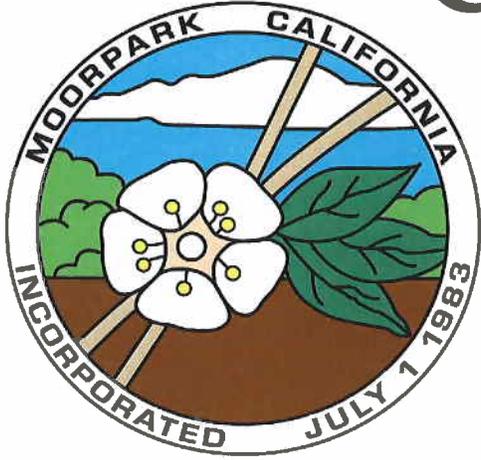


CITY OF



Moorpark California

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005



On the cover. . .

The Moorpark Police Services Center located at 610 Spring Road opened on November 14, 2005. The Center includes personnel from Moorpark City Police, Ventura County Sheriffs Department, and California Highway Patrol all under one roof. It's a one-stop location for law enforcement services. The Center also includes an emergency operations center (EOC) for disaster response and recovery. In the 75-year history of the California Highway Patrol, this is the first time they have co-located with an allied law enforcement agency.

**CITY OF MOORPARK,
CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2005

Prepared By:

Finance Department

INTRODUCTORY SECTION

CITY OF MOORPARK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2005

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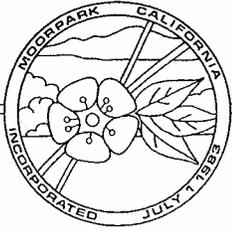
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MOORPARK

799 Moorpark Avenue Moorpark, California 93021 (805) 517-6200

December 15, 2005

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 for the fiscal year ended June 30, 2005. 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 new 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 for variances and economic factors for the upcoming fiscal year's budget.

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 and account groups of the City of Moorpark as well as all of its component units. The City of Moorpark is the primary government. The component units are the Moorpark Redevelopment Agency (the RDA), the Moorpark Public Financing Authority and the Moorpark Industrial Development Authority.

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

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

The Industrial Development Authority of the City of Moorpark 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 about 55 and part-time staff of approximately 45 employees. Major services such as police (contracted with Ventura County Sheriff), attorney, 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 of Moorpark 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 about 35,933. 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 of Moorpark 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 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 Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable assurance, 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, 2005. 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 XIII B of 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 the fiscal year 2004-05 amounted to \$17,494,629 and \$7,426,500, 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, 2005, over \$54 million (City & RDA combined) was invested with the State Treasurer's Local Agency Investment Fund (LAIF); \$6.8 million in the Ventura County Pool; Approximately \$9.9 million in U.S. Treasury and Agency Securities; and \$1.1 million was invested in Certificate of Deposits (CDs).

The cash management system of the City of Moorpark 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, ensures 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 infrastructures 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 has been recorded. Capital assets for the fiscal year ended June 30, 2005 has a net ending balance of \$117.4 million.

LONG-TERM LIABILITIES/BONDED LIABILITIES

The City of Moorpark has no outstanding bond or other debt but does have long-term liabilities in an amount of \$498,962 at June 30, 2005 for employee compensated absences (accrued leave).

The Moorpark Redevelopment Agency (MRA) has the 1999 Tax Allocation Bonds and the 2001 Tax Allocation Bonds outstanding in an amount of \$7.7 million and \$11.6 million, respectively. The purpose of the 1999 Bonds was to advance refund the Agency's previously issued 1993 Tax Allocation Bonds. The purpose of these bonds were to finance a portion of the costs of implementing the Redevelopment Plan and fund redevelopment activities within the MRA 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 107

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 the Authority. In addition, the City of Moorpark also participates in the all-risk property protection offered by the Authority. Various control techniques, including safety, ergonomic, harassment and driver awareness training have been implemented to minimize losses.

ACKNOWLEDGEMENT

We would like to express appreciation to all City staff who 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 our auditors, Vavrinek, Trine, Day & Co., LLP for their professional assistance. As in the past, the CAFR will be available on the City's website at www.moorpark.ca.us.

Respectfully submitted,



Steven Kueny
City Manager



Johnny Ea
Finance Director

City of Moorpark



Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005

DIRECTORY OF CITY OFFICIALS

CITY COUNCIL

Patrick Hunter, Mayor

Clint Harper, Mayor pro Tem
Keith Millhouse

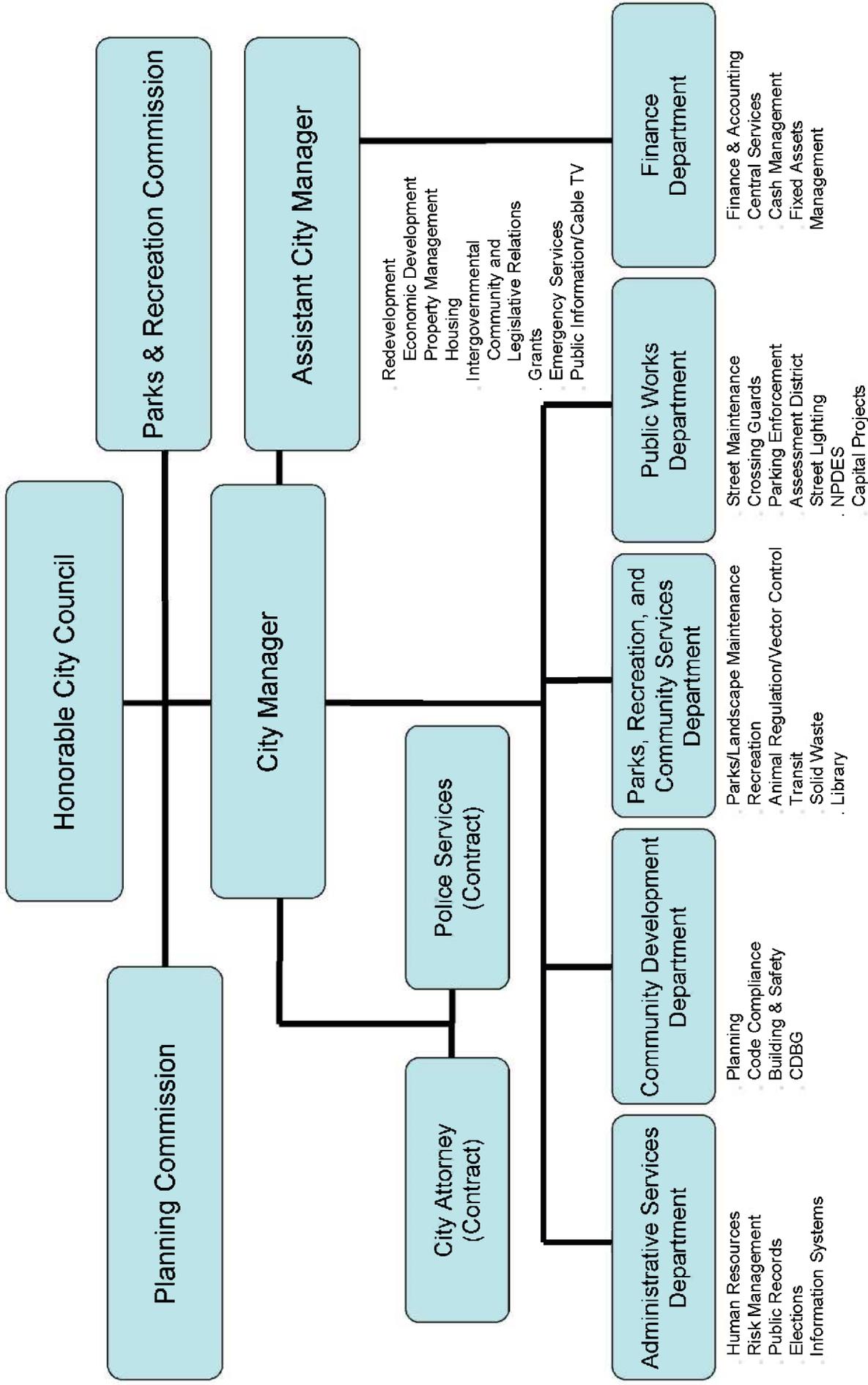
Roseann Mikos
Janice Parvin

CITY MANAGEMENT STAFF

Steven Kueny, City Manager
Hugh Riley, Assistant City Manager

Barry Hogan, Community Development Director
Brad Miller, City Engineer
Deborah Traffenstedt, Administrative Services Director
Johnny Ea, Finance Director
Ken Gilbert, Public Works Director
Mary Lindley, Parks, Recreation & Community Services Director

CITY OF MOORPARK ORGANIZATION CHART



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of City Council
The City of Moorpark, California

We have audited the accompanying financial statements of the governmental activities, each major fund, the remaining funds and the aggregate remaining fund information of the City of Moorpark, California (the City), as of and for the year ended June 30, 2005, which collectively comprise the City of Moorpark's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Moorpark'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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moorpark, California, as of June 30, 2005, and the respective changes in financial positions, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, effective July 1, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2005 on our consideration of the City of Moorpark'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 the 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 management's discussion and analysis on pages 3 through 13, is 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, capital projects and debt service major fund budgetary schedules, and combining individual non-major fund statements and schedules, and statistical section as listed in the table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining, capital projects and debt service major fund budgetary schedules, individual non-major fund statements and 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 introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vanninick, Truitt, Day & Co., LLP

Rancho Cucamonga, California
October 20, 2005

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

As management of the City of Moorpark, California (the "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, 2005. 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 the 2005 fiscal year by \$172,580,040 (net assets). Of this amount, \$26,413,978 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.
- The City's total net assets increased by \$6,579,786 during the current fiscal year. The Statement of Net Assets is presented on page 14.
- As of June 30, 2005, the City's governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) reported combined ending fund balances of \$70,453,125 an increase of nearly \$2.2 million from the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$12,527,255.
- The City's total Long – Term Liabilities decreased by \$296,864 or 1.5% during the current fiscal year. The decrease is attributable to the difference between employee compensated absences addition and the fiscal year's regularly scheduled debt service payments for the 1999 and 2001 Tax Allocation Bonds.

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 comprise 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.

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

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 of Moorpark as the primary government, but also a legally separate Moorpark Redevelopment Agency, the Moorpark Public Financing Authority, and the Industrial Development Authority of the City of Moorpark. 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 14 and 15 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*.

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

The City maintains 19 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, Park Improvement, Community Development, Areas of Contribution, Endowment, Police Facilities Fee, Moorpark Redevelopment Agency (MRA) – Capital Projects, and Moorpark Redevelopment Agency (MRA) – Debt Service. All of which are considered to be major funds. Data from the remaining 10 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. As the City's only fiduciary fund, the Agency Fund is 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 28 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 29-59 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has continued to present its financial statements under the new 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 \$172,580,040 at the close of the current fiscal year.

The City's net assets invested in capital assets, net of related debt reflects a positive \$99,760,671. As shown on Table 1, the largest portion of the City's net assets (58%) is its investment in capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CITY OF MOORPARK

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

An additional portion of the City's net assets (27%) 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 (15%) 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, 2005, 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, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Assets:		
Current and other assets	\$ 79,167,278	\$ 76,701,898
Capital assets	117,401,785	113,646,392
Total Assets	<u>196,569,063</u>	<u>190,348,290</u>
Liabilities:		
Long-term debt outstanding	19,385,107	19,690,826
Other liabilities	4,603,916	3,347,452
Total Liabilities	<u>23,989,023</u>	<u>23,038,278</u>
Net Assets:		
Invested in capital assets, net of related debt	99,760,671	93,941,392
Restricted	46,405,391	41,506,906
Unrestricted	26,413,978	31,861,714
Total Net Assets	<u>\$ 172,580,040</u>	<u>\$ 167,310,012</u>

Note: Total net assets for June 30, 2004 has been restated (see note # 15).

The City's net assets increased by \$6,579,786 during the current fiscal year.

