MOORPARK REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2010

Chairperson	Janice S. Parvin
Agency Members	Roseann Mikos Keith Millhouse David Pollock Mark Van Dam
Executive Director	Steven Kueny
Assistant City Manager	Hugh Riley

Report Prepared by:
Ron Ahlers, Agency Treasurer
Irmina Lumbad, Finance & Accounting Manager
Debbie Burdorf, Accountant I

Moorpark Redevelopment Agency
Annual Financial Report
Year Ended June 30, 2010

TABLE OF CONTENTS

December 7, 2010

Honorable Chair and Members
of the Moorpark Redevelopment Agency
City of Moorpark
Moorpark, CA 93021

INTRODUCTION

California (State) law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants 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. Pursuant to the requirement, we hereby issue the annual financial report of the Moorpark Redevelopment Agency (Agency) for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the Agency. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Agency has established a comprehensive internal control framework that is designed both to protect the Agency's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the Agency's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Teaman, Ramirez & Smith, Inc., a firm of certified public accountants, has audited the Agency's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Agency's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE MOORPARK REDEVELOPMENT AGENCY

The Agency was created by the Moorpark City Council Ordinance No. 87, adopted March 18, 1987. The City Council appointed the Board of Directors and established bylaws of the Agency on May 20, 1987, by Resolution No. 87-387. The Agency was established pursuant to the Community Redevelopment Law of California as modified in Part I of Division 24 of the State of California Health and Safety Code. As such, the Agency acts as a legal entity, separate and distinct from the City of Moorpark (City) even though the City Council has the authority to appoint the Agency's Governing Board. The Agency has a Redevelopment Plan which was adopted by the Moorpark City Council Ordinance No. 110, on July 5, 1989.

At present, the Moorpark City Council serves as the governing body of the Agency with the authority to carry out redevelopment activities. The City Manager serves as Executive Director; the Finance Director serves as the Treasurer of the Agency; the City Clerk serves as Secretary of the Agency; and the City Attorney serves as Agency Counsel.

The Agency currently has one project area:

1. The Project Area consists of one large contiguous area consisting of approximately 1,217 acres. The Project Area is comprised of a mixture of residential, commercial, industrial and institutional land uses along with parcels that are undeveloped and/or under-utilized, parking areas, and public rights-of-way.

The actions of the Agency are binding, and its appointed representatives routinely transact business, including the incurrence of long-term debt, in the Agency's name. The Agency is broadly empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property in those areas of the City determined to be in a blighted condition, as defined under State law.

The Community Redevelopment Law of California provides that, pursuant to the adoption of a redevelopment plan, the Agency is entitled to a proportional amount based on tax-sharing agreements for all future incremental property tax revenues attributable to increases in the property tax base within the Project Area. Property taxes levied for the fiscal year ended on June 30 are payable in equal installments due on November 1 and February 1 and collectible December 10 and April 10, respectively.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Agency operates.

LOCAL ECONOMY

Economic growth in the City is relatively flat. During the last year, there has been continued growth in property tax revenue due to continued real estate sales and healthy values for properties being sold. However, with the recent housing crisis and lower values for properties being sold, growth in property tax revenue is slowing. Overall, sales tax revenue was flat to declining due to waning sales activity, especially for general consumer goods.

AGENCY LOANS

As of June 30, 2010, the Agency's outstanding loan total is $2,053,616. The Agency's loan to Mission Bell Partners in the amount of $1,704,786 was to fund land disposition. Principal and interest are due on September 2, 2029. The Agency has loaned $332,446 to the Area Housing Authority for a low and moderate income housing project on Charles Street. The Agency operates rehabilitation loan programs for the renovation of low and moderate income housing; total outstanding is in the amount of $16,384.

CASH MANAGEMENT POLICIES AND PRACTICES

Cash temporarily idle during the year was invested in the City Treasurer's portfolio, mainly with the State of California Local Agency Investment Fund (LAIF). The average yield was 0.50 percent for the fiscal year. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

RISK MANAGEMENT

As a component unit of the City, the Agency is covered under the City's policies for general liability, property insurance and workers compensation coverage.

Additional information on the Agency's risk management can be found in Note 13 of the financial statements.

SUMMARY

In conclusion, I would like to take this opportunity to express my appreciation to the staff of the Finance Department and Redevelopment Agency, led by the efforts of the Finance & Accounting Manager, Irmina Lumbad and Accountant I, Debbie Burdorf, whose hard work and dedication have made the preparation of this report possible. I would like to express my appreciation to the Agency Members, Steve Kueny as Executive Director and Hugh Riley as Assistant City Manager, for their support and responsible planning of the Agency's financial affairs.

Respectfully submitted,

RON AHLERS
AGENCY TREASURER

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

Independent Auditors' Report

The Honorable Chair and Members of the Agency
Moorpark Redevelopment Agency
Moorpark, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Moorpark Redevelopment Agency of the City of Moorpark (Agency), a component unit of the City of Moorpark, California (City), as of and for the year ended June 30, 2010, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency'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 financial position of the governmental activities and each major fund of the Agency, as of June 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2010 on our consideration of the Agency'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.

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

Richard A. Teaman, CPA • Greg W. Fankhanel, CPA • David M. Ramirez, CPA • Javier H. Carrillo, CPA
4201 Brockton Ave. Suite 100, Riverside CA 92501 • 951.274.9500 • 951.274.7828 FAX • www.trscpas.com

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The letter of transmittal and other supplementary information listed in the table of contents, including additional budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary schedules, including additional budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The letter of transmittal has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Teaman Ramirez & Smith, Inc.

