

City of MOORPARK California



Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2006

**CITY OF MOORPARK,
CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2006

Prepared By:

Finance Department

INTRODUCTORY SECTION

CITY OF MOORPARK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2006

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FINANCIAL SECTION



MOORPARK

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

December 15, 2006

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, 2006. 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.

Furthermore, in May 2004, the GASB issued Statement No. 44, Economic Condition Reporting. This statement requires the statistical section to be presented with detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. This



statement is effective for fiscal year 2005-06 and has resulted in changes to the statistical section. As such, the City has presented the statistical section with detail information to be in compliance with GASB No. 44 requirements

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

THE REPORTING ENTITY AND ITS SERVICES

The financial reporting entity includes all the funds of the City 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 35,801 (source: California Department of Finance). Moorpark is recognized for having the lowest number of serious crimes committed in Ventura County and is one of the safest cities of its size in the United States.

BUDGETARY CONTROL

The City 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, 2006. 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.

AWARD

The California Society of Municipal Finance Officers (CSMFO) presented the City of Moorpark with a Certificate of Award for Outstanding Financial Reporting for the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005. The Certificate of Award is a prestigious state recognition for conformance with high standards for preparation of local government financial reports. The reports must meet requirements outlined in the CSMFO Awards Checklist, satisfying generally accepted accounting principles and applicable legal requirements.

The Certificate of Award is valid for a period of one year only. The City will continue to participate in the program by submitting the current CAFR to CSMFO to determine its eligibility for another award.

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 2005-06 amounted to \$18,904,696 and \$8,061,610, 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, 2006, nearly \$54 million (City & RDA combined) was invested with the State Treasurer's Local Agency Investment Fund (LAIF); approximately \$6.6 million in the Ventura County Pool; approximately

\$20.8 million in U.S. Treasury and Agency Securities; and \$1.6 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 infrastructures reporting, whereby depreciation expense and accumulated depreciation has been recorded. Capital assets for the fiscal year ended June 30, 2006 has a net ending balance of \$125.2 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 \$530,217 at June 30, 2006 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 \$7.3 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 over 100 California public entities. The CJPIA provides risk coverage for its members through the pooling of losses and purchased insurance. The coverage extends to general liability and workers' compensation administered by 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, 2006

DIRECTORY OF CITY OFFICIALS

CITY COUNCIL

Patrick Hunter, Mayor

Roseann, Mayor pro Tem
Keith F. Millhouse, Councilmember

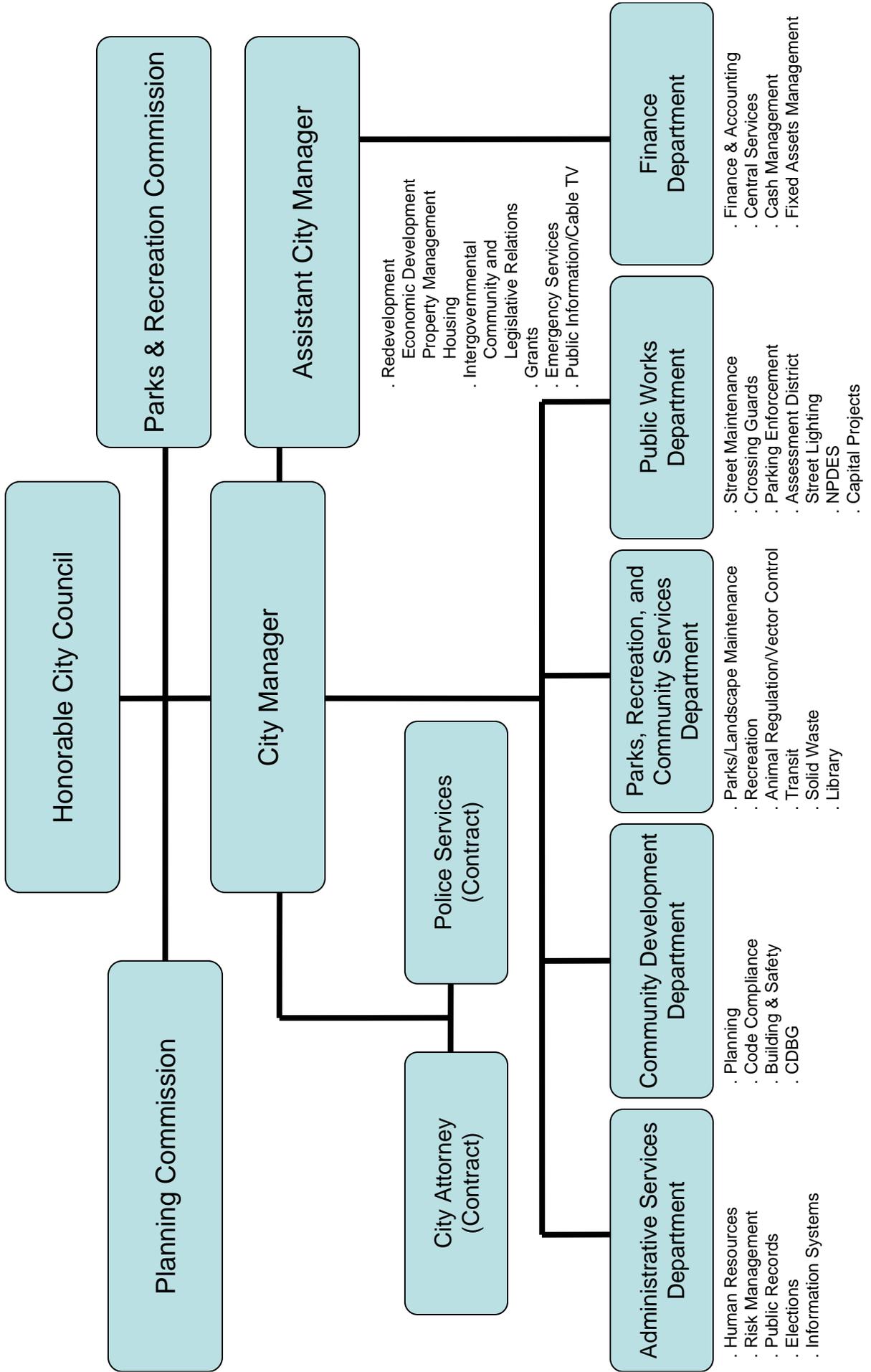
Clint D. Harper, Councilmember
Janice S. Parvin, Councilmember

CITY MANAGEMENT STAFF

Steven Kueny, City Manager
Hugh Riley, Assistant City Manager

Johnny Ea, Finance Director
Barry Hogan, Community Development Director
Yugal Lall, City Engineer/Public Works Director
Mary Lindley, Parks, Recreation & Community Services Director
Deborah Traffenstedt, Administrative Services Director

CITY OF MOORPARK ORGANIZATION CHART



*California Society of
Municipal Finance Officers*

Certificate of Award

Outstanding Financial Reporting 2004-05

Presented to the

City of Moorpark

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 24, 2006

William A. Stand

Bill Thomas, Chair
Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management



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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, and the aggregate remaining fund information of the City of Moorpark, California (the City), as of June 30, 2006, 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, 2006, and the respective changes in financial positions, thereof and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2006, 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 14, 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.

Vavrinek, Tame, Day & Co., LLP

Rancho Cucamonga, California
October 20, 2006

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2006

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, 2006. 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 2005-06 fiscal year by \$193,142,118 (net assets). Of this amount, \$26,965,428 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 \$20,562,078 during the current fiscal year. The Statement of Net Assets is presented on page 15.
- As of June 30, 2006, the City's governmental funds (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) reported combined ending fund balances of \$82,969,551 an increase of \$12,516,426 from the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$18,301,058.
- The City's total Long – Term Liabilities decreased by \$388,745 or 2% 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, 2006

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 15 and 16 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, 2006

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 29 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 30-58 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 \$193,142,118 at the close of the current fiscal year.

The City's net assets invested in capital assets, net of related debt reflects a positive \$108,190,324. As shown on Table 1, the largest portion of the City's net assets (56%) 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, 2006**

An additional portion of the City's net assets (30%) 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 (14%) 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, 2006, 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, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Assets:		
Current and other assets	\$ 90,444,349	\$ 79,167,278
Capital assets	125,196,438	117,401,785
Total Assets	<u>215,640,787</u>	<u>196,569,063</u>
Liabilities:		
Long-term debt outstanding	19,410,217	19,385,107
Other liabilities	3,088,452	4,603,916
Total Liabilities	<u>22,498,669</u>	<u>23,989,023</u>
Net Assets:		
Invested in capital assets, net of related debt	108,190,324	99,760,671
Restricted	57,986,366	46,405,391
Unrestricted	26,965,428	26,413,978
Total Net Assets	<u>\$ 193,142,118</u>	<u>\$ 172,580,040</u>

The City's net assets increased by \$20,562,078 during the current fiscal year.

CITY OF MOORPARK

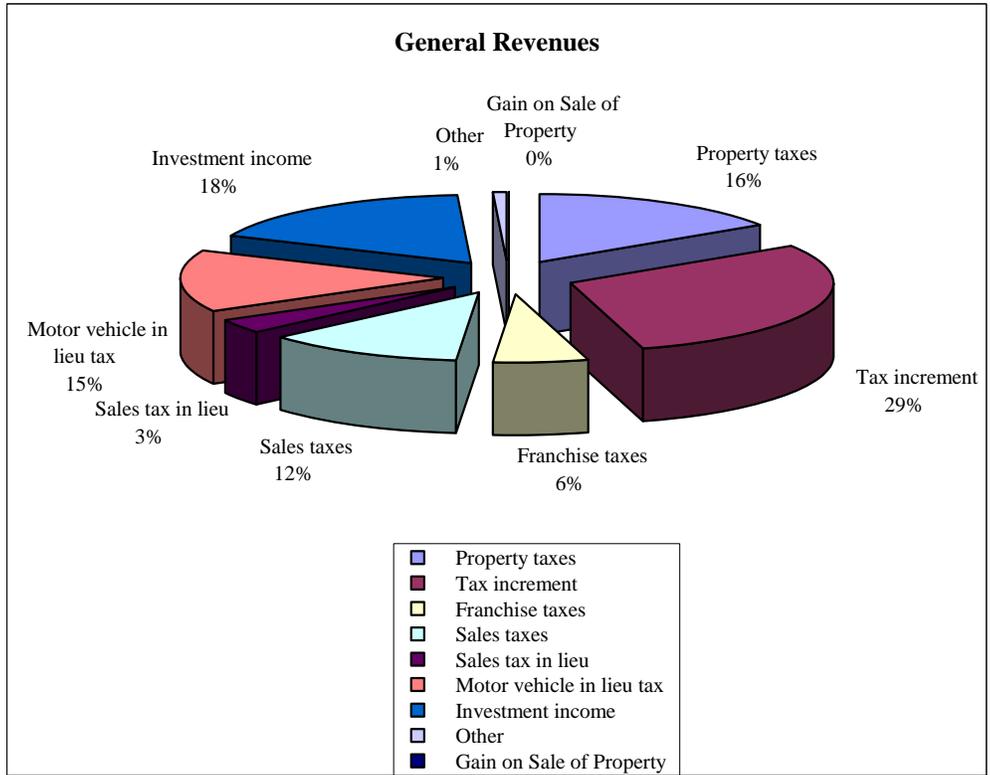
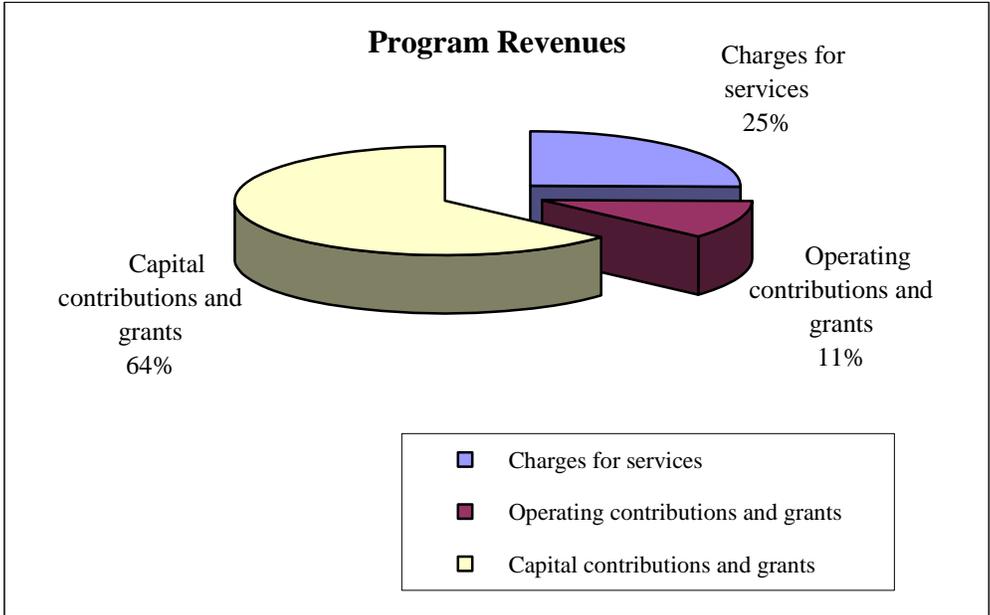
**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