CITY OF MOORPARK

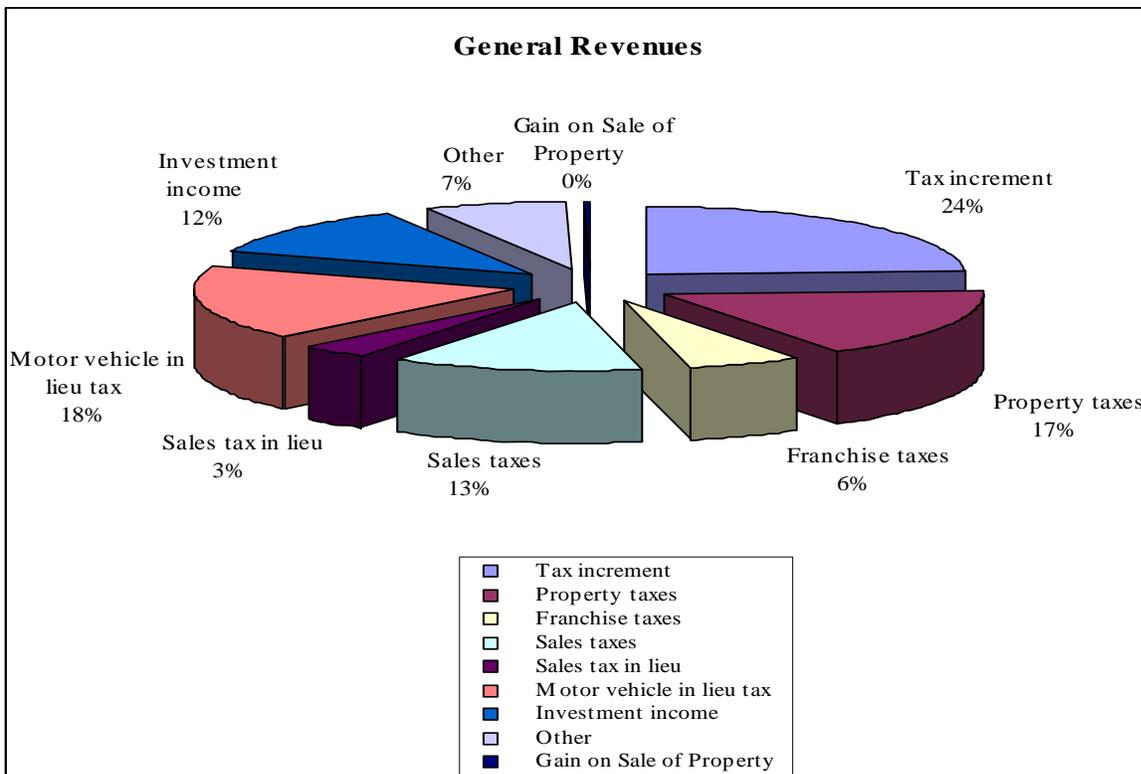
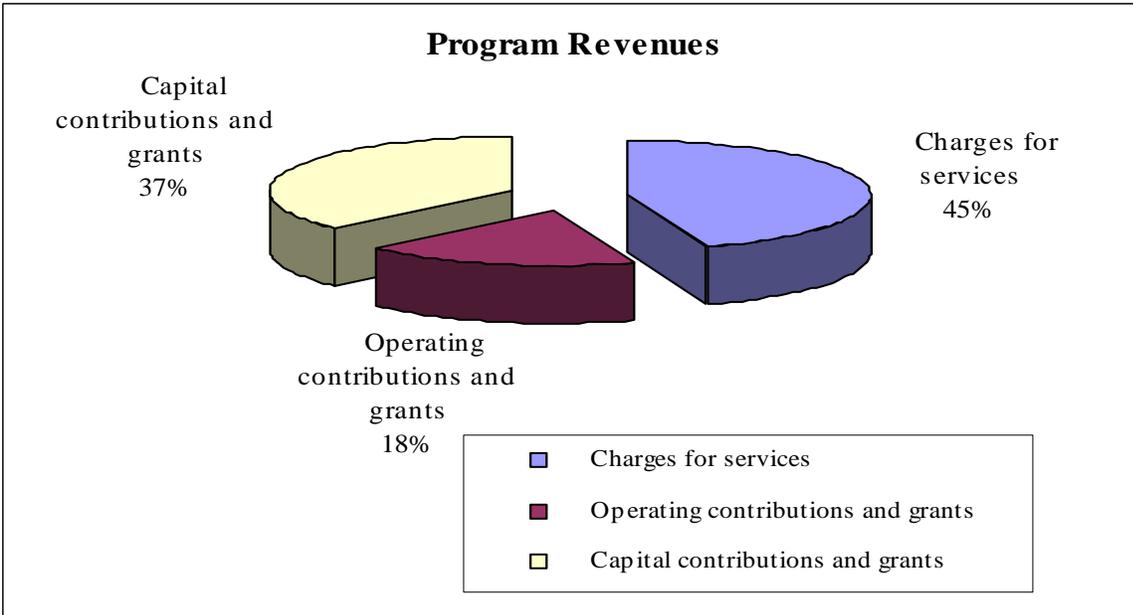
**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

**Table 2
Changes in Net Assets
Governmental Activities
As of June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Revenues		
Program Revenues:		
Charges for services	\$ 5,632,818	\$ 6,494,526
Operating contributions and grants	2,313,834	4,077,849
Capital contributions and grants	4,633,166	4,731,311
General Revenues:		
Tax increment	3,901,779	4,116,542
Property taxes	2,655,093	2,658,230
Franchise taxes	955,829	919,290
Sales taxes	2,046,368	2,176,893
Sales tax in lieu	537,485	-
Motor vehicle in lieu tax	2,836,154	1,570,551
Investment income	1,725,579	1,363,344
Other	1,160,805	177,380
Gain on Sale of Property	48,339	-
Special item	-	(900,000)
Total Revenues	<u>28,447,249</u>	<u>27,385,916</u>
Expenses		
General government	3,030,395	2,351,860
Public safety	5,709,323	4,902,148
Public services	9,844,050	10,957,272
Parks and recreation	2,304,852	2,600,523
Interest on long-term debt	978,843	1,097,421
Total Expenses	<u>21,867,463</u>	<u>21,909,224</u>
Increase in net assets	6,579,786	5,476,692
Net assets - July 1, as restated (see Note # 15)	<u>166,000,254</u>	<u>161,833,320</u>
Total Net assets - June 30	<u>\$ 172,580,040</u>	<u>\$ 167,310,012</u>

CITY OF MOORPARK

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**



CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

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 balances of *spendable resources*. Such information is useful in assessing the City's financial 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, the City's governmental funds reported total fund balances of \$70,453,125. This is an increase of \$2,179,893 in comparison with the prior year. Approximately \$50,791,645 or 72% of the fund balances constitutes *unreserved fund balance*, which is available to meet the City's current and future needs. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has been committed to a variety of restricted purposes.

General 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 \$18,299,699 which was \$3,307,786 or 22% more than the prior year's General Fund total fund balance. 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 190 % of total General Fund expenditures and transfers out.

Key factors in this growth are as follows:

- The City's share of Vehicle License Fees (VLF) in an amount of \$585,518 that was borrowed by the State in FY 2003/04 was repaid earlier than the expected repayment date of August 2006.
- Triple Flip payments in an amount of \$537,485 were received for the sales tax reduction in FY 2003-04.
- The City received \$175,000 from cable franchise for equipment upgrades to the PEG channel.
- Supplemental Secured/Unsecured Property Tax and Real Property Transfer Tax increased by \$80,000.
- Expenditures ended the year \$1.8 million under budget mainly due to savings of \$476,000 and \$98,000 that were not needed to be transferred to the Community Development Fund and Park Maintenance Fund respectively. Other savings resulted from prudent spending by staff and capital projects that have not yet started.

Street and Traffic Safety Fund

The fund balance of the Street and Traffic Safety Fund increased by approximately \$360,000 from the prior year, primarily due to the receipt of development fees for various construction projects.

Community Development Fund

The fund balance of the Community Development Fund decreased by approximately \$350,000 from the prior year as a result of funding Planning, Building & Safety, and Engineering expenditures without contributions from the General Fund.

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

Areas of Contribution Fund

The fund balance of the Areas of Contribution Fund decreased by approximately \$357,000 from the prior year, primarily due to Los Angeles Avenue Widening and Spring Road project expenditures.

Endowment Fund

The fund balance of the Endowment Fund increased by approximately \$2.2 million from the prior year, primarily due to the receipt of \$1.5 million of development fees per the Second Amendment to the Settlement Agreement with a developer. In addition, expenditures were low due to budgeted projects not yet started or projects are in progress.

Park Improvement Fund

The fund balance of the Park Improvement Fund increased by approximately \$266,000 primarily due to savings from various ongoing projects that have not yet been completed.

Police Facilities Fund

The fund balance of the Police Facilities Fund decreased by approximately \$5.8 million from the prior year, primarily due to the construction of the final phase of the new Police Services Facility. The Police Department is expected to move into the new facility in November of 2006. The major funding source for this new facility is a loan from the Endowment Fund in an amount of \$7.9 million. Repayments will be made when the Police Facilities Fund collect fees from future development projects.

RDA Capital Projects Fund

The fund balance of the Redevelopment Agency Capital Projects Fund increased by approximately \$411,000 from the previous year mainly from two loan payoffs received during the year.

RDA Debt Service Fund

The fund balance of the Redevelopment Agency Debt Service Fund increased by approximately \$545,000 primarily resulting from lower transfers to the RDA Operations Fund of tax increment revenue.

Non-Major Governmental Funds

The fund balance of all other Non-Major Governmental Funds (10 funds) increased by approximately \$1.6 million or 15.4% from the previous fiscal year. This increase is mainly a result of the receipt of the full payment of the Cabrillo Note in an amount of \$850,000 on April 14, 2005 and the receipt of \$544,000 from the Local Transportation Article (8A) Fund.

CITY OF MOORPARK

**MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

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) 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.

The results of the General Fund for the year ended June 30, 2005, were more favorable than anticipated. Revenues were \$1 million over budget and expenditures and transfers out ended the year \$1.8 million under budget. The two largest savings came from General Government (\$438,662) and Parks and Recreation (\$298,469).

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets. The City’s investment in capital assets as of June 30, 2005, amounted to \$117,401,785 (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 3.3%.

**Table 3
Capital Assets (net of depreciation)
Governmental Activities
As of June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Land	\$ 30,841,687	\$ 32,463,213
Construction in Progress	14,718,377	7,330,885
Buildings and improvements	5,755,537	5,886,644
Machinery and equipment	858,531	925,384
Infrastructure	65,227,653	67,040,266
Total	<u>\$ 117,401,785</u>	<u>\$ 113,646,392</u>

CITY OF MOORPARK

**MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

Some of the City’s major capital asset purchases in the current fiscal year were:

- In the General Fund, the Community Services Department purchased a video monitoring system for \$18,890 and also purchased RecWare software for \$10,178.
- The Park Maintenance Fund purchased a brush chipper for \$26,146.
- The Los Angeles A.O.C Fund purchased a property for \$400,638.
- Approximately \$68,000 was spent from various funds on Information Systems equipment and computers.
- Nearly \$9.1 million for the new Police Facility is included in the \$14.7 million Construction in Progress total.

As a result of the implementation of GASB 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 page 47 of this report.

Long-term Liabilities. At the end of the current fiscal year, the City’s long-term liability outstanding is \$498,962 in employee compensated absences payable. The Redevelopment Agency’s bonded liability is comprised of \$19,300,000 of tax allocation bonds which are secured by future tax revenues. This is shown at Table 4.

**Table 4
Outstanding Long-Term Liabilities
Governmental Activities
As of June 30, 2005 and 2004**

	2005	2004
Tax allocation bonds (issued by the Redevelopment Agency)	\$ 19,300,000	\$ 19,705,000
Employee Compensated Absences Payable	498,962	390,826
Total	\$ 19,798,962	\$ 20,095,826

The City of Moorpark’s total liabilities decreased by \$296,864 or 1.5% during the current fiscal year. The decrease is attributable to the difference between long-term liabilities additions and the fiscal year’s regularly scheduled liabilities service payments.

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2005

Additional information on the City's long-term liabilities can be found in Note #6 on pages 48 and 49 of the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 of Moorpark will be on cash flow and the subsequent reduction in interest income due to biannual (catch-up payments) rather than monthly sales tax payments. In addition, the City's budget continues to be challenged by the State's transfer of funds to the schools (ERAF shift). The City of Moorpark Redevelopment Agency's ERAF shift as calculated by the State Department of Finance for FY 2005-06 is \$295,182. This is an increase of \$1,484 in comparison to last year's shift of \$293,698.

Additionally, the City took into consideration the following factors in preparing the budget for fiscal year 2005-06:

- Assessed property values are expected to have a nominal increase.
- Interest income will show a slight increase as interest rates continue to rise.
- Sales tax growth will be modest which is a reflection of the full occupancy of the Moorpark Marketplace and generally having the same tenant mix in FY 2005-06.
- Increase in PERS retirement cost from 8.136% to 11.783% effective 7/1/05.
- Increase in health insurance rates and Worker's Compensation rates.

A priority of the City is to maintain a high quality of services while adopting a balanced budget. As in prior years, the 2005-06 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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF MOORPARK

**STATEMENT OF NET ASSETS
JUNE 30, 2005**

	Governmental Activities
	<u> </u>
ASSETS	
Cash and investments	\$ 68,900,708
Receivables:	
Taxes	106,508
Accounts	1,757,031
Interest	580,190
Notes and loans	4,770,532
Property held for resale/development	1,658,886
Restricted cash and investments	1,393,423
Capital assets:	
Non-depreciable:	
Land	30,841,687
Construction in progress	14,718,377
Depreciable, net of accumulated depreciation:	
Buildings and improvements	5,755,537
Machinery and equipment	858,531
Infrastructure	65,227,653
Total Assets	<u>196,569,063</u>
LIABILITIES	
Accounts payable and accrued liabilities	3,242,368
Retentions payable	62,555
Interest payable	238,009
Deferred revenue	635,224
Deposits	5,760
Noncurrent liabilities:	
Due within one year	420,000
Due in more than one year	19,385,107
Total Liabilities	<u>23,989,023</u>
NET ASSETS	
Invested in capital assets, net of related debt	99,760,671
Restricted for:	
Community development	38,719,943
Recreation services	3,038,019
Public safety	552,743
Debt service	1,393,423
Housing set-aside	2,701,263
Unrestricted	26,413,978
Total Net Assets	<u>\$ 172,580,040</u>

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005**

	Expenses	Program Revenues		Net Governmental Activities
		Charges for Services	Operating Contributions and Grants	
Governmental Activities:				
General government	\$ 3,030,395	\$ 2,010,540	\$ 195,277	\$ (824,578)
Public safety	5,709,323	344,019	103,724	\$ (5,176,169)
Public services	9,844,050	2,776,976	2,014,833	(693,817)
Parks and recreation	2,304,852	501,283		(1,614,238)
Interest on long-term debt	978,843			(978,843)
Total Governmental Activities	\$ 21,867,463	\$ 5,632,818	\$ 2,313,834	\$ (9,287,645)

General Revenues:

Taxes:	
Property tax, levied for general purpose	2,655,093
Property tax, Redevelopment Agency tax increment	3,901,779
Franchise tax	955,829
Sales tax	2,046,368
Sales tax in lieu	537,485
Motor vehicle in lieu tax	2,836,154
Investment income	1,725,579
Other	1,160,805
Gain on sale of property	48,339
Total General Revenues	<u>15,867,431</u>
Change in Net Assets	6,579,786
Net Assets at Beginning of Year, as Restated	<u>166,000,254</u>
Net Assets at End of Year	<u><u>\$ 172,580,040</u></u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

CITY OF MOORPARK

**GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2005**

ASSETS	Special Revenue			
	General	Street and Traffic Safety	Community Development	Areas of Contribution
Cash and investments	\$ 11,895,435	\$ 10,443,484	\$ 661,003	\$ 7,451,456
Restricted cash and investments				
Receivables:				
Taxes	101,930			
Accounts	1,307,977		356	
Interest	303,042			137,275
Notes and loans	2,286			
Due from other funds	185,862			
Advances to other funds	5,586,582			
Property held for resale/development				
Total Assets	<u>\$ 19,383,114</u>	<u>\$ 10,443,484</u>	<u>\$ 661,359</u>	<u>\$ 7,588,731</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 981,485	\$ 9,020	\$ 242,860	\$ 56,580
Due to other funds				
Retention payable		10,260		17,573
Deferred revenue	101,930			137,274
Deposits, principally from developers				
Advances from other funds				
Total Liabilities	<u>1,083,415</u>	<u>19,280</u>	<u>242,860</u>	<u>211,427</u>
FUND BALANCES				
Reserved for:				
Debt service				
Property held for resale/development				
Interfund receivables	5,772,444			
Housing set-aside				
Unreserved, reported in:				
General fund	12,527,255			
Special revenue funds		10,424,204	418,499	7,377,304
Capital projects funds				
Debt service fund				
Total Fund Balances	<u>18,299,699</u>	<u>10,424,204</u>	<u>418,499</u>	<u>7,377,304</u>
Total Liabilities and Fund Balances	<u>\$ 19,383,114</u>	<u>\$ 10,443,484</u>	<u>\$ 661,359</u>	<u>\$ 7,588,731</u>

See accompanying notes to financial statements.

Special Revenue		Capital Projects		Debt Service	Non-Major Governmental Funds		Totals
Endowment	Park Improvement	Police Facilities Fee	Redevelopment Agency	Redevelopment Agency			
\$ 5,719,568	\$ 3,101,611	\$ 1,016,965	\$ 10,812,042	\$ 5,826,345 1,393,423	\$ 11,972,799		\$ 68,900,708 1,393,423
						4,578	106,508
		1,064	975	60,876	385,783		1,757,031
			134,452		5,421		580,190
			188,834				2,286
7,946,630							374,696
			876,601		782,285		13,533,212
<u>\$ 13,666,198</u>	<u>\$ 3,101,611</u>	<u>\$ 1,018,029</u>	<u>\$ 12,012,904</u>	<u>\$ 7,280,644</u>	<u>\$ 13,150,866</u>		<u>\$ 88,306,940</u>
\$ 274	\$ 62,146	\$ 270,109	\$ 17,109	\$ 1,233,937	\$ 368,848		\$ 3,242,368
					374,696		374,696
	1,446		20,622		12,654		62,555
					396,020		635,224
			5,045		715		5,760
		7,946,630	344,849	5,000,000	241,733		13,533,212
<u>274</u>	<u>63,592</u>	<u>8,216,739</u>	<u>387,625</u>	<u>6,233,937</u>	<u>1,394,666</u>		<u>17,853,815</u>
				1,393,423			1,393,423
			876,601		782,285		1,658,886
7,946,630			188,834				13,907,908
					2,701,263		2,701,263
							12,527,255
5,719,294	3,038,019				7,386,755		34,364,075
		(7,198,710)	10,559,844		885,897		4,247,031
				(346,716)			(346,716)
<u>13,665,924</u>	<u>3,038,019</u>	<u>(7,198,710)</u>	<u>11,625,279</u>	<u>1,046,707</u>	<u>11,756,200</u>		<u>70,453,125</u>
<u>\$ 13,666,198</u>	<u>\$ 3,101,611</u>	<u>\$ 1,018,029</u>	<u>\$ 12,012,904</u>	<u>\$ 7,280,644</u>	<u>\$ 13,150,866</u>		<u>\$ 88,306,940</u>

CITY OF MOORPARK

**GOVERNMENTAL FUND
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2005**

Fund Balances of Governmental Funds	\$ 70,453,125
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 governmental funds.	117,401,785
Long-term notes and loans receivable are not current financial resources and, therefore, are not included in the governmental funds.	4,768,246
Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(238,009)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(19,805,107)</u>
Net Assets of Governmental Activities	<u><u>\$ 172,580,040</u></u>

See accompanying notes to financial statements.

CITY OF MOORPARK

**GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005**

	Special Revenue			
	General	Street and Traffic Safety Development	Community Development	Areas of Contribution
REVENUES				
Taxes	\$ 5,237,648			
Licenses and permits	54,180			
Fines and forfeitures	149,121			
Use of money and property	534,114	\$ 211,336		\$ 38,890
Charges for services	2,508,577		\$ 7,079	1,165
Intergovernmental	3,032,435			
Maintenance assessments				483,627
Franchise fees	955,828			
Building and safety fees			431,959	
Planning and public works fees			1,967,751	
Development fees		333,599		
Other revenue	314,391			
Total Revenues	<u>12,786,294</u>	<u>544,935</u>	<u>2,406,789</u>	<u>523,682</u>
EXPENDITURES				
Current:				
General government	2,852,246		5,119	
Public safety	4,414,909			
Public services	712,816	184,676	2,751,570	
Parks and recreation	749,287			
Capital outlay				720,666
Debt service:				
Principal				
Interest				
Total Expenditures	<u>8,729,258</u>	<u>184,676</u>	<u>2,756,689</u>	<u>720,666</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,057,036</u>	<u>360,259</u>	<u>(349,900)</u>	<u>(196,984)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,259			
Gain from sale of property				
Transfers out	(909,509)			(160,259)
Total Other Financing Sources (Uses)	<u>(749,250)</u>			<u>(160,259)</u>
Net Change in Fund Balances	3,307,786	360,259	(349,900)	(357,243)
Fund Balances, Beginning of Year, as Restated	<u>14,991,913</u>	<u>10,063,945</u>	<u>768,399</u>	<u>7,734,547</u>
Fund Balances, End of Year	<u>\$ 18,299,699</u>	<u>\$ 10,424,204</u>	<u>\$ 418,499</u>	<u>\$ 7,377,304</u>

See accompanying notes to financial statements.

Special Revenue		Capital Projects		Debt Service	Non-Major Governmental Funds	Total
Endowment	Park Improvement	Police Facilities Fee	Redevelopment Agency	Redevelopment Agency		
				\$ 3,901,779	\$ 295	\$ 9,139,722
						54,180
					194,898	344,019
\$ 239,709	\$ 80,515		\$ 414,131	163,949	241,935	1,924,579
	593				41,560	2,558,974
					2,118,557	5,150,992
		\$ 85,411			1,394,152	1,963,190
					275,935	1,231,763
						431,959
						1,967,751
2,147,046	189,331					2,669,976
	489,000		795,247		1,234,324	2,832,962
2,386,755	759,439	85,411	1,209,378	4,065,728	5,501,656	30,270,067
	35,994					2,893,359
					1,275,911	5,690,820
	387		740,696	1,329,747	2,378,255	8,098,147
					1,332,436	2,081,723
112,417	492,898	5,896,967	57,407		530,524	7,810,879
				405,000		405,000
				1,158,585		1,158,585
148,411	493,285	5,896,967	798,103	2,893,332	5,517,126	28,138,513
2,238,344	266,154	(5,811,556)	411,275	1,172,396	(15,470)	2,131,554
				152,674	1,714,382	2,027,315
					48,339	48,339
				(780,356)	(177,191)	(2,027,315)
				(627,682)	1,585,530	48,339
2,238,344	266,154	(5,811,556)	411,275	544,714	1,570,060	2,179,893
11,427,580	2,771,865	(1,387,154)	11,214,004	501,993	10,186,140	68,273,232
\$ 13,665,924	\$ 3,038,019	\$ (7,198,710)	\$ 11,625,279	\$ 1,046,707	\$ 11,756,200	\$ 70,453,125

CITY OF MOORPARK

**GOVERNMENTAL FUND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

Net Change in Fund Balances - Total Governmental Funds \$ 2,179,893

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances 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 less disposals	7,998,441
Depreciation expense	(2,220,884)

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. (1,672,157)

Principal repayments of long-term debt are reported as expenditures in the Governmental Funds, however, they reduce long-term liabilities in the Statement of Net Assets. 405,000

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. 3,774

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. (114,281)

Change in Net Assets of Governmental Activities \$ 6,579,786

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,950,750	\$ 5,330,750	\$ 5,237,648	\$ (93,102)
Licenses and permits	46,600	46,600	54,180	7,580
Fines and forfeitures	95,500	95,500	149,121	53,621
Use of money and property	310,000	325,000	534,114	209,114
Charges for services	2,326,583	2,349,583	2,508,577	158,994
Intergovernmental	2,454,484	2,454,484	3,032,435	577,951
Franchise fees	922,000	922,000	955,828	33,828
Other revenue	10,000	216,650	314,391	97,741
Total Revenues	<u>11,115,917</u>	<u>11,740,567</u>	<u>12,786,294</u>	<u>1,045,727</u>
EXPENDITURES				
Current:				
General government	2,956,619	3,290,908	2,852,246	438,662
Public safety	4,703,522	4,708,627	4,414,909	293,718
Public services	908,339	860,360	712,816	147,544
Parks and recreation	991,741	1,047,756	749,287	298,469
Total Expenditures	<u>9,560,221</u>	<u>9,907,651</u>	<u>8,729,258</u>	<u>1,178,393</u>
Excess of Revenues Over (Under) Expenditures	<u>1,555,696</u>	<u>1,832,916</u>	<u>4,057,036</u>	<u>2,224,120</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,259	160,259	160,259	
Transfers out	(1,402,139)	(1,483,862)	(909,509)	574,353
Total Other Financing Sources (Uses)	<u>(1,241,880)</u>	<u>(1,323,603)</u>	<u>(749,250)</u>	<u>574,353</u>
Net Change in Fund Balance	313,816	509,313	3,307,786	2,798,473
Fund Balance, Beginning of Year, as restated	<u>14,991,913</u>	<u>14,991,913</u>	<u>14,991,913</u>	
Fund Balance, End of Year	<u>\$15,305,729</u>	<u>\$15,501,226</u>	<u>\$18,299,699</u>	<u>\$ 2,798,473</u>

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 STREET AND TRAFFIC SAFETY DEVELOPMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 146,442	\$ 146,442	\$ 211,336	\$ 64,894
Development fees	1,631,891	1,631,891	333,599	(1,298,292)
Total Revenues	<u>1,778,333</u>	<u>1,778,333</u>	<u>544,935</u>	<u>(1,233,398)</u>
EXPENDITURES				
Current:				
Public services	<u>816,408</u>	<u>1,146,344</u>	<u>184,676</u>	<u>961,668</u>
Total Expenditures	<u>816,408</u>	<u>1,146,344</u>	<u>184,676</u>	<u>961,668</u>
Net Change in Fund Balance	961,925	631,989	360,259	(271,730)
Fund Balance, Beginning of Year	<u>10,063,945</u>	<u>10,063,945</u>	<u>10,063,945</u>	
Fund Balance, End of Year	<u>\$ 11,025,870</u>	<u>\$ 10,695,934</u>	<u>\$ 10,424,204</u>	<u>\$ (271,730)</u>

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,500	\$ 3,500	\$ 7,079	\$ 3,579
Building and safety fees	364,310	400,553	431,959	31,406
Planning and public works fees	1,590,260	1,566,017	1,967,751	401,734
Total Revenues	1,958,070	1,970,070	2,406,789	436,719
EXPENDITURES				
Current:				
General government	4,175	5,119	5,119	
Public services	2,673,125	2,687,825	2,751,570	(63,745)
Total Expenditures	2,677,300	2,692,944	2,756,689	(63,745)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(719,230)	(722,874)	(349,900)	372,974
OTHER FINANCING SOURCES				
Transfers in	469,208	475,908		(475,908)
Total Other Financing Sources	469,208	475,908		(475,908)
Net Change in Fund Balance	(250,022)	(246,966)	(349,900)	(102,934)
Fund Balance, Beginning of Year	768,399	768,399	768,399	
Fund Balance, End of Year	\$ 518,377	\$ 521,433	\$ 418,499	\$ (102,934)

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
AREAS OF CONTRIBUTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 114,271	\$ 114,271	\$ 38,890	\$ (75,381)
Charges for services			1,165	1,165
Maintenance assessments	1,230,019	1,230,019	483,627	(746,392)
Total Revenues	1,344,290	1,344,290	523,682	(820,608)
EXPENDITURES				
Capital outlay	8,282,124	9,545,483	720,666	8,824,817
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,937,834)	(8,201,193)	(196,984)	8,004,209
OTHER FINANCING SOURCES (USES)				
Transfers out	(160,259)	(160,259)	(160,259)	
Net Change in Fund Balance	(7,098,093)	(8,361,452)	(357,243)	8,004,209
Fund Balance, Beginning of Year	7,734,547	7,734,547	7,734,547	
Fund Balance, End of Year	\$ 636,454	\$ (626,905)	\$7,377,304	\$ 8,004,209