December 7, 2010

As management of the Moorpark Redevelopment Agency (Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2010. Readers are highly encouraged to consider the information presented here in conjunction with the accompanying basic financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by $8,882,000 (*net assets*).
- The Agency's total debt decreased by $484,000 during the current fiscal year due to the normal pay down of the principal.
- The Agency's governmental funds reported combined ending fund balances of $33,892,000, a decrease of $2,446,000 from the prior year.
- The Agency's gross property tax increment revenue during the current fiscal year decreased by $189,000 to $6,865,000.
- The Agency paid $1,925,000 into the State of California Supplemental Educational Revenue Augmentation Fund (SERAF).
- The Agency paid over $3 million in pass-through payments to other government agencies.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components:

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

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. These statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information on how the Agency's net assets changed during the 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).

The government-wide financial statements include only the Agency itself.

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 Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The Agency uses only governmental 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 a government's near-term financing 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 Agency'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 Agency maintains seven individual governmental funds and all of them are considered to be major funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for:

Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Low & Moderate Income Housing	1999 Tax Allocation Bond	2001 Bond Proceeds
MRA Operating	2001 Tax Allocation Bond	2006 Bond Proceeds
	2006 Tax Allocation Bond	

The Agency adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information. All of the governmental funds listed above are shown Budget and Actual for the Schedule of Revenues, Expenditures and Changes in Fund Balances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by $8.9 million at the close of the most recent fiscal year. Of the $32.0 million in total liabilities, $28.4 million is outstanding debt for the 1999 Tax Allocation Bonds, 2001 Tax Allocation Bonds and 2006 Tax Allocation Bonds.

Table 1
Net Assets
Governmental Activities
As of June 30, 2010 and 2009

	2010	2009
Assets:		
Current and other assets	$ 21,403,711	$ 25,649,579
Capital assets	19,428,853	17,814,168
Total Assets	**40,832,564**	**43,463,747**
Liabilities:		
Long-term debt outstanding	27,878,410	28,422,563
Other liabilities	4,071,921	4,519,105
Total Liabilities	**31,950,331**	**32,941,668**
Net Assets:		
Restricted	7,407,798	6,912,421
Unrestricted	1,474,435	3,609,658
Total Net Assets	**$ 8,882,233**	**$ 10,522,079**

The Agency's net assets decreased by $1.6 million during the 2009/10 fiscal year. This includes a prior period adjustment of $400,000 (refer to Note 14, page 30 for details).

Table 2
Changes in Net Assets
Governmental Activities
As of June 30, 2010 and 2009

	2010	2009
Revenues		
Property tax - Redevelopment Tax Increment	$ 6,864,776	$ 7,054,432
Investment income	254,316	1,954,274
Other/Rentals	68,115	76,285
County Settlement		1,000,000
Total Revenues, Transfers & Special Items	**7,187,207**	**10,084,991**
Expenses		
Public Services	7,722,700	6,889,436
Interest on long-term debt	1,504,500	1,616,842
Total Expenses	**9,227,200**	**8,506,278**
Increase/(decrease) in net assets	**(2,039,993)**	**1,578,713**
Net Assets, beginning	**10,522,079**	**8,943,366**
Prior Period Adjustment	400,147	
Net Assets, ending	**$ 8,882,233**	**$ 10,522,079**

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental Funds. The focus of the Agency's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Agency's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of $33,892,000, with unreserved fund balances of $12,579,000

The Low and Moderate Income Housing Fund, a special revenue fund, is used to account for funds that are set aside for low and moderate income housing, as well as related expenditures. At the end of the current fiscal year, the fund balance was $7,757,000, with Land held for resale or development at $7,887,000.

The MRA Operating Fund, special revenue fund, is the chief operating fund of the Agency. At June 30, 2010, the fund balance of the MRA Operating Fund was $8,182,000; the majority is in Land held for resale or development at $7,143,000.

The three debt service funds account for the accumulation of resources to be used for the repayment of Agency debt. Their fund balances are mainly for the contractual reserves for the bond indentures of the 1999, 2001 and 2006 bond issuances.

The Agency has two Capital Projects Funds which account for the expenditures of the 2001 and 2006 bond proceeds. Their fund balances are approximately $15.8 million, with Land held for resale or development at $4.4 million.

BUDGETARY HIGHLIGHTS

Capital projects budgeted during the year: Human Services Complex, 81 First Street Building, Granary Station, High Street Streetscape and Metrolink Parking Lot.

Supplemental appropriations were approved during the 2009/10 fiscal year for the: State of California SERAF payment, 1083 Walnut Canyon Road property purchase, Area Housing Authority Loan and Post Office project.

LONG-TERM DEBT

At the end of the current fiscal year, the Agency had total debt outstanding of $28.4 million.

Agency Outstanding Debt

	Governmental Activities June 30. 2010	Governmental Activities June 30. 2009
1999 Tax Allocation Bonds	$ 5,495,000	$ 5,970,000
2001 Tax Allocation Bonds	11,520,000	11,540,000
2006 Tax Allocation Bonds	11,407,563	11,396,716
Total	$ 28,422,563	$ 28,906,716

The Agency's total debt decreased by $484,000 during the current fiscal year, due to the normal pay down of the principal.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Agency, adhering to State law, shall pay $396,000 to the State of California SERAF.

- The Agency shall pay over $3 million in pass-through payments to other government entities.

- In addition to various Capital Improvement Projects, the Agency budgeted $239,000 for the High Street Arts Center expenditure in the upcoming fiscal year. The estimated revenue is approximately $68,000, resulting in a net loss of approximately $171,000. This loss will be absorbed by the MRA Operating Fund and is part of the revitalization efforts in the downtown area.

- Assessed property values are expected to have a nominal decrease. Therefore, property tax increment revenue shall decrease.

- Interest income should decrease, reflecting the decrease in interest rates.

All of these factors were considered in preparing the Agency's budget for fiscal year 2010/11.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Moorpark Redevelopment Agency, 799 Moorpark Avenue, Moorpark, California 93021.

