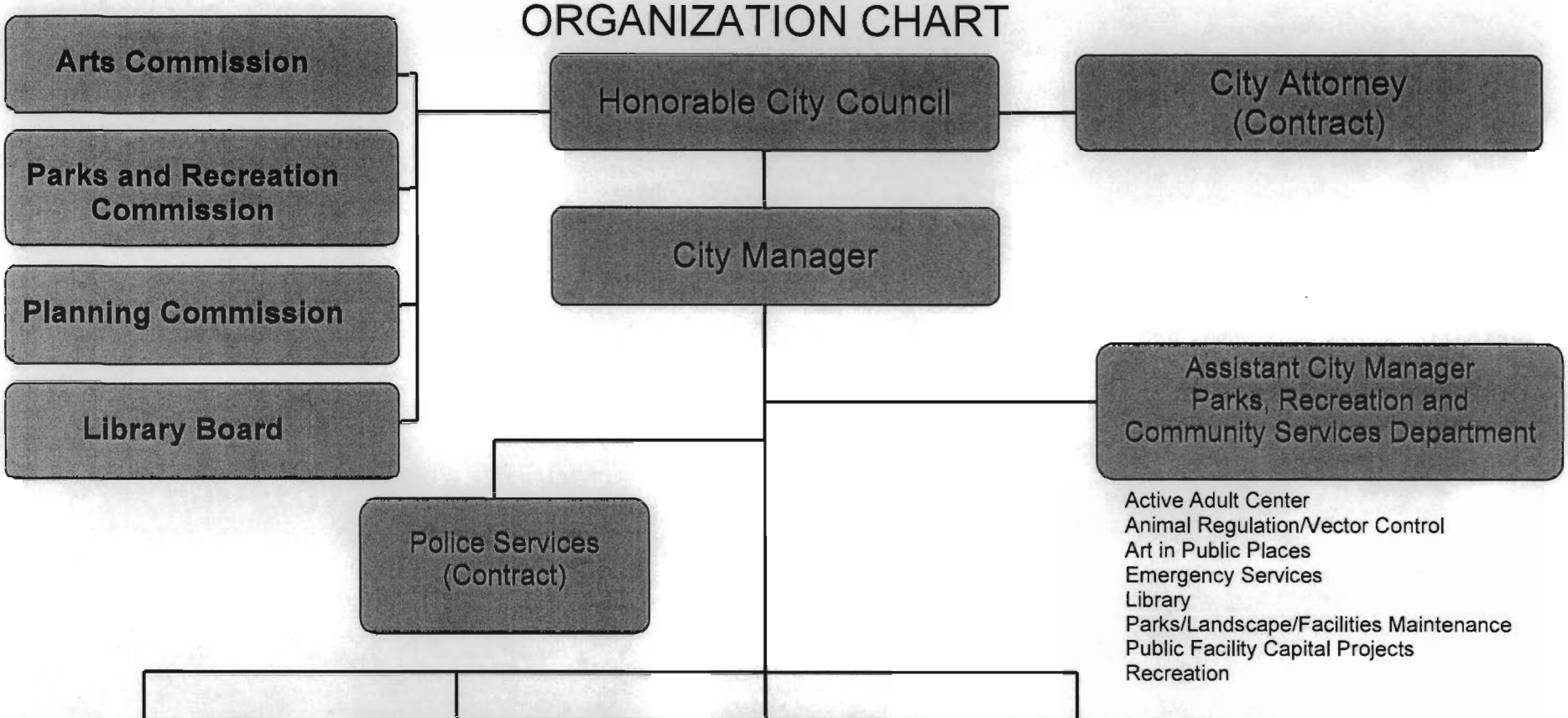
Janice S. Parvin, Mayor

Roseann Mikos, Councilmember
Keith F. Millhouse, Councilmember
David Pollock, Councilmember
Mark Van Dam, Councilmember

CITY MANAGEMENT STAFF

Steven Kueny, City Manager
Hugh Riley, Assistant City Manager
Deborah Traffenstedt, Deputy City Manager
David Bobardt, Community Development Director
David Klotzle, City Engineer/Public Works Director
Ron Ahlers, Finance Director

CITY OF MOORPARK
ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moorpark
Califronia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Davidson

President

Executive Director

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FINANCIAL SECTION

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TRS TEAMAN, RAMIREZ & SMITH, INC.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

The Honorable City Council
The City of Moorpark, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moorpark, California (City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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. 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 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 City, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 13 to the financial statements, there have been recent changes in legislation affecting redevelopment agencies in the State of California which requires the dissolution of redevelopment agencies as of February 1, 2012, including the Moorpark Redevelopment Agency.

As described in Note 12 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* as of June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2011 on our consideration of the City'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.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 20, and the budgetary comparison information on pages 75 through 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or to provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, supplementary information section, and statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The statements and schedules included in the supplementary information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Pearman Ramirez & Smith, Inc.

December 13, 2011

As management of the City of Moorpark, California (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City (the "Primary Government") for the fiscal year ended June 30, 2011. It is encouraged that the readers consider the information presented here in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of fiscal year 2010/2011 by $231,898,610 (Net Assets). Of this amount, $13,405,316 is not restricted by external law or administrative action for a specified purpose. The City Council's approval is required before these funds may be used to meet the City's ongoing obligations to citizens and creditors. GASB 34 defines "Net Assets" as assets less liabilities. GASB 34 requires the City to record infrastructure assets (streets, parks, buildings, etc.) less accumulated depreciation as a restricted fund balance titled, "Invested in Capital Assets". It also requires the CAFR to record all of the debt, $27.9 million, of the Moorpark Redevelopment Agency (Agency). These factors, along with restrictions for Special Revenue Funds, reduce the Total Net Assets ($231,898,610) to the Unrestricted Net Assets (13,405,316). The Statement of Net Assets is presented on page 21.

- The City's Total Net Assets decreased by $16,529,952 during the current fiscal year. The decrease is attributable to two main events. The City spent approximately $14 million from the Moorpark Highlands Improvement Bonds on a bond call and allowable developer reimbursements. The Ruben Castro Human Services Center expenditure of approximately $2.1 million from the 2006 Agency bond proceeds. The Statement of Activities is presented on page 22.

- As of June 30, 2011, the City's governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) reported combined ending fund balances of $111,947,831, a decrease of $20,834,094, from the prior year. In addition to the expenses listed above, the City spent $2 million on open space land acquisition off of Tierra Rejada Road.

- At the end of the current fiscal year, fund balances for the General Fund were $3,149,884 ($220,976 is in nonspendable form, $149,884 is restricted for the Public Works fund and $2,779,024 is unassigned).

- The City's total Long–Term Liabilities decreased by $1,874,794 or 6.2% during the current fiscal year. The majority of the decrease is the pension related debt payoff ("side fund") of $1.3 million. The remaining decrease is attributable to the fiscal year's regularly scheduled debt service payments for the Agency's 1999, 2001 and 2006 Tax Allocation Bonds. These bonds are not a debt of the City, but a debt of the Agency and only a pledge of the property tax increment generated by the Agency.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

1) Government-wide financial statements
2) Fund financial statements
3) Notes to basic financial statements

Other required supplementary information is included in addition to the basic financial statements.

Government-Wide Financial Statements. The City has presented its financial statements under the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34) and its related Statements, GASB 37, 38, and 41. These financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *government-wide financial* statements include the *statement of net* assets and the *statement of activities.*

The *governmental activities* of the City include general government, public safety, public services, parks and recreation, debt service, and interest on debt. The City does not have any *business-type activities.*

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include not only the City as the primary government, but also a legally separate Moorpark Redevelopment Agency (Agency), the Moorpark Public Financing Authority (Authority), and the Industrial Development Authority (IDA) of the City. Although legally separate from the City, these component units are blended with the primary government because of their governance or financial relationships to the City.

The government-wide financial statements can be found on pages 21 and 22 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains a variety of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street and Traffic

Safety, Community Development, Assessment District, Endowment, Parks/Public Facilities, MRA Operating, Police Facilities Fee, Moorpark Highlands Improvement, Redevelopment Agency Capital Projects, Special Projects and Redevelopment Agency Debt Service. All of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *non-major governmental funds* section of this report.

The City adopts an annual budget for all its funds. A budgetary comparison statement is provided for all funds with an annually adopted budget to demonstrate compliance with their respective budgets. The budgetary comparison statements are located in the basic financial statements. The non-major governmental fund budgetary comparisons are located in the *non-major governmental funds* section of the report.

Fiduciary Funds. Fiduciary funds, which consist solely of trust and agency funds, are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the *government-wide financial statements* because the resources of the fund are *not* available to support the City's own programs. Fiduciary funds are custodial in nature and, therefore, the accounting used does not involve the measurement of the results of operations. The basic fiduciary fund financial statement can be found on page 31 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32-74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has continued to present its financial statements under the reporting model required by GASB 34. A comparative analysis of the government-wide data has been included in this report.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $231.9 million at the close of the current fiscal year.

The City's net assets invested in capital assets, net of related debt reflects a positive $145.8 million. The only debt is from the Agency. As shown on Table 1, the largest portion of the

City's net assets (63%) is its investment in capital assets. The City uses these capital assets (parks, streets, sidewalks, etc.) to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net assets (31%) represents resources that are subject to external restrictions on how they may be used. The major restrictions on net assets are funding source restrictions. The remaining balance of total net assets (6%) is unrestricted and may be used to meet the City's obligations to citizens and creditors in accordance with the finance-related legal requirements reflected in the City's fund structure. At the end of the fiscal year ended June 30, 2011, the City reported positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental activities.

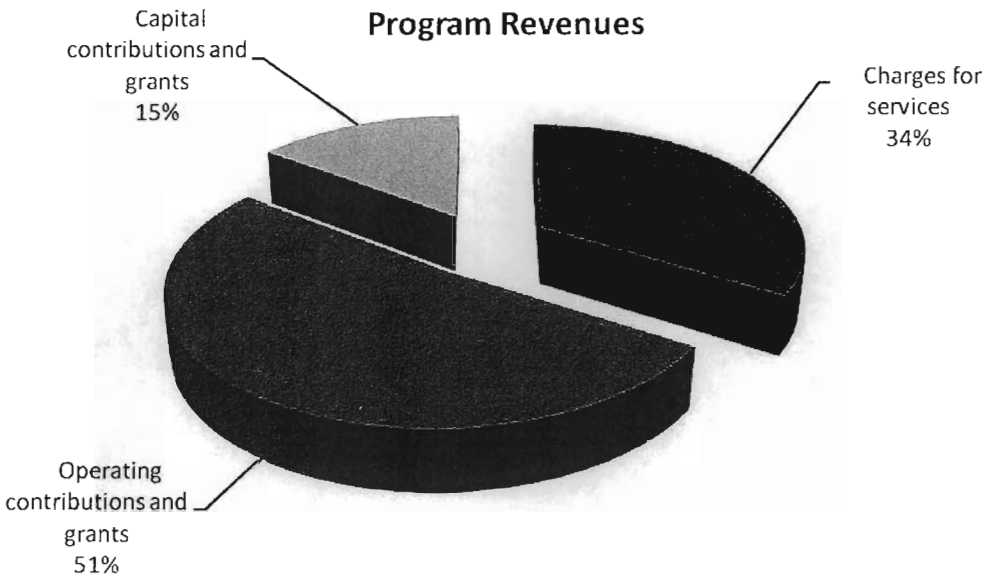
Table 1
Net Assets
Governmental Activities
As of June 30, 2011 and 2010

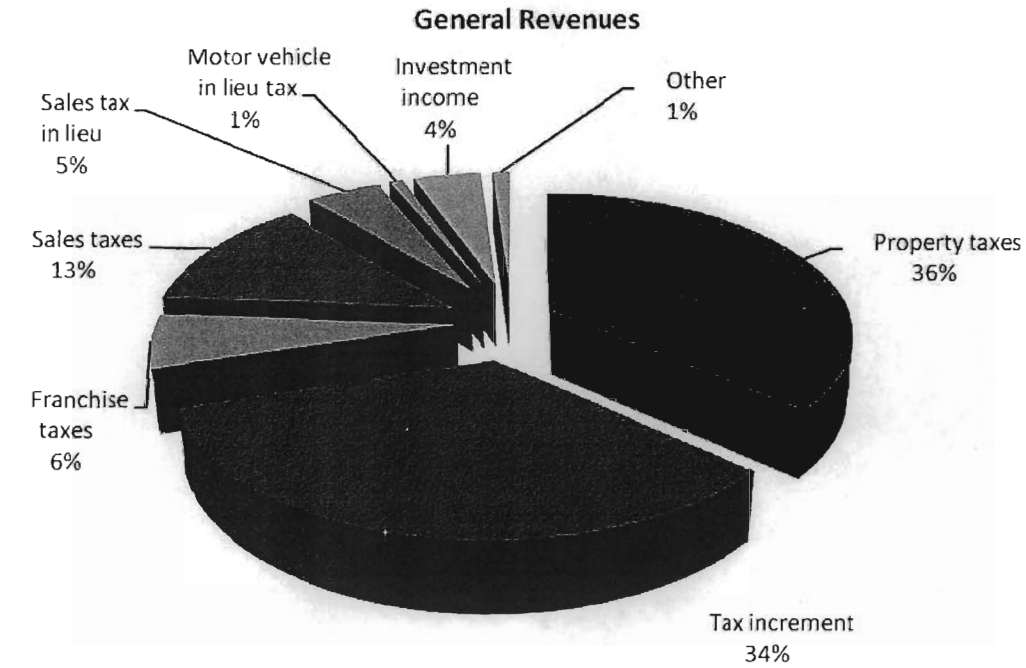
	2011	2010
Assets:		
Current and other assets	$ 120,733,509	$ 143,511,765
Capital assets	145,841,042	141,095,551
Total Assets	**266,574,551**	**284,607,316**
Liabilities:		
Long-term debt outstanding	27,640,038	29,430,677
Other liabilities	7,035,903	6,748,077
Total Liabilities	**34,675,941**	**36,178,754**
Net Assets:		
Invested in capital assets, net of related debt	145,841,042	141,095,551
Restricted	72,652,252	91,504,803
Unrestricted	13,405,316	15,828,208
Total Net Assets	**$ 231,898,610**	**$ 248,428,562**

The City's net assets decreased by $16.5 million during the current fiscal year.

Table 2
Changes in Net Assets
Governmental Activities
As of June 30, 2011 and 2010

	2011	2010
Revenues		
Program Revenues:		
Charges for services	$ 3,957,412	$ 4,148,970
Operating contributions and grants	5,999,168	4,128,842
Capital contributions and grants	1,703,076	1,970,931
General Revenues:		
Property taxes	7,287,282	7,449,063
Tax increment	6,755,960	6,864,777
Franchise taxes	1,207,778	1,171,825
Sales taxes	2,577,105	2,382,010
Sales tax in lieu	940,791	588,635
Motor vehicle in lieu tax	170,592	109,136
Investment income	856,413	853,074
Other	212,487	283,372
Special Item ~ County Settlement	-	-
Total Revenues	**31,668,064**	**29,950,635**
Expenditures		
General government	3,201,184	1,603,279
Public safety	7,070,049	7,016,015
Public services	31,775,462	13,589,878
Parks and recreation	4,658,717	4,934,002
Interest on long-term debt	1,492,604	1,504,502
Total Expenditures	**48,198,016**	**28,647,676**
Increase in net assets	(16,529,952)	1,302,959
Net assets - July 1,	248,428,562	239,673,695
Prior Period Adjustment	-	7,451,908
Net assets - June 30,	**$ 231,898,610**	**$ 248,428,562**


Program Revenues
Capital contributions and grants 15%
Charges for services 34%
Operating contributions and grants 51%


General Revenues
Motor vehicle in lieu tax 1%
Investment income 4%
Other 1%
Sales tax in lieu 5%
Sales taxes 13%
Property taxes 36%
Franchise taxes 6%
Tax increment 34%

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

As noted earlier, the City uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and net resources. Such information is useful in assessing the City's current financial requirements or its liquidity. Beginning fiscal year ending June 30, 2011, GASB 54 required the implementation of the new fund balance classification that focuses on the constraints on the use of resources and the source of the constraints. The five (5) fund balance categories are:

Nonspendable – net resources that cannot be spent because of their form or those resources that should be maintained intact

Restricted – amounts constrained to specific purpose by external providers, by law through constitutional provisions or by enabling legislation

Committed – funds are limited to specific purpose by government itself through resolution or ordinance

Assigned – resources intended for a specific purpose by the governing body or official delegated by the governing body

Unassigned – represents the General Fund net residual fund balance available for any purposes and other governmental funds in a deficit position.

As of the end of the current fiscal year, the City's governmental funds reported total fund balances of $111,947,831. This is a decrease of $20,834,094 in comparison with the prior year. About $15,083,570 or 13.5% is nonspendable, $66,565,551 or 59.5% is restricted to specific purpose, $795,208 or 0.70% is committed, $28,849,138 or 25.8% is assigned and approximately $654,364 or 0.6% of the fund balances constitutes *unassigned fund balance.*

General Fund (includes Community Development Fund, Public Works Engineering Fund)

The implementation of GASB 54 also affected the standard for classifying a fund as Special Revenue fund type. Thus, the General Fund, as presented in the fund financial statements, includes the Community Development Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was $3,149,884, which increased by $100,362 or 3.3% over prior year. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 20% of total General Fund expenditures and transfers out. This is a healthy reserve.

Key factors for revenues and expenses when compared to fiscal year 2009-10 are as follows:

- The City's share of property taxes decreased by approximately $160,100 or 2.4%.
- Sales tax revenues grew by approximately $195,100 or 8.2% as we slowly emerge from the economic downturn.
- The Sales Tax Compensation or "triple flip" also increased by $352,156 or 60%. This revenue is calculated by the State each year and it reflects the City's increased allocation of $940,790 due to a 3.6% hike in state-wide sales tax revenues.
- Interest earnings decreased slightly by approximately $3,700 or 1.2% in response to still declining rates in the market.
- Motor vehicle in lieu improved by $61,456 or 13%.
- Expenditures and transfers out ended the year approximately $2.7 million more than the prior year figure primarily due to the payoff the following liabilities: CalPERS side fund ($1,352,300), OPEB ($103,000) and general liability retrospective deposit balance due to the California Joint Powers Authority (CJPIA) ($473,300).

General Fund (Net) Financial Statements

The following Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance reflect the net General Fund of the City. They do not include the Community Development Fund and Public Works fund.

BALANCE SHEET
GENERAL FUND (net)
As of June 30, 2011 and 2010

	2011	2010
Assets		
Cash and Investments	$ 1,824,975	$ 2,433,246
Receivables		
Taxes	882,172	708,818
Accounts	92,310	160,507
Interest	214,085	208,098
Notes and Loans	900,000	
Due from other Funds	856,572	147,902
Advances to Other Funds	186,730	
Prepaid Items	34,246	337,286
Total Assets	4,991,090	3,995,857
Liabilities		
Accounts Payable and Accrued Liabilities	1,049,743	995,858
Deferred Revenue	941,347	
Total Liabilities	1,991,090	995,858
Fund Balances		
Reserved for Prepaid Items		337,286
Unreserved		2,662,713
Nonspendable	220,976	
Unassigned	2,779,024	
Total Fund Balances	3,000,000	2,999,999
Total Liabilities and Fund Balances	$ 4,991,090	$ 3,995,857

STATEMENT of REVENUES, EXPENDITURES and CHANGES in FUND BALANCE
GENERAL FUND (net)
As of June 30, 2011 and 2010

	2011	2010
Revenues		
Taxes	$ 11,217,370	$ 10,794,266
Licenses and Permits	158,186	146,915
Fines and Forfeitures	225,449	195,161
Use of Money and Property	507,320	492,505
Charges for Services	858,311	784,383
Intergovernmental	237,209	162,527
Other Revenues	192,084	133,789
Total Revenues	13,395,929	12,709,546
Expenditures		
Current		
General Government	2,289,299	1,497,916
Public Safety	6,239,338	6,076,995
Public Service	514,877	77,649
Parks and Recreation	1,062,128	1,486,374
Capital Outlay	259,158	99,215
Debt Service Principal	1,319,064	
Total Expenditures	11,683,864	9,238,149
Excess (Deficiency)	1,712,065	3,471,397
Other Financing Sources (Uses)		
Transfer In	361,264	136,398
Transfer Out	(2,073,328)	(3,813,625)
Total Other Financing Sources (Uses)	(1,712,064)	(3,677,227)
Net Change in Fund Balance	1	(205,830)
Fund Balance, Beginning of Year	2,999,999	3,205,829
Fund Balance, End of Year	$ 3,000,000	$ 2,999,999

Street and Traffic Safety Fund (Includes the Traffic System Management Fund, City-Wide Traffic Mitigation Fund and Crossing Guard Fund)

The fund balance of the Street and Traffic Safety Fund decreased by $608,500 primarily due to the acquisition of two parcels for capital improvement projects – Metrolink South Parking Lot Entrance and North Hills Parkway.

Assessment District Fund

The fund balance of the Assessment District Fund decreased by $109,600 from the prior year due to installation of central irrigation system at various locations. A portion of these expenditures were funded by the General Fund reserve.

Endowment Fund

The fund balance of the Endowment Fund decreased by $1,889,700, due to acquisition of 80 acres outside the City limits south of Tierra Rejada Road for open space preservation.

Park/Public Facilities Fund (Includes ten (10) various development fee related funds)

The fund balance of the Park Improvement Fund declined by $739,500 primarily due to refund of duplicate park development fees for Canterbury Lane I or Tract 5133; and the completion two capital projects – construction of Glenwood Park restroom and the installation of playground equipment at Arroyo Vista Community Park.

MRA Operating Fund

The fund balance of the MRA Operating Fund fell by $1,177,100 from the prior year in part due to a payment to the State of California for the Supplemental Educational Revenue Augmentation Fund (SERAF) of $396,400 and the conveyance of Post Office parking lot improvement to the City $334,000.

Police Facilities Fee Fund

The fund balance of the Police Facilities Fund improved by $46,000 from the prior year. These funds are transferred to the Endowment Fund as payback for the loan to construct the Police Services Center.

Moorpark Highlands Improvement Fund

The Moorpark Highland Improvement Fund is one of six accounts held by the Fiscal Agent for the Community Facilities District (CFD) No. 2004-1 (Moorpark Highlands) Special Tax Bonds 2006. The Improvement account has been recorded under a capital projects fund to reflect the proceeds that have been designated for capital improvement projects. Bond proceeds of $34 million have been deposited into this fund. Of the $13,956,400 total expenditures, $6,062,800 was reimbursed to the developer, Pardee Homes, for various street improvements and grading in the district; $7,833,400 was used for the bond call last September 1, 2010; and the remaining balance of $60,200 was paid to various professional consultants. The debt service portion of this bond issue has been recorded as an agency fund. ***Note that the City is not obligated in any manner for this bond issue and is only limited to acting as an agent for the assessed property owners and bondholders.***

Redevelopment Agency Capital Projects Fund

The Redevelopment Agency Capital Projects fund balance decreased by $2,517,900 as a result of the ongoing construction of the Ruben Castro Human Services Center (RCHSC) and the partial cost of disposition of the Post Office parking lot improvement.