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
ENDOWMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 148,222	\$ 148,222	\$ 239,709	\$ 91,487
Development fees	1,149,000	1,449,000	2,147,046	698,046
Total Revenues	<u>1,297,222</u>	<u>1,597,222</u>	<u>2,386,755</u>	<u>789,533</u>
EXPENDITURES				
Current:				
General government			35,994	(35,994)
Capital outlay	<u>4,318,230</u>	<u>5,867,205</u>	<u>112,417</u>	<u>5,754,788</u>
Total Expenditures	<u>4,318,230</u>	<u>5,867,205</u>	<u>148,411</u>	<u>5,718,794</u>
Net Change in Fund Balance	(3,021,008)	(4,269,983)	2,238,344	6,508,327
Fund Balance, Beginning of Year	<u>11,427,580</u>	<u>11,427,580</u>	<u>11,427,580</u>	
Fund Balance, End of Year	<u>\$ 8,406,572</u>	<u>\$ 7,157,597</u>	<u>\$ 13,665,924</u>	<u>\$ 6,508,327</u>

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PARK IMPROVEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 82,197	\$ 82,197	\$ 80,515	\$ (1,682)
Charges for services			593	593
Development fees	679,876	696,673	189,331	(507,342)
Other revenue		489,000	489,000	
Total Revenues	762,073	1,267,870	759,439	(508,431)
EXPENDITURES				
Current:				
Public services	30,000	30,000	387	29,613
Capital outlay	1,189,427	1,335,478	492,898	842,580
Total Expenditures	1,219,427	1,365,478	493,285	872,193
Net Change in Fund Balances	(457,354)	(97,608)	266,154	363,762
Fund Balance, Beginning of Year	2,771,865	2,771,865	2,771,865	
Fund Balance, End of Year	\$2,314,511	\$2,674,257	\$3,038,019	\$ 363,762

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
JUNE 30, 2005**

ASSETS

Cash and investments	<u>\$ 4,365,932</u>
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LIABILITIES

Accounts payable	\$ 306,713
Deposits	<u>4,059,219</u>

Total Liabilities	<u>\$ 4,365,932</u>
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See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Moorpark (the 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 (the RDA), the Moorpark Public Financing Authority (the PFA), and the Industrial Development Authority of the City of Moorpark (the IDA).

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

The RDA 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 RDA in order to provide financial assistance to the City and the RDA by issuing debt and financing the construction of public facilities.

The IDA 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.

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 of Moorpark 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.

The City has accounted for the RDA, the PFA, and the IDA as “blended” component units. Despite being legally separate, they are so intertwined with the City, it is in substance, part of the City’s operations. Accordingly, the balances and transactions of the RDA 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 RDA, the PFA, and the IDA are “blended” component units:

- 1) The members of the City Council also act as the governing body of the RDA, the PFA, and the IDA.
- 2) The City, the RDA, the PFA, and the IDA are financially interdependent. The City makes loans to the RDA for use on redevelopment projects. Available property tax revenues of the RDA will be used to repay the loans from the City.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

B. Participation in Public Entity Joint Powers Authority

The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 107 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.

C. Accounting and Reporting Policies

The City has conformed to the pronouncements of the GASB, which are the primary authoritative statements of 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, as well as those of its predecessors, issued on or before November 30, 1989, unless any such pronouncements contradict GASB pronouncements.

On July 1, 2004, the City adopted, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This Statement amends GASB Statement No.3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements* to address common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values, which are highly sensitive to changes in interest rates. Deposit and investment policies related to the risks identified in this Statement also should be disclosed. See Note #2.

D. 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:

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Governmental Fund Types

- *General Fund* – Used to account for all financial resources except those required to be accounted for in another fund.
- *Special Revenue Funds* – Used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specified purposes.
- *Debt Service Fund* – The debt service fund is used to account for property tax increment revenue and related interest income. Disbursements from this fund consist mainly of principal and interest on indebtedness.
- *Capital Projects Funds* – Used to account for financial resources used for the construction of specific capital projects.

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.

E. 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 to which the direct expenditures of a given function are offset by program revenues. Direct expenditures 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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards 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 present 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. Accrued revenues include 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.

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.

The Community Development Special Revenue Fund is used to account for fees used in planning, building and safety, and engineering services relating to community development.

The Areas of Contribution Special Revenue Fund is used to account for fees used for street and related improvements to specific project areas and fund infrastructure enhancements as a result of additional development.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 capital expenditure of community-wide benefit due to the impact of additional development.

The Park Improvement Special Revenue Fund is used to account for State and County grants used for acquisition of open space and park improvements.

The Police Facilities Fee Capital Projects Fund is used to account for the funds used to build the new police facility.

The RDA Capital Projects Fund is used to account for the funds used for the RDA's capital improvement projects.

The RDA Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on the RDA's debt and other long-term obligations.

The City has presented all major funds as required by GASB Statement No. 34. In addition, the City has presented the Community Development, Areas of Contribution, and Park Improvement Special Revenue Funds as major based on their significance to the City as a whole.

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 amounts held for individuals, private organizations, other governments, and/or other funds. The agency fund is custodial in nature (assets equal liabilities) and therefore does not involve measurement of results of operations.

F. Budgetary Accounting

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. All annual appropriations lapse at fiscal year-end. Throughout the year, the City Council made several supplementing budgetary adjustments to the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund. These adjustments resulted in a net appropriation increase of \$7,656,871. This increase resulted primarily from rebudgeted projects and amounts carried over from Fiscal Year 2003-2004 as continuing appropriations.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2005, based on calculations by City Management, proceeds of taxes did not exceed related appropriations.

G. Investments

The City has adopted the provisions of Governmental Accounting Standards Board (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 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, (see Note #2).

H. Property Held for Resale/Development

Property held for resale in the Low and Moderate Income Housing Special Revenue Fund and the Capital Projects Fund represent 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 a reservation of fund balance to indicate that assets constitute future capital projects and are not available spendable resources.

I. 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 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.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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:

Buildings 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

J. Deferred Revenue

Deferred revenue is recorded monies collected in advance that have not been earned. As of June 30, 2005, total deferred revenue reported is \$635,224.

K. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term 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.

L. 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 616 hours or annual leave up to a maximum of 740 hours worth of accrued leave depending on position. Upon termination, employees are paid the full value of their unused annual leave, administrative leave, vacation time, and a portion of sick leave at their current salary. There is no fixed payment schedule for employee compensated absences. Employees receive vacation and sick leave or annual leave, but not both categories.

M. Property Taxes

The duties of assessing and collecting property taxes are performed by the Ventura County (the 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 7.40% of the one percent State levy. The Redevelopment 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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

N. 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, 2005, in the opinion of the City Attorney, the City had no material claims, which require loss provisions 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 Authority (the CJPIA), which is described in Note #11. The CJPIA is a public entity risk pool, which is accounted for under the provisions of GASB Statement No. 10. Claim losses recorded in the CJPIA include both current claims and Incurred But Not Reported claims (IBNR). Deposits to the CJPIA are recorded by the City as insurance expenditures in the General Fund when paid. These deposits are subject to retrospective adjustment. Favorable claims experience result in a refund of deposits from the CJPIA and such refunds, if any, are recorded as a reduction of insurance expenditures in the year received. Adverse claims experience result in the payment of additional deposits and such deposits, if any, are recorded as insurance expenditures when paid.

O. Deferred Compensation

In October 1997, GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, was issued. This Statement establishes accounting and financial reporting standards for Internal Revenue Code (IRC) section 457 deferred compensation plans of state and local governments. Pursuant to the IRC 457 subsection (g), all amounts of compensation deferred under the plan, all property, or rights are solely the property and rights of the employee and beneficiaries of the Plan. Deferred compensation funds are not subject to the claims of the City's general creditors. The City has established an eligible deferred compensation plan in accordance with subsection (g) of the IRC Section 457. Under the provisions of this Statement, it is no longer considered appropriate to report the Section 457 plan in the City's financial statements.

P. New Pronouncements

GASB Statement No. 42 - In November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement requires governments to measure, recognize, and disclose the effects of capital asset impairments in their financial statements when it occurs. This statement also clarifies and establishes accounting requirements for insurance recoveries, including those associated with capital asset impairment. This statement is not effective until June 30, 2006. The City has not determined its effect on the financial statements.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

GASB Statement No. 43 - In April 2004, the GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement establishes accounting and financial reporting standards for plans that provide postemployment benefits other than pension benefits (known as other postemployment benefits or OPEB). This statement is not effective until June 30, 2007. This statement is not expected to have a significant impact on the financial statements of the City.

GASB Statement No. 44 - In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*, an amendment of NCGA Statement No. 1. This Statement amends the portions of NCGA Statement 1, *Governmental Accounting and Financial Reporting Principles*, that guide the preparation of the statistical section. The statistical section presents 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 is not effective until June 30, 2006. The City has not determined its effect on the financial statements.

GASB Statement No. 45 - In June 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. This statement is not effective until June 30, 2008. The City has not determined its effect on the financial statements.

GASB Statement No. 46 – In December 2004, the GASB issued Statement No. 46, *Net assets Restricted By Enabling Legislation*, an amendment of GASB No. 34. This statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government can compel a government to honor. Accordingly, it clarifies the determination of restricted net assets within the statement of net assets. This statement is not effective until June 30, 2006. The City has not determined its effect on the financial statements.

GASB Statement No. 47 – In June 2005, the GASB issued Statement No. 47, *Accounting for Termination Benefits*. This statement establishes accounting standards for termination benefits. This statement is not effective until June 30, 2006. The City has not determined its effect on the financial statements.

Q. 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.

R. 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.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2005, consisted of the following:

<u>City Treasury Deposits</u>	
Demand deposits	\$ 1,240,580
Cash on hand	1,100
Total City Treasury Deposits	<u>1,241,680</u>
<u>City Treasury Investments</u>	
Certificates of Deposit	1,100,000
LAIF	54,250,179
Ventura County Pool	6,803,858
U.S. Treasury Obligations	5,950,560
U.S. Agency Securities	3,920,363
Total City Treasury Investments	<u>72,024,960</u>
<u>Cash and Investments With Fiscal Agent</u>	
Money Markets	37,649
Guaranteed Investment Contracts	1,355,774
Total Cash and Investments With Fiscal Agent	<u>1,393,423</u>
Total Cash and Investments	<u>\$ 74,660,063</u>

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

	<u>Statement of Net Assets</u>	<u>Statement of Fiduciary Net Assets</u>	
	<u>Governmental Activities</u>	<u>Agency Fund</u>	<u>Total</u>
Cash and Investments	\$ 68,900,708	\$ 4,365,932	\$ 73,266,640
Restricted cash and investments	1,393,423		1,393,423
Total	<u>\$ 70,294,131</u>	<u>\$ 4,365,932</u>	<u>\$ 74,660,063</u>

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.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #2 – CASH AND INVESTMENTS, Continued

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 the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy. As of June 30, 2005, the only debt agreements of the City pertain to the Moorpark Redevelopment 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	20%	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
CALTRUST Investment Pool	N/A	None	None

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

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.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #2 – CASH AND INVESTMENTS, Continued

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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
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.

Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

<u>Investment Type</u>		<u>Investment Maturities (in Years)</u>				
		<u>Less than 1</u>	<u>1 to 2</u>	<u>2 to 3</u>	<u>3 to 4</u>	<u>> 5</u>
Local Agency Investment Fund	\$ 54,250,179	\$ 54,250,179				
Ventura County Pool	6,803,858	6,803,858				
Certificates of Deposit	1,100,000		\$ 1,100,000			
U.S. Treasury Notes	5,950,560	5,950,560				
FHLB	1,993,760	1,993,760				
FMCDN	1,926,603	1,926,603				
Held by Bond Trustee:						
Money Market Funds	37,649	37,649				
Guaranteed Investment Contracts	1,355,774					\$1,355,774
Total	\$ 73,418,383	\$ 70,962,609	\$ 1,100,000	\$ -	\$ -	\$1,355,774

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #2 – CASH AND INVESTMENTS, Continued

C. Credit Risk and Concentration of Credit Risk

Deposits

At June 30, 2005, the carrying amount of the City’s deposits was \$1,240,580. Bank balances before reconciling items were \$2,085,376 at the date, the total amount of which was 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.

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 \$100,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived 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 a 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

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Credit Rating</u>	<u>Percentage of Investments</u>
Local Agency Investment Fund	\$ 54,250,179	Not Rated	73.89%
Ventura County Pool	6,803,858	Not Rated	9.27%
Certificates of Deposit	1,100,000	Not Rated	1.50%
U.S. Treasury Notes	5,950,560	AAA	8.11%
FHLB	1,993,760	AAA	2.72%
FMCDN	1,926,603	AAA	2.62%
Held by Bond Trustee:			
Money Market Funds	37,649	Not Rated	0.05%
Guaranteed Investment Contracts	1,355,774	Not Rated	1.85%
Total	<u>\$ 73,418,383</u>		<u>100.00%</u>

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #2 – CASH AND INVESTMENTS, Continued

Investments in any one issuer that represent 5% or more of total investments by reporting unit (primary government, governmental activities, major fund, non-major funds in the aggregate, etc.) are as follows:

\$771,100 of the cash and investments (including amount held with bond trustee) reported in the Redevelopment Agency Debt Service Fund (a major fund of the City) are held in the form of a nonnegotiable unrated investment contract issued by Transamerica Occidental Life Insurance Company that matures on October 1, 2018.

\$584,674 of the cash and investments (including amount held with bond trustee) reported in the Redevelopment Agency Debt Service Fund (a major fund of the City) are held in the form of a nonnegotiable unrated investment contract issued by CDC that matures on October 1, 2031.