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

Moorpark Redevelopment Agency
Statement of Net Assets
June 30, 2010

	Governmental Activities
ASSETS	
Cash and Investments	$ 15,417,172
Receivables:	
Accounts	25,894
Interest	1,281,499
Notes	2,053,616
Property Held for Resale/Development	19,428,853
Restricted Cash and Investments	2,178,925
Debt Issuance Costs	446,605
Total Assets	40,832,564
LIABILITIES	
Accounts Payable and Accrued Liabilities	3,050,307
Interest Payable	341,025
Deposits	11,750
Due to the City of Moorpark	124,686
Noncurrent Liabilities:	
Due Within One Year	544,153
Due in More Than One Year	27,878,410
Total Liabilities	31,950,331
NET ASSETS	
Restricted for:	
Low and Moderate Income Housing	7,407,798
Unrestricted	1,474,435
Total Net Assets	$ 8,882,233

The accompanying notes are an integral part of this statement.

Moorpark Redevelopment Agency
Statement of Activities
Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Governmental Activities:					
Public Services	$ 7,722,700	$ -	$ -	$ -	$ (7,722,700)
Interest on Long-Term Debt	1,504,500	-	-	-	(1,504,500)
Total Governmental Activities	$ 9,227,200	$ -	$ -	$ -	(9,227,200)

General Revenues:	
Taxes:	
Property Tax, Redevelopment Agency Tax Increment	6,864,776
Investment Income	254,316
Other	68,115
Total General Revenues	7,187,207
Change in Net Assets	(2,039,993)
Total Net Assets, Beginning	10,522,079
Prior Period Adjustment	400,147
Total Net Assets, Ending	$ 8,882,233

The accompanying notes are an integral part of this statement.

Moorpark Redevelopment Agency
Balance Sheet
Governmental Funds
June 30, 2010

	Special Revenue Funds		Debt Service Funds	
	Low and Moderate Income Housing	MRA Operating	1999 Tax Allocation Bonds	2001 Tax Allocation Bonds
ASSETS				
Cash and Investments	$ 258,092	$ 4,113,664	$	$
Imprest Cash		1,500		
Cash with Fiscal Agent			1,065,302	584,675
Receivables				
Accounts	5,179	20,715		
Interest		1,263,869		
Notes	348,830	1,704,786		
Due from Other Funds				
Property Held for Resale/Development	7,887,425	7,142,622		
Total Assets	$ 8,499,526	$ 14,247,156	$ 1,065,302	$ 584,675
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 927	$ 3,031,849	$	$
Accrued Wages and Withholdings	1,690	13,720		
Due to the City of Moorpark	29,701	61,233		
Due to other Funds	350,000			
Deferred Revenue	348,830	2,957,967		
Deposits	11,750			
Total Liabilities	742,898	6,064,769	-	-
Fund Balances:				
Reserved for:				
Debt Service			771,100	584,675
Property Held for Resale/Development	7,887,425	7,142,622		
Unreserved	(130,797)	1,039,765	294,202	
Total Fund Balances	7,756,628	8,182,387	1,065,302	584,675
Total Liabilities and Fund Balances	$ 8,499,526	$ 14,247,156	$ 1,065,302	$ 584,675

The accompanying notes are an integral part of this statement.

Moorpark Redevelopment Agency
Balance Sheet
Governmental Funds
June 30, 2010

Debt Service Fund	Capital Projects Funds		
2006 Tax Allocation Bonds	2001 Bond Proceeds	2006 Bond Proceeds	Total Governmental Funds
$	$ 1,379,365	$ 9,664,551	$ 15,415,672
			1,500
528,948			2,178,925
			25,894
	2,329	15,301	1,281,499
			2,053,616
	350,000		350,000
	4,398,806		19,428,853
$ 528,948	$ 6,130,500	$ 9,679,852	$ 40,735,959
$	$ 2,081	$ 40	$ 3,034,897
			15,410
	33,752		124,686
			350,000
			3,306,797
			11,750
-	35,833	40	6,843,540
528,948			1,884,723
	4,398,806		19,428,853
	1,695,861	9,679,812	12,578,843
528,948	6,094,667	9,679,812	33,892,419
$ 528,948	$ 6,130,500	$ 9,679,852	$ 40,735,959

The accompanying notes are an integral part of this statement.

Moorpark Redevelopment Agency
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2010

Fund balances of governmental funds	$ 33,892,419
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.	-
Long-term loans and notes receivable are not current financial resources. Therefore, they are deferred in the governmental funds.	3,306,797
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	-
Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(341,025)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds Payable	(28,710,000)
Less: Issuance Discount	287,437
Issuance costs net of accumulated amortization were recorded as expenditures in the governmental funds.	446,605
Net assets of governmental activities	$ 8,882,233

The accompanying notes are an integral part of this statement.

This page intentionally left blank

Moorpark Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Special Revenue Funds		Debt Service Funds	
	Low and Moderate Income Housing	MRA Operating	1999 Tax Allocation Bonds	2001 Tax Allocation Bonds
REVENUES				
Taxes	$ 1,372,988	$ 3,771,651	$ 603,507	$ 608,468
Use of Money and Property	30,781	100,607	37,573	
Other Revenues		68,115		
Total Revenues	1,403,769	3,940,373	641,080	608,468
EXPENDITURES				
Current:				
Public Services:				
Pass-Thru Agreements		3,015,105		
SERAF Payment to State		1,925,105		
Administration	585,256	1,711,531		
Capital Outlay	11,337	4,219		
Debt Service:				
Principal Retirement			475,000	20,000
Interest on Bonds	30,208		279,460	588,467
Interest on Short-term Loan from City		76,500		
Total Expenditures	626,801	6,732,460	754,460	608,467
Excess (Deficiency) of Revenues over Expenditures	776,968	(2,792,087)	(113,380)	1
OTHER FINANCING SOURCES (USES)				
Transfers In		1,857,500	150,952	
Transfers Out	(150,952)	(1,857,500)		
Total Other Financing Sources (Uses)	(150,952)	-	150,952	-
Net Change in Fund Balances	626,016	(2,792,087)	37,572	1
Fund Balances, Beginning of Year	6,928,805	10,974,474	1,027,730	584,674
Prior Period Adjustment	201,807			
Fund Balances, End of Year	$ 7,756,628	$ 8,182,387	$ 1,065,302	$ 584,675

The accompanying notes are an integral part of this statement.