Special Projects Capital Projects Fund

The Special Projects Capital Projects fund balance was reduced by $550,000 due to the transfer of $361,300 to the General Fund (1000) to maintain the $3 million required unreserved fund balance and residual expenditures were used to partially finance two capital improvement projects: acquisition of the property on 65 First Street for the Metrolink South Parking Lot entrance and the construction of the RCHSC.

Redevelopment Agency Debt Service Fund

The fund balance of the Redevelopment Agency Debt Service Fund increased by $31,300 due to investment earnings.

Non-Major Governmental Funds

The fund balance of all other Non-Major Governmental Funds grew by $535,700 from the previous fiscal year.

General Fund Budgetary Highlights

The City adopts annual appropriated operating budgets for its governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds {except for the Moorpark Highlands Improvement Fund as these sources have been designated for specific projects in accordance with the Bond's Official Statement}) and reports the results of operation on a budget comparison basis.

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to re-appropriate prior year approved projects and expenditures, as well as approving many other adjustments for the current year.

During FY 2010-11 the City used General Fund reserves to pay off liabilities or fund one-time expenses. There was actually a negative surplus of $361,000 due to these expenditures; which amounted to approximately $2.6 million. The City transferred $361,000 from the Special Projects Fund to the General Fund in order to maintain the Council required $3 million reserve. The list of one-time expenses:

CalPERS Side Fund Payoff	$ 1,352,318
CJPIA General Liability Payoff	473,291
Litigation	150,000
Central Irrigation System	132,269
Turf Restoration ~ Arroyo Vista Community Park	130,000
OPEB Unfunded Liability Payoff	103,000
LMD Engineering & Survey Study	100,000
Additional Transfer to LMDs	78,668
Fire Sprinklers & Alarm in Annex Building	66,105
Facility Repairs-City Hall Admin Building	49,514
Replace Acoustic Tiles Apricot Room	8,374
	$ 2,643,539

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets. The City's investment in capital assets as of June 30, 2011, amounted to $145.8 million (net of accumulated depreciation). This investment, detailed in Table 3, includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was $4.7 million or 3.4%. Construction in Progress shows the largest increase in 2011 at $2.9 million.

Table 3
Capital Assets (net of depreciation)
Governmental Activities
As of June 30, 2011 and 2010

	2011	2010
Land	$ 38,857,043	$ 36,414,011
Construction in Progress	12,401,812	9,481,646
Buildings and improvements	29,248,760	29,632,142
Machinery and equipment	2,887,655	1,688,603
Infrastructure	62,445,772	63,879,149
Total	**$ 145,841,042**	**$ 141,095,551**

As a result of the implementation of GASB No. 34, the City has continued to account for infrastructure assets on its financial statements. The accompanying government-wide financial statements include those infrastructure assets that were either completed during the current fiscal year or considered construction in progress at current fiscal year-end.

Additional information on the City's capital assets can be found in Note 5 on pages 54 to 55 of this report.

Long-term Liabilities

At the end of the current fiscal year, the City's long-term liability outstanding is $28.5 million. This is comprised of $27.9 million in Agency Tax Allocation Bonded indebtedness and $0.7 million in employee compensated absences payable. The bonds are solely a debt of the Agency and a pledge of its property tax increment.

Table 4
Outstanding Long-Term Liabilities
Governmental Activities
As of June 30, 2011 and 2010

	2011	2010
Tax Allocation Bonds (issued by the Agency)	$ 27,878,410	$ 28,422,563
Employee Compensated Absences	661,562	673,139
Pension Related Debt	0	1,319,064
Total	**$ 28,539,972**	**$ 30,414,766**

The total liabilities decreased by $1.5 million or 4.2% during the fiscal year. The decrease is attributable to the $1.3 million payoff of the pension related debt ("side fund") and the normal pay down of principal on the Agency outstanding bonds.

Additional information on the City's long-term liabilities can be found in Note 6 on pages 55 to 59 of the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The State of California Department of Finance issued its December 2011 revised fiscal year 2011/12 General Fund revenue forecast to be $2.2 billion less than the specified levels of Section 3.94 of the Budget Act. This triggered an automatic spending reductions on several programs outlined in Assembly Bill No. 121, including reduced funding for higher education; health and human services, judiciary and criminal justice, vertical prosecution grants, State grants to local libraries, etc. The revenue forecast showed that although significant increases were seen from three biggest tax sources - personal income tax ($1.529 billion higher), sales tax ($232 million lower) and corporation tax ($467 million higher), the net increase was not sufficient to offset the $4 billion additional revenues anticipated in May 2011 budget revision. Furthermore, the Vehicle License fee showed a decline of $80 million. Overall, the State is expected to post an operating deficit of about $3 billion for fiscal year ending 2011/12.

The State's "Triple Flip" payment plan remains in effect as the State attempts to repay the $15 billion deficit reduction bonds. The impact to the City will be on cash flow and the subsequent reduction in interest income due to biannual (catch-up payments) rather than monthly sales tax payments.

The City has additional protections from the State taking our monetary resources thanks to the voter passage of Proposition 22 in November 2010. However, on July 29, 2011, the Governor of the State of California signed Assembly Bills x1 26 (ABx1 26) and x1 27 (ABx1 27) as part of the State budget package. ABx1 26 essentially dissolves the existence of the redevelopment agency while ABx1 27 provides a way to continue the redevelopment agency's program if specified payments are made to the State annually. On July 18, 2011 the League of California Cities and the California Redevelopment Association (CRA), on behalf of cities, counties and redevelopment agencies, filed a lawsuit challenging the constitutionality of these Bills. CRA asserts that both bills violate Article XIII Section 25.5(a)(7)(A) added by Proposition 22. On August 11 and 17, the California Superior Court issued a stay on some provisions of the ABx1 26 and ABx1 27. In the meantime, the City adopted Ordinance Nos. 46 and 47 last September 7 and 14, indicating that the City will comply with the Voluntary Alternative Redevelopment Program in order to be permitted to continue the operations of the redevelopment agency should the assembly bills be deemed to be constitutional by the Supreme Court. The City's initial payment of $1,606,569 is expected to be paid in two installments - due by January 15, 2012 and May 15, 2012. Thereafter, an estimated $381,000 will be due annually. On December 29, 2011, the California Supreme Court issued their ruling upholding the constitutionality of ABx1 26 and invalidating ABx1 27; thereby all redevelopment agencies within the State of California are abolished.

The fiscal year 2012/13 economic forecast from the State of California Legislative Analyst Office shows a slower recovery from the recession. The nation's unemployment rate is projected to be 9.0%, while the State will remain above 10.0% at 11.8%. The construction sector continues to show signs of weakening as housing permits decline. Personal income is expected to grow by 4.0% and the Consumer Price Index may increase by 1.5%. The State is forecasted to have 5.2% growth in personal income tax, 7.8% or $20 billion increase in sales and use tax and corporate tax will slightly dip. Despite these revenue improvements, the State is likely to face an operating deficit of about $10 billion partly due to the increasing costs from: a) Proposition 98, minimum funding guarantee to schools ($5.6 billion); b) repayment of Proposition 1A, property tax loans used to balance 2009 budget ($2 billion); c) "settle-up" to schools about $400 million; and d) loan payment to special funds ($1 billion). Governor Brown has expressed plans of proposing tax initiatives in the November 2012 ballot, particularly a five-year ½ cent increase in sales tax and income tax increase on $250,000 or higher filers.

For fiscal year 2011/12, the City took into consideration the following factors in preparing the budget:

- Sales Tax revenues assume a 2% decline from fiscal year 2010/11.
- Property Tax and Vehicle License fees revenue are projected to remain status quo.
- Interest income will remain stable at an average rate of return of just over 1%.

- Slight increase in PERS employer retirement rate from 8.475% to 9.539% effective July 1, 2011.

- Projections indicate our cost for general liability and workers compensation insurance will both decrease for fiscal year 2011/12 when compared to fiscal year 2010/11 actual payments.

A priority of the City is to maintain high quality of services while adopting a balanced budget. As in prior years, the fiscal year 2011/12 budget as adopted by the City Council is a balanced budget and will serve as a guide in planning for the future.

REQUESTS FOR INFORMATION

This management's discussion and analysis is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions or need additional financial information, please contact the Finance Department at City Hall, 799 Moorpark Avenue, Moorpark, CA 93021, or at www.ci.moorpark.ca.us.

BASIC FINANCIAL STATEMENTS

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City of Moorpark
Statement of Net Assets
June 30, 2011

	Governmental Activities
ASSETS	
Cash and Investments	$ 93,428,774
Receivables:	
Taxes	901,268
Accounts	671,389
Interest	413,198
Notes and Loans	2,160,243
Prepaid Items	42,477
Property Held for Resale/Development	20,795,867
Restricted Cash and Investments	1,890,543
Debt Issuance Costs	429,750
Capital Assets:	
Non-Depreciable:	
Land	38,857,043
Construction in Progress	12,401,812
Depreciable, Net of Accumulated Depreciation:	
Buildings and Improvements	29,248,760
Machinery and Equipment	2,887,655
Infrastructure	62,445,772
Total Assets	266,574,551
LIABILITIES	
Accounts Payable and Accrued Liabilities	5,801,556
Interest Payable	334,413
Noncurrent Liabilities:	
Due Within One Year	899,934
Due in More Than One Year	27,640,038
Total Liabilities	34,675,941
NET ASSETS	
Invested in Capital Assets	145,841,042
Restricted for:	
Public Services	58,823,769
Recreation Services	2,399,970
Public Safety	680,957
Debt Service	1,884,771
Low/Moderate Income Housing	8,862,785
Unrestricted	13,405,316
Total Net Assets	$ 231,898,610

The accompanying notes are an integral part of this statement.

City of Moorpark
Statement of Activities
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 3,201,184	$ 293,008	$ 71,130	$	$ (2,837,046)
Public Safety	7,070,049	492,847	122,870		(6,454,332)
Public Services	31,775,462	2,473,770	3,640,003	1,703,076	(23,958,613)
Parks and Recreation	4,658,717	697,787	2,165,165		(1,795,765)
Interest on Long-Term Debt	1,492,604				(1,492,604)
Total Governmental Activities	$ 48,198,016	$ 3,957,412	$ 5,999,168	$ 1,703,076	(36,538,360)
General Revenues:					
Taxes:					
Property Tax, Levied for General Purpose					7,287,282
Property Tax, Redevelopment Agency Tax Increment					6,755,960
Franchise Taxes					1,207,778
Sales Tax					2,577,105
Sales Tax In-Lieu					940,791
Motor Vehicle In-Lieu, unrestricted					170,592
Investment Income					856,413
Other					212,487
Total General Revenues					20,008,408
Change in Net Assets					(16,529,952)
Net Assets - Beginning of Year					248,428,562
Net Assets - End of Year					$ 231,898,610

The accompanying notes are an integral part of this statement.

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City of Moorpark
Balance Sheet
Governmental Funds
June 30, 2011

		Special Revenue		
	General	Street and Traffic Safety	Assessment District	Endowment
ASSETS				
Cash and Investments	$ 2,098,674	$ 19,357,228	$ 6,611,481	$ 1,437,714
Restricted Cash and Investments				
Receivables:				
Taxes	882,172		19,096	
Accounts	130,871		64,469	
Interest	214,085			
Notes and Loans	900,000			6,500
Due From Other Funds	856,572			
Advances to Other Funds	186,730			1,886,590
Prepaid Items	34,246		8,231	
Property Held for Resale/Development				
Total Assets	$ 5,303,350	$ 19,357,228	$ 6,703,277	$ 3,330,804
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	$ 1,212,119	$ 23,085	$ 324,875	$ 52,089
Due to Other Funds				
Advances from Other Funds				
Deferred Revenue	941,347		25,169	6,500
Total Liabilities	2,153,466	23,085	350,044	58,589
Fund Balances:				
Nonspendable	220,976		8,231	1,886,590
Restricted	149,884	19,334,143	6,345,002	1,385,625
Committed				
Assigned				
Unassigned	2,779,024			
Total Fund Balances	3,149,884	19,334,143	6,353,233	3,272,215
Total Liabilities and Fund Balances	$ 5,303,350	$ 19,357,228	$ 6,703,277	$ 3,330,804

The accompanying notes are an integral part of this statement.

Special Revenue		Capital Projects			
Parks/Public Facilities	MRA Operating	Police Facilities Fee	Moorpark Highlands Improvement	Redevelopment Agency	Special Projects
$ 1,934,185	$ 3,501,402	$	$ 5,772	$ 8,197,308	$ 23,745,345
	12,578				
	7,676			12,523	
					1,000,000
	6,856,424			5,637,139	
$ 1,934,185	$ 10,378,080	$ -	$ 5,772	$ 13,846,970	$ 24,745,345
$ 2,280	$ 3,298,817	$	$	$ 514,562	$ 1,935
	73,969			75,775	
1,186,730		1,886,590			
1,189,010	3,372,786	1,886,590	-	590,337	1,935
	6,856,424			5,111,349	1,000,000
745,175				7,651,516	
	148,870		5,772	493,768	23,743,410
		(1,886,590)			
745,175	7,005,294	(1,886,590)	5,772	13,256,633	24,743,410
$ 1,934,185	$ 10,378,080	$ -	$ 5,772	$ 13,846,970	$ 24,745,345

The accompanying notes are an integral part of this statement.

City of Moorpark
Balance Sheet
Governmental Funds - Continued
June 30, 2011

	Debt Service Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	$ 325,486	$ 26,219,951	$ 93,428,774
Restricted Cash and Investments	1,884,771		1,890,543
Receivables:			
Taxes			901,268
Accounts		463,471	671,389
Interest		178,914	413,198
Notes and Loans		1,253,743	2,160,243
Due From Other Funds		177,006	1,033,578
Advances to Other Funds			3,073,320
Prepaid Items			42,477
Property Held for Resale/Development		8,302,304	20,795,867
Total Assets	$ 2,210,257	$ 36,595,389	$ 124,410,657
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Liabilities	$	$ 371,794	$ 5,801,556
Due to Other Funds		883,834	1,033,578
Advances from Other Funds			3,073,320
Deferred Revenue		1,581,356	2,554,372
Total Liabilities	-	2,836,984	12,462,826
Fund Balances:			
Nonspendable			15,083,570
Restricted	1,884,771	29,069,435	66,565,551
Committed		795,208	795,208
Assigned	325,486	4,131,832	28,849,138
Unassigned		(238,070)	654,364
Total Fund Balances	2,210,257	33,758,405	111,947,831
Total Liabilities and Fund Balances	$ 2,210,257	$ 36,595,389	$ 124,410,657

The accompanying notes are an integral part of this statement.

City of Moorpark
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Assets
June 30, 2011

Fund balances of governmental funds	$ 111,947,831
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of governmental activities are not financial resources and, therefore, are not reported in the governmenal funds.	145,841,042
Long-term notes and loans receivable are not current financial resources and, therefore, are deferred in the governmental funds.	2,160,243
Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.	394,129
Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(334,413)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
Compensated Absences	(661,562)
Tax Allocation Bonds	(28,155,000)
Unamortized Discount	276,590
Pension Related Debt	-
Issuance costs net of accumulated amortization were recorded as expenditures in the governmental funds.	429,750
Net assets of governmental activities	$ 231,898,610

The accompanying notes are an integral part of this statement.

City of Moorpark
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2011

		Special Revenue		
	General	Street and Traffic Safety	Assessment District	Endowment
REVENUES				
Taxes	$ 11,217,370	$	$	$
Licenses and Permits	587,186			
Fines and Forfeitures	230,752			
Use of Money and Property	508,735	254,718	90,631	97,333
Charges for Services	1,694,580	266,203	12,759	63,861
Intergovernmental	237,209			
Maintenance Assessments			2,067,059	
Other Revenue	192,084	5,693	25,051	
Total Revenues	14,667,916	526,614	2,195,500	161,194
EXPENDITURES				
Current:				
General Government	2,289,299			
Public Safety	6,239,338		388,818	
Public Services	2,523,334	245,750		
Parks and Recreation	1,062,128		3,007,462	
Capital Outlay	259,158	889,299	145,262	2,050,891
Debt Service:				
Principal	1,319,064			
Interest				
Total Expenditures	13,692,321	1,135,049	3,541,542	2,050,891
Excess (Deficiency) of Revenues over Expenditures	975,595	(608,435)	(1,346,042)	(1,889,697)
OTHER FINANCING SOURCES (USES)				
Transfer In	1,198,095		1,236,497	
Transfer Out	(2,073,328)			
Total Other Financing Sources (Uses)	(875,233)	-	1,236,497	-
Net Change in Fund Balances	100,362	(608,435)	(109,545)	(1,889,697)
Fund Balances, Beginning of Year	3,049,522	19,942,578	6,462,778	5,161,912
Fund Balances, End of Year	$ 3,149,884	$ 19,334,143	$ 6,353,233	$ 3,272,215

The accompanying notes are an integral part of this statement.

Special Revenue		Capital Projects			
Parks/Public Facilities	MRA Operating	Police Facilities Fee	Moorpark Highlands Improvement	Redevelopment Agency	Special Projects
$	$ 3,651,369	$	$	$	$
	4,490				
26,377	107,415		419	50,219	4,900
56,185					1,156
		45,933			
	120,433				
82,562	3,883,707	45,933	419	50,219	6,056
330,760	4,902,293				
4,900					
486,356			13,956,383	2,568,065	194,171
	100,000				
822,016	5,002,293	-	13,956,383	2,568,065	194,171
(739,454)	(1,118,586)	45,933	(13,955,964)	(2,517,846)	(188,115)
	(58,507)				(361,264)
-	(58,507)	-	-	-	(361,264)
(739,454)	(1,177,093)	45,933	(13,955,964)	(2,517,846)	(549,379)
1,484,629	8,182,387	(1,932,523)	13,961,736	15,774,479	25,292,789
$ 745,175	$ 7,005,294	$ (1,886,590)	$ 5,772	$ 13,256,633	$ 24,743,410

Continued

The accompanying notes are an integral part of this statement.

City of Moorpark
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Continued
Year Ended June 30, 2011

	Debt Service Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 1,753,399	$ 2,420,762	$ 19,042,900
Licenses and Permits			587,186
Fines and Forfeitures		206,301	441,543
Use of Money and Property	32,668	363,840	1,537,255
Charges for Services		484,849	2,579,593
Intergovernmental		4,549,026	4,786,235
Maintenance Assessments			2,112,992
Other Revenue		489,821	833,082
Total Revenues	1,786,067	8,514,599	31,920,786
EXPENDITURES			
Current:			
General Government			2,289,299
Public Safety		211,199	6,839,355
Public Services		4,873,995	12,876,132
Parks and Recreation			4,074,490
Capital Outlay		3,956,939	24,506,524
Debt Service:			
Principal	555,000		1,874,064
Interest	1,350,874	20,642	1,471,516
Total Expenditures	1,905,874	9,062,775	53,931,380
Excess (Deficiency) of Revenues over Expenditures	(119,807)	(548,176)	(22,010,594)
OTHER FINANCING SOURCES (USES)			
Transfer In	151,139	1,235,007	3,820,738
Transfer Out		(151,139)	(2,644,238)
Total Other Financing Sources (Uses)	151,139	1,083,868	1,176,500
Net Change in Fund Balances	31,332	535,692	(20,834,094)
Fund Balances, Beginning of Year	2,178,925	33,222,713	132,781,925
Fund Balances, End of Year	$ 2,210,257	$ 33,758,405	$ 111,947,831

The accompanying notes are an integral part of this statement.

City of Moorpark
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2011

Net change in fund balances - total governmental funds	$ (20,834,094)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over ther estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:	
Cost of assets capitalized	9,452,285
Depreciation expense	(3,518,960)
Governmental funds report only proceeds from the sale of capital assets. The statement of activities reports a gain or loss on disposal based on the net book value at the time of disposal. Disposal activity included the following:	
Costs of assets disposed	(1,227,461)
Accumulated depreciation on disposed assets	39,627
Long-term notes and loans receivable are reported as expenditures when made and as revenue when repaid in the governmental funds. However, there is no impact in the statement of activities when notes and loans are made or repaid. This amount represents the net change in the long-term notes and loans receivable.	(1,429,157)
Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.	(876,745)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,846,364
Accrued interest for tax allocation bonds is not recorded in the governmental funds. This is the net change in accrued interest for the current period.	6,612
Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	11,577
Change in net assets of governmental activities	$ (16,529,952)

The accompanying notes are an integral part of this statement.

City of Moorpark
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

ASSETS	
Cash and Investments	$ 3,684,080
Restricted Cash and Investments	6,803,880
Accounts Receivable	116,391
Total Assets	$ 10,604,351
LIABILITIES	
Accounts Payable	$ 157,677
Deposits	3,528,136
Due to Bondholders	6,918,538
Total Liabilities	$ 10,604,351

The accompanying notes are an integral part of this statement.

City of Moorpark
Notes to Financial Statements
Year Ended June 30, 2011

NOTE	DESCRIPTION	PAGE
1	Summary of Significant Accounting Policies	33 - 42
2	Cash and Investments	43 - 48
3	Notes and Loans Receivable	49 - 51
4	Interfund Transactions	52 - 53
5	Capital Assets and Depreciation	54- 55
6	Long-Term Liabilities	55 - 59
7	Agreements with Various Taxing Agencies	59 - 61
8	Retirement Plan	61 - 62
9	Conduit Debt - Revenue Bonds	62
10	Special Assessment Bonds	63
11	Risk Management	64 - 66
12	Classification of Net Assets and Fund Balance	66 - 70
13	Commitments and Contingencies	71 - 73
14	Restatement of Fund Balances	74

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Moorpark (City) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The following is a summary of the significant policies.

A) Reporting Entity

The reporting entity "City of Moorpark" includes the accounts of the City, the Moorpark Redevelopment Agency (Agency), the Moorpark Public Financing Authority (PFA), and the Industrial Development Authority of the City of Moorpark (IDA).

The City was incorporated in July, 1983 as a general law city and operates under a Council/Manager form of government.

The Agency was formed in 1987 pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law". Its purpose is to finance long-term capital improvements designed to eliminate physical and economic blight in a project area.

The PFA was formed in 1993 as a joint powers authority between the City and the Agency in order to provide financial assistance to the City and the Agency by issuing debt and financing the construction of public facilities.

The IDA was formed in 1985 pursuant to the California Industrial Development Financing Act (ACT). Its purpose is to finance the acquisition and development of certain industrial activities as permitted by the Act and to issue bonds for the purpose of enabling industrial firms to finance the cost of such activities.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14 (as amended by GASB Statement No. 39). The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board, or because the component unit will provide a financial benefit or impose a financial burden on the City.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Reporting Entity - Continued

The City has accounted for the Agency, the PFA, and IDA as "blended" component units. Despite being legally separate, they are so intertwined with the City, they are in substance, part of the City's operations. Accordingly, the balances and transactions of the Agency are reported as separate funds in the Special Revenue, Debt Service, and Capital Projects Funds. The PFA and IDA are inactive.