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 \$40,000,000 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 secure investments in LAIF. At June 30, 2005, accounts were maintained in the name of the City for \$34,776,727 and the Redevelopment Agency for \$19,473,452. The total cost value of investments in LAIF was \$54,250,179. The total fair value of investments in LAIF was \$54,127,984. The unrealized loss was based on a fair market value adjustment factor of .997747553 that was calculated by the State of California Treasurer's Office. At June 30, 2005, the market value of the State of California Pooled Money Investment Account (PMIA) including accrued interest was \$60,635,664,344, which included the Local Agency Investment Fund of \$18,573,277,668. The State of California Pooled Money Investment Account portfolio had securities in the form of structured notes totaling \$1,271,413,000 and asset-backed securities totaling \$184,320,000. 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 PMIB and LAIF Advisory Board 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 \$6,803,858 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.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #3 – NOTES AND LOANS RECEIVABLE

Notes and loans receivable activity for the year ended June 30, 2005, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Notes Receivable</u>				
Janss IV Recreation Inc.	\$ 732,822		\$ (732,822)	
Asadurian	1,200,000			\$ 1,200,000
Mission Bell	2,774,576		(39,480)	2,735,096
Cabrillo	838,063		(838,063)	
Deferred Property Assessments	250,249			250,249
Charles Abbott and Associates	6,361		(6,361)	
Total Notes Receivable	<u>5,802,071</u>		<u>(1,616,726)</u>	<u>4,185,345</u>
<u>Loans Receivable</u>				
Employee Computer	5,677		(3,391)	2,286
Rehabilitation	66,822		(19,272)	47,550
First-time Homeowners Assistance	191,936		(7,548)	184,388
CalHome	379,574		(28,611)	350,963
Total Loans Receivable	<u>644,009</u>		<u>(58,822)</u>	<u>585,187</u>
Total Notes and Loans Receivable	<u>\$ 6,446,080</u>	<u>\$ -</u>	<u>\$ (1,675,548)</u>	<u>\$ 4,770,532</u>

A. Janss Notes

On February 19, 2003, the Redevelopment Agency of the City of Moorpark (the Agency) entered into an agreement with Janss IV Recreation Inc. whereby the Agency loaned \$400,000 in exchange for a promissory note. The loan shall be for a term of thirty (30) years and shall bear interest at a rate of three percent (3%) per annum for the first five (5) years, and at an adjustable rate not to exceed six percent (6%) per annum for the remaining twenty five (25) years of the loan. Principal and interest shall be payable in monthly installments. On April 15, 2005, the outstanding balance was paid in full.

On September 5, 2003, the Agency entered into an agreement with Janss IV Recreation Inc. whereby the Agency loaned \$350,000 in exchange for a promissory note. The loan shall be for a term of five (5) years with monthly payments of \$1,476 based on a thirty (30) year amortization and the balance of all principal and accrued interest are due at the end of the five (5) year term. The note bears interest at a rate of three percent (3%) per annum. On April 15, 2005, the outstanding balance was paid in full.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #3 – NOTES AND LOANS RECEIVABLE, Continued

B. Asadurian Note

On April 7, 2003, the City entered into an agreement with Asadurian Investment Corporation whereby in return for land disposition, the City received a \$1,200,000 promissory note. The note bears simple interest at the rate equal to the average monthly interest rate announced by the Local Agency Investment Fund (LAIF). The borrower shall pay to the City the amount of \$80,000 plus interest over fifteen years. The first payment is due prior to the first certificate of occupancy for the project, or April 2, 2005, whichever comes first. The agreement was amended in June 2005. The first payment is now due 180 days following the issuance of the first certificate of occupancy or April 2, 2006, whichever comes first.

C. 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 three percent to a rate of six percent per annum from August 29, 1995 until August 29, 2027. In June 2004 the Agency, per a settlement agreement, discharged four of the seven promissory notes totaling \$500,000. The balance of the remaining three notes outstanding at June 30, 2005, was \$2,735,096. Principal and interest payments are due annually on September 2nd.

D. Cabrillo Note

On May 23, 2001, the Agency entered into an agreement with Cabrillo Economic Development Corporation whereby in return for land disposition, the Agency received a \$1,475,000 note. The note bears simple interest at the rate equal to the quarterly interest rate announced by the Local Agency Investment Fund (LAIF). Principal and interest are due and payable upon the sale of each designated market rate home. The borrower shall pay to the City the amount of \$33,523, which is equal to 1/44th of the total principal due under this note at the time of sale. This amount is disbursed to the Agency through the sales escrow. The balance outstanding was paid in full as of April 14, 2005, with the sale of all remaining lots.

E. Deferred Property Assessment Notes

In March 1993, the City entered into three agreements with 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, 2005, the principal balance outstanding was \$250,249.

F. Charles Abbott and Associates Settlement Note

On April 2, 2002, the City entered into an agreement with Charles Abbott and Associates whereby in return for deferred developer fees the City received a promissory note for \$221,010. Principal is due in 18 monthly payments. At June 30, 2005, the balance outstanding was paid in full.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #3 – NOTES AND LOANS RECEIVABLE, Continued

G. Employee Computer Loans

The City operates an employee computer loan program. The City allows employees to buy computers and make payments over 3 years. The balance outstanding at June 30, 2005, was \$2,286.

H. Rehab Loans

The Redevelopment Agency of the City of Moorpark (the Agency) operates a rehabilitation loan program for the renovation of low-moderate income housing. The total balance outstanding at June 30, 2005, was \$47,550.

I. First-Time Homeowners Down-Payment Assistance Program

The City operates a first-time homeowners down-payment assistance program. The total balance outstanding at June 30, 2005, was \$184,388 for City assisted loans and \$350,963 for CalHome assisted loans.

NOTE #4 – INTERFUND TRANSACTIONS

Due To/Due From Other Funds

Due to/due from other funds for the year ending June 30, 2005, consisted of the following:

Due to the General Fund from:

Non-Major Special Revenue Funds	\$ 185,862
---------------------------------	------------

Due to Redevelopment Agency Capital Projects Fund from:

Non-Major Special Revenue Funds	\$ 188,834
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Interfund Transfers

Interfund transfers for the year ended June 30, 2005, consisted of the following:

		Transfer From				Total
		General Fund	Areas of Contribution Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfer To	General Fund		\$ 160,259			\$ 160,259
	Debt Service Fund				\$ 152,674	152,674
	Non-Major Governmental Funds	\$ 909,509		\$ 780,356	24,517	1,714,382
	Total	\$ 909,509	\$ 160,259	\$ 780,356	\$ 177,191	\$ 2,027,315

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #4 – INTERFUND TRANSACTIONS, Continued

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 Debt Service Fund transferred funds to the Low/Mod Housing Special Revenue Fund to meet the low and moderate income housing 20% tax increment set-aside requirement.

The Low/Mod Housing Special Revenue Fund transferred funds to the Debt Service Fund to pay the 20% debt service on bond issues. The Debt Service Fund transferred funds to the Capital Projects Fund to fund future capital projects.

Interfund Advances

During the fiscal year 2003-04 the City's General Fund advanced the Agency's Debt Service Fund \$5,000,000 for capital projects which will eliminate blighted project areas. The advance will bear interest at a rate equivalent to the City investment in LAIF, plus one percent. In June 2005, the City renewed its advance to the Agency. The Agency will repay the amounts advanced from the City, both principal and interest on or before June 30, 2006.

Also, during the fiscal year, the City's General Fund advanced the Agency's Capital Projects Fund \$344,849 and the Agency's Low/Mod Housing Special Revenue Fund \$241,733 for redevelopment activities. These advances will be paid back to the General Fund in July 2005.

The Endowment Fund has advanced to the Police Facilities Fee Fund \$7,946,630 to fund Capital Improvements. The advance is expected to be repaid with development fees to be collected in the future.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #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 has been recorded. The following table presents the capital assets activity for the year ended June 30, 2005.

	Beginning Balance	(See Note #15) Prior Period Adjustment	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Governmental Activities						
Capital Assets, Not Being Depreciated:						
Land	\$ 32,463,213	\$ (2,022,164)	\$ 30,441,049	\$ 400,638		\$ 30,841,687
Construction in Progress	7,330,885		7,330,885	7,489,076	\$ (101,584)	14,718,377
Total Capital Asset Not Being Depreciated	39,794,098	(2,022,164)	37,771,934	7,889,714	(101,584)	45,560,064
Capital Assets, Being Depreciated:						
Buildings and improvements	8,543,186		8,543,186	109,878		8,653,064
Machinery and equipment	1,530,088		1,530,088	95,031		1,625,119
Infrastructure						
Roadway system	86,837,299		86,837,299	5,402		86,842,701
Storm drainage system	1,619,399		1,619,399			1,619,399
Parks system	156,727		156,727			156,727
Total Capital Assets, Being Depreciated	98,686,699		98,686,699	210,311		98,897,010
Less Accumulated Depreciation For:						
Buildings and improvements	(2,656,542)		(2,656,542)	(240,985)		(2,897,527)
Machinery and equipment	(604,704)		(604,704)	(161,884)		(766,588)
Infrastructure						
Roadway system	(21,433,383)		(21,433,383)	(1,798,689)		(23,232,072)
Storm drainage system	(103,729)		(103,729)	(16,191)		(119,920)
Parks system	(36,047)		(36,047)	(3,135)		(39,182)
Total Accumulated Depreciation	(24,834,405)		(24,834,405)	(2,220,884)		(27,055,289)
Total Capital Assets, Being Depreciated, Net	73,852,294		73,852,294	(2,010,573)		71,841,721
Governmental Activities Capital Assets, Net	\$ 113,646,392	\$ (2,022,164)	\$ 111,624,228	\$ 5,879,141	\$ (101,584)	\$ 117,401,785

Depreciation expense was charged to the governmental functions/programs.

General government	\$ 22,755
Public safety	18,503
Public service, including depreciation of general infrastructure assets	1,956,497
Parks and recreation	223,129
Total Depreciation Expense	<u>\$ 2,220,884</u>

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #6 – LONG-TERM LIABILITIES

Long-term liability activities for the year ended June 30, 2005, are as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year	Due Within One Year
1999 Tax Allocation Bonds	\$ 8,095,000		\$ (395,000)	\$ 7,700,000	\$ 405,000
2001 Tax Allocation Bonds	11,610,000		(10,000)	11,600,000	15,000
Employee Compensated Absences	390,826	\$108,136		498,962	
	<u>\$ 20,095,826</u>	<u>\$ 108,136</u>	<u>\$ (405,000)</u>	<u>\$ 19,798,962</u>	<u>\$ 420,000</u>

A. 1999 Tax Allocation Bonds

In 1999, the Redevelopment Agency issued a \$9,860,000 aggregated principal amount of Moorpark Redevelopment Project 1999 Tax Allocation Refunding Bonds (the Bonds). The purpose of the Bonds was to advance refund the Agency’s previously issued \$10,000,000 Moorpark Redevelopment Project, 1993 Tax Allocation 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% to 4.875% 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 bonds are secured by all property tax increment revenue, which is deposited directly with the fiscal agent and recorded in the 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 Redevelopment Agency is in compliance with the covenants contained in debt indentures, which require the establishment of certain specific accounts for the Tax Allocation Bonds.

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

Year Ended June 30	Tax Allocation Bonds		Total
	Principal	Interest	
2006	\$ 405,000	\$ 353,065	\$ 758,065
2007	425,000	336,668	761,668
2008	440,000	319,148	759,148
2009	460,000	300,583	760,583
2010	475,000	279,759	754,759
2011-2015	2,760,000	1,015,952	3,775,952
2015-2020	2,735,000	274,828	3,009,828
Total	<u>\$ 7,700,000</u>	<u>\$ 2,880,002</u>	<u>\$ 10,580,002</u>

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #6 – LONG-TERM LIABILITIES, Continued

B. 2001 Tax Allocation Bonds

In December 2001, the Redevelopment Agency of the City of Moorpark issued \$11,625,000 of Tax Allocation Parity Bonds. The proceeds of the 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% to 5.13% per annum. The 2001 Bonds maturing October 2031, are subject to mandatory sinking fund redemption in the amount of the principal and accrued interest. The Bonds are payable from and secured by the tax revenues to be derived from the project area.

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

Year Ended June 30	Tax Allocation Bonds		Total
	Principal	Interest	
2006	\$ 15,000	\$ 591,216	\$ 606,216
2007	15,000	590,819	605,819
2008	15,000	590,309	605,309
2009	15,000	589,176	604,176
2010	20,000	588,469	608,469
2011-2015	85,000	2,931,395	3,016,395
2016-2020	720,000	2,893,471	3,613,471
2021-2025	3,705,000	2,289,047	5,994,047
2026-2030	4,755,000	1,211,423	5,966,423
2031-2032	2,255,000	116,978	2,371,978
Total	<u>\$ 11,600,000</u>	<u>\$ 12,392,303</u>	<u>\$ 23,992,303</u>

C. Employee Compensated Absences

The long-term liability at June 30, 2005, is \$498,962 for employee compensated absences. There is no current liability estimated. The General Fund is primarily expected to liquidate this liability.

D. Prior Year Defeasance of Debt

In 1999, the Agency defeased the 1993 Tax Allocation Revenue Bonds by placing the proceeds of new bonds in an escrow account, with the 1999 Tax Allocation Refunding Bonds issue's trustee, to provide for all further debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Agency's financial statements. In October 2004, the remaining bonds outstanding on the 1993 Tax Allocation Revenue Bonds were called in full.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #7 – AGREEMENTS WITH VARIOUS TAXING AGENCIES

The Moorpark Redevelopment Agency has entered into five (5) 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 provide for the Agency to retain 100% of the County Taxing Entities share (55.82%) 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% 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. Additionally, the agreement calls for the Agency to receive a \$1,000,000 payment from the tax increment disbursed to the County pursuant to the agreement, by December 31, 2008, if and only if the Agency’s annual debt statements which are filed with the County Auditor-Controller from fiscal year 1993-94 to fiscal year 2008-09 list debts in an amount equal to or in excess of the maximum tax increment available to the Agency in each of such fiscal years.