Moorpark Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

Debt Service Fund	Capital Projects Funds		
2006 Tax Allocation Bonds	2001 Bond Proceeds	2006 Bond Proceeds	Total Governmental Funds
$ 508,162	$	$	$ 6,864,776
	21,102	64,253	254,316
			68,115
508,162	21,102	64,253	7,187,207
			3,015,105
			1,925,105
4,705	38,589		2,340,081
	746,492	12,807	774,855
			495,000
508,163			1,406,298
			76,500
512,868	785,081	12,807	10,032,944
(4,706)	(763,979)	51,446	(2,845,737)
	1,857,500		3,865,952
	(1,857,500)		(3,865,952)
-	-	-	-
(4,706)	(763,979)	51,446	(2,845,737)
533,654	6,660,306	9,628,366	36,338,009
	198,340		400,147
$ 528,948	$ 6,094,667	$ 9,679,812	$ 33,892,419

The accompanying notes are an integral part of this statement.

Moorpark Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2010

Net change in fund balances-total governmental funds	$ (2,845,737)
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 their 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	-
Depreciation	-
Governmental funds report revenues when notes receivable are repaid and expenditures when new notes are funded. These changes in notes receivable are not reflected in the Statement of Activities. This amount represents the current year change in notes receivable.	332,446
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	-
The issuance of long-term debt (e.g., bonds, leases) 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. The detail of these differences in the treatment of long-term debt is as follows:	
Debt Issued or Incurred:	
Principal Repayments	495,000
Amortization of Issuance Costs	(16,852)
Amortization of Bond Discounts	(10,847)
Accrued Interest for Tax Allocation Bonds. This is the net change in accrued interest for the current period.	5,997
Change in Net Assets of Governmental Activities	$ (2,039,993)

The accompanying notes are an integral part of this statement.

Moorpark Redevelopment Agency
Notes to Financial Statements
Year Ended June 30, 2010

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Moorpark Redevelopment Agency (Agency) 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 Agency is a separate governmental entity created in 1987, pursuant to the Community Redevelopment Law of the State of California Health and Safety Code. It has been included as a component unit of the City of Moorpark (City) for purposes of the City's annual financial report. The Agency has responsibility for elimination of blight within the limits of the project area by preparing and carrying out redevelopment plans for area improvements and rehabilitation.

The Agency's primary source of revenue comes from property taxes (tax increment), referred to in the accompanying financial statements as "taxes". The assessed valuation of all property within the project area is determined on the date of adoption of the Redevelopment Plan. Property taxes related to the incremental increase in assessed values after the adoption of the Redevelopment Plan are allocated to the Agency; all taxes on the "frozen" assessed valuation of the property are allocated to the City and other districts.

The Agency has no power to levy and collect taxes and any legislative property tax de-emphasis might reduce the amount of tax revenues that would otherwise be available to pay the principal and interest on debt. Broadened property tax exemptions could have a similar effect. Conversely, any increase in the tax rate or assessed valuation, or any reduction or elimination of present exemptions would increase the amount of tax revenues that would be available to pay principal and interest on debt.

Members of the City Council act as the governing body of the Agency. The Agency is also staffed by employees of the City.

B) Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Presentation - Continued

statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All Agency activities are governmental; no business-type activities are reported in these financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the Agency include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items that are not properly included among program revenues are reported instead as general revenues.

<u>Fund Financial Statements</u>
Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual, and is therefore recognized as revenue of the current fiscal period.

The Agency reports the following major governmental funds:

Special Revenue Funds

Low and Moderate Income Housing Fund - To account for housing set aside required under redevelopment laws of the State of California.

MRA Operating Fund - 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.

Debt Service Funds

1999 Tax Allocation Bonds Fund - To accumulate monies for the payment of interest and principal of the 1999 Tax Allocation Refunding Bonds. Debt service is financed via the incremental property tax from the Agency.

2001 Tax Allocation Bonds Fund - To accumulate monies for the payment of interest and principal of the 2001 Tax Allocation Bonds. Debt service is financed via the incremental property tax from the Agency.

2006 Tax Allocation Bonds Fund - To accumulate monies for the payment of interest and principal of the 2006 Tax Allocation Bonds. Debt service is financed via the incremental property tax from the Agency.

Capital Projects Funds

2001 Bond Proceeds Fund - Development fund for the 2001 Tax Allocation Bonds proceeds.

2006 Bond Proceeds Fund - Development fund for the 2006 Tax Allocation Bonds proceeds.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Direct expenses have not been eliminated from the functional categories; indirect expenses and internal payments have been eliminated, if any.

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

D) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E) Investments

The Agency has adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Pools", which require governmental entities to 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 Agency has adjusted certain investments to fair value (when material).

F) Property Held for Resale/Development

Property held for resale/development represents land and buildings (properties) purchased by the Agency. Such properties are 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 a reservation of fund balance to indicate that assets constitute future capital projects and are not available spendable resources. The balance outstanding at June 30, 2010 was $19,428,853.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G) Capital Assets

Capital assets, if any, are reported in Governmental Activities column of the Government-wide Financial Statements. Capital assets are defined by the Agency as vehicles, computers and equipment with an initial individual cost of more than $5,000. 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.