The following specific criteria were used in determining that the Agency, the PFA, and the IDA are "blended" component unit:

1) The members of the City Council also act as the governing body of the Agency, the PFA, and the IDA.

2) The City, the Agency, the PFA, and the IDA are financially interdependent. The City makes loans to the Agency for use on redevelopment projects. Available property tax revenues of the Agency will be used to repay the loans from the City.

3) The Agency, the PFA, and the IDA are managed by employees of the City.

The financial statements for the Agency may be obtained at the City's administrative offices. The PFA and IDA do not issue separate financial statements.

B) Accounting and Reporting Policies

The City has conformed to the pronouncements of the GASB, which are the primary authoritative statements of the accounting principles generally accepted in the United States of America applicable to state and local governments. In accordance with GASB Statement No. 20, the City applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless any such pronouncements contradict GASB pronouncements.

C) Description of Funds

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The following are types of funds used:

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Description of Funds - Continued

Governmental Fund Types

General Fund - Used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Debt Service Funds - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fiduciary Fund Type

Agency Funds - Used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

D) Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of Governmental Activities for the City.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and infrastructure as well as long-term debt, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenditures are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Basis of Accounting and Measurement Focus - Continued

to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating contributions and grants, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating contributions and grants include revenues restricted to meeting the requirements of a particular operating function and may include state shared revenues and grants. Capital contributions and grants include revenues restricted to meeting the requirements of a particular capital function and may include grants and developer fees. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the government-wide financial statements have been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net assets presented in the Government-Wide Financial Statements. The City has presented all major funds that met qualifications of GASB Statement No. 34. In addition, the City has included funds that are significant to the City as major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Basis of Accounting and Measurement Focus - Continued

Accrued revenues included property taxes received within 60 days after year-end, taxpayer assessed taxes such as sales taxes, and earnings on investments. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as deferred revenues. Expenditures are recorded when the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Sources of revenue are property tax, sales tax, franchise and transfer taxes, fines and forfeitures, fees for services and interest.

The Street and Traffic Safety Special Revenue Fund is used to account for fees used for street maintenance, right-of-way acquisition and street construction. Sources of revenue are traffic fines and forfeitures collected through Ventura County Superior Courts.

The Assessment Districts Special Revenue Fund is used to account for funds received by the City for maintenance of community-wide parks, street lighting and landscaping. Sources of revenue are property assessments collected by the Ventura County Tax Collector.

The Endowment Special Revenue Fund is used to account for funds received by the City for certain development projects or other sources directed by the City Council to be held for the purpose of one-time expenditure of community-wide benefit due to the impact of additional development. Sources of revenue are development fees.

The Parks/Public Facilities Special Revenue Fund is used to account for fees used for park and public facilities improvements as a result of additional development. Sources of revenue are developer fees.

The MRA Operating Special Revenue Fund is used to account for monies received and expended within the project area in accordance with the Redevelopment Plan of the Agency made pursuant to redevelopment laws of the State of California. Sources of revenue are the tax increment collected by the Ventura County Tax Collector, property rents and High Street Theatre ticket sales.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Basis of Accounting and Measurement Focus - Continued

The Police Facilities Fee Capital Projects Fund is used to account for the funds used to build the new police facility. The source of revenue is a percentage of permit fees issued.

The Moorpark Highlands Improvement Capital Projects Fund is used to account for the receipt and expenditure of the Community Facilities District (CFD) No. 2004-1 special tax bonds proceeds. The source of funds was the initial bond proceeds.

The Redevelopment Agency Capital Projects Fund is used to account for the funds used for the Agency's capital improvement projects. The sources of funds are the revenue bond proceeds from the 2001 and 2006 tax allocation bonds.

The Special Projects Fund is used to account for various City capital improvement projects including major rehabilitation of streets, parks and facilities and other infrastructure. Source of revenue is the General Fund excess funds over $3,000,000, per City policy.

The Redevelopment Agency Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on the Agency's debt and other long-term obligations. Sources of revenue are property tax increment collected by Ventura County.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Assets. The fiduciary fund is used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. Since these assets are being held for the benefit of a third party, these funds are not incorporated into the government-wide statements.

The City's only fiduciary fund is an agency fund, which uses the accrual basis of accounting to account for developer deposits and assets held for property owners of various assessment and community facilities districts. The agency fund is custodial in nature (assets equal liabilities) and therefore does not involve measurement of results of operations.

E) Investments

The City has adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, which requires governmental entities to

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E) Investments - Continued

report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. In accordance with GASB Statement No. 31, the City has adjusted certain investments to fair value (when material).

Investments are included within the financial statement classifications of "cash and investments" and "restricted cash and investments," and are stated at fair value.

F) Property Held for Resale/Development

Property held for resale in the MRA Operating Special Revenue Fund, Low and Moderate Income Housing Special Revenue Fund and the Redevelopment Agency Capital Projects Fund represents land and buildings purchased by the Agency. Such property is valued at the lower of cost or estimated net realizable value (as determined by a disposition and development agreement between the Agency and a developer) and has been offset by nonspendable or restricted fund balance to indicate that assets constitute future capital projects and are restricted or not available spendable resources. The balance at June 30, 2011 was $20,795,867.

G) Capital Assets

Capital assets, which include land, machinery and equipment (vehicles, computers, etc), buildings and improvements, and infrastructure assets (street systems, storm drains, sewer systems, etc.), are reported in the Governmental Activities column of the Government-wide Financial Statements. Capital assets are defined by the City as all land; buildings and improvements with an initial individual cost of more than $10,000; vehicles, computers and equipment with an initial individual cost of more than $5,000; and improvements and infrastructure assets with costs of more than $100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the Government-wide Financial Statements on a straight-line basis over the useful life of the assets as follows:

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G) Capital Assets - Continued

Building and Improvements	25 to 50 years
Vehicles, Computers, and equipment	3 to 20 years
Infrastructure Assets	
Roadway Network	7 to 100 years
Drain Network	20 to 100 years
Parks and Recreation Network	50 years

H) Deferred Revenue

Deferred revenue is recorded for monies collected in advance that have not been earned. In the fund financial statements revenue is also deferred when the availability criteria has not been met. As of June 30, 2011, unavailable revenue amounted to $2,554,372.

I) Long-Term Debt

In the government-wide financial statements, long-term debt and other obligations are reported as liabilities in the statement of net assets. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amounts of debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

J) Employee Compensated Absences

City employees may receive from 20 to 30 days vacation time or annual leave each year, depending upon length of service. An employee may accumulate earned vacation time up to a maximum of 760 hours or annual leave up to a maximum of 784 hours and administrative leave up to a maximum of 120 hours, depending on position. The amount of maximum hours for the leave accrual is based on the employee classification: regular employee, management, department head or City Manager. Upon termination, employees are paid the full value of their unused annual leave, administrative leave, vacation time, and a portion of sick leave per management benefits and City's MOU. There is no fixed payment schedule for employee compensated absences.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K) Property Taxes

The duties of assessing and collecting property taxes are performed by the Ventura County (County) Assessor and Tax Collector, respectively. The City receives an allocation of property taxes collected by the County with respect to property located within the City limits equal to 9.1 percent of the one percent State levy. The Agency receives incremental property taxes on property within its project area over the base-assessed valuation at the date the project area was established. Tax levies cover the period from July 1 to June 30 of each year. All tax liens are attached annually on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date.

Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year. These taxes become delinquent if not paid by August 31.

L) Claims and Judgments

When it is probable that a claim liability has been incurred, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. At June 30, 2011, in the opinion of the City Attorney, the City had no material claims, which require loss provision in the financial statements. Small claims and judgments are recorded as expenditures when paid.

The City's self-insurance program is administered through the California Joint Powers Insurance Authority (Authority). The Authority is a public entity risk pool, which is accounted for under the provisions of GASB Statement No. 10. Claim losses recorded in the Authority include both current claims and Incurred But Not Reported claims (IBNR). These deposits are subject to retrospective adjustment. Favorable claims experience results in a refund of deposits from the Authority and such refunds, if any, are recorded as a reduction of insurance expenditures in the year received. Adverse claims experience results in the payment of additional deposits and such deposits, if any, are recorded as insurance expenditures when paid.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M) 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N) Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

O) Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The reconciliation states that the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. Also governmental funds report the affect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

The details of this $1,846,364 difference are as follows:

Amortization of Issuance Costs	$ (16,853)
Amortization of Bond Discounts	(10,847)
Principal Repayment	555,000
Principal Payment on Pension Related Debt	1,319,064
Net adjustment to increase net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	$ 1,846,364

2) CASH AND INVESTMENTS

Cash and investments at June 30, 2011, consisted of the following:

City Treasury Deposits	
Demand Deposits	$ 2,871,635
Cash on Hand	3,250
Total City Treasury Deposits	2,874,885
City Treasury Investments	
Certificates of Deposit	100,000
Local Agency Investment Fund (LAIF)	15,490,405
Ventura County Pool	51,350,754
U.S. Treasury Notes	2,040,390
U.S. Agency Securities	
Federal National MTG Association	10,058,280
Federal Home Loan Bank	6,020,430
Federal Farm Credit Bank	4,034,740
Federal Home Loan MTG Corporation	5,142,970
Total City Treasury Investments	94,237,969
Cash and Investments With Fiscal Agent	
Money Markets	$ 5,612,311
US Treasury Note	736,315
Guaranteed Investment Contracts	2,345,797
Total Cash and Investments With Fiscal Agent	8,694,423
Total Cash and Investments	$ 105,807,277

Cash and Investments are reported in the basic financial statements as follows:

	Statement of Net Assets Governmental Activities	Statement of Fiduciary Net Assets Agency Fund	Total
Cash and Investments	$ 93,428,774	$ 3,684,080	$ 97,112,854
Restricted Cash and Investment	1,890,543	6,803,880	8,694,423
Total	$ 95,319,317	$ 10,487,960	$105,807,277

2) CASH AND INVESTMENTS - Continued

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on a quarterly basis to the various funds based on average daily cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

A) Authorized Investments

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees that are governed by provisions of debt agreements of the City, rather than the general provisions of the California Government or the City's investment policy. As of June 30, 2011, the only debt agreements of the City pertain to the Agency.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio*	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	None
County Pooled Investment Funds	N/A	None	None
LAIF	N/A	None	None

*Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

2) CASH AND INVESTMENTS - Continued

A) Authorized Investments - Continued

The Policy, in addition to State statutes, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall (1) have maximum maturity not to exceed five years and (2) be laddered and based on cash flow forecasts. The City's investments comply with the established policy.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investment held by bond trustees.

The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	None
U.S. Agency Securities	None
Banker's Acceptances	180 days
Commercial Paper	270 days
Money Market Mutual Funds	N/A
Investment Contracts	30 years

B) 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. One of the ways that the City manages its exposure to interest rate risk is by 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.

2) CASH AND INVESTMENTS - Continued

B) Interest Rate Risk - Continued

Information about the sensitivity of the fair values of the City's investment to market interest rate fluctuation is provided by the following table that shows the distribution of the City's investments by maturity.

		Investment Maturities (in Years)				
Investment Type	Total	Less than 1	1 to 2	2 to 3	3 to 4	>4
LAIF	$ 15,490,405	$ 15,490,405	$	$	$	$
Ventura County Pool	51,350,754	51,350,754				
Certificates of Deposit	100,000	100,000				
U.S. Treasury Notes	2,040,390				2,040,390	
U.S. Agency Securities:						
Federal National MTG Assn.	10,058,280			3,020,510	3,007,410	4,030,360
Federal Home Loan Bank	6,020,430			995,300	5,025,130	
Federal Farm Credit Bank	4,034,740			2,010,200	2,024,540	
Federal Home Loan MTG Corp	5,142,970			3,139,870	1,004,160	998,940
Held by Bond Trustee:						
Money Market Funds	5,612,311	5,612,311				
U.S. Treasury Note	736,315	736,315				
Guaranteed Investment Contracts	2,345,797					2,345,797
Total	$102,932,392	$73,289,785	$ -	$ 9,165,880	$13,101,630	$7,375,097

C) Credit Risk and Concentration of Credit Risk

Deposits

At June 30, 2011, the carrying amount of the City's deposits was $2,871,635. Bank balances before reconciling items were $3,322,242 at June 30, 2011, of which $3,322,242 were collateralized with securities held by the pledging financial institution's trust department but not in the City's name.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor.

2) CASH AND INVESTMENTS - Continued

C) Credit Risk and Concentration of Credit Risk

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the City's cash deposits. California law also allows institutions to serve City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The City, however, does not normally waive the collateralization requirements.

Investments

Generally, 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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code and the actual rating as of year end for each investment type.

The California Government Code places limitations on the amount that can be invested in any one issuer (as detailed above). Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments are as follows:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments

Investment Type	Carrying Value	Credit Rating	Percentage of Investments
LAIF	$ 15,490,405	Not Rated	15.05%
Ventura County Pool	51,350,754	Not Rated	49.89%
Certificates of Deposit	100,000	Not Rated	.10%
U.S. Treasury Notes	2,040,390	AAA	1.98%
U.S. Agency Securities:			
Federal National MTG Association	10,058,280	AAA	9.77%
Federal Home Loan Bank	6,020,430	AAA	5.85%
Federal Farm Credit Bank	4,034,740	AAA	3.92%
Federal Home Loan MTG Corporation	5,142,970	AAA	5.00%
Held by Bond Trustee:			
Money Market Funds	5,612,311	AAA	5.45%
U.S. Treasury Note	736,315	AAA	.71%
Guaranteed Investment Contracts	2,345,797	Not Rated	2.28%
Total	$ 102,932,392		100.00%

2) CASH AND INVESTMENTS - Continued

D) Local Agency Investment Fund (LAIF)

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each governmental agency may invest up to $50,000,000 in each account in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest or principal. The full faith and credit of the State of California secures investment in LAIF. At June 30, 2011, accounts were maintained in the name of the City for $3,000,000 and the Agency for $12,490,405. At June 30, 2011, the fair value of the State of California Pooled Money Investment Account (PMIA) including accrued interest was $66,515,727,874. The PMIA portfolio had securities in the form of structured notes and asset-backed securities. The PMIA has policies, goals, and objectives for the portfolio to make certain that the goals of safety, liquidity, and yield are not jeopardized. These policies are formulated by investment staff and reviewed by both the PMIA and LAIF Advisory Boards on an annual basis. LAIF's and the City's exposure to credit, market, or legal risk is not available.

E) The Ventura County Treasurer's Investment Pool

The City holds investments in the County Pool that are subject to being adjusted to "fair value." The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in the County Pool. The City relied upon information provided by the County Treasurer in estimating the City's fair value position of its holdings in the County Pool. The City had a contractual withdrawal value of $51,350,754 at fiscal year end.

The Ventura County Treasurer's Investment Pool is a governmental investment pool managed and directed by the elected Ventura County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of the Pool fall under the auspices of the County Treasurer's office. The City is a voluntary participant in the investment pool.

3) NOTES AND LOANS RECEIVABLE

Notes and loans receivable activity for the year ended June 30, 2011, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Notes Receivable:				
Asadurian	$ 800,000	$	$ (800,000)	$ -
Mission Bell	1,704,786		(804,786)	900,000
Deferred Property Assessments	250,249			250,249
Total Notes Receivable	2,755,035	-	(1,604,786)	1,150,249
Loans Receivable:				
Rehabilitation	31,384			31,384
First-time Homeowners Assistance	211,556		(39,576)	171,980
CalHome	258,979		(58,849)	200,130
Area Housing Authority	332,446	600,000	(332,446)	600,000
Mountains Recreation & Conservation Authority		6,500		6,500
Total Loans Receivable	834,365	606,500	(430,871)	1,006,994
Total Notes and Loans Receivable	$ 3,589,400	$ 606,500	$ (2,035,657)	$ 2,160,243

A) Asadurian Note

On April 7, 2003, the City entered into an agreement with Asadurian Investment Corporation (AIC) whereby in return for land disposition, the City received a $1,200,000 promissory note secured by Deed of Trust. The note bears simple interest at the rate equal to the average monthly interest rate announced by LAIF. The borrower shall pay the City the amount of $80,000 plus interest over fifteen years. Payments are due annually in April. AIC did not pay the April 2010 payment. A bank holds a first trust deed note on the property which is superior to the City's note. The bank is seeking to foreclose on the property due to lack of payment by AIC. AIC had filed for bankruptcy but that case was dismissed. The bank holding the first trust deed foreclosed on the property in March 2011. The City's note was subordinate to the Bank note and consequently the City did not receive any form of compensation from the foreclosure. The note balance of $800,000 has been totally written off.

3) NOTES AND LOANS RECEIVABLE - Continued

B) Mission Bell Note

On August 2, 1995, the Agency entered into an agreement with Mission Bell Partners whereby in return for land disposition, the Agency received seven promissory notes totaling $3,934,500. The notes bear simple interest from a rate of 3% to a rate of 6% per annum from August 29, 1995 until August 29, 2029. Prior to 2004 one note was paid off. In June 2004 the Agency, per settlement agreement discharged three of the remaining six of the original seven promissory notes totaling $500,000. In September of 2006, notes number 2 and 6 were paid off.

In early 2011, a notice of default was issued by the senior lender for the property. There was a possibility that the $1,704,786 note could be foreclosed out. Therefore, on March 16, 2011, the Agency assigned note no. 7 to the City in partial satisfaction of the $5 million annual operating loan between the City and the Agency. If and to the extent that any moneys are recovered from the Mission Bell note, those moneys will be credited toward the outstanding balance owed pursuant to the City/Agency loan agreement.

Subsequent to June 30, 2011, the City and Mission Bell Partners entered into a settlement agreement whereby Mission Bell Partners would give $900,000 to the City in exchange for the total discharge of note no. 7. This agreement was consummated in October 2011. As a result the loan was partially written off to reflect the $900,000 settlement amount at June 30, 2011.

C) Deferred Property Assessments Notes

In March 1993, the City entered into agreements with three property owners of the City of Moorpark Assessment District No. 92-1 whereby in return for deferring the property owner's assessment levy, the City received three promissory notes totaling $279,427. The notes bear simple interest equivalent to the LAIF variable rate not to exceed 7% per annum. Principal and interest are due on the date the City executes an approved final map of the property or the date of a court ordered subdivide of the property. At June 30, 2011, the principal balance outstanding was $250,249.

D) Rehabilitation Loans

The Agency operates a rehabilitation loan program for the renovation of low and moderate income housing. The total balance outstanding at June 30, 2011, was $31,384.

3) NOTES AND LOANS RECEIVABLE - Continued

E) First-Time Homeowner Assistance

The City provides down payment assistance loans to first-time homeowners. The total balance outstanding at June 30, 2011 was $171,980. In order to reinforce the resale restrictions on properties purchased through the City's First Time Home Buyer Program, buyers execute Promissory Notes and Deeds of Trust, which are recorded to secure these Notes. The Notes become payable only in the event of a default of any provision of this program.

F) CalHome Mobilehome Rehabilitation Loans

The total balance of CalHome loans for repairs to mobilehomes in Villa del Arroyo at June 30, 2011 was $200,130. These loans are subject to a conditional forgiveness provision, beginning in Year 6 of the loan, continuing through Year 10 of the loan, with 20% of the balance forgiven each of these years; to date $161,833 has been received and $112,474 has been forgiven. Funds received are deposited into a City Trust Fund to be used for eligible home ownership-related activities.

G) Area Housing Authority (AHA)

The Agency has entered into an agreement to loan the County of Ventura AHA up to $600,000 to assist in developing low income residential rental units. As of June 30, 2011, the AHA has drawn down the entire $600,000 on the available loan. The term of the loan is 30 years with a fixed interest rate of 2.5%. Payments are to be made annually by June 30 each year.

H) Mountains Recreation and Conservation Authority (MRCA)

The City advanced $6,500 to MRCA to conduct an updated appraisal for approximately 3,805 acres in and adjacent to the Moorpark Area of Interest near Moorpark College for review by the State of California Department of General Services. These funds are to be repaid without interest to the City by June 30, 2012, or within sixty days of the State of California's reauthorization of MRCA's Proposition 84 Project Planning and Design grant from the Santa Monica Mountains Conservancy, whichever comes first. The total balance outstanding at June 30, 2011 was $6,500.

4) INTERFUND TRANSACTIONS

Due to/Due From

Due to/due from other funds for the year ending June 30, 2011, consisted of the following:

		DUE TO		
		General Fund	Non-Major Funds	Total
DUE FROM	RDA Capital Projects Fund	$ 75,775	$	$ 75,775
	MRA Operating Fund	73,969		73,969
	Non-Major Funds	706,828	177,006	883,834
	Total	$ 856,572	$ 177,006	$ 1,033,578

The General Fund has advanced to the Agency and the State and Federal Assistance Funds $856,572 to cover current expenditures. Balances between Non-Major Funds were to cover deficits at year end. Repayments are expected during fiscal year 2011/12.

Advances to/from Other Funds

The Special Projects Fund has advanced to the Parks/Public Facilities Fund $1,000,000 to construct a new Skate Park and improvement of the Poindexter Park. The General Fund has advanced the Parks/Public Facilities Fund $186,730 to fund certain improvements. These advances are expected to be repaid with future development fees.

The Endowment Fund has advanced to the Police Facilities Fee Fund $1,886,590 to fund capital improvements. The advance is expected to be repaid with future development fees.

4) INTERFUND TRANSACTIONS - Continued

Transfers

Interfund transfers for the year ended June 30, 2011 consisted of the following:

		TRANSFER FROM				
		General Fund	MRA Operating	Special Projects Special	Non-Major Funds	Total
TRANSFER TO	General Fund	$	$	$ 361,264	$	$ 361,264
	RDA Debt Service Fund				151,139	151,139
	Community Development Fund	836,831				836,831
	Assessment District Fund	1,236,497				1,236,497
	Non-Major Funds		58,507			58,507
	Total	$ 2,073,328	$ 58,507	$ 361,264	$ 151,139	$ 2,644,238

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or grant matching requirements.

The Low and Moderate Income Housing Special Revenue Fund transferred funds to the Redevelopment Agency Debt Service Fund to pay the 20% debt service on the 1999 Tax Allocation Refunding Bonds.

The Special Projects Fund transferred $361,264 to the General Fund to bring the fund balance to the minimum $3,000,000 requirement.

The General Fund transferred funds to the Community Development and Assessment District Funds to partially finance these operations.

The MRA Operating Fund transferred funds to the Capital Projects Fund to satisfy agreement between the Agency and the Ventura County Community College District as further described in note 7.

Included in transfers in is $1,176,500 of land that was transferred from the City to the Agency for housing development. The Agency subsequently gave the said property to a developer to build low income housing.