**Table 2
Changes in Net Assets
Governmental Activities
As of June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Revenues		
Program Revenues:		
Charges for services	\$ 7,241,878	\$ 5,632,818
Operating contributions and grants	3,237,143	2,313,834
Capital contributions and grants	18,027,831	4,633,166
General Revenues:		
Property taxes	2,929,842	2,655,093
Tax increment	5,530,198	3,901,779
Franchise taxes	1,080,893	955,829
Sales taxes	2,260,786	2,046,368
Sales tax in lieu	608,298	537,485
Motor vehicle in lieu tax	2,734,470	2,836,154
Investment income	3,261,384	1,725,579
Other	135,276	1,160,805
Gain on Sale of Property	-	48,339
Total Revenues	<u>47,047,999</u>	<u>28,447,249</u>
Expenses		
General government	3,044,381	3,030,395
Public safety	6,230,057	5,709,323
Public services	13,106,843	9,844,050
Parks and recreation	2,771,270	2,304,852
Interest on long-term debt	1,333,370	978,843
Total Expenses	<u>26,485,921</u>	<u>21,867,463</u>
Increase in net assets	20,562,078	6,579,786
Net assets - July 1,	<u>172,580,040</u>	<u>166,000,254</u>
Total Net assets - June 30	<u>\$ 193,142,118</u>	<u>\$ 172,580,040</u>

CITY OF MOORPARK

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**



CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2006

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 \$82,969,551. This is an increase of \$12,516,426 in comparison with the prior year. Approximately \$65,901,963 or 79% 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 \$21,244,411 which was \$2,944,712 or 16% 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 195 % of total General Fund expenditures and transfers out.

Key factors in this growth when compared to FY 2004-05 are as follows:

- The City's share of property taxes increased by approximately \$275,000 as a result of the rise in home values.
- Sales tax revenues also improved with an increase of approximately \$107,000, which is a reflection of the full occupancy of the Moorpark Marketplace, higher fuel prices and increased sales from various business groups.
- Franchise Fees ended the year with a net increase of approximately \$137,000.
- Interest earnings increased by approximately \$409,000 in response to rising rates in the market.
- Expenditures ended the year approximately \$1.5 million under budget as a result of prudent spending by staff and capital projects that have not yet started.

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

The fund balance of the Street and Traffic Safety Fund increased by \$4,265,583 from the prior year, primarily due to the receipt of development fees for various construction projects.

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2006

Community Development Fund

The fund balance of the Community Development Fund increased by \$374,774 from the prior year as a result of increased residential and non-residential development as well as increased public improvement projects.

Areas of Contribution Fund

The fund balance of the Areas of Contribution Fund increased by \$3,736,209 from the prior year, primarily due to development fees received for the Los Angeles AOC and fees for the Tierra Rejada/Spring Road AOC.

Endowment Fund

The fund balance of the Endowment Fund decreased by \$1,090,445 from the prior year, primarily due to the construction of the Corporation Yard to serve Public Works and Parks Maintenance field operations. The facility is expected to be completed by the end of January 2007.

Park Improvement Fund (Includes ten (10) various development fee related funds)

The fund balance of the Park Improvement Fund increased by \$2,334,912 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 \$517,741 from the prior year, primarily due to the construction of the final phase of the new Police Services Center. The Police Department moved into the new facility in November of 2005. The major funding source for this new facility is a loan from the Endowment Fund, which currently has an outstanding balance of \$7,641,592. In addition, reconciliation will be performed in FY 2006-07 to determine total project costs and the amount the Police Facilities Fund is capable of repaying. The amount of the loan will then be adjusted. 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 decreased by \$1,738,229 from the previous year mainly due to the acquisition of the High Street Arts Center and the Moorpark Avenue Widening project.

RDA Debt Service Fund

The fund balance of the Redevelopment Agency Debt Service Fund increased by \$25,897 primarily resulting from lower transfers to the RDA Operations Fund of tax increment revenue.

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2006

Non-Major Governmental Funds

The fund balance of all other Non-Major Governmental Funds (10 funds) increased by \$2,180,754 or 21% from the previous fiscal year. This increase is mainly a result of the receipt of development fees for affordable housing; reimbursements for completed projects from ISTEPA Federal Grants; and increased in tax increment revenue in the Low and Moderate Income Housing Fund as a result of the rise in assessed property values.

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, 2006, were more favorable than anticipated. Revenues were \$1.6 million over budget and expenditures and transfers out ended the year \$1.5 million under budget. The two largest savings came from General Government (\$368,774) and Public Safety (\$804,249). Public Safety ended the year with a significant savings primarily due to the inability to staff the 84-hour patrol car that was added.

CAPITAL ASSET AND LONG-TERM LIABILITIES

Capital Assets. The City's investment in capital assets as of June 30, 2006, amounted to \$125,196,438 (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 6.6%. Buildings and equipment shows a significant increase in 2006 due to the completion of the Police Services Center and as such, the building has been capitalized.

CITY OF MOORPARK

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

**Table 3
Capital Assets (net of depreciation)
Governmental Activities
As of June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Land	\$ 31,662,804	\$ 30,841,687
Construction in Progress	12,125,310	14,718,377
Buildings and improvements	16,220,793	5,755,537
Machinery and equipment	1,780,306	858,531
Infrastructure	63,407,225	65,227,653
Total	<u>\$ 125,196,438</u>	<u>\$ 117,401,785</u>

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

- In the General Fund, the Public Information Division purchased various video/audio equipment for a total cost of \$147,233. In addition, the Administrative Services Department purchased two servers for a combined cost of \$30,504.
- The Traffic System Management Fund purchased a 2006 Hybrid vehicle for \$25,991 for the City's vehicle fleet.
- The Gas Tax Fund purchased a 2006 full size truck for \$30,175 and a 2005 backhoe for \$66,633 for Public Works.
- The Equipment Replacement Fund purchased a 2006 motorcycle for \$21,443 for the Police Department.
- The Local Transit Programs 8C Fund purchased two 2006 City buses for a combined total of \$318,121.

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

Additional information on the City's capital assets can be found in Note #5 on page 47 of this report.

Long-term Liabilities. At the end of the current fiscal year, the City's long-term liability outstanding is \$530,217 in employee compensated absences payable. The Redevelopment Agency's bonded liability is comprised of \$18,880,000 of tax allocation bonds which are secured by future tax revenues. This is shown in Table 4.

CITY OF MOORPARK

**MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

**Table 4
Outstanding Long-Term Liabilities
Governmental Activities
As of June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
Tax allocation bonds (issued by the Redevelopment Agency)	\$ 18,880,000	\$ 19,300,000
Employee Compensated Absences Payable	530,217	498,962
Total	<u><u>\$ 19,410,217</u></u>	<u><u>\$ 19,798,962</u></u>

The City of Moorpark’s total liabilities decreased by \$388,745 or 2.0% 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.

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 \$15.0 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 State’s budget for Fiscal Year 2006-07 includes funding for full repayment of Proposition 42 funds that were borrowed in prior years.

General purpose revenues such as property tax and sales tax are anticipated to increase by 3% and 7% respectively in fiscal year 2006-07. Four major commercial developments are anticipated to be completed in the later part of FY 2006-07 and in early FY 2007-08, which would bring additional sales tax for the upcoming year and future years ahead. These Developments include: The Village at Moorpark (131,745 sq. ft.), Campus Plaza (72,285 sq. ft.), Warehouse Discount Center (132,500 sq. ft.) and Kylexa (18,342 sq. ft.).

CITY OF MOORPARK

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2006

Additionally, the City took into consideration the following factors in preparing the budget for fiscal year 2006-07:

- Interest income will show an increase in response to rising interest rates.
- Sales tax growth should continue to increase which is a reflection of the full occupancy of the Moorpark Marketplace and generally having the same tenant mix in FY 2006-07 and occupancy of the other centers referenced above for portions of the year.
- Slight decrease in PERS retirement cost from 11.783% to 11.728% effective July 1, 2006.
- Projections indicate our cost for general liability insurance will decrease by 36% and worker's compensation is expected to decrease by 20% when compared to fiscal year 2005-06 actual payments.