H) Property Taxes

The Agency receives incremental property taxes on property within its project area over a base-assessed valuation on the date the project area was established.

The duties of assessing and collecting property taxes are performed by the Ventura County Assessor and Tax Collector, respectively. Tax levies cover the period from July 1 to June 30 of each year. All tax liens attach 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 become 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.

I) Relationship to the City of Moorpark

The Agency is an integral part of the reporting entity of the City. The funds of the Agency have been blended within the financial statements of the City because the City Council of the City is the governing board of the Agency and exercises control over the operations of the Agency. Only the funds of the Agency are included herein; therefore, these financial statements do not purport to represent the financial position or the results of operations of the City.

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and Investments	$ 15,417,172
Restricted Cash and Investments	2,178,925
Total Cash and Investments	$ 17,596,097

Cash and investments as of June 30, 2010, consist of the following:

Unrestricted:	
Demand Deposits	$ 323,738
Cash on Hand	1,500
Investments	15,091,934
Total Unrestricted Cash and Investments	15,417,172
Restricted Cash and Investments (Held by Fiscal Agent)	
Money Market Funds	1,594,251
CDC Investment Agreement	584,674
Total Restricted Cash and Investments	2,178,925
Total Cash and Investments	$ 17,596,097

Investments Authorized by the Agency's Investment Policy

The Agency's investment policy only authorizes investment in the Local Agency Investment Fund (LAIF) administered by the State of California and pooled cash and investments with the City. The Agency's investment policy also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. Detailed information concerning the City's pooled cash and investments can be found in the City's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2010.

2) CASH AND INVESTMENTS - Continued

Investments Authorized by Debt Agreements

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

Disclosures Relating to 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. As of year end, the weighted average maturity of the investments contained in the LAIF investment pool was less than one year.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the maturity of each investment:

Investment Type		Value	Maturity
State Investment Pool	$	15,091,934	Less than One Year
Money Market Funds		1,594,251	Less than One Year
CDC Investment Agreement		584,674	October 1, 2031
Total	$	17,270,859	

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk

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 a rating by a nationally recognized statistical rating organization. The Agency's investment in LAIF, investment contracts, and money market fund do not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The Agency did not have investments that represent more than 5% of the Agency's total investments (other than LAIF).

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

All of the Agency's $323,739 demand deposits with financial institutions are covered by Federal depository insurance limits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

2) CASH AND INVESTMENTS - Continued

Investment in State Investment Pool

The Agency is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the elected Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rated share of the fair value provided by LAIF for the Agency LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants, provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's Office.

3) NOTES RECEIVABLE

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 rates ranging from 4 percent to 6 percent per annum from August 29, 1995 until August 29, 2029. In June 2004, the Agency, per a 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. The balance of the remaining note (note no. 7) outstanding at June 30, 2010 was $1,704,786. Principal and interest are due on September 2, 2029.

Rehab Loans

The Agency operates a rehabilitation loan program for the renovation of low and moderate income housing. The total balance outstanding at June 30, 2010 was $16,384.

Other Notes Receivable

The Agency has entered into an agreement to loan the County of Ventura Area Housing Authority (AHA) up to $350,000 to assist in developing residential rental units on Agency owned property. As of June 30, 2010, the AHA has drawn down $332,446 on the available loan. The outstanding principal balance and interest are expected to be paid during the 2010/11 fiscal year.

4) PROPERTY HELD FOR RESALE/DEVELOPMENT

Fiscal Year Acquired	Location	Carrying Value
1992-93	High Street/Moorpark Avenue SE Corner	$ 334,000
1993-94	18 High Street	425,162
1993-94	661 Moorpark Avenue	119,363
1999-00	SW Terminus of Millard Street	170,100
2000-01	285 High Street	110,737
2000-01	500 Spring Road	1,741,861
2000-01	782 Moorpark Avenue	115,271
2001-02	798 Moorpark Avenue	225,854
2001-02	83 High Street	883,244
2001-02	Fitch Avenue Cul-de-sac	1,022,164
2002-03	467 E High Street	451,439
2002-03	47-51 High Street	352,645
2003-04	81 Charles Street	823,787
2004-05	81 First Street	215,000
2005-06	347 Moorpark Avenue	668,713
2005-06	45 High Street	1,250,880
2006-07	1095 Walnut Canyon	374,464
2006-07	250 E Los Angles Avenue	578,814
2006-07	460 Charles Street	450,860
2006-07	765 Walnut Street	518,026
2006-07	Lots 69-82 Princeton Avenue	574,837
2007-08	1113 Walnut Canyon	411,800
2007-08	1123 Walnut Canyon	488,732
2007-08	1293 Walnut Canyon	535,103
2007-08	1331 Walnut Canyon	397,974
2007-08	18 High Street	107,800
2007-08	33 High Street	960,609
2007-08	450 Charles Street	531,329
2007-08	484 Charles Street	498,291
2008-09	1063 Walnut Canyon	474,534
2008-09	1073 Walnut Canyon	301,073
2008-09	512 Los Angeles Avenue	1,869,200
2008-09	780 Walnut Street	251,041
2009-10	112 First Street	12,940
2009-10	1083 Walnut Canyon Road	703,202
2009-10	100 W High Street	478,004
	Total Property Held for Resale/Development	$ 19,428,853

5) INTERFUND ACTIVITY

Interfund Transfers

With the Agency Board approval, resources may be transferred from one fund to another. Transfers between individual funds during the fiscal year ended June 30, 2010 are presented below:

		TRANSFERS FROM			
		Low and Moderate Income Housing	MRA Operating	2001 Bond Proceeds	Total
TRANSFER TO	MRA Operating	$		$ 1,857,500	$ 1,857,500
	1999 Tax Allocation Bonds	150,952			150,952
	2001 Bond Proceeds		1,857,500		1,857,500
	Total	$ 150,952	1,857,500	$ 1,857,500	$ 3,865,952

The transfers between the 2001 Bond Proceeds Fund and the MRA Operating Fund were to transfer land held for resale to the 2001 Bond Proceeds Fund and to reimburse the MRA Operating Fund for the cost of the land transferred.