5) CAPITAL ASSETS AND DEPRECIATION

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Assets. The City elected to use the basic approach as defined by GASB Statement No. 34 for all infrastructure reporting, whereby depreciation expense and accumulated depreciation have been recorded.

The following table presents the capital assets activity for the year ended June 30, 2011.

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	$ 36,414,011	$ 3,619,532	$ (1,176,500)	$ 38,857,043
Construction in Progress	9,481,646	3,682,520	(762,354)	12,401,812
Total Capital Assets Not Depreciated	45,895,657	7,302,052	(1,938,854)	51,258,855
Capital Assets Being Depreciated:				
Buildings and Improvements	35,703,278	680,888		36,384,166
Machinery and Equipment	4,563,085	1,629,704	(40,906)	6,151,883
Infrastructure				
Roadway System	93,681,536	601,995	(10,055)	94,273,476
Storm Drainage System	2,933,748			2,933,748
Parks System	251,434			251,434
Total Capital Assets Being Depreciated	137,133,081	2,912,587	(50,961)	139,994,707
Less Accumulated Depreciation:				
Buildings and Improvements	(6,071,136)	(1,064,270)		(7,135,406)
Machinery and Equipment	(2,874,482)	(429,373)	39,627	(3,264,228)
Infrastructure				
Roadway System	(32,722,409)	(1,990,951)		(34,713,360)
Storm Drainage System	(207,462)	(29,337)		(236,799)
Parks System	(57,698)	(5,029)		(62,727)
Total Accumulated Depreciation	(41,933,187)	(3,518,960)	39,627	(45,412,520)
Total Capital Assets Being Depreciated, Net	95,199,894	(606,373)	(11,334)	94,582,187
Government Activities Capital Assets, Net of Depreciation	$ 141,095,551	$ 6,695,679	$ (1,950,188)	$ 145,841,042

5) CAPITAL ASSETS AND DEPRECIATION - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 104,764
Public Safety	235,033
Public Services	2,643,820
Parks and Recreation	535,343
Total Depreciation Expense	$ 3,518,960

6) LONG-TERM LIABILITIES

Long-term liability activities for the year ended June 30, 2011, are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
1999 Tax Allocation Bonds	$ 5,495,000	$	$ (500,000)	$ 4,995,000	$ 525,000
2001 Tax Allocation Bonds	11,520,000		(15,000)	11,505,000	15,000
2006 Tax Allocation Bonds	11,695,000		(40,000)	11,655,000	40,000
Discount on Bonds	(287,437)		10,847	(276,590)	(10,847)
Pension Related Debt	1,319,064		(1,319,064)	-	
Employee Compensated Absences	673,139	323,455	(335,032)	661,562	330,781
Total	$30,414,766	$ 323,455	$ (2,198,249)	$28,539,972	$ 899,934

A) 1999 Tax Allocation Bonds

In 1999, the Agency issued $9,860,000 aggregated principal amount of Moorpark Redevelopment Project 1999 Tax Allocation Refunding Bonds (1999 Bonds). The purpose of the 1999 Bonds was to advance refund the Agency's previously issued $10,000,000 Moorpark Redevelopment Project, 1993 Tax Allocation Bonds (1993 Bonds). The purpose of the 1993 Bonds was to finance a portion of the costs of implementing the Redevelopment Plan, including low and moderate-income housing projects.

6) LONG-TERM LIABILITIES - Continued

A) 1999 Tax Allocation Bonds - Continued

The 1999 Bonds bear interest at rates ranging from 3.05 percent to 4.875 percent per annum, payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 1999, and are subject to mandatory sinking fund redemption commencing on October 1, 2009, and on each October 1 thereafter. The Bonds are payable from and secured by the tax revenues to be derived from the project area.

The 1999 Bonds are secured by all property tax increment revenue, which is deposited in the Redevelopment Agency Debt Service Fund. Cash and investments in the custody of the fiscal agent are restricted by the bond resolutions for payment of principal and interest on the Tax Allocation Bonds. In addition, the bond resolutions require retention of funds held by the fiscal agent prior to use for other than debt service.

The Agency is in compliance with the covenants contained in debt indenture, which require the establishment of certain specific accounts for the 1999 Bonds.

Debt service payments on the 1999 Bonds payable will be made from the Redevelopment Agency Debt Service Fund. Annual debt service requirements to maturity are as follows:

Year Ending	Tax Allocation Bonds		
June 30,	Principal	Interest	Total
2012	$ 525,000	$ 230,709	$ 755,709
2013	550,000	204,506	754,506
2014	580,000	176,962	756,962
2015	605,000	148,078	753,078
2016	635,000	117,853	752,853
2017	665,000	86,166	751,166
2018	700,000	52,893	752,893
2019	735,000	17,915	752,915
Total	$ 4,995,000	$ 1,035,082	$ 6,030,082

6) LONG-TERM LIABILITIES - Continued

B) 2001 Tax Allocation Bonds

In December 2001, the Agency issued $11,625,000 of Tax Allocation Parity Bonds (2001 Bonds). The proceeds of the 2001 Bonds will be used to fund redevelopment activities within the Moorpark Redevelopment Project area. Interest on the 2001 Bonds is payable semi-annually on April 1 and October 1, commencing April 1, 2002, at rates ranging from 2.85 percent to 5.13 percent per annum. The 2001 Bonds maturing October 2031, are subject to mandatory sinking funds redemption in the amount of the principal and accrued interest. The 2001 Bonds are payable from and secured by the tax revenues to be derived from the project area.

The 2001 Bonds are secured by all property tax increment revenue, which are deposited in the Redevelopment Agency Debt Service Fund. Cash and investments in the custody of the fiscal agent are restricted by the bond resolutions for payment of principal and interest on the 2001 Bonds. In addition, the bond resolutions require retention of funds held by the fiscal agent prior to use for other than debt service.

The Agency is in compliance with the covenants contained in debt indentures, which require the establishment of certain specific accounts for the 2001 Bonds.

Debt service payments on the 2001 Bonds payable will be made from the Redevelopment Agency Debt Service Fund.

Annual debt service requirements to maturity are as follows:

Year Ending	Tax Allocation Bonds		
June 30,	Principal	Interest	Total
2012	$ 15,000	$ 587,098	$ 602,098
2013	20,000	586,319	606,319
2014	15,000	585,525	600,525
2015	20,000	584,711	604,711
2016	20,000	583,759	603,759
2017-2021	1,370,000	2,841,265	4,211,265
2022-2026	3,895,000	2,094,716	5,989,716
2027-2031	4,995,000	961,579	5,956,579
2032	1,155,000	29,597	1,184,597
Total	$ 11,505,000	$ 8,854,569	$ 20,359,569

6) LONG-TERM LIABILITIES - Continued

C) 2006 Tax Allocation Bonds

In 2006, the Agency issued an $11,695,000 aggregated principal amount of Moorpark Redevelopment Project 2006 Tax Allocation Bonds (2006 Bonds). The purpose of the 2006 Bonds was to finance redevelopment activities related to the Moorpark Redevelopment Project Area. The 2006 Bonds bear interest at rates ranging from 3.625 percent to 4.375 percent per annum, payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2007, and are subject to mandatory sinking fund redemption commencing on October 1, 2016, and on each October 1 thereafter. The 2006 Bonds are payable from and secured by the tax revenues to be derived from the project area.

The 2006 Bonds are secured by all property tax increment revenue, which is recorded in the Redevelopment Agency Debt Service Fund. Cash and investments in the custody of the fiscal agent are restricted by the bond resolutions for payment of principal and interest on the 2006 Bonds.

The Agency is in compliance with the covenants contained in the debt indenture, which require the establishment of certain specific accounts for the 2006 Bonds.

Debt service payments on the 2006 Bonds payable will be made from the Redevelopment Agency Debt Service Fund. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Tax Allocation Bonds Principal	Interest	Total
2012	$ 40,000	$ 505,987	$ 545,987
2013	35,000	504,627	539,627
2014	40,000	503,269	543,269
2015	40,000	501,819	541,819
2016	45,000	500,277	545,277
2017-2021	245,000	2,474,572	2,719,572
2022-2026	305,000	2,418,644	2,723,644
2027-2031	375,000	2,345,941	2,720,941
2032-3036	5,670,000	1,810,594	7,480,594
2037-2039	4,860,000	325,063	5,185,063
Total	$ 11,655,000	$ 11,890,793	$ 23,545,793

6) LONG-TERM LIABILITIES - Continued

D) Pension-Related Debt

As of June 30, 2003, California Public Employees Retirement System (CalPERS) implemented risk pooling for the City's multiple-employer public employee defined benefit pension plan. At that point, in accordance with generally accepted accounting principles, the City's Miscellaneous Plan was converted from an "agent" multiple-employer plan to a "cost-sharing" multiple-employer plan. Although a portion of the City's annual required contributions are actuarially determined and shared by all employers of the risk pool, the City is also required to make annual payments on a "Side Fund" which was created when the City entered the risk pool. The responsibility for funding the Side Fund is specific to the City and is not shared by all employers in the plan. Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt. Principal and interest are included in the retirement expenditures in the various functions. The City paid off the entire remaining balance of the Side Fund during 2010/11, which is reported as a debt service expenditure.

E) Employee Compensated Absences

The long-term liability at June 30, 2011 is $661,562 for employee compensated absences. The General Fund is primarily expected to liquidate this liability.

7) AGREEMENTS WITH VARIOUS TAXING AGENCIES

The Agency has entered into four (4) agreements for allocation and distribution of tax increment revenues:

The first agreement is with the County of Ventura, Ventura County Library District, Ventura County Fire Protection District, and Ventura County Flood Control District (collectively, the "County Taxing Entities"), which provides for the Agency to retain 100 percent of the County Taxing Entities share (55.82 percent) of annual tax increment revenues up to $1,750,000. For annual tax increment revenue in excess of $1,750,000, the Agency shall distribute 55.82 percent of such revenues to the County on behalf of the County Taxing Entities. The County Taxing Entities have agreed to defer payments in the initial years of the Redevelopment Plan, and consequently, the parties agree that the County Taxing Entities may receive payments in any single fiscal year in excess of the amount of tax revenues the County Taxing Entities would otherwise be entitled to, but for the adoption of the Redevelopment Plan.

7) AGREEMENTS WITH VARIOUS TAXING AGENCIES - Continued

With respect to the first paragraph, 4.2 percent of the County Taxing Entities share is allocated to the County Library District (County Free Library System). The City has withdrawn from the County Free Library System and now operates the Moorpark Library. Pursuant to the Memorandum of Understanding governing the County Free Library System, upon withdrawal, a city is entitled to all property taxes allocated to library purposes from within the corporate boundaries of such city. The County has agreed that the City is entitled to the share of annual tax increment previously allocated to the County Library District under the first agreement.

The second agreement is with the Moorpark Unified School District (MUSD), and states that the MUSD shall receive, after the Agency has satisfied debt service payments to bond or note holders or to the holder of any other instruments of Agency indebtedness (provided such indebtedness is not reasonably foreseeable to impair the Agency's obligation under the agreement), the MUSD's share (33.41 percent) of tax increment revenues generated by an annual 2 percent increase in assessed valuation, and beginning in fiscal year 1995/96, 14 percent of the MUSD's share of annual tax increment revenue.

Per the agreement between the MUSD and the Agency, the distributions to the MUSD shall be expended for the following purposes at school sites in the incorporated boundaries of the City:

1. Telephone systems for new buildings
2. Computer hardware and educational systems
3. Land acquisition
4. Books
5. School buildings and facilities and related capital improvements and modernization projects (collectively public works); such public works may include design, inspection and administration costs, but not MUSD overhead or salary/benefits for regular MUSD employees.

The Agency may pre-approve other expenditures that are submitted in writing by the MUSD.

The third agreement is with the Ventura County Community College District (VCCCD), and states that the VCCCD should receive, after the Agency has satisfied debt service payments to bond or note holders or to the holders of any other instruments of Agency indebtedness (provided such indebtedness

7) AGREEMENTS WITH VARIOUS TAXING AGENCIES - Continued

is not reasonably foreseeable to impair the Agency's obligation under the agreement), the VCCCD's share (5.81 percent) of tax increment revenues generated by an annual 2 percent increase in assessed valuation, and beginning in fiscal year 1993/94, 14 percent of the VCCCD's share of annual tax increment revenue.

An agreement, dated May 1, 2008, between the City and the VCCCD redirects the VCCCD's tax increment allocation. The Agency shall transfer to the City the VCCCD's tax increment allocations, up to One Million Dollars ($1,000,000), beginning with fiscal year 2006/07 and for every fiscal year thereafter through and including the 2024/25 fiscal year for the purpose of constructing certain public improvements near Moorpark College.

The fourth agreement is with the Ventura County Superintendent of Schools Office (Superintendent), and states that the Superintendent shall receive its share (2.49 percent) of tax increment revenues generated by an annual 2 percent increase in assessed valuation.

8) RETIREMENT PLAN

A) Plan Description

The City contributes to CalPERS, a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, California 95814.

B) Funding Policy

Active plan members are required to contribute 7 percent of their covered salary. The City makes the contribution required of the City employees on their behalf. The City is also required to make an additional contribution at an actuarially determined rate. The required employer contribution rate for the fiscal year 2010/11 was 11.040 percent. The 11.040 percent is comprised of 8.475 percent for the cost-sharing pool and 2.565 percent for the payment on the City's side fund. The City paid off the side fund in February 2011. The contribution requirements for plan members are

8) RETIREMENT PLAN - Continued

B) Funding Policy - Continued

established by State statute and the employer contribution rate is established and may be amended by CalPERS. The following represents the required contributions for the past three fiscal years:

Fiscal Year	Required Contributions	Percent Contributed
2008/09	$ 491,357	100%
2009/10	$ 566,161	100%
2010/11	$ 504,158	100%

9) CONDUIT DEBT - REVENUE BONDS

The City of Moorpark Mobile Home Park Revenue Bonds (Villa Del Arroyo) Series 2000 A and the City of Moorpark Mobile Home Park Subordinate Revenue Bonds (Villa Del Arroyo) Series 2000 B were issued in the amounts of $12,740,000 and $2,635,000 respectively. Both issuances were dated May 19, 2000. The Series A bonds were issued to fund a loan to Augusta Homes, a California non-profit public benefit corporation, to finance the acquisition of the Villa Del Arroyo Mobile Home Park. The Series B bonds were issued for the same purpose but are subordinate to the Series A bonds. On May 31, 2011 these taxable subordinate bonds were refunded for $13,085,000 and $375,000, respectively. The total bonds outstanding at June 30, 2011, totaled $13,460,000.

The City of Moorpark Multifamily Housing Revenue Bonds (Vintage Crest Senior Apartment Project) 2002 Series A were issued in the amount of $16,000,000. The issuance was dated December 1, 2002. The Series A Bonds were issued to fund a loan to Vintage Crest Senior Apartment L.P., a California Limited Partnership, to finance the Vintage Crest Senior Housing Project. The bonds outstanding at June 30, 2011, totaled $14,543,332.

Each of the bond programs described above do not constitute an indebtedness of the City, and there is neither a legal nor a moral obligation on the part of the City to make payments on such bonds from any source other than the revenues and assets pledged therefore. The programs are completely administered by the Trustees without any involvement by the City. Accordingly, these programs and the bonds issued thereunder have been excluded from the accompanying basic financial statements.

10) SPECIAL ASSESSMENT BONDS

A) Assessment District 92-1 (Mission Bell Plaza)

On April 1, 1994, the City sponsored the issuance of special assessment bonds to finance certain capital improvements for the Mission Bell Plaza project. These bonds, totaling $2,595,000, of which $735,000 and $1,475,000 mature in 2013 and 2023, respectively, were issued under the 1915 Improvements Bonds Act and are obligations against the properties in the assessment district. The special assessment, which is collected with other property related taxes as part of the secured property tax bill for properties in the assessment district, will be forwarded to an independent bank that serves as the paying agent. These bonds do not constitute an indebtedness of the City, and the City is not liable for their repayment. Accordingly, these special assessment bonds payable have been excluded from the accompanying basic financial statements. The unpaid principal balance on such bonds is $1,400,000 at June 30, 2011.

B) Community Facilities District No. 97-1 (Carlsberg)

On July 1, 1997, the City issued bonds to finance the acquisition and construction of public improvements within the City of Moorpark Community Facilities District No. 97-1. These bonds, totaling $7,645,000, were issued pursuant to the Mello-Roos Community Facilities Act of 1982. The bonds mature on September 1, 2027 with interest payable at rates ranging from 4.4 percent to 6 percent per annum on March 1, and September 1 of each year commencing March 1, 1998. The City is not liable under any circumstance for the repayment of the debt, but is only acting as agent for the property owners in collecting the assessments and special taxes, forwarding collections to fiscal agents to pay the bondholders and initiating foreclosure proceedings, if appropriate. Accordingly, these bonds payable have been excluded from the accompanying basic financial statements. The unpaid principal balance is $5,940,000 at June 30, 2011.

C) Community Facilities District No. 2004-1 (Moorpark Highlands)

During fiscal year 2006/07, the City issued bonds to construct and acquire certain public facilities of benefit to the Community Facilities District No. 2004-1. The bonds, totaling $38,030,000, were issued pursuant to the Mello-Roos Community Facilities Act of 1982. The bonds mature on September 1, 2038 with interest payable at rates ranging from 4.0 percent to 5.3 percent per annum, on March 1 and September 1 of each year. The City is not liable under any circumstance for the repayment of the debt, but is only acting as agent for the property owners in collecting the assessments and special taxes, forwarding collections to fiscal agents to pay the bondholders and initiating foreclosure proceedings, if appropriate. Accordingly, these bonds payable have been excluded from the accompanying basic financial statements. The unpaid principal balance is $25,480,000 at June 30, 2011.

11) RISK MANAGEMENT

A) Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the Authority. The Authority is composed of over 100 California public entities and is organized under a joint powers agreement pursuant to California Government Code 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

The City does not have an equity interest in the Authority: therefore, no amount has been reported in the Statement of Net Assets. However, the City does have an ongoing financial interest because the City is able to influence the operations of the Authority so that the Authority uses its resources on behalf of the City. Also, an ongoing financial responsibility exists because the Authority is dependent on continued funding from the City. The condensed financial information of the Authority has not been reproduced in this report, but is available from the Authority.

B) Self Insurance Programs of the Authority

Beginning coverage period 2010/11, the Authority implemented a new funding and cost allocation formula, from retrospective funding model to a prospective funding model and increased the funding estimate goal to 75 percent confidence level. This change aims to improve the Authority's long-term financial viability by sufficiently pre-funding each period to cover expected claims and expenditures. Under the new formula, the General Liability and Workers' Compensation annual contributions are separately calculated for public safety and non-public safety categories based on the member's exposure and experience factors. Exposure factor is determined by the annual reported payroll, with the minimum imputed payroll of $420,000 for the liability formula. Experience factors are defined by loss layer weighting ratio equivalent to 50 percent on the agency's first layer losses ($0 to $30,000 for liability and $0 to $50,000 for worker's compensation) and 50 percent on its second layer of losses ($30,000 to $750,000 for liability and $50,000 to $100,000 for worker's compensation). A credibility weighting component, ranging from 80 percent to 20 percent, is applied to determine the portion of the member's cost attributable to its own loss experience relative to its payroll size. The annual contribution is subject to 0 percent-35 percent volatility band, so that no member will pay more than 35 percent or pay less than prior year amount.

11) RISK MANAGEMENT - Continued

B) Self Insurance Programs of the Authority - Continued

General Liability: Costs of claims above $5,000,000 are currently paid by reinsurance. The Protection for each member is $50,000,000 per occurrence and $50,000,000 annual aggregate.

Workers Compensation: Members retain the first $50,000 of each claim. Losses up to $2,000,000 are pooled by members and excess coverage is purchased by statutory limits. Administrative expenses are paid from the Authority's investment earnings.

During the year, the City took advantage of the Authority's incentive program by paying off the $503,501 aggregate retrospective balance due on the liability pool and was able to receive a 6 percent or $30,210 discount. The Authority owes the City $181,621 from the Workers' Compensation pool and the City received 25 percent or $45,405 refund as a reduction on the 2010/11 annual contribution.

C) Purchased Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. Total all-risk property insurance coverage is $37,087,004. There is a $5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

D) Earthquake and Flood Insurance

The City purchased earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City property currently has earthquake protection in the amount of $33,254,981. There is a deductible of 5 percent of the value with a minimum deduction of $100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

E) Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

11) RISK MANAGEMENT - Continued

F) Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid.

12) CLASSIFICATION OF NET ASSETS AND FUND BALANCE

A) Net Assets

In the Government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets

This category groups all assets, including infrastructure, into one component of net assets. Accumulated depreciation on these assets reduces this category.

Restricted Net Assets

This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

This category represents the net assets of the City that are not externally restricted for any project or other purpose.

12) CLASSIFICATION OF NET ASSETS AND FUND BALANCE - Continued

B) Fund Balance

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of June 30, 2011. Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council's action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. It is the policy of the City Council that assignment of fund balances must be approved by the Council prior to the fiscal year end.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

12) CLASSIFICATION OF NET ASSETS AND FUND BALANCE - Continued

B) Fund Balance - Continued

The City's governmental fund balances at June 30, 2011, are presented below:

	General Fund	Street and Traffic Safety Fund	Assessment District Fund	Endowment Fund	Parks/Public Facilities Fund
Nonspendable:					
Prepaid Items	$ 34,246	$	$ 8,231	$	$
Advances	186,730			1,886,590	
Property Held for Resale/Development					
Restricted for:					
Public Services	149,884	19,334,143	6,345,002	1,385,625	
Recreation Services					745,175
Public Safety					
Debt Service					
Low and Moderate Housing					
Construction of Human Services Center					
Committed to:					
Library Services					
Assigned to:					
Redevelopment Activities					
Capital Projects					
Unassigned	2,779,024				
Total Fund Balance	$ 3,149,884	$ 19,334,143	$ 6,353,233	$ 3,272,215	$ 745,175

12) CLASSIFICATION OF NET ASSETS AND FUND BALANCE - Continued

B) Fund Balance - Continued

	MRA Operating Fund	Police Facilities Fund	Moorpark Highlands Improvement Fund	Redevelopment Agency Capital Projects Fund	Special Projects Fund
Nonspendable:					
Prepaid Items	$	$	$	$	$
Advances					1,000,000
Property Held for Resale/Development	6,856,424			5,111,349	
Restricted for:					
Public Services					
Recreation Services					
Public Safety					
Debt Service					
Low and Moderate Housing					
Construction of Human Services Center				7,651,516	
Committed to:					
Library Services					
Assigned to:					
Redevelopment Activities	148,870			493,768	
Capital Projects			5,772		23,743,410
Unassigned		(1,886,590)			
Total Fund Balance	$ 7,005,294	$ (1,886,590)	$ 5,772	$ 13,256,633	$ 24,743,410

12) CLASSIFICATION OF NET ASSETS AND FUND BALANCE - Continued

B) Fund Balance - Continued

	Redevelopment Agency Debt Service Fund	Others Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid Items	$	$	$ 42,477
Advances			3,073,320
Property Held for Resale/Development			11,967,773
Restricted for:			
Public Services		18,431,379	45,646,033
Recreation Services		1,654,795	2,399,970
Public Safety		680,957	680,957
Debt Service	1,884,771		1,884,771
Low and Moderate Housing		8,302,304	8,302,304
Construction of Human Services Center			7,651,516
Committed to:			
Library Services		795,208	795,208
Assigned to:			
Redevelopment Activities	325,486		968,124
Capital Projects		4,131,832	27,881,014
Unassigned		(238,070)	654,364
Total Fund Balance	$ 2,210,257	$ 33,758,405	$ 111,947,831

Deficit Fund Balance

The following non-major governmental funds had deficits at June 30, 2011:

Tierra Rejada/Spring Road Special Revenue Fund	(177,006)
Prop 1B Safety and Security	(5,161)

Management expects these deficits to be eliminated through future revenues.