A priority of the City is to maintain a high quality of services while adopting a balanced budget. As in prior years, the 2006-07 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, 2006**

	Governmental Activities
	<u> </u>
ASSETS	
Cash and investments	\$ 78,988,682
Receivables:	
Taxes	548,416
Accounts	2,365,956
Interest	740,890
Notes and loans	4,532,490
Property held for resale/development	1,873,886
Restricted cash and investments	1,394,029
Capital assets:	
Non-depreciable:	
Land	31,662,804
Construction in progress	12,125,310
Depreciable, net of accumulated depreciation:	
Buildings and improvements	16,220,794
Machinery and equipment	1,780,305
Infrastructure	63,407,225
Total Assets	<u>215,640,787</u>
LIABILITIES	
Accounts payable and accrued liabilities	2,256,945
Interest payable	320,025
Deferred revenue	507,044
Deposits	4,438
Noncurrent liabilities:	
Due within one year	440,000
Due in more than one year	18,970,217
Total Liabilities	<u>22,498,669</u>
NET ASSETS	
Invested in capital assets, net of related debt	108,190,324
Restricted for:	
Community development	47,420,370
Recreation services	5,372,931
Public safety	584,308
Debt service	1,394,029
Housing set-aside	3,214,728
Unrestricted	26,965,428
Total Net Assets	<u>\$ 193,142,118</u>

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2006**

	Expenses	Program Revenues		Net Governmental Activities
		Charges for Services	Operating Contributions and Grants	
Governmental Activities:				
General government	\$ 3,044,381	\$ 2,201,590	\$ 298,730	\$ (544,061)
Public safety	6,230,057	340,341	210,254	\$ (303,648)
Public services	13,106,843	4,163,781	2,728,159	2,609,629
Parks and recreation	2,771,270	536,166		1,592,381
Interest on long-term debt	1,333,370			(1,333,370)
Total Governmental Activities	\$ 26,485,921	\$ 7,241,878	\$ 3,237,143	\$ 18,027,831

General Revenues:

Taxes:	
Property tax, levied for general purpose	2,929,842
Property tax, Redevelopment Agency tax increment	5,530,198
Franchise tax	1,080,893
Sales tax	2,260,786
Sales tax in lieu	608,298
Motor vehicle in lieu tax	2,734,470
Investment income	3,261,384
Other	135,276
Total General Revenues	18,541,147
Change in Net Assets	20,562,078
Net Assets at Beginning of Year	172,580,040
Net Assets at End of Year	\$ 193,142,118

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

CITY OF MOORPARK

**GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2006**

ASSETS	Special Revenue			
	General	Street and Traffic Safety	Community Development	Areas of Contribution
Cash and investments	\$ 17,606,051	\$ 14,729,231	\$ 1,364,215	\$ 10,521,137
Restricted cash and investments				
Receivables:				
Taxes	544,097			
Accounts	558,502		199	674,946
Interest	531,302			
Notes and loans	5,060			
Due from other funds	2,943,353			
Property held for resale/development				
Total Assets	<u>\$ 22,188,365</u>	<u>\$ 14,729,231</u>	<u>\$ 1,364,414</u>	<u>\$ 11,196,083</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 663,083	\$ 39,444	\$ 571,141	\$ 82,570
Due to other funds				
Deferred revenue	280,871			
Deposits, principally from developers				
Total Liabilities	<u>943,954</u>	<u>39,444</u>	<u>571,141</u>	<u>82,570</u>
FUND BALANCES				
Reserved for:				
Debt service				
Property held for resale/development				
Interfund receivables	2,943,353			
Housing set-aside				
Unreserved, reported in:				
General fund	18,301,058			
Special revenue funds		14,689,787	793,273	11,113,513
Capital projects funds				
Debt service fund				
Total Fund Balances	<u>21,244,411</u>	<u>14,689,787</u>	<u>793,273</u>	<u>11,113,513</u>
Total Liabilities and Fund Balances	<u>\$ 22,188,365</u>	<u>\$ 14,729,231</u>	<u>\$ 1,364,414</u>	<u>\$ 11,196,083</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			
\$ 5,336,483	\$ 5,431,383		\$ 8,971,290	\$ 1,777,254 1,394,029	\$ 13,251,638		\$ 78,988,682 1,394,029
					4,319		548,416
			7,423	64,006	1,060,880		2,365,956
			209,588				740,890
							5,060
7,641,592							10,584,945
			876,601		997,285		1,873,886
<u>\$ 12,978,075</u>	<u>\$ 5,431,383</u>	<u>\$ -</u>	<u>\$ 10,064,902</u>	<u>\$ 3,235,289</u>	<u>\$ 15,314,122</u>		<u>\$ 96,501,864</u>
\$ 402,596	\$ 58,452	\$ 74,859	\$ 77,001		\$ 287,799		\$ 2,256,945
		7,641,592	100,851	\$ 2,162,685	679,817		10,584,945
					405,114		685,985
					4,438		4,438
<u>402,596</u>	<u>58,452</u>	<u>7,716,451</u>	<u>177,852</u>	<u>2,162,685</u>	<u>1,377,168</u>		<u>13,532,313</u>
				1,394,029			1,394,029
			876,601		997,285		1,873,886
7,641,592							10,584,945
					3,214,728		3,214,728
							18,301,058
4,933,887	5,372,931				8,832,626		45,736,017
		(7,716,451)	9,010,449		892,315		2,186,313
				(321,425)			(321,425)
<u>12,575,479</u>	<u>5,372,931</u>	<u>(7,716,451)</u>	<u>9,887,050</u>	<u>1,072,604</u>	<u>13,936,954</u>		<u>82,969,551</u>
<u>\$ 12,978,075</u>	<u>\$ 5,431,383</u>	<u>\$ -</u>	<u>\$ 10,064,902</u>	<u>\$ 3,235,289</u>	<u>\$ 15,314,122</u>		<u>\$ 96,501,864</u>

CITY OF MOORPARK

**GOVERNMENTAL FUND
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2006**

Fund Balances of Governmental Funds	\$ 82,969,551
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.	125,196,438
Long-term notes and loans receivable are not current financial resources and, therefore, are not included in the governmental funds.	4,527,430
Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.	178,941
Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(320,025)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(19,410,217)</u>
Net Assets of Governmental Activities	<u><u>\$ 193,142,118</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, 2006**

	General	Special Revenue		
		Street and Traffic Safety Development	Community Development	Areas of Contribution
REVENUES				
Taxes	\$ 6,700,878			
Licenses and permits	72,365			
Fines and forfeitures	174,068			
Use of money and property	942,659	\$ 388,247		\$ 334,676
Charges for services	2,665,391			
Intergovernmental	3,015,380			
Maintenance assessments				
Franchise fees				
Building and safety fees			\$ 1,110,715	
Planning and public works fees			3,053,066	
Development fees		4,133,289		5,624,274
Other revenue	219,154	10,260	2,137	48,241
Total Revenues	13,789,895	4,531,796	4,165,918	6,007,191
EXPENDITURES				
Current:				
General government	2,915,356		4,208	
Public safety	4,923,583			
Public services	1,021,796	98,822	3,786,936	
Parks and recreation	1,081,288			
Capital outlay		167,391		2,270,982
Debt service:				
Principal				
Interest				
Total Expenditures	9,942,023	266,213	3,791,144	2,270,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,847,872	4,265,583	374,774	3,736,209
OTHER FINANCING SOURCES (USES)				
Transfers in	36,179			
Proceeds from sale of property	1,410			
Transfers out	(940,749)			
Total Other Financing Sources (Uses)	(903,160)			
Net Change in Fund Balances	2,944,712	4,265,583	374,774	3,736,209
Fund Balances, Beginning of Year	18,299,699	10,424,204	418,499	7,377,304
Fund Balances, End of Year	\$21,244,411	\$ 14,689,787	\$ 793,273	\$11,113,513

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		
				\$ 5,530,198		\$ 12,231,076
						72,365
					\$ 166,273	340,341
\$ 129,588	\$ 151,826	\$ 4,150	\$ 600,127	276,946	433,165	3,261,384
						2,665,391
						3,286,813
		356,592			1,489,150	6,302,193
					283,162	1,845,742
						283,162
						1,110,715
						3,053,066
2,428,014	2,398,154				984,616	15,568,347
585	1,454		2,818		112,925	397,574
2,558,187	2,551,434	360,742	602,945	5,807,144	6,756,104	47,131,356
						2,919,564
					1,287,878	6,211,461
			1,446,160	2,399,396	2,462,296	11,215,406
					1,462,918	2,544,206
3,642,378	186,597	878,483	1,673,055		1,219,553	10,038,439
				420,000	15,910	435,910
				1,229,383	21,971	1,251,354
3,642,378	186,597	878,483	3,119,215	4,048,779	6,470,526	34,616,340
(1,084,191)	2,364,837	(517,741)	(2,516,270)	1,758,365	285,578	12,515,016
			778,041	151,613	2,386,169	3,352,002
						1,410
(6,254)	(29,925)			(1,884,081)	(490,993)	(3,352,002)
(6,254)	(29,925)		778,041	(1,732,468)	1,895,176	1,410
(1,090,445)	2,334,912	(517,741)	(1,738,229)	25,897	2,180,754	12,516,426
13,665,924	3,038,019	(7,198,710)	11,625,279	1,046,707	11,756,200	70,453,125
\$ 12,575,479	\$ 5,372,931	\$ (7,716,451)	\$ 9,887,050	\$ 1,072,604	\$ 13,936,954	\$ 82,969,551

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, 2006**

Net Change in Fund Balances - Total Governmental Funds \$ 12,516,426

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	10,155,263
Depreciation expense	(2,302,879)

Governmental funds report only proceeds from the sale of capital assets. The Statement of Activities reports a gain or loss on disposal based on the net book value at the time of disposal. Disposal activity included the following:

Cost of assets disposed	(116,822)
Accumulated depreciation on disposed assets	59,091

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.

(240,816)

Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.

178,941

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.

420,000

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.

(82,016)

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.

(25,110)

Change in Net Assets of Governmental Activities

\$ 20,562,078

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 6,328,300	\$ 6,328,300	\$ 6,700,878	\$ 372,578
Licenses and permits	51,100	51,100	72,365	21,265
Fines and forfeitures	120,500	120,500	174,068	53,568
Use of money and property	644,060	669,060	942,659	273,599
Charges for services	2,121,672	2,367,172	2,665,391	298,219
Intergovernmental	2,382,757	2,415,894	3,015,380	599,486
Other revenue	377,000	229,500	219,154	(10,346)
Total Revenues	12,025,389	12,181,526	13,789,895	1,608,369
EXPENDITURES				
Current:				
General government	3,284,230	3,284,230	2,915,356	368,874
Public safety	5,647,575	5,727,832	4,923,583	804,249
Public services	807,413	1,135,980	1,021,796	114,184
Parks and recreation	1,199,973	1,199,973	1,081,288	118,685
Capital outlay	69,000	99,004		99,004
Total Expenditures	11,008,191	11,447,019	9,942,023	1,504,996
Excess of Revenues Over (Under) Expenditures	1,017,198	734,507	3,847,872	3,113,365
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	36,179	21,179
Proceeds from sale of property			1,410	1,410
Transfers out	(926,149)	(926,149)	(940,749)	(14,600)
Total Other Financing Sources (Uses)	(911,149)	(911,149)	(903,160)	6,579
Net Change in Fund Balance	106,049	(176,642)	2,944,712	3,121,354
Fund Balance, Beginning of Year	16,762,781	18,299,699	18,299,699	
Fund Balance, End of Year	\$16,868,830	\$18,123,057	\$21,244,411	\$ 3,121,354