The Low and Moderate Income Housing Fund transferred funds to the 1999 Tax Allocation Bonds Fund to pay the 20% debt service on the 1999 Tax Allocation Refunding Bonds.

Interfund Balances

During the prior fiscal year, the 2001 Bond Proceeds Fund advanced the Low and Moderate Income Housing Fund $350,000. This advance is expected to be paid back in the 2010/11 fiscal year.

6) DUE TO/DUE FROM THE CITY OF MOORPARK

The City's General Fund has advanced $29,701, $1,233, and $33,752 to the Low and Moderate Income Housing, MRA Operating, and 2001 Bond Proceeds funds respectively. These advances are expected to be paid back to the City's General Fund in 2010/11. The City's Capital Projects Fund advanced $60,000 during the fiscal year to the MRA Operating Fund. This advance is expected to be paid back to the City's Capital Projects Fund in 2010/11.

7) LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2010 are as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
1999 Tax Allocation Bonds	$ 5,970,000	$	$ (475,000)	$ 5,495,000	$ 500,000
2001 Tax Allocation Bonds	11,540,000		(20,000)	11,520,000	15,000
2006 Tax Allocation Bonds	11,695,000			11,695,000	40,000
Discount on Bonds	(298,284)		10,847	(287,437)	(10,847)
Totals	$ 28,906,716	$ -	$ (484,153)	$ 28,422,563	$ 544,153

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.

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 1999 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 revenues, which are deposited in the 1999 Tax Allocation Bonds 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 1999 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 1999 Bonds.

7) LONG-TERM DEBT - Continued

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

Year Ended	Tax Allocation Bonds		
June 30,	Principal	Interest	Total
2011	$ 500,000	$ 255,694	$ 755,694
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
2016-2019	2,735,000	274,827	3,009,827
Total	$ 5,495,000	$ 1,290,776	$ 6,785,776

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 are to 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 fund redemption. 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 revenues, which are deposited in the 2001 Tax Allocation Bonds 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 resolution requires 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.

7) LONG-TERM DEBT - Continued

Debt service payments on the 2001 Bonds payable will be made from the 2001 Tax Allocation Bonds Debt Service Fund. Annual debt service requirements to maturity are as follows:

Year Ended	Tax Allocation Bonds		
June 30,	Principal	Interest	Total
2011	$ 15,000	$ 587,743	$ 602,743
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
2016-2020	720,000	2,893,470	3,613,470
2021-2025	3,705,000	2,289,046	5,994,046
2026-2030	4,755,000	1,211,422	5,966,422
2031-2032	2,255,000	116,978	2,371,978
Total	$ 11,520,000	$ 9,442,312	$ 20,962,312

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 within 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 2006 Tax Allocation Bonds 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.

7) LONG-TERM DEBT - Continued

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

Year Ending	Tax Allocation Bonds		
June 30,	Principal	Interest	Total
2011	$ 40,000	$ 507,437	$ 547,437
2012	40,000	505,987	545,987
2013	35,000	504,628	539,628
2014	40,000	503,269	543,269
2015	40,000	501,819	541,819
2016-2020	235,000	2,483,919	2,718,919
2021-2025	295,000	2,431,187	2,726,187
2026-2030	355,000	2,361,781	2,716,781
2031-3035	4,270,000	2,028,031	6,298,031
2036-2039	6,345,000	570,172	6,915,172
Total	$ 11,695,000	$ 12,398,230	$ 24,093,230

8) SHORT TERM DEBT

At the beginning of the fiscal year, the Agency borrowed $5,000,000 from the City for cash flow purposes throughout the year. The Agency repaid the balance before June 30, 2010.

9) CLASSIFICATION OF NET ASSETS AND FUND BALANCE

Net Assets

Net assets are the differences between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Agency legislation or external restrictions by other governments, creditors or grantors.

9) CLASSIFICATION OF NET ASSETS AND FUND BALANCE - Continued

Fund Balance

Under accounting principles generally accepted in the United States of America a governmental entity may set up "reserves" of fund equity to segregate fund balances, which are not appropriable for expenditure in future periods, or which are legally set aside for a specific future use. Fund "designations" also may be established to indicate tentative plans for financial resources utilization in a future period.

10) 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, County Library District, Ventura County Fire Protection District, and Ventura 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.

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

10) AGREEMENTS WITH VARIOUS TAXING AGENCIES - Continued

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; and
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 proposed expenditures that are submitted in writing by the MUSD.

The third agreement is with the Ventura County Community College District (the VCCCD), and states that the VCCCD shall 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 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 School 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.

11) LOW AND MODERATE INCOME HOUSING SET ASIDE

The California Health and Safety Code Section 33334.2 requires a redevelopment agency to use at least 20 percent of tax increment revenues generated by a redevelopment project area to increase and improve the supply of low and moderate income housing in the community. Accordingly, the Agency's unspent commitment for its low and moderate income housing program (if any) is reflected as unreserved fund balance in the Agency's Low and Moderate Income Housing Special Revenue Fund.