The second agreement is with the City of Moorpark Vector Control, formerly known as the Moorpark Mosquito Abatement District and states that the City of Moorpark Vector Control shall receive 87.5% of its share (1.53%) of annual tax increment revenue. The City of Moorpark Vector Control has agreed to contribute its pro rata share of the Agency’s required annual payment to the Agency.

The third agreement is with the Moorpark Unified School District (the School District), and states that the School District 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 School District’s share (33.41%) of tax increment revenues generated by an annual two percent increase in assessed valuation, and beginning in fiscal year 1995-96, 14% of the School District’s share of annual tax increment revenue. Additionally, the agreement calls for the Agency to make a one-time \$750,000 payment to the School District as a contribution to a new school district maintenance facility. This payment was made by the Agency in August of 1999.

Per the agreement between the School District and the RDA of the City of Moorpark, the distributions to the School District 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 School District overhead or salary/benefits for regular School District employees.

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

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #7 – AGREEMENTS WITH VARIOUS TAXING AGENCIES, Continued

The fourth agreement is with the Ventura County Community College District (the Community College District), and states that the Community College District will 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 Community College District's share (5.81%) of tax increment revenues generated by an annual two percent increase in assessed valuation, and, beginning in fiscal year 1993-94, 14% of the Community College District's share of annual tax increment revenue.

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

NOTE #8 – RETIREMENT PLAN

A. Plan Description

The City's defined benefit pension plan (the Plan) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), and agent-multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The City of Moorpark selects optional benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P. Street, Sacramento, CA 95814.

All full-time City employees are eligible to participate in the Plan. Part-time employees appointed to a term of one year or longer and who work an average of 20 hours per week are also eligible to participate. Other part-time non-benefited hourly employees do not participate in the Plan. (Effective January 1, 1992, such part-time employees participate in a defined deferred compensation program). Related benefits vest after five years of service. Upon five years of service, employees who retire at or after age 50 are entitled to receive an annual retirement benefit.

The benefit is payable monthly for life, in an amount that varies from 1.426% at age 50 to 2% at age 55 to a maximum of 2.418% at age 63, of the employees' average of the three highest year's salary for each year of credited service. The Plan also provides death and disability benefits.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #8 – RETIREMENT PLAN, Continued

B. Funding Policy

Active plan members in the Plan are required to contribute 7.00% of their covered salary. The City makes the contribution required of City employees on their behalf. The City is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2005, was 8.136%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

C. Annual Pension Cost

For the year ended June 30, 2005, the City’s annual pension cost and its actual contributions were \$279,434. Also, contributions made directly from employees were zero, but on behalf of the employees the City contributed a total of \$243,878. The required contribution for the year ended June 30, 2005, was determined as part of the June 30, 2003, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20% for miscellaneous members; and; (c) zero percent cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5%. The actuarial value of Miscellaneous Plan’s assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. Miscellaneous Plan’s unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2003, was three years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2003	\$ 31,456	100%	\$0
6/30/2004	\$ 126,573	100%	\$0
6/30/2005	\$ 279,434	100%	\$0

Funded Status of the Plan

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded (Overfunded) Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of Payroll</u>
6/30/2001	\$4,380,051	\$5,444,425	\$ (1,064,374)	124.3%	\$2,756,860	(38.6)%
6/30/2002	\$5,318,235	\$5,366,749	\$ (48,514)	100.9%	\$3,057,091	(1.6)%
6/30/2003	\$6,795,694	\$5,782,143	\$ 1,013,551	85.1%	\$3,413,736	29.7%

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #9 – CONDUIT DEBT – REVENUE BONDS

The City sponsored a revenue bond program during the year ended June 30, 1985, under which \$20,000,000 of Single-Family Residential Mortgage Revenue Bonds were issued. The Single-Family Mortgage program is designed to provide funds to acquire mortgage loans on single-family residences located in the City. These bonds are secured by a pledge of all loans receivable advanced from the bond proceeds by the trustee, First Interstate Bank of California, and are serviced from payments on the loans to the Trustee. During the year ended June 30, 1995, the outstanding mortgages in this program were sold, the proceeds were used to establish an irrevocable trust to defease the bonds at April 1, 1995, and the program was discontinued.

The City Council, serving as the Industrial Development Authority of the City of Moorpark, issued \$9,300,000 of Industrial Revenue Bonds during the year ended June 30, 1986. The bonds were issued to finance the development and construction of manufacturing facilities for the Kavlico Corporation. These bonds are secured by a standby letter of credit issued by Bank of America. Bank of New York serves as the Trustee for these bonds. The unpaid principal balance on such bonds is \$6,795,000 at June 30, 2005.

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. The total bonds outstanding at June 30, 2005, total \$14,390,000.

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, 2005, totaled \$16,000,000.

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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #10 – SPECIAL ASSESSMENT BONDS

A. Mission Bell Plaza AD 92-1

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 Improvement Bond 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 \$1,725,000 at June 30, 2005.

Seven properties in the assessment district, which had been zoned for commercial use prior to the City's incorporation, are currently used for residential, commercial and agricultural purposes. At various times, the City has advanced monies and contributed assessments on these properties from the Los Angeles Avenue Area of Contribution Special Revenue Fund to the paying agent, which the paying agent has used to purchase certain securities which have been placed in trust accounts to be used solely to provide for principal of and interest on the seven properties' proportionate share of the bonds through maturity. Notes receivable, secured by deeds of trust and various accounts receivable, have been established for these advances with interest accruing at a variable rate equivalent to the rate at which the City earns on funds deposited in the State Treasurer's Local Agency Investment Fund or 7%, whichever is less. Under the terms of the original promissory notes, the notes and accrued interest are due at the earlier of (1) sale of the property, (2) conversion of the property to a commercial use or (3) the maturity of the notes in March 2023. Subsequent to June 30, 1998, the notes were amended and the repayment terms changed as follows: the notes and accrued interest are due August 2029.

B. Community Facilities District No. 97-1

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% to 6% 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 general-purpose financial statements. The unpaid principal balance is \$6,920,000 at June 30, 2005.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2005

NOTE #11 – RISK MANAGEMENT

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

The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 107 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. Costs 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 of Moorpark 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 - \$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.

C. Purchased Insurance

The City of Moorpark participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Moorpark property is currently insured according to a schedule of covered property submitted by the City of Moorpark to the Authority. Total all-risk property insurance coverage is \$11,019,343. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #11 – RISK MANAGEMENT, Continued

D. Earthquake and Flood Insurance

The City of Moorpark 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 of Moorpark property currently has earthquake protection in the amount of \$8,240,521. There is a deductible of five 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.

NOTE #12 – CLASSIFICATIONS OF NET ASSETS AND FUND BALANCE

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

Invested in Capital Assets

This category groups all capital 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, contributions, 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.

In the Fund Financial Statements, the City has established “reserves” to segregate portions of fund balance which are not appropriable for expenditure in future periods, or which are legally set aside for a specific future use. Fund “designations” also are established to indicate tentative plans for financial resource utilization of unreserved fund balance in a future period.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #12 – CLASSIFICATIONS OF NET ASSETS AND FUND BALANCE, Continued

The City’s governmental funds reserves and designations at June 30, 2005, are presented below, followed by explanations of the nature and purpose of each reserve and designation.

	General Fund	Endowment Fund	Redevelopment Agency Capital Projects Fund
	<u> </u>	<u> </u>	<u> </u>
Reserved:			
Debt service			
Property held for resale/development			\$ 876,601
Interfund receivables	\$ 5,772,444	\$ 7,946,630	188,834
Housing set-aside			
Total Reserved	<u>\$ 5,772,444</u>	<u>\$ 7,946,630</u>	<u>\$ 1,065,435</u>
Unreserved, designated:			
Future projects			<u>\$ 10,748,678</u>

	Redevelopment Agency Debt Service Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>
Reserved:		
Debt service	\$ 1,393,423	
Property held for resale/development		\$ 782,285
Interfund receivables		
Housing set-aside		2,701,263
Total Reserved	<u>\$ 1,393,423</u>	<u>\$ 3,483,548</u>
Unreserved, designated:		
Future projects		<u>\$ 885,897</u>

A. Reserved for Debt Service

These funds are reserved for restricted debt proceeds.

B. Reserved for Property Held for Resale/Development

These funds are reserved for property purchased by the City to be sold or otherwise used for the development of the Redevelopment Agency Project Areas.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #12 – CLASSIFICATIONS OF NET ASSETS AND FUND BALANCE, Continued

C. Reserved for Housing Set-Aside

These funds are for the development of low and moderate-income housing.

D. Reserved for Interfund Receivables

These funds are reserved since the assets are not available for immediate appropriation.

E. Unreserved, Designated for Future Projects

These funds have been designated for future capital projects.

F. Deficit Fund Balance

The following fund had a deficit at June 30, 2005:

Police Facilities Fee Capital Projects Fund	<u><u>\$ 7,198,710</u></u>
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The deficit will be made up through future police facilities assessment fees.

NOTE #13 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures in excess of the budget in the following amount for the year ended June 30, 2005:

Redevelopment Agency Debt Service Fund	<u><u>\$ 123,746</u></u>
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Community Development Special Revenue Fund	<u><u>\$ 63,745</u></u>
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CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #14 – COMMITMENTS AND CONTINGENCIES

A. Commitments

The City has contracts with the 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.

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 disallowances under the terms of the grants, it is believed that any disallowed amounts will not be material.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE #15 – RESTATEMENT OF NET ASSETS AND FUND BALANCE

During fiscal year 2004-2005, it was found that the City had included property held for resale with the amount reported as land in capital assets (see Note #5). The City recorded a restatement of beginning net assets in order to correct this overstatement of capital assets.

Net Assets Beginning of Year, as Previously Reported	\$ 167,310,012
Correction of Capital Assets	(2,022,164)
Correction of Property Held for Resale/Development	476,715
Correction of Prior Year Sales Tax	235,691
Net Assets Beginning of Year, as Restated	<u><u>\$ 166,000,254</u></u>

The City restated beginning fund balance in both the Low and Moderate Income Housing Special Revenue Fund and the Redevelopment Agency Capital Projects Fund to correct the amounts for property held for resale to the actual value of those assets. The City restated beginning fund balance in the General Fund to the actual sales tax revenue accrual.

	<u>General Fund</u>	<u>Redevelopment Agency Capital Projects Fund</u>	<u>Low and Moderate Income Housing Special Revenue Fund</u>
Fund Balance Beginning of Year, as Previously Reported	\$ 14,756,222	\$ 10,674,891	\$ 2,369,072
Correction of Property Held for Resale/Development		539,113	(62,398)
Correction of Prior Year Sales Tax Receivable	235,691		
Fund Balance Beginning of Year, as Restated	<u><u>\$ 14,991,913</u></u>	<u><u>\$ 11,214,004</u></u>	<u><u>\$ 2,306,674</u></u>

SUPPLEMENTARY SCHEDULES

CITY OF MOORPARK

JUNE 30, 2005

MAJOR FUND BUDGETARY COMPARISON SCHEDULES

Budgetary comparison statements are presented as part of the basic financial statements for the General Fund and all 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.

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FACILITIES FEE CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 41,570	\$ 41,570		\$ (41,570)
Maintenance assessments	153,567	153,567	\$ 85,411	(68,156)
Total Revenues	195,137	195,137	85,411	(109,726)
EXPENDITURES				
Capital outlay	5,680,600	6,541,461	5,896,967	644,494
Net Change in Fund Balance	(5,485,463)	(6,346,324)	(5,811,556)	534,768
Fund Balance, Beginning of Year	(1,387,154)	(1,387,154)	(1,387,154)	
Fund Balance, End of Year	<u>\$ (6,872,617)</u>	<u>\$ (7,733,478)</u>	<u>\$ (7,198,710)</u>	<u>\$ 534,768</u>

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 248,510	\$ 338,094	\$ 414,131	\$ 76,037
Other revenue	38,000	38,000	795,247	757,247
Total Revenues	286,510	376,094	1,209,378	833,284
EXPENDITURES				
Current:				
Public services	698,263	851,166	740,696	110,470
Capital outlay	936,091	958,779	57,407	901,372
Total Expenditures	1,634,354	1,809,945	798,103	1,011,842
Net Change in Fund Balance	(1,347,844)	(1,433,851)	411,275	1,845,126
Fund Balance, Beginning of Year, as restated	11,214,004	11,214,004	11,214,004	
Fund Balance, End of Year	<u>\$ 9,866,160</u>	<u>\$ 9,780,153</u>	<u>\$ 11,625,279</u>	<u>\$ 1,845,126</u>

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REDEVELOPMENT AGENCY DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,812,753	\$ 3,844,650	\$ 3,901,779	\$ 57,129
Use of money and property	115,000	115,000	163,949	48,949
Total Revenues	3,927,753	3,959,650	4,065,728	106,078
EXPENDITURES				
Current:				
Public services	1,325,000	1,325,000	1,329,747	(4,747)
Debt service:				
Principal	405,000	405,000	405,000	
Interest	1,039,586	1,039,586	1,158,585	(118,999)
Total Expenditures	2,769,586	2,769,586	2,893,332	(123,746)
Excess of Revenues Over (Under) Expenditures				
	1,158,167	1,190,064	1,172,396	(17,668)
OTHER FINANCING SOURCES (USES)				
Transfers in	152,674	152,674	152,674	
Transfers out	(762,551)	(762,551)	(780,356)	(17,805)
Total Other Financing Sources (Uses)	(609,877)	(609,877)	(627,682)	(17,805)
Net Change in Fund Balance	548,290	580,187	544,714	(35,473)
Fund Balance, Beginning of Year	501,993	501,993	501,993	
Fund Balance, End of Year	\$ 1,050,283	\$ 1,082,180	\$ 1,046,707	\$ (35,473)

CITY OF MOORPARK

JUNE 30, 2005

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenues Fund Descriptions

Traffic Safety Fund

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

Affordable Housing Fund (City)

The Affordable Housing Fund is used to account for grants used for development of affordable housing units.