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 265,150	\$ 265,150	\$ 388,247	\$ 123,097
Development fees	2,659,832	2,659,832	4,133,289	1,473,457
Other revenue		10,260	10,260	
Total Revenues	<u>2,924,982</u>	<u>2,935,242</u>	<u>4,531,796</u>	<u>1,596,554</u>
EXPENDITURES				
Current:				
Public services	310,899	432,323	98,822	333,501
Capital outlay	1,287,638	1,153,480	167,391	986,089
Total Expenditures	<u>1,598,537</u>	<u>1,585,803</u>	<u>266,213</u>	<u>1,319,590</u>
Net Change in Fund Balance	1,326,445	1,349,439	4,265,583	2,916,144
Fund Balance, Beginning of Year	<u>10,468,461</u>	<u>10,424,204</u>	<u>10,424,204</u>	
Fund Balance, End of Year	<u><u>\$11,794,906</u></u>	<u><u>\$11,773,643</u></u>	<u><u>\$14,689,787</u></u>	<u><u>\$ 2,916,144</u></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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Building and safety fees	\$ 712,594	\$ 712,594	\$ 1,110,715	\$ 398,121
Planning and public works fees	2,784,663	2,784,663	3,053,066	268,403
Other revenue	1,000	4,000	2,137	(1,863)
Total Revenues	<u>3,498,257</u>	<u>3,501,257</u>	<u>4,165,918</u>	<u>664,661</u>
EXPENDITURES				
Current:				
General government	1,905	6,275	4,208	2,067
Public services	3,584,517	3,584,517	3,786,936	(202,419)
Total Expenditures	<u>3,586,422</u>	<u>3,590,792</u>	<u>3,791,144</u>	<u>(200,352)</u>
Net Change in Fund Balance	(88,165)	(89,535)	374,774	464,309
Fund Balance, Beginning of Year	<u>406,229</u>	<u>418,499</u>	<u>418,499</u>	
Fund Balance, End of Year	<u>\$ 318,064</u>	<u>\$ 328,964</u>	<u>\$ 793,273</u>	<u>\$ 464,309</u>

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 192,801	\$ 192,801	\$ 334,676	\$ 141,875
Development fees	2,614,546	4,666,576	5,624,274	957,698
Other revenue		40,608	48,241	7,633
Total Revenues	<u>2,807,347</u>	<u>4,899,985</u>	<u>6,007,191</u>	<u>1,107,206</u>
EXPENDITURES				
Capital outlay	<u>5,463,979</u>	<u>6,093,780</u>	<u>2,270,982</u>	<u>3,822,798</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,656,632)</u>	<u>(1,193,795)</u>	<u>3,736,209</u>	<u>4,930,004</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000		(50,000)
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>		<u>50,000</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(2,656,632)	(1,193,795)	3,736,209	4,930,004
Fund Balance, Beginning of Year	<u>7,506,261</u>	<u>7,377,304</u>	<u>7,377,304</u>	
Fund Balance, End of Year	<u>\$ 4,849,629</u>	<u>\$ 6,183,509</u>	<u>\$ 11,113,513</u>	<u>\$ 4,930,004</u>

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 270,365	\$ 270,365	\$ 129,588	\$ (140,777)
Development fees	1,064,835	1,057,450	2,428,014	1,370,564
Other revenue			585	585
Total Revenues	<u>1,335,200</u>	<u>1,327,815</u>	<u>2,558,187</u>	<u>1,230,372</u>
EXPENDITURES				
Capital outlay	<u>3,896,546</u>	<u>6,848,555</u>	<u>3,642,378</u>	<u>3,206,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,561,346)</u>	<u>(5,520,740)</u>	<u>(1,084,191)</u>	<u>4,436,549</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(197,567)</u>		<u>(6,254)</u>	<u>6,254</u>
Net Change in Fund Balance	(2,758,913)	(5,520,740)	(1,090,445)	4,430,295
Fund Balance, Beginning of Year	<u>3,948,966</u>	<u>13,665,924</u>	<u>13,665,924</u>	
Fund Balance, End of Year	<u>\$ 1,190,053</u>	<u>\$ 8,145,184</u>	<u>\$ 12,575,479</u>	<u>\$ 4,430,295</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 88,379	\$ 103,245	\$ 151,826	\$ 48,581
Development fees	950,348	1,310,468	2,398,154	1,087,686
Other revenue			1,454	1,454
Total Revenues	<u>1,038,727</u>	<u>1,413,713</u>	<u>2,551,434</u>	<u>1,137,721</u>
EXPENDITURES				
Capital outlay	<u>1,850,664</u>	<u>1,925,691</u>	<u>186,597</u>	<u>1,739,094</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(811,937)</u>	<u>(511,978)</u>	<u>2,364,837</u>	<u>2,876,815</u>
OTHER FINANCING USES				
Transfers out			<u>(29,925)</u>	<u>(29,925)</u>
Net Change in Fund Balances	<u>(811,937)</u>	<u>(511,978)</u>	<u>2,334,912</u>	<u>2,846,890</u>
Fund Balance, Beginning of Year	<u>3,178,048</u>	<u>3,038,019</u>	<u>3,038,019</u>	
Fund Balance, End of Year	<u>\$ 2,366,111</u>	<u>\$ 2,526,041</u>	<u>\$ 5,372,931</u>	<u>\$ 2,846,890</u>

See accompanying notes to financial statements.

CITY OF MOORPARK

**STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
JUNE 30, 2006**

ASSETS

Cash and investments	<u>\$ 4,590,417</u>
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LIABILITIES

Accounts payable	\$ 290,510
Deposits	<u>4,299,907</u>

Total Liabilities	<u>\$ 4,590,417</u>
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See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

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, 2006

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 over 100 California public entities and is organized under a joint powers agreement pursuant to California Government Code 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverage. 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.

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 effective for fiscal year 2005-06 and did not have a significant impact on the financial statements.

GASB Statement No. 44 - In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section*, and 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 effective for fiscal year 2005-06 and has resulted in changes to the statistical section.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 effective for fiscal year 2005-06 and did not have a significant impact 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 effective for fiscal year 2005-06 and did not have a significant impact on the financial statements.

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:

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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 \$8,914,345. This increase resulted primarily from rebudgeted projects and amounts carried over from Fiscal Year 2004-2005 as continuing appropriations.

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, 2006, 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. The balance outstanding at June 30, 2006, was \$1,873,886. In addition, the Agency owns other properties totaling \$5,504,481, which are classified as capital assets, and as such, are not recorded in the fund.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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 for monies collected in advance that have not been earned. In the fund financial statements revenue is also deferred when the availability criteria has not been met. As of June 30, 2006, the total unearned revenue amounted to \$507,044 and unavailable revenue amounted to \$178, 941.

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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 760 hours or annual leave up to a maximum of 784 hours and admin leave up to a maximum of 120 hours, 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 per management benefits resolution and City's MOA. 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.

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, 2006, 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.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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. 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. 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.

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, 2006**

NOTE #2 – CASH AND INVESTMENTS

Cash and investments at June 30, 2006, consisted of the following:

<u>City Treasury Deposits</u>	
Demand deposits	\$ 548,411
Cash on hand	1,100
Total City Treasury Deposits	<u>549,511</u>
<u>City Treasury Investments</u>	
Certificates of Deposit	1,599,000
LAIF	53,946,924
Ventura County Pool	6,649,994
U.S. Treasury Obligations	5,922,900
U.S. Agency Securities	14,910,770
Total City Treasury Investments	<u>83,029,588</u>
<u>Cash and Investments With Fiscal Agent</u>	
Money Markets	38,255
Guaranteed Investment Contracts	1,355,774
Total Cash and Investments With Fiscal Agent	<u>1,394,029</u>
Total Cash and Investments	<u>\$ 84,973,128</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	\$ 78,988,682	\$ 4,590,417	\$ 83,579,099
Restricted cash and investments	1,394,029		1,394,029
Total	<u>\$ 80,382,711</u>	<u>\$ 4,590,417</u>	<u>\$ 84,973,128</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, 2006**

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, 2006, 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, 2006**

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	\$ 53,946,924	\$ 53,946,924				
Ventura County Pool	6,649,994	6,649,994				
Certificates of Deposit	1,599,000	200,000	\$ 1,399,000			
U.S. Treasury Notes	5,922,900		5,922,900			
FHLB	5,967,210	2,971,890	2,995,320			
FNM	6,969,700		6,969,700			
FHLM	1,973,860		1,973,860			
Held by Bond Trustee:						
Money Market Funds	38,255	38,255				
Guaranteed Investment Contracts	1,355,774					\$1,355,774
Total	<u>\$ 84,423,617</u>	<u>\$ 63,807,063</u>	<u>\$19,260,780</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,355,774</u>

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE #2 – CASH AND INVESTMENTS, Continued

C. Credit Risk and Concentration of Credit Risk

Deposits

At June 30, 2006, the carrying amount of the City’s deposits was \$548,411. Bank balances before reconciling items were \$3,730,422 at June 30, 2006, of which \$3,630,422 were collateralized with securities held by the pledging financial institution’s trust department but not in the City’s name.

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

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	\$ 53,946,924	Not Rated	63.90%
Ventura County Pool	6,649,994	Not Rated	7.88%
Certificates of Deposit	1,599,000	Not Rated	1.89%
U.S. Treasury Notes	5,922,900	AAA	7.02%
FHLB	5,967,210	AAA	7.07%
FNM	6,969,700	AAA	8.26%
FHLM	1,973,860	AAA	2.34%
Held by Bond Trustee:			
Money Market Funds	38,255	Not Rated	0.05%
Guaranteed Investment Contracts	1,355,774	Not Rated	1.61%
Total	<u>\$ 84,423,617</u>		<u>100.00%</u>

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

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, 2006, accounts were maintained in the name of the City for \$39,978,643 and the Redevelopment Agency for \$13,968,281. The total cost value of investments in LAIF was \$53,946,924. The total fair value of investments in LAIF was \$53,849,054. The unrealized loss was based on a fair market value adjustment factor of .998185821 that was calculated by the State of California Treasurer's Office. At June 30, 2006, the market value of the State of California Pooled Money Investment Account (PMIA) including accrued interest was \$63,616,592,927. The State of California Pooled Money Investment Account portfolio had securities in the form of structured notes totaling \$225,000,000 and asset-backed securities totaling \$1,400,919,000. 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 \$6,649,994 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, 2006**

NOTE #3 – NOTES AND LOANS RECEIVABLE

Notes and loans receivable activity for the year ended June 30, 2006, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Notes Receivable</u>				
Asadurian	\$ 1,200,000		\$ (160,000)	\$ 1,040,000
Mission Bell	2,735,096	\$ 21,396	(19,169)	2,737,323
Deferred Property Assessments	250,249			250,249
Total Notes Receivable	<u>4,185,345</u>	<u>21,396</u>	<u>(179,169)</u>	<u>4,027,572</u>
<u>Loans Receivable</u>				
Employee Computer	2,286	7,780	(5,006)	5,060
Rehabilitation	47,550			47,550
First-time Homeowners Assistance	184,388		(65,284)	119,104
CalHome	350,963	86	(17,845)	333,204
Total Loans Receivable	<u>585,187</u>	<u>7,866</u>	<u>(88,135)</u>	<u>504,918</u>
Total Notes and Loans Receivable	<u>\$ 4,770,532</u>	<u>\$ 29,262</u>	<u>\$ (267,304)</u>	<u>\$ 4,532,490</u>

A. 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. During fiscal year 2005-06 the City received the first two payments due under the note in the aggregate amount of \$160,000. The balance outstanding at June 30, 2006 was \$1,040,000.