12) RETIREMENT PLAN

A) Plan Description

Employees of the Agency are all City employees. The City contributes to the California Public Employees Retirement System (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% 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 2009/10 was 10.990%. The contribution requirements for plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

The following represents the required contributions of the City for the past three fiscal years:

Fiscal Year	Required Contributions	Percent Contributed
2007/08	$ 448,187	100%
2008/09	$ 491,357	100%
2009/10	$ 566,161	100%

13) RISK MANAGEMENT

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

The City (which includes the Agency) is a member of the California Joint Powers Insurance Authority (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.

B) Self Insurance Programs of the Authority

General Liability: Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as follows: the first $30,000 of each occurrence is charged directly to the member; costs from $30,001 to $750,000 are pooled based on a member's share of costs under $30,000; costs from $50,001 to $5,000,000 are pooled based on payroll. Cost of covered 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: The City also participates in the workers compensation pool administered by the Authority. Members retain the first $50,000 of each claim. Claims are pooled separately between public safety and non-public safety. Loss development reserves are allocated by pool and by loss layer ($0 to $100,000 allocated by retained amount and $100,000 to $2,000,000 by payroll). Losses from $50,000 to $100,000 and the loss development reserve associated with losses up to $100,000 are pooled based on the member's share of losses under $50,000. Losses from $100,000 to $2,000,000 are pooled based on payroll. Costs in excess of $50,000,000 are pooled among the Members based on payroll. Administrative expenses are paid from the Authority's investment earnings.

13) RISK MANAGEMENT - Continued

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 $38,504,423. 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 $34,531,896. 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 program 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.

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.

14) PRIOR PERIOD ADJUSTMENTS

The prior period adjustments of $400,147 in the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances consists of $125,514 in revenue which should have been deferred in the Low and Moderate Income Housing Special Revenue Fund in the prior year but was not and $525,661 of land held for resale expenditures which should have been classified as an asset but was expensed in the prior year ($327,321 and $198,340 in the Low and Moderate Income Housing Special Revenue and the 2001 Bond Proceeds Capital Projects Funds, respectively).

15) NEW PRONOUNCEMENT

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* will be required to be adopted and implemented by the City for the fiscal year 2010-11.

16) CONTINGENCIES/SUBSEQUENT EVENTS

There are certain legal actions currently pending against the Agency arising in the normal course of the Agency's operations. In the opinion of management and the Agency Attorney, the ultimate resolution of such actions is not expected to have a significant effect upon the financial statements of the Agency.

Subsequent to June 30, 2010, the City loaned $600,000 to the Agency's Low and Moderate Income Housing Special Revenue Fund. The Agency has since then loaned the $600,000 to the County of Ventura Area Housing Authority for development of residential housing units for the Charles Street project.

REQUIRED SUPPLEMENTARY INFORMATION

Moorpark Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Low and Moderate Income Housing Special Revenue Fund
Budget and Actual
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	$ 1,340,000	$ 1,407,000	$ 1,372,988	$ (34,012)
Use of Money and Property	31,000	31,000	30,781	(219)
Total Revenues	1,371,000	1,438,000	1,403,769	(34,231)
Expenditures				
Current:				
Public Services				
Administration	345,833	578,040	585,256	(7,216)
Capital Outlay	95,735	157,322	11,337	145,985
Debt Service:				
Principal				-
Interest on Bonds	36,000	36,000	30,208	5,792
Total Expenditures	477,568	771,362	626,801	144,561
Excess (Deficiency) of Revenues over Expenditures	893,432	666,638	776,968	110,330
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out	(152,000)	(152,000)	(150,952)	1,048
Total Other Financing Sources (Uses)	(152,000)	(152,000)	(150,952)	1,048
Net Change in Fund Balance	741,432	514,638	626,016	111,378
Fund Balance, Beginning of Year	6,928,805	6,928,805	6,928,805	-
Prior Period Adjustment			201,807	201,807
Fund Balance, End of Year	$ 7,670,237	$ 7,443,443	$ 7,756,628	$ 313,185

Moorpark Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances
MRA Operating Special Revenue Fund
Budget and Actual
Year Ended June 30, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances with Final Budget Positive (Negative)
Revenues				
Taxes	$	$ 3,908,000	$ 3,771,651	$ (136,349)
Use of Money and Property	47,000	230,000	100,607	(129,393)
Other Revenue	68,000	68,000	68,115	115
Total Revenues	115,000	4,206,000	3,940,373	(265,627)
Expenditures				
Current:				
Public Services				
Pass-Thru Agreements		3,200,000	3,015,105	184,895
ERAF Payment to State		1,925,105	1,925,105	-
Administration	1,513,852	1,546,905	1,711,531	(164,626)
Capital Outlay	5,494,934	5,884,670	4,219	5,880,451
Debt Service:				
Principal				-
Interest		150,000	76,500	73,500
Total Expenditures	7,008,786	12,706,680	6,732,460	5,974,220
Excess (Deficiency) of Revenues over Expenditures	(6,893,786)	(8,500,680)	(2,792,087)	5,708,593
Other Financing Sources (Uses)				
Transfers In		1,857,500	1,857,500	-
Transfers Out	(11,000)	(11,000)	(1,857,500)	(1,846,500)
Total Other Financing Sources (Uses)	(11,000)	1,846,500	-	(1,846,500)
Net Change in Fund Balance	(6,904,786)	(6,654,180)	(2,792,087)	3,862,093
Fund Balance, Beginning of Year	10,974,474	10,974,474	10,974,474	-
Fund Balance, End of Year	$ 4,069,688	$ 4,320,294	$ 8,182,387	$ 3,862,093

BUDGETS AND BUDGETARY ACCOUNTING

The Agency adopts an annual budget using the modified-accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America. Budgetary controls are established at the department level. At year end, unexpended appropriations lapse.

The Agency Executive Director may transfer budget appropriations between major categories within a fund in conformance with the policies set by the Agency Board. Any major changes or amendments must be approved by the Agency Board. The adopted budget and budget amendments made during the year are reflected in the accompanying financial statements.