Assessment District Fund

The Assessment District Fund is used to account for funds received by the City for maintenance of community-wide landscaping.

State and Federal Assistance Fund

The State and Federal Assistance Fund is used to account for Federal and State grants used for the construction of streets and related improvements and help fund law enforcement.

State Gas Tax Fund

The State Gas Tax Fund is used to account for fees used for street maintenance, right-of-way acquisition and street construction.

Low and Moderate Income Housing Fund (MRA)

The Low and Moderate Income Housing Fund is used to account for the receipt of 20% 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

The Local Transportation Transit Fund is used to account for fees used in local transportation and street projects that help relieve traffic congestion programs and development.

Solid Waste Fund

The Solid Waste Fund is used to account for fees used on programs that promote resource, recycling, composting, and proper disposal of hazardous household waste.

CITY OF MOORPARK

JUNE 30, 2005

**NON-MAJOR GOVERNMENTAL FUNDS
(Continued)**

Capital Projects Fund Descriptions

City Hall Building Fund

The City Hall Building Fund is used to account for the funds used to build the new Civic Center Complex.

Equipment Replacement Fund

The Equipment Replacement Fund is used to account for the funds used to replace city equipment and vehicles.

CITY OF MOORPARK

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005**

	Special Revenue Funds			
	Traffic Safety	Affordable Housing	Assessment District	State and Federal Assistance
ASSETS				
Cash and investments	\$ 521,689	\$ 865,190	\$ 2,343,549	\$ 2,774,291
Receivables:				
Taxes			4,578	
Accounts	34,498		44,713	115,526
Interest				
Property held for resale/development				
Total Assets	\$ 556,187	\$ 865,190	\$ 2,392,840	\$ 2,889,817
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,444		\$ 164,455	\$ 20,616
Due to other funds				374,696
Retention payable			1,599	6,023
Deferred revenue			4,578	77,507
Deposits, principally from developers				
Advances from other funds				
Total Liabilities	3,444		170,632	478,842
FUND BALANCES				
Reserved for:				
Property held for resale/development				
Housing set-aside				
Unreserved, reported in:				
Special revenue funds	552,743	\$ 865,190	2,222,208	2,410,975
Capital projects funds				
Total Fund Balances	552,743	865,190	2,222,208	2,410,975
Total Liabilities and Fund Balances	\$ 556,187	\$ 865,190	\$ 2,392,840	\$ 2,889,817

Special Revenue Funds				Capital Projects Funds			
State Gas Tax	Low and Moderate Income Housing	Local Transportation Transit	Solid Waste	City Hall Building	Equipment Replacement	Total Non-major Governmental Funds	
\$ 565,593	\$ 2,943,120	\$ 276,173	\$ 783,512	\$ 466,062	\$ 433,620	\$ 11,972,799	
							4,578
68,877	15,219	72,788	34,162			385,783	
	5,421					5,421	
	782,285					782,285	
<u>\$ 634,470</u>	<u>\$ 3,746,045</u>	<u>\$ 348,961</u>	<u>\$ 817,674</u>	<u>\$ 466,062</u>	<u>\$ 433,620</u>	<u>\$ 13,150,866</u>	
\$ 85,919	\$ 20,049	\$ 35,026	\$ 25,554	\$ 5,824	\$ 7,961	\$ 368,848	
						374,696	
5,032						12,654	
		313,935				396,020	
	715					715	
	241,733					241,733	
<u>90,951</u>	<u>262,497</u>	<u>348,961</u>	<u>25,554</u>	<u>5,824</u>	<u>7,961</u>	<u>1,394,666</u>	
							782,285
	782,285					2,701,263	
	2,701,263						
543,519			792,120			7,386,755	
				460,238	425,659	885,897	
<u>543,519</u>	<u>3,483,548</u>		<u>792,120</u>	<u>460,238</u>	<u>425,659</u>	<u>11,756,200</u>	
<u>\$ 634,470</u>	<u>\$ 3,746,045</u>	<u>\$ 348,961</u>	<u>\$ 817,674</u>	<u>\$ 466,062</u>	<u>\$ 433,620</u>	<u>\$ 13,150,866</u>	

CITY OF MOORPARK

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2005**

	Special Revenue Funds			
	Traffic Safety	Affordable Housing	Assessment District	State and Federal Assistance
REVENUES				
Taxes			\$ 295	
Fines and forfeitures	\$ 194,898			
Use of money and property	9,731	\$ 11,551	47,805	\$ 48,185
Charges for services			2,653	
Intergovernmental				816,917
Maintenance assessments			1,394,152	
Franchise fees				
Other revenue	35	360,573	1,597	
Total Revenues	<u>204,664</u>	<u>372,124</u>	<u>1,446,502</u>	<u>865,102</u>
EXPENDITURES				
Current:				
Public safety	123,105		1,021,431	131,375
Public services		15,636		36,496
Parks and recreation			1,332,436	
Capital outlay			28,863	220,368
Total Expenditures	<u>123,105</u>	<u>15,636</u>	<u>2,382,730</u>	<u>388,239</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>81,559</u>	<u>356,488</u>	<u>(936,228)</u>	<u>476,863</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			859,026	
Gain from sale of property				
Transfers out				
Total Other Financing Sources (Uses)			<u>859,026</u>	
Net Change in Fund Balances	81,559	356,488	(77,202)	476,863
Fund Balances, Beginning of Year, as Restated	<u>471,184</u>	<u>508,702</u>	<u>2,299,410</u>	<u>1,934,112</u>
Fund Balances, End of Year	<u>\$ 552,743</u>	<u>\$ 865,190</u>	<u>\$ 2,222,208</u>	<u>\$ 2,410,975</u>

Special Revenue Funds			Capital Projects			Total Non-Major Governmental Funds
State Gas Tax	Low and Moderate Income Housing	Local Transportation Transit	Solid Waste	City Hall Building	Equipment Replacement	
						\$ 295
						194,898
\$ 17,725	\$ 67,492	\$ 4,955	\$ 16,516	\$ 10,554	\$ 7,421	241,935
		38,907				41,560
667,270		608,960	25,410			2,118,557
						1,394,152
			275,935			275,935
14,619	857,500					1,234,324
699,614	924,992	652,822	317,861	10,554	7,421	5,501,656
						1,275,911
1,034,357	424,139	545,707	321,920			2,378,255
						1,332,436
69,982		107,115		79,745	24,451	530,524
1,104,339	424,139	652,822	321,920	79,745	24,451	5,517,126
(404,725)	500,853		(4,059)	(69,191)	(17,030)	(15,470)
	780,356				75,000	1,714,382
	48,339					48,339
(24,517)	(152,674)					(177,191)
(24,517)	676,021				75,000	1,585,530
(429,242)	1,176,874		(4,059)	(69,191)	57,970	1,570,060
972,761	2,306,674		796,179	529,429	367,689	10,186,140
\$ 543,519	\$ 3,483,548	\$ -	\$ 792,120	\$ 460,238	\$ 425,659	\$ 11,756,200

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 120,000	\$ 120,000	\$ 194,898	\$ 74,898
Use of money and property	6,088	6,088	9,731	3,643
Other revenue			35	35
Total Revenues	126,088	126,088	204,664	78,576
EXPENDITURES				
Current:				
Public safety	162,174	162,174	123,105	39,069
Net Change in Fund Balance	(36,086)	(36,086)	81,559	117,645
Fund Balance, Beginning of Year	471,184	471,184	471,184	
Fund Balance, End of Year	\$ 435,098	\$ 435,098	\$ 552,743	\$ 117,645

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AFFORDABLE HOUSING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 10,766	\$ 10,766	\$ 11,551	\$ 785
Other revenue		318,085	360,573	42,488
Total Revenues	10,766	328,851	372,124	43,273
EXPENDITURES				
Current:				
Public services	161,205	591,205	15,636	575,569
Net Change in Fund Balance	(150,439)	(262,354)	356,488	618,842
Fund Balance, Beginning of Year	508,702	508,702	508,702	
Fund Balance, End of Year	\$ 358,263	\$ 246,348	\$ 865,190	\$ 618,842

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ASSESSMENT DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes			\$ 295	\$ 295
Use of money and property	\$ 28,681	\$ 28,681	47,805	19,124
Charges for services	2,700	2,700	2,653	(47)
Maintenance assessments	1,388,643	1,388,643	1,394,152	5,509
Other revenue		900	1,597	697
Total Revenues	1,420,024	1,420,924	1,446,502	25,578
EXPENDITURES				
Current:				
Public safety	1,078,829	1,121,549	1,021,431	100,118
Parks and recreation	1,430,077	1,486,705	1,332,436	154,269
Capital outlay	426,447	460,996	28,863	432,133
Total Expenditures	2,935,353	3,069,250	2,382,730	686,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,515,329)	(1,648,326)	(936,228)	712,098
OTHER FINANCING SOURCES				
Transfers in	957,448	935,630	859,026	(76,604)
Net Change in Fund Balance	(557,881)	(712,696)	(77,202)	635,494
Fund Balance, Beginning of Year	2,299,410	2,299,410	2,299,410	
Fund Balance, End of Year	\$1,741,529	\$1,586,714	\$2,222,208	\$ 635,494

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE AND FEDERAL ASSISTANCE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 30,442	\$ 30,442	\$ 48,185	\$ 17,743
Intergovernmental	3,233,130	3,288,542	816,917	(2,471,625)
Total Revenues	3,263,572	3,318,984	865,102	(2,453,882)
EXPENDITURES				
Current:				
Public safety	103,000	138,975	131,375	7,600
Public services	94,422	121,362	36,496	84,866
Capital outlay	3,601,589	3,618,090	220,368	3,397,722
Total Expenditures	3,799,011	3,878,427	388,239	3,490,188
Net Change in Fund Balance	(535,439)	(559,443)	476,863	1,036,306
Fund Balance, Beginning of Year	1,934,112	1,934,112	1,934,112	
Fund Balance, End of Year	\$ 1,398,673	\$1,374,669	\$2,410,975	\$ 1,036,306

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE GAS TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 17,003	\$ 17,003	\$ 17,725	\$ 722
Intergovernmental	631,000	631,000	667,270	36,270
Other revenue			14,619	14,619
Total Revenues	648,003	648,003	699,614	51,611
EXPENDITURES				
Current:				
Public services	1,113,735	1,191,546	1,034,357	157,189
Capital outlay	55,147	138,562	69,982	68,580
Total Expenditures	1,168,882	1,330,108	1,104,339	225,769
Excess (Deficiency) of Revenues Over (Under) Expenditures	(520,879)	(682,105)	(404,725)	277,380
OTHER FINANCING USES				
Transfers out	(24,517)	(2,676)	(24,517)	(21,841)
Net Change in Fund Balance	(545,396)	(684,781)	(429,242)	255,539
Fund Balance, Beginning of Year	972,761	972,761	972,761	
Fund Balance, End of Year	\$ 427,365	\$ 287,980	\$ 543,519	\$ 255,539

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOW AND MODERATE INCOME HOUSING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 40,000	\$ 51,220	\$ 67,492	\$ 16,272
Other revenue		39,732	857,500	817,768
Total Revenues	40,000	90,952	924,992	834,040
EXPENDITURES				
Current:				
Public services	403,639	665,406	424,139	241,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	(363,639)	(574,454)	500,853	1,075,307
OTHER FINANCING SOURCES (USES)				
Transfers in	762,551	762,551	780,356	17,805
Gain from sale of property			48,339	48,339
Transfers out	(152,674)	(152,674)	(152,674)	
Total Other Financing Sources (Uses)	609,877	609,877	676,021	66,144
Net Change in Fund Balance	246,238	35,423	1,176,874	1,141,451
Fund Balance, Beginning of Year, as restated	2,306,674	2,306,674	2,306,674	
Fund Balance, End of Year	\$ 2,552,912	\$ 2,342,097	\$ 3,483,548	\$ 1,141,451

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL TRANSPORTATION TRANSIT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 2,006	\$ 2,006	\$ 4,955	\$ 2,949
Charges for services	32,000	32,000	38,907	6,907
Intergovernmental	1,079,879	1,079,879	608,960	(470,919)
Total Revenues	1,113,885	1,113,885	652,822	(461,063)
EXPENDITURES				
Current:				
Public services	911,593	963,908	545,707	418,201
Capital outlay	231,900	231,900	107,115	124,785
Total Expenditures	1,143,493	1,195,808	652,822	542,986
Net Change in Fund Balance	(29,608)	(81,923)		81,923
Fund Balance, Beginning of Year				
Fund Balance, End of Year	\$ (29,608)	\$ (81,923)	\$ -	\$ 81,923