13) COMMITMENTS AND CONTINGENCIES

A) Commitments

The City has contracts with County of Ventura for various services, most notably law enforcement. These service contracts are renegotiated annually and cancelable by the City or the County on May 31 of each year after 30 days notice has been given. These are based on an hourly rate and adjusted throughout the fiscal year.

The estimated amount of construction contract obligations at year-end is $10,576,065.

B) Contingencies

There are certain legal actions pending against the City which management considers incident to normal operations, some of which seek substantial monetary damages. In the opinion of management, after consultation with counsel, the ultimate resolution of such actions is not expected to have a significant effect on the financial position or the results of operations of the City.

The City has received State and Federal funds for specific purposes that are subject to review by the grantor agencies. Although such audits could generate expenditure disallowance under the terms of the grants, it is believed that any disallowed amounts will not be material.

Recent Changes in Legislation Affecting California Redevelopment Agencies

On June 29, 2011, the Governor of the State of California signed Assembly Bills X1 26 and 27 as part of the State's budget package. Assembly Bill X1 26 requires each California redevelopment agency to suspend (effective July 1, 2011) nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. Assembly Bill X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of a Voluntary Alternative Redevelopment Program. Under this program, each local government would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011/12 and annual payments each fiscal year thereafter. Assembly Bill X1 26 indicates that the city, special district or county "may use any available funds not otherwise obligated for other uses" to make this payment. The City and the Agency intend to use available monies of its redevelopment agency for this purpose. The amounts to be paid after fiscal year 2012/13 have yet to be determined by the State legislature.

13) COMMITMENTS AND CONTINGENCIES - Continued

B) Contingencies - Continued

Recent Changes in Legislation Affecting California Redevelopment Agencies - Continued

Assembly Bill X1 26 directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by Assembly Bill X1 26.

In the event that Assembly Bill X1 26 is upheld, the receivable recognized by funds of the City that had previously loaned or advanced funds to the redevelopment agency would become uncollectible with a loss recognized to the City. Additionally, the City would be impacted by the elimination of reimbursements previously paid to the City by the redevelopment agency for shared administrative services.

The League of California Cities and the California Redevelopment Association (CRA) filed a lawsuit on July 18, 2011 on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn Assembly Bills X1 26 and 27 on the grounds that they violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of all of Assembly Bill X1 27 and most of Assembly Bill X1 26. The California Supreme Court stated in its order that "the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012." A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of Assembly Bills X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule ("EOPS") by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule ("ROPS") by September 30, 2011.

Because the stay provided by Assembly Bill X1 26 only affects enforcement, each agency must adopt an Enforceable Obligation Payment Schedule and draft Recognized Obligation Payment Schedule prior to September 30, as required by the statute. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable

13) COMMITMENTS AND CONTINGENCIES - Continued

B) Contingencies - Continued

Recent Changes in Legislation Affecting California Redevelopment Agencies - Continued

payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB X1 26.

On September 7 and 14, 2011, City of Moorpark Ordinance No. 406 and No. 407 were adopted indicating that the City will comply with the Voluntary Alternative Redevelopment Program in order to permit the continued existence and operation of the Agency, in the event Assembly Bills X1 26 and/or 27 are upheld as constitutional. The initial payment by the City is estimated to be $1,606,569 with one half due on January 15, 2012 and the other half due May 15, 2012. Thereafter, an estimated $381,000 will be due annually. The amounts to be paid after fiscal year 2012/13 have yet to be determined by the State Legislature. The semi-annual payments will be due on January 15 and May 15 of each year and would increase or decrease with changes in tax increment. Additionally, an increased amount would be due to schools if any "new debt" is incurred. Assembly Bill X1 27 allows a one-year reprieve on the agency's obligation to contribute 20 percent of tax increment to the low-and-moderate-income housing fund so as to permit the Agency to assemble sufficient funds to make its initial payments. Failure to make these payments would require agencies to be terminated under the provisions of AB X1 26.

As of December 29, 2011, the Supreme Court of California upheld the provisions of Assembly Bill X1 26 and invalidated Assembly Bill X1 27. The ruling provides for the wind-up and dissolution of redevelopment agencies as of February 1, 2012.

14) RESTATEMENT OF FUND BALANCES

Fund balances in the funds below were restated as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The beginning fund balances of Governmental Funds were restated as follows:

	General Fund	Community Development Fund
Fund Balances, as Previously Reported	$ 2,999,999	$ 49,523
Restatements:		
Changes to fund balance resulting from the Implementation of GASB 54	49,523	(49,523)
Fund Balances, as Restated	$ 3,049,522	$ -

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
PROPERTY TAXES				
Current Secured	$ 3,100,000	$ 3,150,000	$ 3,150,851	$ 851
Current Unsecured	35,000	65,000	68,598	3,598
Prior Year Secured / Unsecured	5,000	5,000	2,765	(2,235)
Supplemental Secured / Unsecured	100,000	75,000	36,998	(38,002)
Real Property Transfer Tax	100,000	100,000	136,094	36,094
Homeowners Property Exemption	45,000	45,000	40,282	(4,718)
Parcel Taxes	140,000	140,000	157,082	17,082
Property Taxes ~ VLF	2,825,000	2,900,000	2,899,027	(973)
Total Property Taxes	6,350,000	6,480,000	6,491,697	11,697
SALES TAXES				
Sales and Use Tax	2,250,000	2,450,000	2,577,105	127,105
Sales Tax Compensation	850,000	940,000	940,791	791
Total Sales Taxes	3,100,000	3,390,000	3,517,896	127,896
FRANCHISE FEES				
Franchise Fee - Cable TV	350,000	400,000	404,048	4,048
Franchise Fee - Edison	300,000	300,000	279,817	(20,183)
Franchise Fee - Gas	100,000	100,000	95,151	(4,849)
Franchise Fee - Oil			5,144	5,144
Franchise PEG Fees	30,000	30,000	41,883	11,883
Franchise GI Rubbish	185,000	185,000	199,654	14,654
Franchise Moorpark Rubbish	100,000	100,000	119,272	19,272
Landfill Local Impact Fee	50,000	50,000	53,167	3,167
CIWMP Fees	10,000	10,000	9,641	(359)
Total Franchise Fees	1,125,000	1,175,000	1,207,777	32,777
LICENSES AND PERMITS				
Business Registration	125,000	125,000	144,845	19,845
Filming Permits	7,000	7,000	6,200	(800)
NPDES Business Inspection Fees	2,000	2,000	7,141	5,141
Misc. Business Permits			315	315
Street Vendor Permits	2,000	2,000	1,635	(365)
Home Occupation Permits	9,000	9,000	13,600	4,600
Sign Permits	5,000	5,000	6,725	1,725
Banner Permits	1,000	1,000	1,360	360

Continued

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund - Continued
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
LICENSES AND PERMITS				
Residential Building Permits	302,000	302,000	251,171	(50,829)
Non Residential Building	64,000	64,000	95,109	31,109
Permit Adj Commercial	2,000	2,000	2,290	290
Permit Adj Residential	1,000	1,000		(1,000)
Temporary Use Permit	3,000	3,000	6,320	3,320
Enchroachment Permit	28,600	28,600	34,395	5,795
Rental Inspection Permits	5,000	5,000	480	(4,520)
Administrative Permits	7,000	7,000	15,600	8,600
Total Licenses and Permits	563,600	563,600	587,186	23,586
FINES AND FORFEITURES				
Municipal Code Fines	$ 179,000	$ 204,000	$ 228,931	$ 24,931
Animal Control Fines	2,000	2,000	143	(1,857)
Forfeiture & Penalties	2,000	2,000		(2,000)
Code Enforcement Fines			1,678	1,678
Total Fines & Forfeitures	183,000	208,000	230,752	22,752
USE OF MONEY AND PROPERTY				
Investment Earnings	400,000	225,000	301,335	76,335
Rents and Concessions	125,000	125,000	107,400	(17,600)
Interest / City MRA Advance	175,000	100,000	100,000	-
Total Money & Property	700,000	450,000	508,735	58,735
CHARGES FOR SERVICES				
Other Admin Service Fees	82,000	82,000	122,959	40,959
Administrative Fees				-
Administrative Fees - CFD				-
Park and Facility Use Fee	70,000	70,000	54,934	(15,066)
Contract Class Registration Fees	207,000	207,000	235,822	28,822
League Fees	120,600	120,600	124,730	4,130
Recreation Event Fees	305,000	250,000	268,612	18,612
Advertising in brochure	8,000	8,000	10,250	2,250
Other Community Services Fees	4,000	4,000	4,771	771
Photocopying	1,000	1,000	826	(174)
Sale of Documents	1,000	1,000	2,554	1,554
Special Police Dept Services	30,000	30,000	34,620	4,620
NSF Fees and Misc. Charges	1,000	1,000	1,295	295

Continued

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund - Continued
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
CHARGES FOR SERVICES				
City Admin Engin Contract	17,200	17,200	92,345	75,145
City Admin Attny Contract	3,000	3,000	1,114	(1,886)
Contract Admin Fee	2,000	2,000	23,626	21,626
Zone Clearance	32,000	32,000	36,360	4,360
Imaging Fees	1,000	1,000	300	(700)
Advance Planning Fees	12,000	12,000	17,481	5,481
Other Comm Develop Fees			3,713	3,713
Plan Check Residential	90,000	90,000	107,473	17,473
Plan Check Non Residential	35,000	35,000	45,087	10,087
Planning Time Charges	330,000	330,000	279,221	(50,779)
Public Improv Plan Check	30,000	30,000	141,378	111,378
Public Improv Inspections	10,000	10,000	69,680	59,680
PW/ENG Staff Time Charges	8,000	8,000	12,803	4,803
Real Estate Fees	2,000	2,000	2,626	626
Total Charges for Services	1,401,800	1,346,800	1,694,580	347,780
INTERGOVERNMENTAL				
Motor Vehicle In Lieu	75,000	75,000	170,592	95,592
Other State Funds	20,000	20,000	23,049	3,049
County Grants	10,000	68,431	30,215	(38,216)
Other Federal Revenue / Grants	8,000	8,000	13,353	5,353
Total Intergovernmental	113,000	171,431	237,209	65,778
OTHER REVENUES				
Contributions / Donations	$ 25,000	$ 25,000	$ 17,867	$ (7,133)
Revenues not elsewhere classified	15,000	15,000	1,808	(13,192)
Expense Reimbursements	75,000	75,000	57,880	(17,120)
Restitution / Insurance Proceeds	15,000	115,000	114,529	(471)
Total Other Revenues	130,000	230,000	192,084	(37,916)
Total Revenue	13,666,400	14,014,831	14,667,916	653,085

Continued

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund - Continued
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES				
Current:				
General Government	2,020,069	2,546,850	2,289,299	257,551
Public Safety	6,329,222	6,510,041	6,239,338	270,703
Public Services	2,052,815	3,163,136	2,523,334	639,802
Parks and Recreation	1,807,229	1,349,215	1,062,128	287,087
Capital Outlay	200,404	378,060	259,158	118,902
Debt Service:				
Principal		1,319,064	1,319,064	-
Total Expenditures	12,409,739	15,266,366	13,692,321	1,574,045
Excess (Deficiency) of Revenues over Expenditures	1,256,661	(1,251,535)	975,595	2,227,130
OTHER FINANCING SOURCES (USES)				
Transfers In	1,121,000	2,621,000	1,198,095	(1,422,905)
Transfer Out	(2,355,144)	(2,433,812)	(2,073,328)	360,484
Total Other Financing Sources (Uses)	(1,234,144)	187,188	(875,233)	(1,062,421)
Net Change in Fund Balance	22,517	(1,064,347)	100,362	1,164,709
Fund Balance, Beginning of Year	3,049,522	3,049,522	3,049,522	
Fund Balance, End of Year	$ 3,072,039	$ 1,985,175	$ 3,149,884	$ 1,164,709

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Street and Traffic Safety Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
USE OF MONEY AND PROPERTY				
Investment Earnings	$ 203,000	$ 203,000	$ 254,718	$ 51,718
Total Use of Money and Property	203,000	203,000	254,718	51,718
CHARGES FOR SERVICES				
Other Development Fees	641,000	641,000	266,203	(374,797)
Total Charges for Services	641,000	641,000	266,203	(374,797)
OTHER REVENUE				
Sale of Plans/Specifications	-	-	5,693	5,693
Total Other Revenue	-	-	5,693	5,693
Total Revenues	844,000	844,000	526,614	(317,386)
EXPENDITURES				
Current:				
Public Services	266,561	322,561	245,750	76,811
Capital Outlay	4,857,148	5,274,380	889,299	4,385,081
Total Expenditures	5,123,709	5,596,941	1,135,049	4,461,892
Excess (Deficiency) of Revenues over Expenditures	(4,279,709)	(4,752,941)	(608,435)	4,144,506
OTHER FINANCING SOURCES (USES)				
Transfers Out		-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(4,279,709)	(4,752,941)	(608,435)	4,144,506
Fund Balance, Beginning of Year	19,942,578	19,942,578	19,942,578	
Fund Balance, End of Year	$ 15,662,869	$ 15,189,637	$ 19,334,143	$ 4,144,506

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Assessment District Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
USE OF MONEY AND PROPERTY				
Investment Earnings	$ 69,000	$ 69,000	$ 90,631	$ 21,631
Total Use of Money and Property	69,000	69,000	90,631	21,631
CHARGES FOR SERVICES				
Tennis/Basketball Court Lighting Use	10,100	10,100	7,215	(2,885)
Sale Plans/Specifications			320	320
Administrative Fees			5,224	5,224
	10,100	10,100	12,759	2,659
SPECIAL BENEFIT ASSESSMENTS				
SBA - Street Lighting	244,300	244,300	246,661	2,361
SBA - Landscape Maintenance	1,090,300	1,090,300	1,102,498	12,198
SBA - Storm Drain Maintenenace	9,400	9,400	9,400	-
SBA - Park Maintenance	698,000	698,000	708,500	10,500
Total Special Benefit Assessments	2,042,000	2,042,000	2,067,059	25,059
OTHER REVENUES				
Expense Reimbursements			25,051	25,051
Total Other Revenues	-	-	25,051	25,051
Total Revenues	2,121,100	2,121,100	2,195,500	74,400
EXPENDITURES				
Current:				
Public Safety	406,102	394,115	388,818	5,297
Parks and Recreation	3,920,601	4,085,923	3,007,462	1,078,461
Capital Outlay	454,447	833,760	145,262	688,498
Total Expenditures	4,781,150	5,313,798	3,541,542	1,772,256
Excess (Deficiency) of Revenues over Expenditures	(2,660,050)	(3,192,698)	(1,346,042)	1,846,656

Continued

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Assessment District Special Revenue Fund - Continued
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
OTHER FINANCING SOURCES (USES)				
Transfers In	$ 1,610,288	$ 1,630,624	$ 1,236,497	$ (394,127)
Transfer Out	(57,000)			-
Total Other Financing Sources (Uses)	1,553,288	1,630,624	1,236,497	(394,127)
Net Change in Fund Balance	(1,106,762)	(1,562,074)	(109,545)	1,452,529
Fund Balance, Beginning of Year	6,462,778	6,462,778	6,462,778	
Fund Balance, End of Year	$ 5,356,016	$ 4,900,704	$ 6,353,233	$ 1,452,529

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Endowment Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
USE OF MONEY AND PROPERTY				
Investment Earnings	$ 30,000	$ 30,000	$ 25,226	$ (4,774)
Rents and Concessions	71,000	71,000	72,107	1,107
Total Use of Money and Property	101,000	101,000	97,333	(3,667)
CHARGES FOR SERVICES				
Other Development Fees	436,000	436,000	59,283	(376,717)
Community Service Fees	34,000	34,000	4,578	(29,422)
Administration Fees				-
Total Charges for Services	470,000	470,000	63,861	(406,139)
Total Revenues	571,000	571,000	161,194	(409,806)
EXPENDITURES				
Capital Outlay	508,972	2,520,792	2,050,891	469,901
Total Expenditures	508,972	2,520,792	2,050,891	469,901
Excess (Deficiency) of Revenues over Expenditures	62,028	(1,949,792)	(1,889,697)	60,095
OTHER FINANCING SOURCES (USES)				
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	62,028	(1,949,792)	(1,889,697)	60,095
Fund Balance, Beginning of Year	5,161,912	5,161,912	5,161,912	
Fund Balance, End of Year	$ 5,223,940	$ 3,212,120	$ 3,272,215	$ 60,095

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Park/Public Facilities Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
USE OF MONEY AND PROPERTY				
Investment Earnings	$ 32,000	$ 32,000	$ 26,377	$ (5,623)
Rents and Concessions	15,000	15,000	-	(15,000)
Total Use of Money and Property	47,000	47,000	26,377	(20,623)
CHARGES FOR SERVICES				
Trees/Landscape Fees	1,000	1,000	1,346	346
Library Facilities Fees	86,000	86,000	30,228	(55,772)
Fees in Lieu of Park Land	186,000	186,000	13,668	(172,332)
Other Development Fees	10,000	10,000	10,943	943
Total Charges for Services	283,000	283,000	56,185	(226,815)
OTHER REVENUES				
Sale Plans/Specifications				-
Total Other Revenues	-	-	-	-
Total Revenues	330,000	330,000	82,562	(247,438)
EXPENDITURES				
Public Services	40,000	352,283	330,760	21,523
Parks and Recreation			4,900	(4,900)
Capital Outlay	437,405	1,038,970	486,356	552,614
Total Expenditures	477,405	1,391,253	822,016	569,237
Excess (Deficiency) of Revenues over Expenditures	(147,405)	(1,061,253)	(739,454)	321,799
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(147,405)	(1,061,253)	(739,454)	321,799
Fund Balance, Beginning of Year	1,484,629	1,484,629	1,484,629	
Fund Balance, End of Year	$ 1,337,224	$ 423,376	$ 745,175	$ 321,799

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - MRA Operating Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
PROPERTY TAXES				
Current Secured	$ 3,100,000	$ 3,100,000	$ 2,747,954	$ (352,046)
Current Unsecured	760,000	875,000	872,642	(2,358)
Homeowners Property Exemption	19,000	19,000	30,773	11,773
Total Property Taxes	3,879,000	3,994,000	3,651,369	(342,631)
FINES AND FORFEITURES				
Forfeiture & Penalties			4,490	4,490
Total Fines & Forfeitures	-	-	4,490	4,490
USE OF MONEY AND PROPERTY				
Investment Earnings	43,000	43,000	34,623	(8,377)
Rents and Concessions	50,500	50,500	72,792	22,292
Total Use of Money and Property	93,500	93,500	107,415	13,915
OTHER REVENUES				
Ticket Sales	51,000	86,000	116,808	30,808
Advertising in Brochures	6,000	6,000	1,600	(4,400)
Miscellaneous			2,025	2,025
	57,000	92,000	120,433	28,433
Total Revenues	4,029,500	4,179,500	3,883,707	(295,793)
EXPENDITURES				
Public Services	4,887,745	4,902,837	4,902,293	544
Capital Outlay	864,136	815,659		815,659
Debt Service:				
Interest on Short-term Loan from City			100,000	(100,000)
Total Expenditures	5,751,881	5,718,496	5,002,293	716,203
Excess (Deficiency) of Revenues over Expenditures	(1,722,381)	(1,538,996)	(1,118,586)	420,410

Continued

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - MRA Operating Special Revenue Fund - Continued
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
OTHER FINANCING SOURCES (USES)				
Proceeds from Bonds	$ 5,000,000	$	$	$ -
Transfers In				-
Transfers Out	(11,000)	(11,000)	(58,507)	(47,507)
Total Other Financing Sources (Uses)	4,989,000	(11,000)	(58,507)	(47,507)
Net Change in Fund Balance	3,266,619	(1,549,996)	(1,177,093)	372,903
Fund Balance, Beginning of Year	8,182,387	8,182,387	8,182,387	
Fund Balance, End of Year	$ 11,449,006	$ 6,632,391	$ 7,005,294	$ 372,903

Budgetary Accounting

The City adopts an annual budget on a basis consistent with GAAP for all governmental funds. The City Manager is required to prepare and submit to the City Council the annual budget of the City and administer it thereafter. All annual appropriations lapse at fiscal year-end. Throughout the year, the City Council made several supplementing budgetary adjustments to various funds. These adjustments resulted in a net appropriation increase of $28,662,947. This increase resulted primarily from additional appropriations to various construction in progress projects, acquisition of property, prepayments of certain liabilities and rebudgeted projects and amounts carried over from Fiscal Year 2009/10 as continuing appropriations.