B. Mission Bell Note

On August 2, 1995, the Agency entered into an agreement with Mission Bell Partners whereby in return for land disposition, the Agency received seven promissory notes totaling \$3,934,500. The notes bear simple interest from a rate of three percent to a rate of six percent per annum from August 29, 1995 until August 29, 2029. In June 2004 the Agency, per a settlement agreement, discharged three of the remaining six of the original seven promissory notes totaling \$500,000. The balance of the remaining three notes outstanding at June 30, 2006, was \$2,737,323. Principal and interest payments are due annually on September 2nd.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE #3 – NOTES AND LOANS RECEIVABLE, Continued

C. 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, 2006, the principal balance outstanding was \$250,249.

D. 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, 2006, was \$5,060.

E. 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, 2006, was \$47,550.

F. First-Time Homeowners Down-Payment Assistance Program and CalHome

The City operates a first-time homeowner’s down-payment assistance program. The total balance outstanding at June 30, 2006, was \$119,104 for City assisted loans and \$333,204 for CalHome assisted loans. The loans are secured by a Deed of Trust and must be repaid upon sale or transfer of the property.

NOTE #4 – INTERFUND TRANSACTIONS

Due To/Due From Other Funds

Due to/due from other funds for the year ending June 30, 2006, consisted of the following:

Due to the General Fund from:

Redevelopment Agency Capital Projects Fund	\$ 100,851
Redevelopment Agency Debt Service Fund	2,162,685
Non-Major Special Revenue Funds	679,817
Total Due to the General Fund	<u>\$ 2,943,353</u>

Due to the Endowment Special Revenue Fund from:

The Police Facilities Special Revenue Fund	<u>\$ 7,641,592</u>
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CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE #4 – INTERFUND TRANSACTIONS, Continued

The General Fund has advanced to the Redevelopment Agency and the State and Federal Assistance Fund \$2,943,353 to cover current expenditures. Repayment is expected during 2006-07.

The Endowment Fund has advanced to the Police Facilities Fee Fund \$7,641,592 to fund Capital Improvements. The advance is expected to be repaid with development fees to be collected in the future.

Interfund Transfers

Interfund transfers for the year ended June 30, 2006, consisted of the following:

		Transfer From					
		Park Improvement Special Revenue Fund	Endowment Special Revenue Fund	Redevelopment Agency Debt Service Fund	Non-Major Governmental Funds		Total
Transfer To	General Fund						
	General Fund	\$ 29,925	\$ 6,254				\$ 36,179
	Redevelopment Agency Debt Service Fund				\$ 151,613		151,613
	Redevelopment Agency Capital Projects Fund			\$ 778,041			778,041
	Non-Major Governmental Funds	\$ 940,749		1,106,040	339,380		2,386,169
	Total	\$ 940,749	\$ 29,925	\$ 6,254	\$ 1,884,081	\$ 490,993	\$ 3,352,002

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 Loans

During the fiscal year 2003-04 the City’s General Fund loaned the Agency’s Debt Service Fund \$5,000,000 for capital projects which will eliminate blighted project areas. The loan bears interest at a rate equivalent to the City investment in LAIF, plus one percent. In June 2005, the City renewed its loan to the Agency. The Agency repaid the loan from the City, both principal and interest during 2005-06.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

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, 2006.

	Beginning Balance	Adjustments	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Governmental Activities						
Capital Assets, Not Being Depreciated:						
Land	\$ 30,841,687		\$ 30,841,687	\$ 821,117		\$ 31,662,804
Construction in Progress	14,718,377		14,718,377	7,850,156	\$ (10,443,223)	12,125,310
Total Capital Asset Not Being Depreciated	45,560,064		45,560,064	8,671,273	(10,443,223)	43,788,114
Capital Assets, Being Depreciated:						
Buildings and improvements	8,653,064	\$ (90,535)	8,562,529	10,732,596	\$ (73,606)	19,221,519
Machinery and equipment	1,625,119	546,327	2,171,446	1,180,571	(25,699)	3,326,318
Infrastructure						
Roadway system	86,842,701		86,842,701	14,046	(17,517)	86,839,230
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	98,897,010	455,792	99,352,802	11,927,213	(116,822)	111,163,193
Less Accumulated Depreciation For:						
Buildings and improvements	(2,897,527)	90,535	(2,806,992)	(227,125)	33,392	(3,000,725)
Machinery and equipment	(766,588)	(546,327)	(1,312,915)	(258,797)	25,699	(1,546,013)
Infrastructure						
Roadway system	(23,232,072)		(23,232,072)	(1,797,628)		(25,029,700)
Storm drainage system	(119,920)		(119,920)	(16,194)		(136,114)
Parks system	(39,182)		(39,182)	(3,135)		(42,317)
Total Accumulated Depreciation	(27,055,289)	(455,792)	(27,511,081)	(2,302,879)	59,091	(29,754,869)
Total Capital Assets, Being Depreciated, Net	71,841,721		71,841,721	9,624,334	(57,731)	81,408,324
Governmental Activities Capital Assets, Net	\$ 117,401,785	\$ -	\$ 117,401,785	\$ 18,295,607	\$ (10,500,954)	\$ 125,196,438

Depreciation expense was charged to the governmental functions/programs.

General government	\$ 43,386
Public safety	18,596
Public service, including depreciation of general infrastructure assets	2,013,833
Parks and recreation	227,064
Total Depreciation Expense	<u>\$ 2,302,879</u>

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE #6 – LONG-TERM LIABILITIES

Long-term liability activities for the year ended June 30, 2006, are as follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year	Due Within One Year
1999 Tax Allocation Bonds	\$ 7,700,000		\$ (405,000)	\$ 7,295,000	\$ 425,000
2001 Tax Allocation Bonds	11,600,000		(15,000)	11,585,000	15,000
Employee Compensated Absences	498,962	\$ 31,255		530,217	
	<u>\$ 19,798,962</u>	<u>\$ 31,255</u>	<u>\$ (420,000)</u>	<u>\$ 19,410,217</u>	<u>\$ 440,000</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	
2007	\$ 425,000	\$ 336,668	\$ 761,668
2008	440,000	319,148	759,148
2009	460,000	300,583	760,583
2010	475,000	279,459	754,459
2011	500,000	255,694	755,694
2012-2016	2,895,000	878,109	3,773,109
2017-2019	2,100,000	156,976	2,256,976
Total	<u>\$ 7,295,000</u>	<u>\$ 2,526,636</u>	<u>\$ 9,821,636</u>

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

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	
2007	\$ 15,000	\$ 590,308	\$ 605,308
2008	15,000	589,761	604,761
2009	15,000	589,176	604,176
2010	20,000	588,469	608,469
2011	15,000	587,743	602,743
2012-2016	90,000	2,927,414	3,017,414
2017-2021	1,370,000	2,841,265	4,211,265
2022-2026	3,895,000	2,094,718	5,989,718
2027-2031	4,995,000	961,579	5,956,579
2032	1,155,000	29,597	1,184,597
Total	<u>\$ 11,585,000</u>	<u>\$ 11,800,030</u>	<u>\$ 23,385,030</u>

C. Employee Compensated Absences

The long-term liability at June 30, 2006, is \$530,217 for employee compensated absences. There is no current liability estimated. The General Fund is primarily expected to liquidate this liability.

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

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, 2006

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 and the City Council 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, 2006**

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, 2006, was 11.783%. 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, 2006, the City's annual pension cost and its actual contributions were \$426,533. Also, contributions made directly from employees were zero, but on behalf of the employees the City contributed a total of \$276,541. The General Fund paid approximately 55% and other City funds paid approximately 45% of the total PERS contributions. The required contribution for the year ended June 30, 2006, 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) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members; and; (c) zero percent cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0%. 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, 2006, was one year.

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>
6/30/2004	\$ 126,573	100%	\$0
6/30/2005	\$ 279,434	100%	\$0
6/30/2006	\$ 426,533	100%	\$0

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

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. These bonds were completely repaid during 2005-06.

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, 2006, total \$14,145,000.

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, 2006, totaled \$15,850,088.

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, 2006**

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 \$1,680,000 at June 30, 2006.

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 \$6,780,000 at June 30, 2006.

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

CITY OF MOORPARK

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2006

NOTE #11 – RISK MANAGEMENT, Continued

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.

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.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

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.

The City’s governmental funds reserves and designations at June 30, 2006, 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	Redevelopment Agency Debt Service Fund	Non-Major Governmental Funds
Reserved:					
Debt service				\$ 1,394,029	
Property held for resale/development			\$ 876,601		\$ 997,285
Interfund receivables	\$ 2,943,353	\$ 7,641,592			
Housing set-aside					3,214,728
Total Reserved	<u>\$ 2,943,353</u>	<u>\$ 7,641,592</u>	<u>\$ 876,601</u>	<u>\$ 1,394,029</u>	<u>\$ 4,212,013</u>
Unreserved, designated:					
Future projects			<u>\$ 9,253,940</u>		

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

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

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.

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, 2006:

Police Facilities Fee Capital Projects Fund	<u><u>\$ (7,716,451)</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 fund has expenditures in excess of the budget in the following amount for the year ended June 30, 2006:

Community Development Special Revenue Fund	<u><u>\$ 200,352</u></u>
Redevelopment Agency Debt Service Fund	<u><u>\$ 907,803</u></u>

The \$200,352 of expenditures in excess of the budget in the Community Development Fund is mainly due to the increase in building and safety activities. As such, revenue received for these activities also increased in the fund.

The variance in the RDA Debt Service Fund of \$907,803 is mainly a result of the required tax increment pass-through payments that were higher than budgeted reflecting the increase in property tax revenue received.

CITY OF MOORPARK

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006**

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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MOORPARK

SCHEDULE OF FUNDING PROGRESS

JUNE 30, 2006

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>
6/30/2003	\$2,596,966,545	\$2,372,879,034	\$ 224,087,511	91.4%	\$ 725,020,458	30.9%
6/30/2004	\$2,746,095,668	\$2,460,944,656	\$ 285,151,012	89.6%	\$ 743,691,970	38.3%
6/30/2005	\$2,891,460,651	\$2,588,713,000	\$ 302,747,651	89.5%	\$ 755,046,679	40.1%

New Risk Pool and Future Contributions

As a result of having less than 100 active members as of June 30, 2003, the City was required to participate in a risk pool. Mandated pooling is effective with the June 30, 2003 valuation which determines the contribution rate for 2005-2006. The 2005-2006 is the first year under pooling, and therefore, the City's pooled employer contribution rate is the same as the stand-alone employer contribution rate. This is because the difference between the pool's normal cost and the stand-alone normal cost will be phased out over five years, beginning with 2006-2007. For 2005-2006, 100 percent of the difference between the pool's normal costs and the stand-alone normal cost is reflected in the development of the City's pooled employer contribution rate. For 2006-2007, only 80 percent of the difference will be reflected; for 2007-2008, 60 percent will be reflected, and so on, until it is fully subject to the pool's normal costs for 2010-2011 and beyond.