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOLID WASTE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 9,969	\$ 9,969	\$ 16,516	\$ 6,547
Intergovernmental	17,000	17,000	25,410	8,410
Franchise fees	263,100	263,100	275,935	12,835
Total Revenues	<u>290,069</u>	<u>290,069</u>	<u>317,861</u>	<u>27,792</u>
EXPENDITURES				
Current:				
Public services	<u>334,217</u>	<u>364,635</u>	<u>321,920</u>	<u>42,715</u>
Net Change in Fund Balance	<u>(44,148)</u>	<u>(74,566)</u>	<u>(4,059)</u>	<u>70,507</u>
Fund Balance, Beginning of Year	<u>796,179</u>	<u>796,179</u>	<u>796,179</u>	
Fund Balance, End of Year	<u>\$ 752,031</u>	<u>\$ 721,613</u>	<u>\$ 792,120</u>	<u>\$ 70,507</u>

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CITY HALL BUILDING CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 9,430	\$ 9,430	\$ 10,554	\$ 1,124
EXPENDITURES				
Capital outlay	1,585,000	1,734,130	79,745	1,654,385
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,575,570)	(1,724,700)	(69,191)	1,655,509
OTHER FINANCING SOURCES				
Transfers in	1,100,000	1,100,000		(1,100,000)
Net Change in Fund Balances	(475,570)	(624,700)	(69,191)	555,509
Fund Balance, Beginning of Year	529,429	529,429	529,429	
Fund Balance, End of Year	\$ 53,859	\$ (95,271)	\$ 460,238	\$ 555,509

CITY OF MOORPARK

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 5,643	\$ 5,643	\$ 7,421	\$ 1,778
EXPENDITURES				
Capital outlay	17,800	25,061	24,451	610
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,157)	(19,418)	(17,030)	2,388
OTHER FINANCING SOURCES (USES)				
Transfers in		75,000	75,000	
Net Change in Fund Balance	(12,157)	55,582	57,970	2,388
Fund Balance, Beginning of Year	367,689	367,689	367,689	
Fund Balance, End of Year	\$ 355,532	\$ 423,271	\$ 425,659	\$ 2,388

CITY OF MOORPARK

**STATEMENT OF CHANGES IN NET ASSETS
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2005</u>
ASSETS				
Cash and investments	\$ 2,120,412	\$2,245,520		\$ 4,365,932
LIABILITIES				
Accounts payable	\$ 406,309		\$ (99,596)	\$ 306,713
Developer deposits	1,714,103	\$2,345,116		4,059,219
Total Liabilities	<u>\$ 2,120,412</u>	<u>\$2,345,116</u>	<u>\$ (99,596)</u>	<u>\$ 4,365,932</u>

STATISTICAL SECTION

CITY OF MOORPARK
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS

Fiscal Year	Taxes and Assessments (1)	Licenses Permits and Fees (2)	Revenue From Other Agencies	Maintenance Assessments	Use of Money & Property	Other Revenue	Total Revenue
1996	\$ 4,282,265	\$ 2,672,673	\$ 1,021,458	\$ 2,991,121	\$ 2,320,057	\$ 1,746,631	\$ 15,034,205
1997	6,349,631	4,693,256	1,373,726	1,641,622	1,984,162	493,938	16,536,335
1998	4,879,322	4,587,138	1,170,287	1,630,996	1,988,731	623,362	14,879,836
1999	5,486,444	4,033,723	849,089	3,856,911	2,691,285	709,444	17,626,896
2000	6,099,037	4,377,998	4,325,305	3,197,752	2,384,356	946,795	21,331,243
2001	7,036,031	6,954,690	1,688,714	6,385,546	2,987,920	1,337,640	26,390,541
2002	7,162,650	6,352,828	2,102,594	5,076,057	2,208,850	2,191,685	25,094,664
2003	8,490,985	7,510,604	4,051,263	2,955,340	2,027,190	1,414,161	26,449,543
2004	9,870,955	7,628,347	4,298,009	2,639,628	1,363,006	2,589,938	28,389,883
2005	9,139,722	6,355,629	5,150,992	1,963,190	1,924,579	5,735,955	30,270,067

Governmental Fund types include General Fund and all Special Revenue, Debt Service, and Capital Project Funds.

(1) 1991 was the first year the Redevelopment Agency received tax increment. In 1992, the County of Ventura impounded tax increment for the Redevelopment Agency and then released it in 1993.

(2) Franchise fees have been classified under licenses, permits, and fees effective in FY 2005.

Source: City of Moorpark

CITY OF MOORPARK

EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Public Services	Parks & Recreation	Capital Outlay	Debt Service	Total
1996	\$ 1,530,824	\$ 2,618,063	\$ 2,533,477	\$ 1,263,862	\$ 5,740,952	\$ 2,582,130	\$ 16,269,308
1997	1,386,598	2,807,382	3,960,313	1,336,029	3,452,115	1,125,199	14,067,636
1998	1,631,787	3,026,724	3,599,360	1,381,058	1,081,814	1,268,704	11,989,447
1999	1,993,878	3,102,834	3,148,264	1,385,376	1,965,474	4,156,354	15,752,180
2000	1,168,049	3,476,781	5,070,009	1,383,146	5,355,271	3,564,305	20,017,561
2001	1,601,638	3,830,253	5,035,651	1,851,648	6,888,258	2,767,770	21,975,218
2002	1,809,125	3,905,096	6,962,490	1,921,588	4,789,732	1,125,529	20,513,560
2003	2,048,658	4,127,670	8,704,302	2,063,428	3,596,982	1,409,915	21,950,955
2004	2,259,017	4,882,547	8,401,453	2,381,698	8,775,159	1,495,996	28,195,870
2005	2,893,359	5,690,820	8,098,147	2,081,723	7,810,879	1,563,585	28,138,513

Governmental Fund Types include General Fund and all Special Revenue, Debt Service, and Capital Projects Funds.

Source: City of Moorpark

CITY OF MOORPARK

**ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Net Secured Roll	Net Unsecured Roll	Total Net Assessed Roll	Percent Change	Homeowner's Exemptions
1996	\$ 1,784,220,963	\$ 63,819,253	\$ 1,848,040,216	3.3%	\$ 37,421,267
1997	1,848,655,764	68,944,812	1,917,600,576	3.8%	38,289,239
1998	1,920,177,164	70,911,851	1,991,089,015	3.8%	39,313,581
1999	2,035,487,530	85,464,519	2,120,952,049	10.6%	40,240,720
2000	2,149,505,500	84,834,286	2,234,339,786	12.2%	40,687,060
2001	2,421,104,221	92,634,149	2,513,738,370	18.5%	40,786,802
2002	2,549,782,519	94,204,773	2,643,987,292	18.3%	41,025,922
2003	2,823,727,286	120,175,258	2,943,902,544	17.1%	42,238,926
2004	3,026,137,647	155,943,246	3,182,080,893	20.4%	43,185,512
2005	3,231,418,940	172,769,806	3,404,188,746	15.6%	43,305,637

Source: Ventura County Assessor

CITY OF MOORPARK
SECURED TAX CHARGE AND DELINQUENCIES
LAST TEN FISCAL YEARS

Fiscal Year	Secured Tax Charge	Amount Delinquent June 30	Percent Delinquent June 30
1996	\$ 1,109,404	\$ 26,390	2.4%
1997	1,158,953	24,705	2.1%
1998	1,191,918	21,807	1.8%
1999	1,374,741	25,687	1.9%
2000	1,410,082	25,054	1.8%
2001	1,573,688	67,292	4.3%
2002	1,832,673	29,778	1.6%
2003	2,036,839	27,584	1.4%
2004	2,208,605	27,811	1.3%
2005	2,391,927	32,746	1.4%

Source: California Municipal Statistics, Inc.

CITY OF MOORPARK

DIRECT AND OVERLAPPING BONDED DEBT

2004-2005 Assessed Valuation:	\$ 3,448,666,104
Redevelopment Incremental Valuation:	366,112,097
Adjusted Assessed Valuation:	\$ 3,082,554,007

	Percent Applicable	Debt at 6/30/05
Direct and Overlapping Tax and Assessment Debt:		
Metropolitan Water District	0.232%	\$ 972,985
Ventura Community College District	4.269%	2,954,148
Conejo Valley Unified School District	2.200%	13,048
Moorpark Unified School District	92.121%	20,087,607
City of Moorpark	100.000%	0
City of Moorpark Community Facilities District No. 97-1	100.000%	6,920,000
City of Moorpark 1915 Act Bonds	100.000%	1,725,000
Total Direct and Overlapping Tax & Assessment Debt		\$ 32,672,788
 Overlapping General Fund Obligation Debt:		
Ventura County General Fund Obligations	4.268%	\$ 4,224,253
Ventura County Pension Obligations	4.268%	2,368,740
Ventura County Superintendent of Schools Certificates of Participation	4.268%	591,331
Ventura County Community College District COPS	4.269%	277,058
Moorpark USD Certificates of Participation	92.121%	9,603,614
Total Overlapping General Fund Obligation Debt		\$ 17,064,996
Combined Total Debt*		\$ 49,737,784

Ratios to 2004-2005 Assessed Valuation:

Direct Debt	0.00%	
Total Direct and Overlapping Tax & Assessment Debt	95.00%	

Ratio to Adjusted Assessed Valuation

Combined Total Debt	1.61%	
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State School Building Aid Repayable as of 6/30/05 0

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

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

Source: California Municipal Statistics, Inc.

CITY OF MOORPARK

**COMPUTATION OF LEGAL DEBT MARGIN AND
BREAKDOWN OF GENERAL PROPERTY TAX LEVY**

Legal Debt Margin as of June 30, 2005

Assessed Valuation:

Secured property assessed value:	\$ 3,231,418,940
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Bonded Debt Limit (15% of Assessed Value)	\$ 484,712,841
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Amount of Debt Subject to Debt Limit

Total Bonded Debt	\$ 19,300,000
Less CRA Tax Allocation Bonds	19,300,000

Amount of Debt Subject to Debt Limit:	\$ -
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Breakdown of General Property Tax Levy

In accordance with the California State Constitution as amended by Proposition 13 in 1978, property taxes are limited to \$1 per \$100 of valuation unless additional levies are approved by the general electorate. Most local public agencies receive a share of the "general levy" (\$1 per \$100 of valuation) in accordance with State statutes. The following is a breakdown of the proportional shares of the "General Levy":

Moorpark Unified School District	33.50%
County of Ventura General Fund	17.20%
Fire Protection District	15.10%
E.R.A.F 93-94 Shift	8.80%
City of Moorpark	7.40%
Education Revenue Augmentation	5.50%
Ventura Community College	5.80%
Ventura Co. Superintendent of Schools	2.60%
County Library	1.67%
County Flood Zone #3	1.26%
Calleguas Municipal Water	0.90%
Ventura County Flood Control Admin	0.26%
Ventura College Child Care	0.03%
Total	100.00%

Source: City of Moorpark, Ventura County Assessor, and HdL Coren & Cone

CITY OF MOORPARK
CITY POPULATION
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Percent Change</u>
1996	27,752	2.4%
1997	28,377	2.3%
1998	29,300	3.3%
1999	29,589	1.0%
2000	29,727	0.5%
2001	32,150	8.2%
2002	33,760	5.0%
2003	34,529	2.3%
2004	34,933	1.2%
2005	35,933 *	2.9%

* Estimated

Source: City of Moorpark and State Department of Finance

CITY OF MOORPARK
BUILDING PERMIT VALUATION
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential Valuation</u>	<u>Number of Permits</u>	<u>Commercial Valuation</u>	<u>Number of Permits</u>	<u>Total Permit Valuation</u>
1996	\$ 45,807,776	443	\$ 6,869,232	65	\$ 52,677,008
1997	24,274,609	364	27,460,489	85	51,735,098
1998	6,331,779	258	18,950,107	131	25,281,886
1999	3,112,703	213	6,538,260	90	9,650,963
2000	45,298,666	386	9,786,014	59	55,084,680
2001	76,864,038	581	7,046,028	69	83,910,066
2002	76,284,366	667	4,058,411	101	80,342,777
2003	77,147,429	1,570	44,831,413	316	121,978,843
2004	47,957,391	1,024	7,036,134	152	54,993,525
2005	30,511,072	866	6,239,126	176	36,750,198

Source: City of Moorpark

CITY OF MOORPARK
LARGEST PROPERTY OWNERS

<u>Property Owner</u>	<u>Assessed Value of Property</u>
Autosafe Airbag Limited Partnership	\$ 75,562,789
Fred Kavli	40,962,302
Toll California Limited Partnership	37,043,364
Majestic Court Properties LLC	32,956,656
Zelman Moorpark LLC	24,047,542
G S Partnership	19,363,532
Calabasas BCD Inc.	18,568,249
James Birkenshaw, Et Al	18,200,526
Augusta Homes	14,289,468
Laars Inc.	13,999,152

Source: Hdl Coren & Cone and Ventura County Assessor

CITY OF MOORPARK

MISCELLANEOUS STATISTICS

Year of Incorporation:	1983	Parks & Recreation:	
Form of Government:	Council - Manager General Law City	Number of Parks	15
		Park Acreage	160 acres
Most Recent Population Estimate:	35,933	Education (Number of Schools):	
Registered Voters:	16,750	High Schools	3
		Middle Schools	2
City Employees (Approximate):		Elementary Schools	6
Full-time:	55	Number of Community Facilities	
Part-time:	45	City Civic Buildings	1
Fire Protection:		Libraries	1
(Provided by Ventura County)		Community Centers	2
Number of Stations:	2	Senior Centers	1
Number of Firefighters:	7	Gym	1
		Activity Rooms for Rentals	4
Police Protection:			
(Contract with Ventura County Sheriff)			
Number of Stations:	2		
Number of Police Officers:	20		
Number of Support Personnel:	4		