A budgetary comparison schedule is presented as part of the required supplementary information for the major special revenue funds as provided for by GASB Statement No. 34. The budgetary comparison schedules for the remaining major funds are presented to aid in additional analysis and are not a required part of the basic financial statements.

SUPPLEMENTARY INFORMATION

Moorpark Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances
1999 Tax Allocation Bonds Debt Service Fund
Budget and Actual
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	$	$ 603,507	$ 603,507	$ -
Use of Money and Property		30,953	37,573	6,620
Total Revenues	-	634,460	641,080	6,620
Expenditures				
Current:				
Public Services				-
Debt Service:				
Principal		475,000	475,000	-
Interest		279,460	279,460	-
Total Expenditures	-	754,460	754,460	-
Excess (Deficiency) of Revenues over Expenditures	-	(120,000)	(113,380)	6,620
Other Financing Sources (Uses)				
Transfers In		152,000	150,952	(1,048)
Transfers Out				-
Total Other Financing Sources (Uses)	-	152,000	150,952	(1,048)
Net Change in Fund Balance	-	32,000	37,572	5,572
Fund Balance, Beginning of Year	1,027,730	1,027,730	1,027,730	-
Fund Balance, End of Year	$ 1,027,730	$ 1,059,730	$ 1,065,302	$ 5,572

Moorpark Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances
2001 Tax Allocation Bonds Debt Service Fund
Budget and Actual
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	$	$ 608,468	$ 608,468	$ -
Use of Money and Property				-
Total Revenues	-	608,468	608,468	-
Expenditures				
Current:				
Public Services				-
Debt Service:				
Principal		20,000	20,000	-
Interest		588,468	588,467	1
Total Expenditures	-	608,468	608,467	1
Excess (Deficiency) of Revenues over Expenditures	-	-	1	1
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	1	1
Fund Balance, Beginning of Year	584,674	584,674	584,674	-
Fund Balance, End of Year	$ 584,674	$ 584,674	$ 584,675	$ 1

Moorpark Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances
2006 Tax Allocation Bonds Debt Service Fund
Budget and Actual
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Taxes	$	$ 508,162	$ 508,162	$ -
Use of Money and Property				-
Total Revenues	-	508,162	508,162	-
Expenditures				
Current:				
Public Services			4,705	(4,705)
Debt Service:				
Principal				-
Interest		508,162	508,163	(1)
Total Expenditures	-	508,162	512,868	(4,706)
Excess (Deficiency) of Revenues over Expenditures	-	-	(4,706)	(4,706)
Other Financing Sources (Uses)				
Transfers In				-
Transfers Out				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	(4,706)	(4,706)
Fund Balance, Beginning of Year	533,654	533,654	533,654	-
Fund Balance, End of Year	$ 533,654	$ 533,654	$ 528,948	$ (4,706)

Moorpark Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances
2001 Bond Proceeds Capital Projects Fund
Budget and Actual
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Use of Money and Property	$ 182,000	$ 182,000	$ 21,102	$ (160,898)
Other Revenue				-
Total Revenues	182,000	182,000	21,102	(160,898)
Expenditures				
Current:				
Public Services				
Administration		45,000	38,589	6,411
Capital Outlay	1,867,508	2,051,512	746,492	1,305,020
Total Expenditures	1,867,508	2,096,512	785,081	1,311,431
Excess (Deficiency) of Revenues over Expenditures	(1,685,508)	(1,914,512)	(763,979)	1,150,533
Other Financing Sources (Uses)				
Transfers In			1,857,500	1,857,500
Transfers Out	(42,000)	(3,802,500)	(1,857,500)	1,945,000
Total Other Financing Sources (Uses)	(42,000)	(3,802,500)	-	3,802,500
Net Change in Fund Balance	(1,727,508)	(5,717,012)	(763,979)	4,953,033
Fund Balance, Beginning of Year	6,660,306	6,660,306	6,660,306	-
Prior Period Adjustment			198,340	198,340
Fund Balance, End of Year	$ 4,932,798	$ 943,294	$ 6,094,667	$ 5,151,373

Moorpark Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balances
2006 Bond Proceeds Capital Projects Fund
Budget and Actual
Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variances with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Use of Money and Property	$ 173,000	$ 173,000	$ 64,253	$ (108,747)
Total Revenues	173,000	173,000	64,253	(108,747)
Expenditures				
Current:				
Public Services				
Administration				-
Capital Outlay	9,112,521	9,298,126	12,807	9,285,319
Total Expenditures	9,112,521	9,298,126	12,807	9,285,319
Excess (Deficiency) of Revenues over Expenditures	(8,939,521)	(9,125,126)	51,446	9,176,572
Other Financing Sources (Uses)				
Transfers In				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(8,939,521)	(9,125,126)	51,446	9,176,572
Fund Balance, Beginning of Year	9,628,366	9,628,366	9,628,366	-
Fund Balance, End of Year	$ 688,845	$ 503,240	$ 9,679,812	$ 9,176,572

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

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 Honorable Chair and Members of the Agency
Moorpark Redevelopment Agency
Moorpark, California

We have audited the financial statements of the governmental activities and each major fund of the Moorpark Redevelopment Agency (the "Agency") as of and for the year ended June 30, 2010, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated December 7, 2010. 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 Agency'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 Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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

Richard A. Teaman, CPA • Greg W. Fankhanel, CPA • David M. Ramirez, CPA • Javier H. Carrillo, CPA
4201 Brockton Ave. Suite 100, Riverside CA 92501 • 951.274.9500 • 951.274.7828 FAX • www.trscpas.com

determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies,* issued by the State Controller. 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 in a separate letter dated December 7, 2010.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and the State Controller's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Teaman Ramirez & Smith, Inc.

December 7, 2010