SUPPLEMENTARY SCHEDULES

CITY OF MOORPARK

JUNE 30, 2006

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property			\$ 4,150	\$ 4,150
Maintenance assessments	\$ 245,555	\$ 245,555	356,592	111,037
Total Revenues	245,555	245,555	360,742	115,187
EXPENDITURES				
Capital outlay		1,473,231	878,483	594,748
Total Expenditures		1,473,231	878,483	594,748
Net Change in Fund Balance	245,555	(1,227,676)	(517,741)	709,935
Fund Balance, Beginning of Year	(245,555)	(7,198,710)	(7,198,710)	
Fund Balance, End of Year	\$ -	\$ (8,426,386)	\$ (7,716,451)	\$ 709,935

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 488,507	\$ 488,507	\$ 600,127	\$ 111,620
Other revenue		32,122	2,818	(29,304)
Total Revenues	488,507	520,629	602,945	82,316
EXPENDITURES				
Current:				
Public services	1,086,041	2,690,595	1,446,160	1,244,435
Capital outlay	1,740,228	2,188,000	1,673,055	514,945
Total Expenditures	2,826,269	4,878,595	3,119,215	1,759,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,337,762)	(4,357,966)	(2,516,270)	1,841,696
OTHER FINANCING SOURCES				
Transfers in	1,010,827	1,010,827	778,041	(232,786)
Net Change in Fund Balance	(1,326,935)	(3,347,139)	(1,738,229)	1,608,910
Fund Balance, Beginning of Year	11,444,082	11,625,279	11,625,279	
Fund Balance, End of Year	\$10,117,147	\$ 8,278,140	\$ 9,887,050	\$ 1,608,910

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,908,000	\$ 3,967,658	\$ 5,530,198	\$ 1,562,540
Use of money and property	199,499	199,499	276,946	77,447
Total Revenues	4,107,499	4,167,157	5,807,144	1,639,987
EXPENDITURES				
Current:				
Public services	1,614,000	1,614,000	2,399,396	(785,396)
Debt service:				
Principal	425,000	425,000	420,000	5,000
Interest	1,101,976	1,101,976	1,229,383	(127,407)
Total Expenditures	3,140,976	3,140,976	4,048,779	(907,803)
Excess of Revenues Over (Under) Expenditures	966,523	1,026,181	1,758,365	732,184
OTHER FINANCING SOURCES (USES)				
Transfers in	151,613	151,613	151,613	
Transfers out	(1,780,427)	(1,780,427)	(1,884,081)	(103,654)
Total Other Financing Sources (Uses)	(1,628,814)	(1,628,814)	(1,732,468)	(103,654)
Net Change in Fund Balance	(662,291)	(602,633)	25,897	628,530
Fund Balance, Beginning of Year	679,716	1,046,707	1,046,707	
Fund Balance, End of Year	\$ 17,425	\$ 444,074	\$ 1,072,604	\$ 628,530

CITY OF MOORPARK

JUNE 30, 2006

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, 2006

**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, 2006**

	Special Revenue Funds			
	Traffic Safety	Affordable Housing	Assessment District	State and Federal Assistance
ASSETS				
Cash and investments	\$ 568,751	\$ 1,901,572	\$ 2,357,009	\$ 3,329,604
Receivables:				
Taxes			4,319	
Accounts	18,221		54,954	599,049
Property held for resale/development				
Total Assets	\$ 586,972	\$ 1,901,572	\$ 2,416,282	\$ 3,928,653
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,664		\$ 140,694	\$ 29,939
Due to other funds				659,933
Deferred revenue			4,319	
Deposits, principally from developers			4,438	
Advances from other funds				
Total Liabilities	2,664		149,451	689,872
FUND BALANCES				
Reserved for:				
Property held for resale/development				
Housing set-aside				
Unreserved, reported in:				
Special revenue funds	584,308	\$ 1,901,572	2,266,831	3,238,781
Capital projects funds				
Total Fund Balances	584,308	1,901,572	2,266,831	3,238,781
Total Liabilities and Fund Balances	\$ 586,972	\$ 1,901,572	\$ 2,416,282	\$ 3,928,653

Special Revenue Funds				Capital Projects Funds		Total Non-major Governmental Funds
State Gas Tax	Low and Moderate Income Housing	Local Transportation Transit	Solid Waste	City Hall Building	Equipment Replacement	
\$ 13,313	\$ 3,229,074	\$ 166,492	\$ 767,001	\$ 422,313	\$ 496,509	\$ 13,251,638
69,868	16,002 997,285	268,163	34,623			4,319 1,060,880 997,285
<u>\$ 83,181</u>	<u>\$ 4,242,361</u>	<u>\$ 434,655</u>	<u>\$ 801,624</u>	<u>\$ 422,313</u>	<u>\$ 496,509</u>	<u>\$ 15,314,122</u>
\$ 25,557	\$ 10,464 19,884	\$ 33,860 400,795	\$ 18,114		\$26,507	\$ 287,799 679,817 405,114 4,438
<u>25,557</u>	<u>30,348</u>	<u>434,655</u>	<u>18,114</u>		<u>26,507</u>	<u>1,377,168</u>
	997,285 3,214,728					997,285 3,214,728
57,624			783,510	\$ 422,313	470,002	8,832,626 892,315
<u>57,624</u>	<u>4,212,013</u>		<u>783,510</u>	<u>422,313</u>	<u>470,002</u>	<u>13,936,954</u>
<u>\$ 83,181</u>	<u>\$ 4,242,361</u>	<u>\$ 434,655</u>	<u>\$ 801,624</u>	<u>\$ 422,313</u>	<u>\$ 496,509</u>	<u>\$ 15,314,122</u>

CITY OF MOORPARK

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2006**

	Special Revenue Funds			
	Traffic Safety	Affordable Housing	Assessment District	State and Federal Assistance
REVENUES				
Fines and forfeitures	\$ 166,273			
Use of money and property	18,614	\$ 39,527	\$ 78,995	\$ 101,493
Intergovernmental				1,714,265
Maintenance assessments			1,489,150	
Franchise fees				
Development fees		984,616		
Other revenue	318	83,129	4,256	120
Total Revenues	<u>185,205</u>	<u>1,107,272</u>	<u>1,572,401</u>	<u>1,815,878</u>
EXPENDITURES				
Current:				
General government				
Public safety	153,640		1,032,648	101,590
Public services		70,890		39,435
Parks and recreation			1,462,918	
Capital outlay				613,706
Debt service:				
Principal				
Interest				
Total Expenditures	<u>153,640</u>	<u>70,890</u>	<u>2,495,566</u>	<u>754,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>31,565</u>	<u>1,036,382</u>	<u>(923,165)</u>	<u>1,061,147</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			967,788	
Transfers out				(233,341)
Total Other Financing Sources (Uses)			<u>967,788</u>	<u>(233,341)</u>
Net Change in Fund Balances	31,565	1,036,382	44,623	827,806
Fund Balances, Beginning of Year	<u>552,743</u>	<u>865,190</u>	<u>2,222,208</u>	<u>2,410,975</u>
Fund Balances, End of Year	<u>\$ 584,308</u>	<u>\$ 1,901,572</u>	<u>\$ 2,266,831</u>	<u>\$ 3,238,781</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	
						\$ 166,273
\$ 5,708	\$ 125,878	\$ 7,106	\$ 26,522	\$ 14,848	\$ 14,474	433,165
666,927		888,722	16,899			3,286,813
			283,162			1,489,150
23,175	1,927					283,162
695,810	127,805	895,828	326,583	14,848	14,474	984,616
						112,925
						1,287,878
1,124,643	315,886	576,249	335,193			2,462,296
184,364		319,579		52,773	49,131	1,462,918
	15,910					15,910
	21,971					21,971
1,309,007	353,767	895,828	335,193	52,773	49,131	6,470,526
(613,197)	(225,962)		(8,610)	(37,925)	(34,657)	285,578
233,341	1,106,040				79,000	2,386,169
(106,039)	(151,613)					(490,993)
127,302	954,427				79,000	1,895,176
(485,895)	728,465		(8,610)	(37,925)	44,343	2,180,754
543,519	3,483,548		792,120	460,238	425,659	11,756,200
\$ 57,624	\$ 4,212,013	\$ -	\$ 783,510	\$ 422,313	\$ 470,002	\$ 13,936,954

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 140,000	\$ 140,000	\$ 166,273	\$ 26,273
Use of money and property	11,660	11,660	18,614	6,954
Other revenue			318	318
Total Revenues	151,660	151,660	185,205	33,545
EXPENDITURES				
Current:				
Public safety	189,876	189,876	153,640	36,236
Total Expenditures	189,876	189,876	153,640	36,236
Net Change in Fund Balance	(38,216)	(38,216)	31,565	69,781
Fund Balance, Beginning of Year	444,805	552,743	552,743	
Fund Balance, End of Year	\$ 406,589	\$ 514,527	\$ 584,308	\$ 69,781

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 15,636	\$ 15,636	\$ 39,527	\$ 23,891
Development fees		113,195	984,616	871,421
Other revenue		62,640	83,129	20,489
Total Revenues	<u>15,636</u>	<u>191,471</u>	<u>1,107,272</u>	<u>915,801</u>
EXPENDITURES				
Current:				
Public services	110,400	181,000	70,890	110,110
Capital outlay	180,000	180,000		180,000
Total Expenditures	<u>290,400</u>	<u>361,000</u>	<u>70,890</u>	<u>290,110</u>
Net Change in Fund Balance	(274,764)	(169,529)	1,036,382	1,205,911
Fund Balance, Beginning of Year	<u>423,772</u>	<u>865,190</u>	<u>865,190</u>	
Fund Balance, End of Year	<u>\$ 149,008</u>	<u>\$ 695,661</u>	<u>\$ 1,901,572</u>	<u>\$ 1,205,911</u>

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 58,697	\$ 58,697	\$ 78,995	\$ 20,298
Maintenance assessments	1,468,551	1,483,551	1,489,150	5,599
Other revenue			4,256	4,256
Total Revenues	1,527,248	1,542,248	1,572,401	30,153
EXPENDITURES				
Current:				
Public safety	1,576,747	1,593,132	1,032,648	560,484
Parks and recreation	1,035,260	1,042,575	1,462,918	(420,343)
Capital outlay	460,096	453,681		453,681
Total Expenditures	3,072,103	3,089,388	2,495,566	593,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,544,855)	(1,547,140)	(923,165)	623,975
OTHER FINANCING SOURCES				
Transfers in	836,854	949,800	967,788	17,988
Total Other Financing Sources	836,854	949,800	967,788	17,988
Net Change in Fund Balance	(708,001)	(597,340)	44,623	641,963
Fund Balance, Beginning of Year	2,356,248	2,222,208	2,222,208	
Fund Balance, End of Year	\$1,648,247	\$1,624,868	\$2,266,831	\$ 641,963