SUPPLEMENTARY INFORMATION

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City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Police Facilities Fee Capital Projects Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
MAINTENANCE ASSESSMENTS				
Police Facilities Fees	$ 101,000	$ 101,000	$ 45,933	$ (55,067)
Total Maintenance Assessments	101,000	101,000	45,933	(55,067)
Total Revenues	101,000	101,000	45,933	(55,067)
EXPENDITURES				
Public Safety				-
Capital Outlay				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	101,000	101,000	45,933	(55,067)
Fund Balance, Beginning of Year	(1,932,523)	(1,932,523)	(1,932,523)	
Fund Balance, End of Year	$ (1,831,523)	$ (1,831,523)	$ (1,886,590)	$ (55,067)

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Redevelopment Agency Capital Projects Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
USE OF MONEY AND PROPERTY				
Investment Earnings	$ 70,000	$ 70,000	$ 50,219	$ (19,781)
Total Use of Money and Property	70,000	70,000	50,219	(19,781)
OTHER REVENUES				
Revenues Not Elsewhere Classified				-
Sale Plans/Specifications				-
Total Other Revenues	-	-	-	-
Total Revenues	70,000	70,000	50,219	(19,781)
EXPENDITURES				
Current:				
Public Services				-
Capital Outlay	9,647,601	12,499,718	2,568,065	9,931,653
Total Expenditures	9,647,601	12,499,718	2,568,065	9,931,653
Excess (Deficiency) of Revenues over Expenditures	(9,577,601)	(12,429,718)	(2,517,846)	9,911,872
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(9,577,601)	(12,429,718)	(2,517,846)	9,911,872
Fund Balance, Beginning of Year	15,774,479	15,774,479	15,774,479	
Fund Balances, End of Year	$ 6,196,878	$ 3,344,761	$ 13,256,633	$ 9,911,872

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Redevelopment Agency Debt Service Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
PROPERTY TAXES				
Tax Increment Secured	$ 1,754,735	$ 1,754,735	$ 1,753,399	$ (1,336)
Tax Increment Unsecured				-
Total Property Taxes	1,754,735	1,754,735	1,753,399	(1,336)
USE OF MONEY AND PROPERTY				
Investment Earnings	40,000	40,000	32,668	(7,332)
Total Use of Money and Property	40,000	40,000	32,668	(7,332)
Total Revenues	1,794,735	1,794,735	1,786,067	(8,668)
EXPENDITURES				
Current:				
Public Services				-
Debt Service				
Principal	40,000	555,000	555,000	-
Interest	507,437	1,350,874	1,350,874	-
Total Expenditures	547,437	1,905,874	1,905,874	-
Excess (Deficiency) of Revenues over Expenditures	1,247,298	(111,139)	(119,807)	(8,668)
OTHER FINANCING SOURCES (USES)				
Transfers In	151,139	151,139	151,139	-
Tranfers Out				-
Total Other Financing Sources (Uses)	151,139	151,139	151,139	-
Net Change in Fund Balance	1,398,437	40,000	31,332	(8,668)
Fund Balance, Beginning of Year	2,178,925	2,178,925	2,178,925	
Fund Balance, End of Year	$ 3,577,362	$ 2,218,925	$ 2,210,257	$ (8,668)

City of Moorpark
Non-Major Governmental Funds
June 30, 2011

SPECIAL REVENUE FUNDS

Library Services Fund – is used to account for the financial resources for the operation of the City's public library system. Sources of revenue are a percentage of property taxes, library fines, federal and state grant funds, gifts, donations and fees for services.

Traffic Safety Fund - is used to account for revenues collected from traffic fines and forfeitures, which are used for crossing guards and parking enforcement.

Affordable Housing Fund (City) - is used to account for grants used for development of affordable housing units. Sources of revenue are development fees and rental income.

Los Angeles Area of Contribution (A.O.C) Fund - is used to account for the financial resources for capital projects related to streets and other improvements within the Los Angeles project area. Sources of revenue are development fees.

Tierra Rejeda/Spring Road A.O.C Fund - is used to account for the financial resources for capital projects related to streets and other improvements within the Tierra Rejeda & Spring Road project area. Sources of revenue are development fees.

Casey/Gabbert Road A.O.C Fund - is used to account for the financial resources for capital projects related to streets and other improvements within the Casey & Gabbert project area. Sources of revenue are development fees.

Freemont Storm Drain A.O.C Fund - is used to account for the financial resources for capital projects related to streets and other improvements within the Freemont Storm Drain project area. Sources of revenue are development fees.

State and Federal Assistance Fund - is used to account for Federal and State grants used for the construction of street and related improvements and help fund law enforcement. Sources of funds are federal and state grants.

State Gas Tax Fund - is used to account for fees used for street maintenance, right-of-way acquisition and street construction. Source of revenue is gas tax money collected by the State of California.

Proposition 1B Local Streets and Roads Fund – is used to account for funds received from the State of California for specific transportation programs. Source of revenue is Prop 1B bond proceeds distributed by the State of California.

SPECIAL REVENUE FUNDS - Continued

Art in Public Places Fund – is used to account for fees used for public facilities improvements, most recently the Veterans' Memorial. Source of revenue is development fees.

Proposition 1B Safety and Security Fund – is used to account for the financial resources of the Prop 1B bonds used for the seismic safety of bridges and public transit. Source of revenue is the State of California selling Prop 1B bonds.

Low and Moderate Income Housing Fund (MRA) - is used to account for the receipt of 20 percent of the gross tax increment allocation, which is restricted for use on projects that increase or preserve the supply of low and moderate income housing in accordance with Health and Safety Code Section 33334.

Local Transportation Transit Fund - is used to account for fees spent on local transportation operations, maintenance and related programs. Sources of revenue include Ventura County 8C funding, the Federal Transportation Administration grant funding and bus fares.

Solid Waste Fund - is used to account for fees used on programs that promote resource conservation, recycling, composting, and proper disposal of hazardous household waste. Sources of revenue are AB939 fees from rubbish operators, compost bin sales, the California Beverage Container grant, and the Used Oil Recycling grant.

CAPITAL PROJECTS FUNDS

Capital Projects Fund – is used to account for financial resources used for major capital projects of the general government operations. Sources of revenue are the Ventura Community College District tax increment pass through fees and interest.

City Hall Building Fund - is used to account for the funds used to build the new Civic Center Complex. Original source of revenue was transfer from the Endowment Fund, current revenue source is interest earnings.

Equipment Replacement Fund - is used to account for the funds used to replace city equipment and vehicles. Sources of revenue are interest earnings and transfers from the General Fund.

City of Moorpark
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2011

	Special Revenue			
	Library Services	Traffic Safety	Affordable Housing	Los Angeles Area of Contribution
ASSETS				
Cash and Investments	$ 853,811	$ 654,059	$ 3,887,527	$ 11,563,020
Receivables:				
Accounts	29	29,730	41	
Interest				178,368
Notes			387,110	250,249
Due From Other Funds				177,006
Property Held for Resale/Development				
Total Assets	$ 853,840	$ 683,789	$ 4,274,678	$ 12,168,643
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	$ 58,632	$ 2,832	$ 3,500	$ 6,045
Due to Other Funds				
Deferred Revenue			387,110	428,617
Total Liabilities	58,632	2,832	390,610	434,662
Fund Balances:				
Restricted		680,957	3,884,068	11,733,981
Committed	795,208			
Assigned				
Unassigned				
Total Fund Balances	795,208	680,957	3,884,068	11,733,981
Total Liabilities and Fund Balances	$ 853,840	$ 683,789	$ 4,274,678	$ 12,168,643

Special Revenue						
Tierra Rejada/ Spring Road A.O.C	Casey/Gabbert A.O.C	Freemont Storm Drain A.O.C	State and Federal Assistance	State Gas Tax	Prop 1B Local Streets and Roads	Art in Public Places
$	$ 85,264	$ 15,280	$ 647,440	$ 397,426	$ 578,008	$ 1,654,795
			102,391	120,275		
$ -	$ 85,264	$ 15,280	$ 749,831	$ 517,701	$ 578,008	$ 1,654,795
$	$	$	$ 8,333	$ 25,862	$	$
177,006			91,937			
			149,245			
177,006	-	-	249,515	25,862	-	-
	85,264	15,280	500,316	491,839	578,008	1,654,795
(177,006)						
(177,006)	85,264	15,280	500,316	491,839	578,008	1,654,795
$ -	$ 85,264	$ 15,280	$ 749,831	$ 517,701	$ 578,008	$ 1,654,795

Continued

City of Moorpark
Combining Balance Sheet
Non-Major Governmental Funds - Continued
June 30, 2011

	Special Revenue			
	Prop 1B Safety and Security	Low and Moderate Income Housing	Local Transportation Transit	Solid Waste
ASSETS				
Cash and Investments	$ 10,789	$ 571,498	$ 15,080	$ 968,154
Receivables:				
Accounts		7,253	171,257	32,495
Interest		546		
Notes		616,384		
Due From Other Funds				
Property Held for Resale/Development		8,302,304		
Total Assets	$ 10,789	$ 9,497,985	$ 186,337	$ 1,000,649
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabiliies	$ 15,950	$ 20,309	$ 31,982	$ 12,381
Due to Other Funds		614,891		
Deferred Revenue		616,384		
Total Liabilities	15,950	1,251,584	31,982	12,381
Fund Balances:				
Restricted		8,302,304	154,355	988,268
Committed				
Assigned				
Unassigned	(5,161)	(55,903)		
Total Fund Balances	(5,161)	8,246,401	154,355	988,268
Total Liabilities and Fund Balances	$ 10,789	$ 9,497,985	$ 186,337	$ 1,000,649

Capital Projects			Total Nonmajor Governmental Funds
Capital Projects	City Hall Building	Equipment Replacement	
$ 218,667	$ 3,741,116	$ 358,017	$ 26,219,951
			463,471
			178,914
			1,253,743
			177,006
			8,302,304
$ 218,667	$ 3,741,116	$ 358,017	$ 36,595,389
$ 144,649	$ 41,319	$	$ 371,794
			883,834
			1,581,356
144,649	41,319	-	2,836,984
			29,069,435
			795,208
74,018	3,699,797	358,017	4,131,832
			(238,070)
74,018	3,699,797	358,017	33,758,405
$ 218,667	$ 3,741,116	$ 358,017	$ 36,595,389

City of Moorpark
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
Year Ended June 30, 2010

	Special Revenue			
	Library Services	Traffic Safety	Affordable Housing	Los Angeles Area of Contribution
REVENUES				
Taxes	$ 795,586	$	$	$
Fines and Forteitures	19,456	186,845		
Use of Money and Property	7,388	8,282	46,466	152,265
Charges for Services	8,160		59,979	264,995
Intergovernmental	12,853			
Other Revenue			51,867	250
Total Revenues	843,443	195,127	158,312	417,510
EXPENDITURES				
Current:				
Public Safety		111,199		
Public Services	874,481		198,050	
Parks and Recreation				
Capital Outlay		15,079		311,722
Debt Service:				
Interest				
Total Expenditures	874,481	126,278	198,050	311,722
Excess (Deficiency) of Revenues Over Expenditures	(31,038)	68,849	(39,738)	105,788
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(31,038)	68,849	(39,738)	105,788
Fund Balances, Beginning of Year	826,246	612,108	3,923,806	11,628,193
Fund Balances, End of Year	$ 795,208	$ 680,957	$ 3,884,068	$ 11,733,981

Special Revenue						
Tierra Rejada/ Spring Road A.O.C	Casey/Gabbert A.O.C	Freemont Storm Drain A.O.C	State and Federal Assistance	State Gas Tax	Prop 1B Local Streets and Roads	Art in Public Places
$	$	$	$	$	$	$
	1,114	200	8,465	2,624	7,824	21,285
						84,028
			1,572,446	975,527		
			73,889	6,781		345
-	1,114	200	1,654,800	984,932	7,824	105,658
			100,000			
				813,024		
9,142			1,655,935		28,860	
9,142	-	-	1,755,935	813,024	28,860	-
(9,142)	1,114	200	(101,135)	171,908	(21,036)	105,658
-	-	-	-	-	-	-
(9,142)	1,114	200	(101,135)	171,908	(21,036)	105,658
(167,864)	84,150	15,080	601,451	319,931	599,044	1,549,137
$ (177,006)	$ 85,264	$ 15,280	$ 500,316	$ 491,839	$ 578,008	$ 1,654,795

Continued

City of Moorpark
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds - Continued
Year Ended June 30, 2010

	Special Revenue			
	Prop 1B Safety and Security	Low and Moderate Income Housing	Local Transportation Transit	Solid Waste
REVENUES				
Taxes	$	$ 1,351,192	$	$ 273,984
Fines and Forteitures				
Use of Money and Property	1,032	36,936	58	12,888
Charges for Services			65,321	2,366
Intergovernmental			1,958,537	29,663
Other Revenue		356,409	50	
Total Revenues	1,032	1,744,537	2,023,966	318,901
EXPENDITURES				
Current:				
Public Safety				
Public Services		2,259,483	404,242	324,715
Parks and Recreation				
Capital Outlay	109,706		1,472,237	
Debt Service:				
Interest		20,642		
Total Expenditures	109,706	2,280,125	1,876,479	324,715
Excess (Deficiency) of Revenues Over Expenditures	(108,674)	(535,588)	147,487	(5,814)
OTHER FINANCING SOURCES (USES)				
Transfers In		1,176,500		
Transfers Out		(151,139)		
Total Other Financing Sources (Uses)	-	1,025,361	-	-
Net Change in Fund Balances	(108,674)	489,773	147,487	(5,814)
Fund Balances, Beginning of Year	103,513	7,756,628	6,868	994,082
Fund Balances, End of Year	$ (5,161)	$ 8,246,401	$ 154,355	$ 988,268

Capital Projects			Total Nonmajor Governmental Funds
Capital Projects	City Hall Building	Equipment Replacement	
$	$	$	$ 2,420,762
			206,301
2,613	48,965	5,435	363,840
			484,849
			4,549,026
230			489,821
2,843	48,965	5,435	8,514,599
			211,199
			4,873,995
			-
212,513	51,487	90,258	3,956,939
			20,642
212,513	51,487	90,258	9,062,775
(209,670)	(2,522)	(84,823)	(548,176)
58,507			1,235,007
			(151,139)
58,507	-	-	1,083,868
(151,163)	(2,522)	(84,823)	535,692
225,181	3,702,319	442,840	33,222,713
$ 74,018	$ 3,699,797	$ 358,017	$ 33,758,405

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Library Services Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 775,000	$ 775,000	$ 795,586	$ 20,586
Fines and Forfeitures	17,000	17,000	19,456	2,456
Use of Money and Property	6,000	6,000	7,388	1,388
Charges for Services	10,000	10,000	8,160	(1,840)
Intergovernmental	13,000	13,000	12,853	(147)
Total Revenues	821,000	821,000	843,443	22,443
EXPENDITURES				
Current:				
Public Services	863,429	893,383	874,481	18,902
Total Expenditures	863,429	893,383	874,481	18,902
Excess (Deficiency) of Revenues over Expenditures	(42,429)	(72,383)	(31,038)	41,345
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(42,429)	(72,383)	(31,038)	41,345
Fund Balance, Beginning of Year	826,246	826,246	826,246	
Fund Balance, End of Year	$ 783,817	$ 753,863	$ 795,208	$ 41,345

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Traffic Safety Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Fines and Forfeitures	$ 175,000	$ 175,000	$ 186,845	$ 11,845
Use of Money and Property	5,000	5,000	8,282	3,282
Total Revenues	180,000	180,000	195,127	15,127
EXPENDITURES				
Current:				
Public Safety	113,428	122,428	111,199	11,229
Capital Outlay		15,750	15,079	671
Total Expenditures	113,428	138,178	126,278	11,900
Excess (Deficiency) of Revenues over Expenditures	66,572	41,822	68,849	27,027
OTHER FINANCING SOURCES (USES)				
Transfer In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	66,572	41,822	68,849	27,027
Fund Balance, Beginning of Year	612,108	612,108	612,108	
Fund Balance, End of Year	$ 678,680	$ 653,930	$ 680,957	$ 27,027

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Affordable Housing Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 39,000	$ 39,000	$ 46,466	$ 7,466
Charges for Services	287,000	287,000	59,979	(227,021)
Other Revenue	1,000	31,000	51,867	20,867
Total Revenues	327,000	357,000	158,312	(198,688)
EXPENDITURES				
Current:				
Public Services	86,533	86,533	198,050	(111,517)
Total Expenditures	86,533	86,533	198,050	(111,517)
Excess (Deficiency) of Revenues over Expenditures	240,467	270,467	(39,738)	(310,205)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(18,000)	(18,000)		18,000
Total Other Financing Sources (Uses)	(18,000)	(18,000)	-	18,000
Net Change in Fund Balance	222,467	252,467	(39,738)	(292,205)
Fund Balance, Beginning of Year	3,923,806	3,923,806	3,923,806	
Fund Balance, End of Year	$ 4,146,273	$ 4,176,273	$ 3,884,068	$ (292,205)

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Los Angeles Area of Contribution Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 120,000	$ 120,000	$ 152,265	$ 32,265
Charges for Services	272,000	272,000	264,995	(7,005)
Expense Reimbursement			250	250
Total Revenues	392,000	392,000	417,510	25,510
EXPENDITURES				
Capital Outlay	6,709,229	7,913,791	311,722	7,602,069
Total Expenditures	6,709,229	7,913,791	311,722	7,602,069
Excess (Deficiency) of Revenues over Expenditures	(6,317,229)	(7,521,791)	105,788	7,627,579
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(6,317,229)	(7,521,791)	105,788	7,627,579
Fund Balance, Beginning of Year	11,628,193	11,628,193	11,628,193	
Fund Balance, End of Year	$ 5,310,964	$ 4,106,402	$ 11,733,981	$ 7,627,579

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Tierra Rejada/Spring Road A.O.C Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$	$	$	$ -
Charges for Services				-
Other Revenue				-
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay		26,564	9,142	17,422
Total Expenditures	-	26,564	9,142	17,422
Excess (Deficiency) of Revenues over Expenditures	-	(26,564)	(9,142)	17,422
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	(26,564)	(9,142)	17,422
Fund Balance, Beginning of Year	(167,864)	(167,864)	(167,864)	
Fund Balance, End of Year	$ (167,864)	$ (194,428)	$ (177,006)	$ 17,422

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Cassey/Gabbert Area of Contribution Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 1,000	$ 1,000	$ 1,114	$ 114
Charges for Services				-
Total Revenues	1,000	1,000	1,114	114
EXPENDITURES				
Capital Outlay				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	1,000	1,000	1,114	114
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	1,000	1,000	1,114	114
Fund Balance, Beginning of Year	84,150	84,150	84,150	
Fund Balance, End of Year	$ 85,150	$ 85,150	$ 85,264	$ 114

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Freemont Storm Drain A.O.C Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ -	$ -	$ 200	$ 200
Total Revenues	-	-	200	200
EXPENDITURES				
Capital Outlay				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	200	200
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out		-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	200	200
Fund Balance, Beginning of Year	15,080	15,080	15,080	
Fund Balance, End of Year	$ 15,080	$ 15,080	$ 15,280	$ 200

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State and Federal Assistance Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 12,000	$ 12,000	$ 8,465	$ (3,535)
Intergovernmental	2,898,865	4,246,315	1,572,446	(2,673,869)
Other Revenue			73,889	73,889
Total Revenues	2,910,865	4,258,315	1,654,800	(2,603,515)
EXPENDITURES				
Current:				
Public Safety	100,000	100,000	100,000	-
Public Services	12,000	86,800		86,800
Capital Outlay	2,982,129	4,145,190	1,655,935	2,489,255
Total Expenditures	3,094,129	4,331,990	1,755,935	2,576,055
Excess (Deficiency) of Revenues over Expenditures	(183,264)	(73,675)	(101,135)	(27,460)
OTHER FINANCING SOURCES (USES)				
Transfers In		-	-	-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(183,264)	(73,675)	(101,135)	(27,460)
Fund Balance, Beginning of Year	601,451	601,451	601,451	
Fund Balance, End of Year	$ 418,187	$ 527,776	$ 500,316	$ (27,460)

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State Gas Tax Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 1,000	$ 1,000	$ 2,624	$ 1,624
Intergovernmental	596,000	716,000	975,527	259,527
Other Revenue			6,781	6,781
Total Revenues	597,000	717,000	984,932	267,932
EXPENDITURES				
Current:				
Public Services	923,459	865,127	813,024	52,103
Capital Outlay	50,000	50,000		50,000
Total Expenditures	973,459	915,127	813,024	102,103
Excess (Deficiency) of Revenues over Expenditures	(376,459)	(198,127)	171,908	370,035
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(376,459)	(198,127)	171,908	370,035
Fund Balance, Beginning of Year	319,931	319,931	319,931	
Fund Balance, End of Year	$ (56,528)	$ 121,804	$ 491,839	$ 370,035

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Prop 1B Local Streets and Roads Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 12,000	$ 12,000	$ 7,824	$ (4,176)
Other Revenue				-
Total Revenues	12,000	12,000	7,824	(4,176)
EXPENDITURES				
Capital Outlay	537,000	567,922	28,860	539,062
Total Expenditures	537,000	567,922	28,860	539,062
Excess (Deficiency) of Revenues over Expenditures	(525,000)	(555,922)	(21,036)	534,886
Fund Balance, Beginning of Year	599,044	599,044	599,044	
Fund Balance, End of Year	$ 74,044	$ 43,122	$ 578,008	$ 534,886

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Art in Public Places Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 15,000	$ 15,000	$ 21,285	$ 6,285
Intergovernmental	249,000	249,000	84,028	(164,972)
Other Revenue			345	345
Total Revenues	264,000	264,000	105,658	(158,342)
EXPENDITURES				
Capital Outlay	8,000	8,000	-	8,000
Total Expenditures	8,000	8,000	-	8,000
Excess (Deficiency) of Revenues over Expenditures	256,000	256,000	105,658	(150,342)
Fund Balance, Beginning of Year	1,549,137	1,549,137	1,549,137	
Fund Balance, End of Year	$ 1,805,137	$ 1,805,137	$ 1,654,795	$ (150,342)

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Prop 1B Safety and Security Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 1,000	$ 1,000	$ 1,032	$ 32
Intergovernmental				-
Total Revenues	1,000	1,000	1,032	32
EXPENDITURES				
Capital Outlay		100,000	109,706	(9,706)
Total Expenditures	-	100,000	109,706	(9,706)
Excess (Deficiency) of Revenues over Expenditures	1,000	(99,000)	(108,674)	(9,674)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	1,000	(99,000)	(108,674)	(9,674)
Fund Balance, Beginning of Year	103,513	103,513	103,513	
Fund Balance, End of Year	$ 104,513	$ 4,513	$ (5,161)	$ (9,674)

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Low and Moderate Income Housing Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 1,407,000	$ 1,447,000	$ 1,351,192	$ (95,808)
Use of Money and Property	31,000	31,000	36,936	5,936
Other Revenues		356,000	356,409	409
Total Revenues	1,438,000	1,834,000	1,744,537	(89,463)
EXPENDITURES				
Current:				
Public Services	345,833	1,126,603	2,259,483	(1,132,880)
Capital Outlay	45,383			-
Debt Service:				
Principal	16,000	16,000		16,000
Interest	20,000	20,000	20,642	(642)
Total Expenditures	427,216	1,162,603	2,280,125	(1,117,522)
Excess (Deficiency) of Revenues over Expenditures	1,010,784	671,397	(535,588)	(1,206,985)
OTHER FINANCING SOURCES (USES)				
Transfers In			1,176,500	1,176,500
Transfers Out	(151,139)	(151,139)	(151,139)	-
Total Other Financing Sources (Uses)	(151,139)	(151,139)	1,025,361	1,176,500
Net Change in Fund Balance	859,645	520,258	489,773	(30,485)
Fund Balance, Beginning of Year	7,756,628	7,756,628	7,756,628	
Fund Balance, End of Year	$ 8,616,273	$ 8,276,886	$ 8,246,401	$ (30,485)