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 56,713	\$ 56,713	\$ 101,493	\$ 44,780
Intergovernmental	2,998,913	3,046,824	1,714,265	(1,332,559)
Other revenue			120	120
Total Revenues	3,055,626	3,103,537	1,815,878	(1,287,659)
EXPENDITURES				
Current:				
Public safety	111,265	111,265	101,590	9,675
Public services	50,323	50,323	39,435	10,888
Capital outlay	3,142,606	3,449,693	613,706	2,835,987
Total Expenditures	3,304,194	3,611,281	754,731	2,856,550
Excess (Deficiency) of Revenues				
Net Change in Fund Balance	(248,568)	(507,744)	1,061,147	1,568,891
OTHER FINANCING SOURCES (USES)				
Transfers out			(233,341)	(233,341)
Total Other Financing Sources (Uses)			(233,341)	(233,341)
Net Change in Fund Balance	(248,568)	(507,744)	827,806	1,335,550
Fund Balance, Beginning of Year	2,641,002	2,410,975	2,410,975	
Fund Balance, End of Year	\$ 2,392,434	\$ 1,903,231	\$ 3,238,781	\$ 1,335,550

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 22,793	\$ 22,793	\$ 5,708	\$ (17,085)
Intergovernmental	651,000	651,000	666,927	15,927
Other revenue	500	500	23,175	22,675
Total Revenues	674,293	674,293	695,810	21,517
EXPENDITURES				
Current:				
Public services	1,233,059	1,215,199	1,124,643	90,556
Capital outlay	76,376	232,938	184,364	48,574
Total Expenditures	1,309,435	1,448,137	1,309,007	139,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	(635,142)	(773,844)	(613,197)	160,647
OTHER FINANCING USES				
Transfers in			233,341	233,341
Transfers out	(106,039)	(106,039)	(106,039)	
Total Other Financing Uses	(106,039)	(106,039)	127,302	233,341
Net Change in Fund Balance	(741,181)	(879,883)	(485,895)	393,988
Fund Balance, Beginning of Year	741,181	543,519	543,519	
Fund Balance, End of Year	\$ -	\$ (336,364)	\$ 57,624	\$ 393,988

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 74,075	\$ 74,075	\$ 125,878	\$ 51,803
Other revenue			1,927	1,927
Total Revenues	<u>74,075</u>	<u>74,075</u>	<u>127,805</u>	<u>53,730</u>
EXPENDITURES				
Current:				
Public services	585,783	592,683	315,886	276,797
Capital outlay	48,230	601,000		601,000
Debt service:				
Principal	17,000	17,000	15,910	1,090
Interest	24,000	24,000	21,971	2,029
Total Expenditures	<u>675,013</u>	<u>1,234,683</u>	<u>353,767</u>	<u>880,916</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(600,938)</u>	<u>(1,160,608)</u>	<u>(225,962)</u>	<u>934,646</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	769,600	769,600	1,106,040	336,440
Transfers out	(151,613)	(151,613)	(151,613)	
Total Other Financing Sources (Uses)	<u>617,987</u>	<u>617,987</u>	<u>954,427</u>	<u>336,440</u>
Net Change in Fund Balance	17,049	(542,621)	728,465	1,271,086
Fund Balance, Beginning of Year	<u>2,640,069</u>	<u>3,483,548</u>	<u>3,483,548</u>	
Fund Balance, End of Year	<u><u>\$2,657,118</u></u>	<u><u>\$2,940,927</u></u>	<u><u>\$4,212,013</u></u>	<u><u>\$ 1,271,086</u></u>

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 2,782	\$ 2,782	\$ 7,106	\$ 4,324
Intergovernmental	1,023,811	1,023,811	888,722	(135,089)
Total Revenues	1,026,593	1,026,593	895,828	(130,765)
EXPENDITURES				
Current:				
Public services	985,273	1,152,319	576,249	576,070
Capital outlay	234,650	350,000	319,579	30,421
Total Expenditures	1,219,923	1,502,319	895,828	606,491
Net Change in Fund Balance	(193,330)	(475,726)		475,726
Fund Balance, Beginning of Year	233,020			
Fund Balance, End of Year	\$ 39,690	\$ (475,726)	\$ -	\$ 475,726

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 20,539	\$ 20,539	\$ 26,522	\$ 5,983
Intergovernmental	18,500	18,500	16,899	(1,601)
Franchise fees	263,350	263,350	283,162	19,812
Total Revenues	<u>302,389</u>	<u>302,389</u>	<u>326,583</u>	<u>24,194</u>
EXPENDITURES				
Current:				
Public services	<u>492,797</u>	<u>483,286</u>	<u>335,193</u>	<u>148,093</u>
Total Expenditures	<u>492,797</u>	<u>483,286</u>	<u>335,193</u>	<u>148,093</u>
Net Change in Fund Balance	(190,408)	(180,897)	(8,610)	172,287
Fund Balance, Beginning of Year	<u>762,883</u>	<u>792,120</u>	<u>792,120</u>	
Fund Balance, End of Year	<u>\$ 572,475</u>	<u>\$ 611,223</u>	<u>\$ 783,510</u>	<u>\$ 172,287</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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 13,781	\$ 13,781	\$ 14,848	\$ 1,067
EXPENDITURES				
Capital outlay	1,813,429	1,917,086	52,773	1,864,313
OTHER FINANCING SOURCES				
Transfers in	197,567	197,567		(197,567)
Net Change in Fund Balances	(1,602,081)	(1,705,738)	(37,925)	1,667,813
Fund Balance, Beginning of Year	1,602,081	460,238	460,238	
Fund Balance, End of Year	\$ -	\$ (1,245,500)	\$ 422,313	\$ 1,667,813

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, 2006**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 9,408	\$ 9,408	\$ 14,474	\$ 5,066
EXPENDITURES				
Capital outlay	35,000	63,768	49,131	14,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,592)	(54,360)	(34,657)	19,703
OTHER FINANCING SOURCES (USES)				
Transfers in		79,000	79,000	
Net Change in Fund Balance	(25,592)	24,640	44,343	19,703
Fund Balance, Beginning of Year	426,509	425,659	425,659	
Fund Balance, End of Year	\$ 400,917	\$ 450,299	\$ 470,002	\$ 19,703

STATISTICAL SECTION

CITY OF MOORPARK

NET ASSETS BY COMPONENT

**LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)**

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

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

CITY OF MOORPARK

CHANGES IN NET ASSETS – GOVERNMENTAL ACTIVITIES

**LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)**

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

(1) Mission Bell note and employee computer loans.

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

CITY OF MOORPARK

FUND BALANCES OF GOVERNMENTAL FUNDS

**LAST FOUR FISCAL YEARS
(Accrual Basis of Accounting)**

	Fiscal Year			
	2003	2004	2005	2006
General fund:				
Reserved	\$ -	\$ -	\$ 5,772,444	\$ 2,943,353
Unreserved	13,456,231	14,756,222	12,527,255	18,301,058
Total general fund	<u>\$ 13,456,231</u>	<u>\$ 14,756,222</u>	<u>\$ 18,299,699</u>	<u>\$ 21,244,411</u>
All other governmental funds:				
Reserved	\$ 4,378,065	\$ 4,099,849	\$ 13,889,036	\$ 14,124,235
Unreserved, reported in:				
Special revenue funds	37,832,070	39,748,684	34,364,075	45,736,017
Capital projects funds	11,798,382	9,847,368	4,247,031	2,186,313
Debt Service funds	(97,935)	(891,297)	(346,716)	(321,425)
Total all other governmental funds	<u>\$ 53,910,582</u>	<u>\$ 52,804,604</u>	<u>\$ 52,153,426</u>	<u>\$ 61,725,140</u>

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

CITY OF MOORPARK

**CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS**

**LAST FOUR FISCAL YEARS
(Modified Accrual Basis of Accounting)**

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

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

CITY OF MOORPARK

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY**

LAST NINE FISCAL YEARS

Fiscal Year Ended June 30	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
1998	\$ 1,920,177,164	\$ 70,911,851	\$ 39,313,581	\$ 2,030,402,596	\$ 374,566,635	\$ 44,499,427	\$ 3,738,802	\$ 422,804,864	n/a
1999	2,035,487,530	85,464,519	40,240,720	2,161,192,769	375,405,789	54,721,462	3,802,511	433,929,762	1.042%
2000	2,149,505,500	84,834,286	40,687,060	2,275,026,846	397,463,516	47,384,350	3,808,526	448,656,392	1.042%
2001	2,421,104,221	92,634,149	40,786,802	2,554,525,172	434,091,609	59,042,494	3,849,357	496,983,460	1.051%
2002	2,549,782,519	94,204,773	41,025,922	2,685,013,214	456,765,976	64,634,089	3,860,792	525,260,857	1.042%
2003	2,823,727,286	120,175,258	42,238,926	2,986,141,470	514,599,965	84,435,148	3,862,434	602,897,547	1.061%
2004	3,026,137,647	155,943,246	43,185,512	3,225,266,405	542,789,850	95,244,418	3,915,879	641,950,147	1.058%
2005	3,231,418,940	172,769,806	43,305,637	3,447,494,383	532,445,978	93,810,856	3,904,910	630,161,744	1.050%
2006	3,721,591,791	168,802,350	43,313,074	3,933,707,215	660,810,677	99,693,057	3,931,766	764,435,500	1.055%

NOTE:

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

Source: Ventura County Assessor's Office

CITY OF MOORPARK
DIRECT AND OVERLAPPING
PROPERTY TAX RATES
(Rate per \$100 of Assessed Value)

LAST EIGHT FISCAL YEARS

	1999	2000	2001	2002	2003	2004	2005	2006
City Direct Rates:								
City basic rate	1.04156	1.04244	1.05062	1.04171	1.06072	1.05820	1.05020	1.05480
Redevelopment agency	-	-	-	-	-	-	-	-
Total City Direct Rate	1.042	1.042	1.051	1.042	1.061	1.058	1.050	1.055
Overlapping Rates:								
Ventura County Flood Cont.	8.317	8.012	8.012	8.039	8.097	n/a	n/a	n/a
Metropolitan Water District	0.225	0.222	0.222	0.229	2.340	0.233	0.232	0.235
Ventura Community College	n/a	n/a	n/a	n/a	4.312	4.311	4.269	4.331
Ventura County Waterworks	100.000	100.000	100.000	n/a	n/a	n/a	n/a	n/a
Conejo Valley Unified School District	0.003	0.021	0.021	0.027	0.025	0.024	2.200	0.020
Moorpark Unified School District	n/a	n/a	n/a	92.311	91.733	91.959	92.121	92.442
City of Moorpark	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
City of Moorpark Community Facilities District No. 97-1	n/a	n/a	n/a	100.000	100.000	100.000	100.000	100.000
City of Moorpark 1915 Act Bonds	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>
Total Direct Rate	<u>109.587</u>	<u>109.297</u>	<u>109.306</u>	<u>101.648</u>	<u>107.568</u>	<u>97.585</u>	<u>99.872</u>	<u>98.083</u>

NOTE:

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

Source: California Municipal Statistics

CITY OF MOORPARK
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND SIX YEARS AGO

Taxpayer	2006		2000	
	Taxable Assessed Value *	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
DBRE Moorpark LLC	\$ 55,532,134	14.12%	\$ -	0.00%
Kavlico Corporation	43,461,583	11.05%	12,701,620	6.26%
PPC Gia Moorpark Associates	50,229,392	12.77%	-	0.00%
Mission Bell LLC	29,715,464	7.55%	20,208,563	9.95%
Laars Inc.	21,556,888	5.48%	20,267,350	9.98%
James Birkenshaw, Et. Al.	18,393,093	4.68%	12,264,597	6.04%
Calabasas BCD Inc.	18,065,566	4.59%	11,751,954	5.79%
Leonard Rose Trust	11,024,263	2.80%	9,998,062	4.92%
Autosafe Airbag 12 California LP	66,845,295	16.99%	-	0.00%
Jay W. Steuerwald	10,100,000	2.57%	-	0.00%
	\$ 324,923,678	82.60%	\$ 87,192,146	42.94%

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

Source: HdL 2005-2006 property data

CITY OF MOORPARK

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
1997	\$ 1,158,953	\$ 1,134,248	97.87%	\$ 24,705	\$ 1,158,953	100.00%
1998	1,191,918	1,170,111	98.17%	21,807	1,191,918	100.00%
1999	1,374,741	1,349,054	98.81%	25,687	1,374,741	100.00%
2000	1,410,082	1,385,028	95.20%	25,054	1,410,082	100.00%
2001	1,573,688	1,506,396	95.72%	67,292	1,573,688	100.00%
2002	1,832,673	1,802,895	98.38%	29,778	1,832,673	100.00%
2003	2,036,839	2,009,255	98.65%	27,584	2,036,839	100.00%
2004	2,208,605	2,180,794	98.74%	27,811	2,208,605	100.00%
2005	2,391,927	2,359,181	98.95%	32,746	2,391,927	100.00%
2006	2,705,083	2,668,950	98.66%	36,133	2,705,083	100.00%

NOTE:

The amount presented includes City property taxes only.