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Local Transportation Transit Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 4,000	$ 4,000	$ 58	$ (3,942)
Charges for Services	65,000	65,000	65,321	321
Intergovernmental	2,039,000	2,054,000	1,958,537	(95,463)
Other Revenue			50	50
Total Revenues	2,108,000	2,123,000	2,023,966	(99,034)
EXPENDITURES				
Current:				
Public Services	719,003	739,303	404,242	335,061
Capital Outlay	1,460,000	1,620,227	1,472,237	147,990
Total Expenditures	2,179,003	2,359,530	1,876,479	483,051
Excess (Deficiency) of Revenues over Expenditures	(71,003)	(236,530)	147,487	384,017
OTHER FINANCING SOURCES (USES)				
Transfers In				-
Transfers Out	(5,300)			-
Total Other Financing Sources (Uses)	(5,300)	-	-	-
Net Change in Fund Balance	(76,303)	(236,530)	147,487	384,017
Fund Balance, Beginning of Year	6,868	6,868	6,868	
Fund Balance, End of Year	$ (69,435)	$ (229,662)	$ 154,355	$ 384,017

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Solid Waste Special Revenue Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 280,000	$ 280,000	$ 273,984	$ (6,016)
Use of Money and Property	10,000	10,000	12,888	2,888
Charges for Services	3,000	3,000	2,366	(634)
Intergovernmental	9,000	9,000	29,663	20,663
Other Revenue				-
Total Revenues	302,000	302,000	318,901	16,901
EXPENDITURES				
Current:				
Public Services	375,395	375,395	324,715	50,680
Capital Outlay				-
Total Expenditures	375,395	375,395	324,715	50,680
Excess (Deficiency) of Revenues over Expenditures	(73,395)	(73,395)	(5,814)	67,581
Fund Balance, Beginning of Year	994,082	994,082	994,082	
Fund Balance, End of Year	$ 920,687	$ 920,687	$ 988,268	$ 67,581

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 1,000	$ 1,000	$ 2,613	$ 1,613
Other Revenue			230	230
Total Revenues	1,000	1,000	2,843	1,843
EXPENDITURES				
Capital Outlay	202,780	231,280	212,513	18,767
Total Expenditures	202,780	231,280	212,513	18,767
Excess (Deficiency) of Revenues over Expenditures	(201,780)	(230,280)	(209,670)	20,610
OTHER FINANCING SOURCES (USES)				
Transfer In	60,000	60,000	58,507	(1,493)
Transfer Out				-
Total Other Financing Sources (Uses)	60,000	60,000	58,507	(1,493)
Net Change in Fund Balance	(141,780)	(170,280)	(151,163)	19,117
Fund Balance, Beginning of Year	225,181	225,181	225,181	
Fund Balance, End of Year	$ 83,401	$ 54,901	$ 74,018	$ 19,117

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - City Hall Building Capital Projects Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 38,000	$ 38,000	$ 48,965	$ 10,965
Total Revenues	38,000	38,000	48,965	10,965
EXPENDITURES				
Capital Outlay	3,548,795	3,652,791	51,487	3,601,304
Total Expenditures	3,548,795	3,652,791	51,487	3,601,304
Excess (Deficiency) of Revenues over Expenditures	(3,510,795)	(3,614,791)	(2,522)	3,612,269
OTHER FINANCING SOURCES (USES)				
Transfer Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(3,510,795)	(3,614,791)	(2,522)	3,612,269
Fund Balance, Beginning of Year	3,702,319	3,702,319	3,702,319	
Fund Balance, End of Year	$ 191,524	$ 87,528	$ 3,699,797	$ 3,612,269

City of Moorpark
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Equipment Replacement Capital Projects Fund
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Use of Money and Property	$ 5,000	$ 5,000	$ 5,435	$ 435
Total Revenues	5,000	5,000	5,435	435
EXPENDITURES				
Capital Outlay	94,500	104,500	90,258	14,242
Total Expenditures	94,500	104,500	90,258	14,242
Excess (Deficiency) of Revenues over Expenditures	(89,500)	(99,500)	(84,823)	14,677
OTHER FINANCING SOURCES (USES)				
Transfer In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(89,500)	(99,500)	(84,823)	14,677
Fund Balance, Beginning of Year	442,840	442,840	442,840	
Fund Balance, End of Year	$ 353,340	$ 343,340	$ 358,017	$ 14,677

City of Moorpark
Statement of Changes in Net Assets
Agency Funds
Year Ended June 30, 2011

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
ASSETS				
Cash and Investments	$ 3,429,286	$ 254,794	$	$ 3,684,080
Restricted Cash and Investments	7,307,054		(503,174)	6,803,880
Accounts Receivable	23,307	93,084		116,391
Total Assets	$ 10,759,647	$ 347,878	$ (503,174)	$ 10,604,351
LIABILITIES				
Accounts Payable	$ 100,902	$ 56,775	$	$ 157,677
Developer Deposits	3,330,023	198,113		3,528,136
Due to Bondholders	7,328,722		(410,184)	6,918,538
Total Liabilities	$ 10,759,647	$ 254,888	$ (410,184)	$ 10,604,351

STATISTICAL SECTION

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CITY OF MOORPARK

Net Assets by Component

Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	$ 85,969,804	$ 93,941,392	$ 99,760,671	$ 108,190,324
Restricted	39,344,368	41,506,906	46,405,391	57,986,366
Unrestricted	33,792,567	31,861,714	26,413,978	26,965,428
Total governmental activities net assets	$ 159,106,739	$ 167,310,012	$ 172,580,040	$ 193,142,118

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).
The City of Moorpark does not have any business-type activities.

CITY OF MOORPARK

Net Assets by Component

Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities:					
Invested in capital assets, net of related debt	$ 125,900,770	$ 130,071,108	$ 130,581,499	$ 141,095,551	$ 145,841,042
Restricted	100,649,409	101,613,368	94,878,693	91,504,803	72,652,252
Unrestricted	6,458,224	3,641,173	14,213,503	15,828,208	13,405,316
Total governmental activities net assets	$ 233,008,403	$ 235,325,649	$ 239,673,695	$ 248,428,562	$ 231,898,610

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).
The City of Moorpark does not have any business-type activities.

CITY OF MOORPARK

Changes in Net Assets

Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses:				
General government	$ 2,116,644	$ 2,351,860	$ 3,030,395	$ 3,044,381
Public safety	4,142,268	4,902,148	5,709,323	6,230,057
Public services	7,150,513	10,957,272	9,844,050	13,106,843
Parks and recreation	2,276,066	2,600,523	2,304,852	2,771,270
Interest on long-term debt	1,040,854	1,097,421	978,843	1,333,370
Total governmental activities expenditures	16,726,345	21,909,224	21,867,463	26,485,921
Program revenues:				
Charges for services:				
General government	509,401	1,407,130	2,010,540	2,201,590
Public safety	708,392	369,795	344,019	340,341
Public services	2,166,168	4,181,363	2,776,976	4,163,781
Parks and recreation	322,772	536,238	501,283	536,166
Total charges for services	3,706,733	6,494,526	5,632,818	7,241,878
Operating contributions and grants	5,440,099	4,077,849	2,313,834	3,237,143
Capital contributions and grants	4,131,439	4,731,311	4,633,166	18,027,831
Total governmental activities program revenues	13,278,271	15,303,686	12,579,818	28,506,852
Net program revenues (expenditures)	(3,448,074)	(6,605,538)	(9,287,645)	2,020,931
General revenues and other changes in net assets:				
Taxes:				
Property tax	2,413,964	2,658,230	2,655,093	2,929,842
Property tax, Redevelopment Agency	3,577,050	4,116,542	3,901,779	5,530,198
Franchise tax	1,067,669	919,290	955,829	1,080,893
Sales tax	1,664,626	2,176,893	2,046,368	2,260,786
Sales tax in lieu	-	-	537,485	608,298
Motor vehicle in lieu	2,161,324	1,570,551	2,836,154	2,734,470
Investment income	2,027,190	1,363,344	1,725,579	3,261,384
Other	21,479	177,380	1,160,805	135,276
Gain on sale of property	-	-	48,339	-
Special item (1)	-	(900,000)	-	-
County settlement	-	-	-	-
Total governmental activities	12,933,302	12,082,230	15,867,431	18,541,147
Changes in net assets - governmental activities	$ 9,485,228	$ 5,476,692	$ 6,579,786	$ 20,562,078

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).

(1) Mission Bell note

CITY OF MOORPARK

Changes in Net Assets

Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses:					
General government	$ 1,639,628	$ 1,949,206	$ 2,041,596	$ 1,603,279	$ 3,201,184
Public safety	6,317,283	6,882,072	7,035,384	7,016,015	7,070,049
Public services	21,231,766	20,580,204	18,170,325	13,589,878	31,775,462
Parks and recreation	4,293,823	4,551,045	4,470,524	4,934,002	4,658,717
Interest on long-term debt	1,332,541	1,773,841	1,616,843	1,504,502	1,492,604
Total governmental activities expenditures	34,815,041	35,736,368	33,334,672	28,647,676	48,198,016
Program revenues:					
Charges for services:					
General government	191,674	283,576	232,926	258,431	293,008
Public safety	598,500	633,131	538,636	477,305	492,847
Public services	6,612,769	5,743,200	3,172,708	2,769,641	2,473,770
Parks and recreation	604,904	756,885	644,979	643,593	697,787
Total charges for services	8,007,847	7,416,792	4,589,249	4,148,970	3,957,412
Operating contributions and grants	4,489,945	7,113,883	6,172,315	4,128,842	5,999,168
Capital contributions and grants	38,337,638	5,481,972	3,326,778	1,970,931	1,703,076
Total governmental activities program revenues	50,835,430	20,012,647	14,088,342	10,248,743	11,659,656
Net program revenues (expenditures)	16,020,389	(15,723,721)	(19,246,330)	(18,398,933)	(36,538,360)
General revenues and other changes in net assets:					
Taxes:					
Property tax	3,334,491	4,505,980	7,802,643	7,449,063	7,287,282
Property tax, Redevelopment Agency	6,347,692	6,887,079	7,054,432	6,864,777	6,755,960
Franchise tax	1,126,951	1,150,180	1,171,556	1,171,825	1,207,778
Sales tax	2,192,327	2,306,281	2,329,522	2,382,010	2,577,105
Sales tax in lieu	704,562	779,263	849,227	588,635	940,791
Motor vehicle in lieu	2,860,207	3,038,440	125,307	109,136	170,592
Investment income	6,556,186	2,491,856	2,875,649	853,074	856,413
Other	58,841	139,728	386,040	283,372	212,487
Gain on sale of property	276,797	-	-	-	-
Special item (1)	-	-	-	-	-
County settlement	-	-	1,000,000	-	-
Total governmental activities	23,458,054	21,298,807	23,594,376	19,701,892	20,008,408
Changes in net assets - governmental activities	$ 39,478,443	$ 5,575,086	$ 4,348,046	$ 1,302,959	$ (16,529,952)

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).

(1) Mission Bell note

CITY OF MOORPARK

Fund Balances of Governmental Funds

Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
General fund:				
Reserved	$ -	$ -	$ 5,772,444	$ 2,943,353
Unreserved	13,456,231	14,756,222	12,527,255	18,301,058
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	$ 13,456,231	$ 14,756,222	$ 18,299,699	$ 21,244,411
All other governmental funds:				
Reserved	$ 4,378,065	$ 4,099,849	$ 13,889,036	$ 14,124,235
Unreserved, reported in:				
Special revenue funds	32,857,500	29,994,471	26,977,320	36,903,391
Capital projects funds	9,625,965	8,950,250	3,361,134	1,293,998
Debt Service funds	(97,935)	(891,297)	(346,716)	(321,425)
Non-major funds	7,146,987	10,651,331	8,272,652	9,724,941
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	$ 53,910,582	$ 52,804,604	$ 52,153,426	$ 61,725,140

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).

CITY OF MOORPARK

Fund Balances of Governmental Funds

Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
General fund:					
Reserved	$ -	$ 95,397	$ 373,209	$ 337,286	
Unreserved	24,405,620	3,625,348	2,832,620	2,662,713	
Nonspendable	-	-	-	-	$ 220,976
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	2,779,024
Total general fund	$ 24,405,620	$ 3,720,745	$ 3,205,829	$ 2,999,999	$ 3,000,000
All other governmental funds:					
Reserved	$ 41,864,116	$ 35,103,620	$ 33,719,016	$ 38,208,807	
Unreserved, reported in:					
Special revenue funds	41,486,631	42,761,089	37,278,628	32,207,690	
Capital projects funds	16,807,370	39,098,065	35,699,829	33,735,939	
Debt Service funds	83,243	(1,025,927)	261,336	294,202	
Non-major funds	8,693,969	13,384,413	25,043,397	25,335,288	
Fund Balances:					
Nonspendable	-	-	-	-	$ 14,862,594
Restricted	-	-	-	-	66,565,551
Committed	-	-	-	-	795,208
Assigned	-	-	-	-	28,849,138
Unassigned	-	-	-	-	(2,124,660)
Total all other governmental funds	$ 108,935,329	$ 129,321,260	$ 132,002,206	$ 129,781,926	$ 108,947,831

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).

CITY OF MOORPARK

Changes in Fund Balances of Governmental Funds

Last Nine Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Revenues:				
Taxes	$ 8,490,985	$ 9,870,955	$ 9,139,722	$ 12,231,076
Licenses and permits	51,083	63,146	54,180	72,365
Fines and forfeitures	290,054	306,871	344,019	340,341
Uses of money and property	2,027,190	1,363,006	1,924,579	3,261,384
Charges for services	867,731	2,001,561	2,558,974	2,665,391
Intergovernmental	4,051,263	4,298,009	5,150,992	6,302,193
Maintenance assessments	2,955,340	2,639,628	1,963,190	1,845,742
Franchise fees	232,324	257,127	1,231,763	283,162
Building and safety fees	608,879	595,138	431,959	1,110,715
Planning and public work fees	2,132,190	2,614,959	1,967,751	3,053,066
Development fees	4,486,128	4,097,977	2,669,976	15,568,347
Contributions from prop owners	-	-	-	-
Other	256,376	281,506	2,832,962	397,574
Total revenues	26,449,543	28,389,883	30,270,067	47,131,356
Expenditures:				
Current:				
General government	2,048,658	2,259,017	2,893,359	2,919,564
Public safety	4,127,670	4,882,547	5,690,820	6,211,461
Public services	8,765,039	8,401,453	8,098,147	11,215,406
Parks and recreation	2,063,428	2,381,698	2,081,723	2,544,206
Capital outlay	3,596,982	8,775,159	7,810,879	10,038,439
Debt service:				
Principal	365,000	395,000	405,000	435,910
Interest	1,044,915	1,100,996	1,158,585	1,251,354
Bond issuance costs	-	-	-	-
Total expenditures	22,011,692	28,195,870	28,138,513	34,616,340
Excess of revenues over expenditures	4,437,851	194,013	2,131,554	12,515,016
Other financing sources (uses):				
Gain from sale of property	-	-	48,339	1,410
Bond Proceeds	-	-	-	-
Discount on Bonds	-	-	-	-
County settlements				
Transfers in	3,781,938	3,588,717	2,027,315	3,352,002
Transfers out	(3,781,938)	(3,588,717)	(2,027,315)	(3,352,002)
Total other financing sources (uses)	-	-	48,339	1,410
Net change in fund balances	$ 4,437,851	$ 194,013	$ 2,179,893	$ 12,516,426
Debt service as a percentage of noncapital expenditures	8.3%	8.3%	8.3%	7.4%

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).

CITY OF MOORPARK

Changes in Fund Balances of Governmental Funds

Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues:					
Taxes	$ 13,706,024	$ 15,392,269	$ 19,716,636	$ 18,730,771	$ 19,042,900
Licenses and permits	65,630	72,951	645,010	598,370	587,186
Fines and forfeitures	343,579	358,665	484,930	436,377	441,543
Uses of money and property	7,085,104	5,684,111	3,114,881	1,547,229	1,537,255
Charges for services	338,929	677,277	3,813,159	3,284,275	2,579,593
Intergovernmental	6,163,985	7,549,040	3,948,059	2,629,132	4,786,235
Maintenance assessments	1,922,471	4,205,700	3,491,975	1,950,431	2,112,992
Franchise fees	292,003	301,514	-	-	-
Building and safety fees	716,552	530,761	-	-	-
Planning and public work fees	1,649,002	1,938,143	-	-	-
Development fees	6,403,851	4,501,837	-	-	-
Contributions from prop owners	34,066,993	-	-	-	-
Other	2,030,211	433,378	398,539	587,832	833,082
Total revenues	74,784,334	41,645,646	35,613,189	29,764,417	31,920,786
Expenditures:					
Current:					
General government	1,471,354	1,835,801	1,926,283	1,497,916	2,289,299
Public safety	6,083,917	6,637,757	6,814,425	6,769,484	6,839,355
Public services	9,608,754	12,505,613	11,259,297	12,343,896	12,876,132
Parks and recreation	4,039,888	4,291,867	4,182,091	4,453,400	4,074,490
Capital outlay	19,477,866	14,682,017	8,100,604	5,548,179	24,506,524
Debt service:					
Principal	440,000	455,000	475,000	495,000	1,874,064
Interest	1,400,985	1,631,932	1,594,062	1,482,799	1,471,516
Bond issuance costs	505,588	-	-	-	-
Total expenditures	43,028,352	42,039,987	34,351,762	32,590,674	53,931,380
Excess of revenues over expenditures	31,755,982	(394,341)	1,261,427	(2,826,257)	(22,010,594)
Other financing sources (uses):					
Gain from sale of property	276,797	-	-	-	-
Bond Proceeds	11,695,000	-	-	-	-
Discount on Bonds	(325,401)	-	-	-	-
County settlements			1,000,000	-	-
Transfers in	9,457,260	27,626,755	17,062,650	9,378,101	3,820,738
Transfers out	(9,457,260)	(27,626,755)	(17,062,650)	(9,378,101)	(2,644,238)
Total other financing sources (uses)	11,646,396	-	1,000,000	-	1,176,500
Net change in fund balances	$ 43,402,378	$ (394,341)	$ 2,261,427	$ (2,826,257)	$ (20,834,094)
Debt service as a percentage of noncapital expenditures	8.7%	8.3%	8.6%	7.9%	12.8%

The City of Moorpark has elected to report retroactively back to the year the City implemented GASB 34 (June 30, 2003).

CITY OF MOORPARK

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
2002	$ 2,549,782,519	$ 94,204,773	$ 41,025,922	$ 2,685,013,214	$ 456,765,976	$ 64,634,089	$ 3,860,792	$ 525,260,857	1.042%
2003	2,823,727,286	120,175,258	42,238,926	2,986,141,470	514,599,965	84,435,148	3,862,434	602,897,547	1.061%
2004	3,026,137,647	155,943,246	43,185,512	3,225,266,405	542,789,850	95,244,418	3,915,879	641,950,147	1.058%
2005	3,231,418,940	172,769,806	43,305,637	3,447,494,383	532,445,978	93,810,856	3,904,910	630,161,744	1.050%
2006	3,721,591,791	168,802,350	43,313,074	3,933,707,215	660,810,677	99,693,057	3,931,766	764,435,500	1.055%
2007	4,157,360,033	165,798,359	43,364,070	4,366,522,462	743,592,913	102,795,641	3,958,627	850,347,181	1.062%
2008	4,558,597,806	173,209,606	45,607,510	4,777,414,922	809,452,407	102,442,198	4,276,693	916,171,298	1.050%
2009	4,700,305,496	174,181,146	46,351,377	4,920,838,019	828,244,210	102,730,045	4,309,164	935,283,419	1.050%
2010	4,619,910,655	180,988,669	46,474,508	4,847,373,832	825,093,781	113,302,525	4,333,240	942,729,546	1.050%
2011	4,659,133,835	153,090,627	46,689,455	4,858,913,917	813,947,565	110,905,079	4,436,801	929,289,445	1.053%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Ventura County Assessor's Office

CITY OF MOORPARK

Direct and Overlapping Property Tax Rates
(Rate per $100 of assessed value)

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City Direct Rates:										
City basic rate	1.04171	1.06072	1.05820	1.05020	1.05480	1.06163	1.04955	1.04950	1.05020	1.05300
Redevelopment agency	-	-	-	-	-	-	-	-	-	-
Total City Direct Rate	1.042	1.061	1.058	1.050	1.055	1.062	1.050	1.050	1.050	1.053
Overlapping Rates:										
Ventura County Flood Cont.	8.039	8.097	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Metropolitan Water District	0.229	2.340	0.233	0.232	0.235	0.233	0.234	0.230	0.230	0.233
Ventura Community College	n/a	4.312	4.311	4.269	4.331	4.296	4.361	4.371	4.402	4.383
Ventura County Waterworks	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Conejo Valley Unified School District	0.027	0.025	0.024	0.022	0.020	0.019	0.018	0.018	0.019	0.019
Moorpark Unified School District	92.311	91.733	91.959	92.121	92.442	92.313	92.417	92.240	91.924	91.820
City of Moorpark	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
City of Moorpark Community Facilities District No. 97-1	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
City of Moorpark 1915 Act Bonds	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Total Direct Rate	101.648	107.568	97.585	97.694	98.083	97.923	98.080	97.909	97.625	97.508

NOTE:

1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of the Moorpark Unified School District bonds.

2) The direct and overlapping bonded debt above is not the City's nor the Redevelopment Agency's obligation.

3) The Total Direct Rate is comprised of its five components listed above, the Metropolitan Water District, Ventura Community College, Ventura County Waterworks, Conejo Valley Unified School District, and the Moorpark Unified School District.

Source: California Municipal Statistics
Ventura County Assessor

CITY OF MOORPARK

Principal Property Tax Payers

Current Year and Ten Years Ago

Taxpayer	2010 Taxable Assessed Value *	2010 Percent of Total City Taxable Assessed Value	2000 Taxable Assessed Value	2000 Percent of Total City Taxable Assessed Value
DBRE Moorpark LLC	$ 60,034,300	12.20%	$ -	0.00%
Waterstone Properties Moorpark LLC	48,328,000	9.82%	-	0.00%
G & Y Moorpark LLC	25,486,870	5.18%	-	0.00%
Tuscany Square Partners LLC	24,390,492	4.96%	-	0.00%
Mission Bell West LP	23,275,279	4.73%	20,208,563	7.53%
James Birkenshaw, Et. Al.	19,866,419	4.04%	12,264,597	4.57%
Calabasas BCD Inc.	19,508,390	3.96%	11,751,954	4.38%
Fred Kavli	15,740,512	3.20%	12,701,599	4.73%
Mission Bell East LLC	14,091,511	2.86%	14,297,706	5.33%
Leonard Rose Trust	11,926,094	2.42%	9,998,062	3.72%
	$ 262,647,867	53.37%	$ 81,222,481	30.25%

* Due to varying tax rates, the assessed value does not necessarily mean the highest tax.
The assessed value includes secured property tax revenue.