Source: Ventura County Auditor Controller's Office

CITY OF MOORPARK
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities			Total Primary Government	Percentage of Personal Income ²	Debt Per Capita ²
	General Obligation Bonds	Tax Allocation Bonds ¹	Total Governmental Activities			
1999	-	\$ 9,860,000	\$ 9,860,000	\$ 9,860,000	0.98%	\$ 333
2000	-	9,540,000	9,540,000	9,540,000	0.88%	321
2001	-	15,424,000	15,424,000	15,424,000	1.28%	480
2002	-	20,465,000	20,465,000	20,465,000	0.73%	606
2003	-	20,100,000	20,100,000	20,100,000	0.67%	582
2004	-	19,705,000	19,705,000	19,705,000	0.65%	564
2005	-	19,300,000	19,300,000	19,300,000	0.64%	537
2006	-	18,880,000	18,880,000	18,880,000	0.62%	527

NOTE:

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

¹ The Moorpark Redevelopment Agency issued \$9,860,000 of new tax allocation bonds in 1999 and \$11,625,000 in 2001.

The principal balance on these two bonds as of June 30, 2006 is \$7,295,000 and \$11,585,000 respectively.

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

CITY OF MOORPARK
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST EIGHT FISCAL YEARS

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
1999	-	9,860,000	9,860,000	0.38%	333
2000	-	9,540,000	9,540,000	0.35%	321
2001	-	15,424,000	15,424,000	0.51%	480
2002	-	20,465,000	20,465,000	0.64%	606
2003	-	20,100,000	20,100,000	0.56%	582
2004	-	19,705,000	19,705,000	0.51%	564
2005	-	19,300,000	19,300,000	0.47%	537
2006	-	18,880,000	18,880,000	0.40%	527

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

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

CITY OF MOORPARK
DIRECT AND OVERLAPPING DEBT

JUNE 30, 2006

City Assessed Valuation 2005-06	\$ 3,934,639,927
Redevelopment Agency Incremental Valuation	<u>500,154,334</u>
Adjusted Assessed Valuation	<u>\$ 3,434,485,593</u>

	Percentage Applicable	Debt as of 6/30/2006	Estimated Share of Overlapping Debt
Direct and Overlapping Tax and Assessment Debt:			
Metropolitan Water District	0.235%	\$ 389,565,000	915,478
Ventura Community College District	4.331%	146,700,000	6,353,577
Conejo Valley Unified School District	0.020%	56,350,143	11,270
Moorpark Unified School District	92.442%	28,379,870	26,234,919
City of Moorpark Community Facilities District No. 97-1	100.000%	6,780,000	6,780,000
City of Moorpark 1915 Act Bonds	100.000%	<u>1,680,000</u>	1,680,000
Total Direct and Overlapping Tax & Assessment Debt		<u>629,455,013</u>	<u>41,975,244</u>
Overlapping General Fund Obligation Debt:			
Ventura County General Fund Obligations	4.329%	\$ 90,285,000	3,908,438
Ventura County Pension Obligations	4.329%	35,185,000	1,523,159
Ventura County Superintendent of Schools COPs	4.329%	13,580,000	587,878
Moorpark Unified School District COPs	92.442%	<u>10,015,000</u>	9,258,066
Total Overlapping General Fund Obligation Debt		<u>149,065,000</u>	<u>15,277,541</u>
Combined Total Debt*		<u>\$ 778,520,013</u>	57,252,785
Total direct and overlapping debt			<u>\$ 57,252,785</u>

NOTE:

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

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

Source: California Municipal Statistics, Inc.

CITY OF MOORPARK
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS

	Fiscal Year			
	1999	2000	2001	2002
Assessed valuation	\$ 2,035,487,530	\$ 2,149,505,500	\$ 2,421,104,221	\$ 2,549,782,519
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	508,871,883	537,376,375	605,276,055	637,445,630
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	76,330,782	80,606,456	90,791,408	95,616,844
Total net debt applicable to limit: General obligation bonds	<u>8,910,000</u>	<u>9,540,000</u>	<u>9,195,000</u>	<u>20,465,000</u>
Legal debt margin	<u><u>67,420,782</u></u>	<u><u>71,066,456</u></u>	<u><u>81,596,408</u></u>	<u><u>75,151,844</u></u>
Total debt applicable to the limit as a percentage of debt limit	11.7%	11.8%	10.1%	21.4%

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

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

Fiscal Year			
2003	2004	2005	2006
\$ 2,823,727,286	\$ 2,823,727,286	\$ 3,231,418,940	\$ 3,721,591,791
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
705,931,822	705,931,822	807,854,735	930,397,948
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
105,889,773	105,889,773	121,178,210	139,559,692
<u>20,100,000</u>	<u>19,695,000</u>	<u>19,300,000</u>	<u>18,880,000</u>
<u>85,789,773</u>	<u>86,194,773</u>	<u>101,878,210</u>	<u>120,679,692</u>
19.0%	18.6%	15.9%	13.5%

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

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

CITY OF MOORPARK
PLEDGED-REVENUE COVERAGE
LAST SIX FISCAL YEARS

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2001	2,501,624	345,000	420,193	3.27
2002	2,606,388	355,000	408,638	3.41
2003	3,537,293	365,000	989,554	2.61
2004	4,076,183	395,000	976,140	2.97
2005	3,860,624	405,000	959,942	2.83
2006	5,487,272	420,000	944,281	4.02

NOTE:

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

CITY OF MOORPARK
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Median Personal Income (2)	Unemployment Rate (3)
1997	28,377	\$ 897,706	\$ 31,635	6.4%
1998	29,300	951,752	32,483	6.0%
1999	29,589	1,001,588	33,850	5.3%
2000	29,727	1,088,959	36,632	5.1%
2001	32,150	1,207,136	37,547	5.2%
2002	33,760	2,811,600	83,282	6.8%
2003	34,529	2,978,092	86,249	7.2%
2004	34,933	3,054,507	87,439	6.4%
2005	35,933	3,039,105	84,577	5.4%
2006	35,836	3,050,432	85,122	4.4%

Sources: (1) State Department of Finance
(1) County Office of Economic Development
(2) State of California Employment Development Department (data shown is for the County)

CITY OF MOORPARK
PRINCIPAL EMPLOYERS
CURRENT YEAR AND EIGHT YEARS AGO

Employer	2006		1998	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Kavlico	1,200	6.99%	1,000	12.28%
Moorpark Unified School Dist.	871	5.07%	700	8.60%
Pentair Pool Products	527	3.07%	-	
Waterpik Tech. (Teledyne)	451	2.63%	300	3.68%
First Data	442	2.57%	-	
Aquaria	350	2.04%	200	2.46%
Moorpark College	315	1.83%	500	6.14%
Special Devices, Inc.	290	1.69%	-	
SMTEK International	220	1.28%	-	
Aldik	200	1.16%	-	
Axius/Auto Shade	150	0.87%	-	
Boething Tree Farm	145	0.84%	70	0.86%
American Board Assembly	115	0.67%	40	0.49%

"Total Employment" as used above represents the total employment of all employers located within City limits. The total number of employees in the City in 2006 were 17,170 as compared to total number of employees in the City in 1998 were 8,142.

Source: Chamber of Commerce

CITY OF MOORPARK

**FULL-TIME AND PART-TIME CITY EMPLOYEES
(By Function)**

LAST SEVEN FISCAL YEARS

<u>Function</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General government	18	20	36	43	33	32	31
Public safety (crossing guards)	8	6	6	6	7	4	7
Public services	21	21	41	38	20	17	17
Parks and recreation	<u>45</u>	<u>42</u>	<u>19</u>	<u>19</u>	<u>42</u>	<u>38</u>	<u>41</u>
Total	<u>92</u>	<u>89</u>	<u>102</u>	<u>106</u>	<u>102</u>	<u>91</u>	<u>96</u>
Public safety ¹	34	34	33	30	28	31	31

¹ Police and fire services were provided by the County.

Source: City Payroll Office

CITY OF MOORPARK

**OPERATING INDICATORS
(By Function)**

LAST TEN FISCAL YEARS

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Police: (A)										
Arrests	871	824	874	1,258	1,414	1,235	1,296	1,520	1,388	1,653
Parking citations issued						2,579	2,582	4,285	3,706	2,890
Fire: (B)										
Number of "prime" emergency calls			979	1,013	975	1,103	1,179	1,415	1,308	1,329
Business Inspections*			417	417	417	117	117	125	125	125
Public works: (C)										
Street resurfacing (miles)	0.10	-	-	73.33	-	-	73.33	-	0.10	-
Parks and recreation: (D)										
Number of recreation classes	-	-	298	351	423	386	317	290	364	338
Number of facility rentals	-	115	203	243	250	184	258	307	491	338

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

Source: City of Moorpark

- (A) Provided by Moorpark P.D.; parking citation data is not available for earlier years
- (B) Ventura County Fire Department; some data not available for earlier years
- (C) Moorpark Public Works Department.; every six years, the City plans to resurface its streets, 1/3 every other year (total street miles = 220)
- (D) Arroyo Vista Recreation Department; recreation classes and room rentals began after the park opened

CITY OF MOORPARK
CAPITAL ASSET STATISTICS
(By Function)
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	1999	2000	2001	2002	2003	2004	2005	2006
Police:								
Stations	1	1	1	1	1	1	2	2
Fire:								
Fire stations	2	2	2	2	2	2	2	2
Public works:								
Streets (miles)	75	75	75	75	75	75	75	75
Streetlights			2,264	2,263	2,269	2,299	2,325	2,347
Traffic signals	15	15	15	15	16	17	17	17
Parks and recreation:								
Parks	14	14	14	15	15	15	15	16
Community centers	2	2	2	2	2	2	2	2

Source: City of Moorpark