Source: HdL 2010-2011 property data

CITY OF MOORPARK

Secured Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections from Previous Years	Total Collections	
		Amount	Percent of Levy		Amount	Percent of Levy
2002	1,832,673	1,581,343	86.29%	63,897	$1,645,240	89.77%
2003	2,036,839	1,732,812	85.07%	77,316	$1,810,128	88.87%
2004	2,208,605	1,902,007	86.12%	84,452	$1,986,459	89.94%
2005	2,391,927	1,796,670	75.11%	87,669	$1,884,339	78.78%
2006	2,705,083	1,994,418	73.73%	93,157	$2,087,575	77.17%
2007	3,010,493	2,432,164	80.79%	124,057	$2,556,221	84.91%
2008	4,072,510	3,376,883	82.92%	145,134	$3,522,017	86.48%
2009	3,763,078	3,393,933	90.19%	208,491	$3,602,423	95.73%
2010	3,682,559	2,789,672	75.75%	262,057	$3,051,730	82.87%
2011	3,663,098	3,388,402	92.50%	184,044	$3,572,446	97.53%

NOTE:
The amount presented includes City property taxes only.
It does not include redevelopment tax increment.

Source: Ventura County Auditor Controller's Office Levy Letter

Note: In FY 2007/08 $785,653 in adjustments (including the Library) were added to the Levy Letter

CITY OF MOORPARK

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities: General Obligation Bonds	Governmental Activities: Tax Allocation Bonds [1]	Governmental Activities: Total Governmental Activities	Total Primary Government	Percentage of Personal Income [2]	Debt Per Capita [2]
2002	-	$ 20,465,000	$ 20,465,000	$ 20,465,000	0.73%	606
2003	-	20,100,000	20,100,000	20,100,000	0.67%	582
2004	-	19,705,000	19,705,000	19,705,000	0.65%	564
2005	-	19,300,000	19,300,000	19,300,000	0.64%	537
2006	-	18,880,000	18,880,000	18,880,000	0.62%	527
2007	-	30,135,000	30,135,000	30,135,000	0.95%	826
2008	-	29,680,000	29,680,000	29,680,000	0.84%	803
2009	-	29,185,000	29,185,000	29,185,000	0.83%	787
2010	-	28,710,000	28,710,000	28,710,000	0.81%	764
2011	-	28,155,000	28,155,000	28,155,000	0.83%	811

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] The Moorpark Redevelopment Agency issued $9,860,000 of new tax allocation bonds in 1999, $11,625,000 in 2001, and $11,695,000 in 2006.
The principal balance on these three bonds as of June 30, 2011 is $4,995,000, $11,505,000 and $11,655,000 respectively.

[2] These ratios are calculated using personal income and population for the prior calendar year.

CITY OF MOORPARK

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Bonded Debt: General Obligation Bonds	Outstanding General Bonded Debt: Tax Allocation Bonds	Outstanding General Bonded Debt: Total	Percent of Assessed Value [1]	Per Capita
2002	-	$ 20,465,000	$ 20,465,000	0.64%	606
2003	-	20,100,000	20,100,000	0.56%	582
2004	-	19,705,000	19,705,000	0.51%	564
2005	-	19,300,000	19,300,000	0.47%	537
2006	-	18,880,000	18,880,000	0.40%	527
2007	-	30,135,000	30,135,000	0.58%	826
2008	-	29,680,000	29,680,000	0.52%	803
2009	-	29,185,000	29,185,000	0.50%	787
2010	-	28,710,000	28,710,000	0.50%	764
2011	-	28,155,000	28,155,000	0.49%	811

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

[1] Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

CITY OF MOORPARK

Direct and Overlapping Debt

June 30, 2011

City Assessed Valuation 2010-11	$ 4,812,567,462
Redevelopment Agency Incremental Valuation	660,697,282
Adjusted Assessed Valuation	$ 4,151,870,180

	Percentage Applicable	Debt as of 6/30/2011	Estimated Share of Overlapping Debt
Direct and Overlapping Tax and Assessment Debt:			
Metropolitan Water District	0.233%	$ 227,670,000	$ 530,471
Ventura Community College District	4.383%	314,522,814	13,785,535
Conejo Valley Unified School District	0.019%	31,501,749	5,985
Moorpark Unified School District	91.820%	39,985,407	36,714,601
City of Moorpark Community Facilities District No. 97-1	100.000%	5,940,000	5,940,000
City of Moorpark Community Facilities District No. 2004-1	100.000%	25,480,000	25,480,000
City of Moorpark 1915 Act Bonds	100.000%	1,400,000	1,400,000
Toal Direct and Overlapping Tax & Assessment Debt		646,499,970	83,856,592
Overlapping General Fund Obligation Debt:			
Ventura County General Fund Obligations	4.382%	$ 101,290,000	$ 4,438,528
Ventura County Superintendent of Schools COPs	4.382%	12,140,000	531,975
Moorpark Unified School District COPs	91.820%	8,630,000	7,924,066
Total Overlapping General Fund Obligation Debt		122,060,000	12,894,569
Combined Total Debt*		$ 768,559,970	96,751,161
Total direct and overlapping debt			$ 96,751,161

Notes:

* Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

The direct and overlapping bonded debt above is not the City's or the Redevelopment Agency's obligation.

Source: California Municipal Statistics, Inc. The overlapping district's assessed valuation located within the City is divided by the total assessed valuation of the overlapping district. That percentage is multiplied by the total debt outstanding for the overlapping district resulting in the City's share of debt.

CITY OF MOORPARK

Legal Debt Margin Information

Last Ten Fiscal Years

	2002	2003	2004	2005	2006
Assessed valuation	$2,549,782,519	$ 2,823,727,286	$ 2,823,727,286	$ 3,231,418,940	$ 3,721,591,791
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	637,445,630	705,931,822	705,931,822	807,854,735	930,397,948
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	95,616,844	105,889,773	105,889,773	121,178,210	139,559,692
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	$ 95,616,844	$ 105,889,773	$ 105,889,773	$ 121,178,210	$ 139,559,692
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code 2227 of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 81-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation date for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department
Ventura County Tax Assessor's Office

CITY OF MOORPARK

Legal Debt Margin Information

Last Ten Fiscal Years

	2007	2008	2009	2010	2011
Assessed valuation	$ 4,157,360,033	$ 4,558,597,806	$ 4,700,305,496	$ 4,619,910,655	$ 4,659,133,835
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,039,340,008	1,139,649,452	1,175,076,374	1,154,977,664	1,164,783,459
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	155,901,001	170,947,418	176,261,456	173,246,650	174,717,519
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	$ 155,901,001	$ 170,947,418	$ 176,261,456	$ 173,246,650	$ 174,717,519
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

The Government Code 2227 of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 81-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation date for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City Finance Department
Ventura County Tax Assessor's Office

CITY OF MOORPARK

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2002	2,606,388	355,000	408,638	3.41
2003	3,537,293	365,000	989,554	2.61
2004	4,076,183	395,000	976,140	2.97
2005	3,860,624	405,000	959,942	2.83
2006	5,487,272	420,000	944,281	4.02
2007	6,306,385	440,000	1,085,040	4.14
2008	6,858,882	455,000	909,906	5.03
2009	7,010,760	475,000	1,397,922	3.74
2010	6,842,837	495,000	1,376,088	3.66
2011	6,716,136	555,000	1,350,874	3.52

Note: Details regarding Moorpark Redevelopment Agency outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

CITY OF MOORPARK

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population (1)	Household Income (in thousands)	Median Household Income (2)	Unemployment Rate (3)
2002	33,760	$ 2,811,600	$ 83,282	6.8%
2003	34,529	2,978,092	86,249	7.2%
2004	34,933	3,054,507	87,439	6.4%
2005	35,933	3,039,105	84,577	5.4%
2006	35,836	3,050,432	85,122	4.4%
2007	36,480	3,179,341	87,153	4.7%
2008	36,971	3,526,775	95,393	5.7%
2009	37,086	3,508,076	94,593	10.3%
2010	37,576	3,565,248	94,881	10.6%
2011	34,710	3,385,509	97,537	10.0%

Sources: (1) State Department of Finance or Community Development Department
(2) California Desert Association of Realtors
(3) State of California Employment Development Department

CITY OF MOORPARK

Principal Employers

Current and Ten Years Ago

Employer	2011 Number of Employees	2011 Percent of Total Employment	2001 Number of Employees	2001 Percent of Total Employment
Moorpark Unified School District	825	4.94%	850	5.13%
Moorpark College	750	4.49%	600	3.62%
Pentair Pool Products	377	2.26%	510	3.08%
Kavlico	350	2.09%	1,400	8.45%
Chicago Telephone Service	340	2.03%	-	0.00%
Zodiac Pool Systems	250	1.50%	-	0.00%
Target	150	0.90%	-	0.00%
Boething Tree Farm	122	0.73%	135	0.82%
American Board Assembly	115	0.69%	200	1.21%
Kohl's	89	0.53%	-	0.00%

"Total Employment" as used above represents the total employment of all employers located within City limits. The total number of employees within the City limits in 2011 were 16,710 as compared to the total number of employees within the City limits in 2001 were 16,559.

Source: Chamber of Commerce
City-data.com
Bureau of Labor Statistics

CITY OF MOORPARK
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	36	43	33	32	31	30	26	26	26	27
Public safety (crossing guards)	6	6	7	4	7	7	7	6	5	5
Public services	41	38	20	17	17	26	22	22	20	16
Parks and recreation	19	19	42	38	41	49	54	56	55	54
Total	**102**	**106**	**102**	**91**	**96**	**112**	**109**	**110**	**106**	**102**
Public safety [1]	33	30	28	31	31	42	42	38	38	40

[1] Police and fire services were provided by the County.
Fire = 18 and police = 22

Source: City of Moorpark, Finance department

CITY OF MOORPARK
Operating Indicators
by Function
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police: (A)										
Arrests	1,235	1,296	1,520	1,388	1,653	1,890	1,732	1,412	2,207	1,266
Parking citations issued	2,579	2,582	4,285	3,706	2,890	4,160	2,860	3,254	4,969	4,887
Fire: (B)										
Number of "prime" emergency calls	1,103	1,179	1,415	1,308	1,329	1,351	1,362	1,100	1,945	1,707
Business Inspections*	117	117	125	125	125	123	130	143	115	196
Public works: (C)										
Street resurfacing (miles)	-	73.33	-	0.10	-	30.0	3.8	-	5.0	2.0
Parks and recreation: (D)										
Number of recreation classes	386	317	290	364	338	479	378	265	419	325
Number of facility rentals	184	258	307	491	338	180	210	186	230	277

Prime calls and business inspections are for County of Ventura, Fire department station #42

* In November 2001, all business occupancies less than 10,000 sq. feet became eligible for self inspection program.

Source: City of Moorpark
(A) Provided by Moorpark Police Department.;
(B) Ventura County Fire Dept.;
(C) Moorpark Public Works Dept.; - every six years, the City plans to resurface its streets, 1/3 every other year (total street miles = 220)
(D) Arroyo Vista Recreation Dept.;
Active Adult Center.

CITY OF MOORPARK

Capital Asset Statistics
by Function

Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Streets (miles)	75	75	75	75	75	75	78	79	79	79
Streetlights	2,263	2,269	2,299	2,325	2,347	2,497	2,510	2,518	2,518	2,620
Traffic signals	15	16	17	17	17	17	20	20	20	21
Parks and recreation:										
Parks	15	15	15	15	16	16	16	17	18	18
Community centers	2	2	2	2	2	2	2	2	2	2

Source: City of Moorpark

Of the streetlights, 2,612 are owned by Edison and 8 are owned by the City

TRS TEAMAN, RAMIREZ & SMITH, INC.
CERTIFIED PUBLIC ACCOUNTANTS

December 13, 2011

Ron Ahlers, Finance Director
City of Moorpark
799 Moorpark Avenue
Moorpark, CA 93021

Dear Mr. Ahlers:

We have audited the financial statements of the City of Moorpark (City) as of and for the year ended June 30, 2011. In planning and performing our audit of the financial statements of the City for the year ended June 30, 2011, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. We noted no matters involving the internal control and its operations that we consider to be material weaknesses under standards established by the American Institute of Certified Public Accountants. However, we noted items of less significance which are presented for your consideration.

This letter by its very nature is critical and does not highlight the many positive features of the City's internal controls. These comments and recommendations are intended to improve the internal controls or result in other operating efficiencies and are summarized as follows:

(1)
Purchasing Policy

As noted in the prior year, in gaining an understanding of the purchasing process, we noted the City's Municipal Code only gives guidance for purchases of supplies and equipment, and refers to the Public Contract Code for Public Project procurement policies. The Municipal Code states that the City Council will establish, by resolution, procedures governing the purchase of contractual or professional services, but no such resolution has been developed or adopted. The Finance Department has an informal procedure manual that includes purchasing policies, but it is not very clear or consistent regarding the procurement of professional services as well as which purchases need to go through the requisition process with or without a purchase order. Also, other departments do not necessarily have a copy of this manual to refer to when making purchases.

To strengthen internal controls over purchasing and procurements, we recommend that the City revisit its purchasing policies, along with the informal Finance manual, and determine what changes can be made to clarify the policies regarding procurement of professional services and help ensure purchasing policies are consistent throughout the City.

Management Response:

Management concurs with the recommendation and will review the current purchasing policies and make suggested improvements with regards to the procurement of professional services. The City Attorney has opined that professional services are not subject to competitive bidding. Management will prepare appropriate policies and procedures for consideration by the City Council.

(2)
Developer Deposit Funds

The City periodically receives deposits from various developers for development purposes. When these deposits are received for new projects, it is the City's practice to create a new and separate agency fund in the general ledger to track activity for each developer. As a result, many of these deposit funds have been created over the years.

During our audit, we noted that some of the developer deposit funds have significant balances (surplus and deficit). Inquiries with City staff indicated projects for some of the funds with balances have been completed, but that a thorough reconciliation of certain deposits and balances has not been performed for some time. It is our understanding City staff has started the process of reconciling activity and balances in these funds, to determine what action and adjustments are necessary. We recommend the City continue in its efforts to analyze and reconcile these accounts, and establish formal procedures to ensure that all deposits are analyzed and reconciled in a timely and consistent manner.

In addition, the City may want to revisit the policy of creating new funds for every new project. Normally, cities will have one deposit fund for this type of activity, or even record the deposits as liabilities in the general fund. Detailed schedules can be maintained separately from the general ledger to track the deposits, with only control totals being recorded in the general ledger.

Management Response:

Management concurs with the recommendation and will continue to reconcile the developer deposit funds until all funds have been reconciled. Management will create an accounting policy that will outline the duties of each department in regards to these deposit funds. Management has decided to continue the prior practice of creating new funds in the agency fund category to account for each development project.

(3)
Fraud Prevention and Detection Program

As noted in the prior year, Management of the City is responsible for designing and implementing systems and procedures for the prevention and detection of fraud, and for ensuring a culture and environment that promotes honesty and ethical behavior. Fraud can range from minor employee theft and unproductive behavior to misappropriation of assets and fraudulent financial reporting.

The risk of fraud can be reduced through a combination of prevention, deterrence, and detection measures. However, fraud can be difficult to detect because it often involves concealment through falsification of documents or collusion among management, employees, or third parties. Therefore, it is important to place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals that they should not commit fraud because of the likelihood of detection and punishment. Moreover, prevention and deterrence measures are much less costly than the time and expense required for fraud detection and investigation.

While the City has taken steps to address the risk of fraud in certain areas, such as segregation of duties and other internal controls, we recommend the City consider taking a more formal, proactive approach to fraud prevention and deterrence. This would involve establishing an ongoing program of formally identifying and measuring fraud risks, taking steps to mitigate identified risks, and implementing and monitoring any necessary preventive and deterrent measures.

For example, although the City provides training regarding ethics to management level employees, the City may want to establish a more formal training program for all employees regarding fraud. New employees should be trained at the time of hiring about the entity's values and its code of conduct. This training should explicitly cover expectations of all employees regarding (1) their duty to communicate certain matters; (2) a list of the types of matters, including actual or suspected fraud, to be communicated along with specific examples; and (3) information on how to communicate those matters. In addition to the training at the time of hiring, employees should receive refresher training periodically thereafter.

As mentioned above, management needs to provide information to employees on how to communicate fraud related matters. Research has shown that the majority of fraud is detected by fellow employees, and not by outside auditors or internal controls. It is important for the City to establish and communicate to employees a reporting system that is appropriate for the City. The City should consider establishing a confidential reporting mechanism, which may include a combination of internal reporting and an anonymous tip hotline, not only for employees, but also for vendors and customers of the City.

In summary, the City has established controls over fraud in many areas and, based on our experience, has set an appropriate "tone at the top" regarding ethical behavior. However, the City should consider a more formal, proactive approach to preventing fraud. The above comments do not address all components of a strong antifraud program. Additional information can be provided to the City's management regarding this issue.

Management Response:

Management concurs with the recommendation. The City's Human Resources division is currently developing ethics training for all employees. The City will research other such fraud prevention training programs in order to train new and existing staff. The City will research "fraud hotlines" for use by: citizens, employees, vendors, etc.

Summation

We would like to take this opportunity to express our appreciation for the assistance extended us during the course of our audit. If we can be of further assistance, or if you have any questions regarding our recommendations, please call our office. This letter is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,
TEAMAN, RAMIREZ & SMITH, INC.

Greg Fankhanel

Greg W. Fankhanel
Certified Public Accountant

ATTACHMENT 3

City Council
City of Moorpark
Moorpark, California

Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133

Compliance

We have audited the City of Moorpark'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 the City of Moorpark's major federal programs for the year ended June 30, 2011. The City of Moorpark's major federal programs are identified in the summary of auditors' 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 the City of Moorpark's management. Our responsibility is to express an opinion on the City of Moorpark'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 the City of Moorpark'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 the City of Moorpark's compliance with those requirements.

In our opinion, the City of Moorpark complied, in all material respects, with the compliance 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 the City of Moorpark is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Moorpark's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the 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 City of Moorpark's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance 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 over compliance 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moorpark as of and for the year ended June 30, 2011, and have issued our report thereon dated December 13, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Moorpark's financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the City Council, management, others within the entity, 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.

Teaman Ramirez & Smith, Inc.

December 13, 2011

CITY OF MOORPARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Federal Grantor/ Pass-through Grantor/Program Title	Federal Domestic Assistance Number	Program Identification Number	Program Expenditures
U.S. Department of Transportation			
Passed through the Ventura County Transportation Commission:			
Federal Transit Program	20.507	CA-90-Y522	$ 18,201
Federal Transit Program	20.507	CA-90-Y737	27,557
Federal Transit Program	20.507	CA-90-Y803	49,804
Federal Transit Program	20.507	CA-90-Y858	66,016
ARRA – Federal Transit Program	20.507	CA-96-X020	1,243,932
Total			1,405,510*
Passed through the State of California Department of Transportation:			
Highway Planning and Construction	20.205	ESPL-5436(015)	617,758*
U.S. Department of Energy			
Direct Assistance:			
ARRA – Energy Efficiency and Conservation Block Grant	81.128	DE-EE002255	76,746
U.S. Department of Housing and Urban Development			
Passed through the Ventura County Community Development Commission:			
Community Development Block Grant	14.218	B-09-UC-06-0507	54,294
Community Development Block Grant	14.218	B-10-UC-06-0507-NA09	160,000
Subtotal			214,294
U.S. Department of Health and Human Services			
Passed through the Ventura County Area on Aging Senior Nutrition Program	93.045	3C-004-071012-R3	25,240
Total Federal Financial Assistance			$ 2,339,548

*Major Program

CITY OF MOORPARK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF FEDERAL AWARDS

a) Scope of Presentation

The accompanying schedule presents only the expenditures incurred (and related awards received) by the City of Moorpark that are reimbursable under programs of federal agencies providing financial assistance. For the purpose of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City of Moorpark from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds are reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

b) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City of Moorpark becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported include any property or equipment acquisitions incurred under the federal program.

c) Major Programs

The City had two major programs for the year ended June 30, 2011, consisting of the U.S. Department of Transportation Federal Transit and Highway Planning and Construction Grants which had total disbursements of $2,023,268. This amount calculates to 86% of the total disbursements from federal awards.

CITY OF MOORPARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued:	Unqualified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified not Considered to be Material Weaknesses?	No
Noncompliance Material to Financial Statements Noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified not Considered to be Material Weaknesses?	No
Type of Auditors' Report Issued on Compliance for Major Programs:	Unqualified
Any Audit Findings Disclosed that are Required to be Reported in Accordance With OMB Circular A-133, Section .510(a)?	No

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
	U.S. Department of Transportation
20.507	Federal Transit Program
20.205	Highway Planning & Construction Grant

Dollar Threshold used to Distinguish Between Type A And Type B Programs:	$ 300,000
Auditee Qualified as Low-Risk Auditee?	No

CITY OF MOORPARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no auditors' findings required to be reported in accordance with GAS.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no auditors' findings to be reported in accordance with paragraph .510(a) of OMB Circular A-133.

CITY OF MOORPARK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2011

I. FINANCIAL STATEMENT FINDINGS

There were no auditors' findings required to be reported in accordance with GAS.

II. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no auditors' findings to be reported in accordance with paragraph .510(a) of OMB Circular A-133.

TRS TEAMAN, RAMIREZ & SMITH, INC.
CERTIFIED PUBLIC ACCOUNTANTS

City Council
City of Moorpark
Moorpark, California

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*

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Moorpark, California (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 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

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 a 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 the City'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*.

We noted certain matters that we reported to Management of the City of Moorpark in a separate letter dated December 13, 2011.

This report is intended solely for the information and use of the City Council, management, others within the entity, 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.

Teaman Ramirez & Smith, Inc.

December 13, 2011

INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

City Council
City of Moorpark
Moorpark, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheet of the City of Moorpark, California, for the year ended June 30, 2011. These procedures, which were agreed to by the City of Moorpark, California and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIIIB of the California Constitution),* were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. The City of Moorpark's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this 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 performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

   Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

   Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

   Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. 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. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIIIB of the California Constitution.*

This report is intended solely for the use of the City Council and management of the City of Moorpark, California and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Teaman Ramirez & Smith, Inc.

December 13, 2011

CITY OF MOORPARK
APPROPRIATIONS LIMIT COMPUTATION
2010 – 2011

		2010 – 2011
Per Capita Cost of Living Change		-2.54%
Population Change City Population Growth		1.42%
Per Capita Cost of Living Converted to a Ratio		.9746
Population Change Converted to a Ratio		1.0142
Calculation of Growth Factor		.98843932
2009 – 2010 Appropriations Limit	$ 26,198,908	
2010 – 2011 Appropriations Limit ($26,198,908 X .98843932)	$ 25,896,031	

ATTACHMENT 6

December 13, 2011

City Council
City of Moorpark
Moorpark, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moorpark (City) for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 3, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, the City changed accounting policies related to Fund Balance Reporting and Governmental Fund Type Definitions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* in the 2010-11 fiscal year. The application of existing policies was not changed during the year ended June 30, 2011. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimates of the useful lives for capital assets are based on the expectation that the capital assets will be of use to the City over the specified useful lives. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

> The disclosure of accumulated depreciation in Note 5 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation

to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Pearman Ramirez & Smith, Inc.