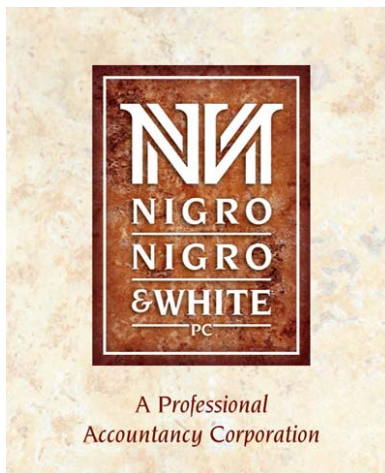


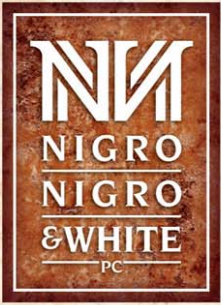
MEASURE "R"
GENERAL OBLIGATION BOND
BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT
COUNTY OF VENTURA
MOORPARK, CALIFORNIA
AUDIT REPORT
June 30, 2008



**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT
June 30, 2008**

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Moorpark Unified School District
Moorpark, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheet of the Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District (the "District") as of June 30, 2008, and the related statement of revenues, expenditures and changes in fund balance as of and for the year ended June 30, 2008. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1A, the financial statements present only the individual Measure "R" General Obligation Bond Building Fund and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District, as of June 30, 2008, and the results of its operations for the period 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 9, 2008 on our consideration of the Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District's internal control over financial reporting and 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District's basic financial statements. The accompanying schedules of expenditures by location and expenditures by project are presented for purposes of additional analysis, and are not a required part of the basic financial statements of Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Nijm Nijm & White, PC".

Murrieta, California
October 9, 2008

Financial Section

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**

Balance Sheet

June 30, 2008

ASSETS	
Cash	\$ 3,905,841
Accounts receivable	<u>75,713</u>
Total Assets	<u>\$ 3,981,554</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 834,745
Due to other funds	<u>321,785</u>
Total Liabilities	1,156,530
Fund Balances	
Unreserved	<u>2,825,024</u>
Total Liabilities and Fund Balance	<u>\$ 3,981,554</u>

The notes to the financial statements are an integral part of this statement.

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2008

REVENUES	
Interest earnings	<u>\$ 326,800</u>
Total Revenues	<u>326,800</u>
EXPENDITURES	
Materials, supplies & non-capitalized equipment	404,812
Services & other operating expenditures	209,717
Capital outlay	<u>5,810,929</u>
Total Expenditures	<u>6,425,458</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,098,658)</u>
OTHER FINANCING SOURCES (USES)	
Interfund transfers out	<u>(321,785)</u>
Total Other Financing Sources (Uses)	<u>(321,785)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(6,420,443)
Fund Balance, June 30, 2007	<u>9,245,467</u>
Fund Balance, June 30, 2008	<u><u>\$ 2,825,024</u></u>

The notes to the financial statements are an integral part of this statement.

MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF MOORPARK UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2008

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On March 5, 2002 the District voters authorized \$33 million in General Obligation Bonds (Measure "R") for the purpose of financing the addition and modernization of school facilities for the District. In response, an advisory committee to the District's Governing Board and Superintendent, the Citizens Bond Oversight Committee, was established. The Committee's oversight goals include: advising on bond construction priorities, reviewing school bond construction plans, verifying that project plans are in alignment with the budget, and ensuring compliance with conditions of Measure "R".

On May 22, 2002, the District issued the first series of bonds, Series 2002A, in the amount of \$22,080,676, on April 20, 2005, the District issued Series B bonds in the amount of \$8,947,684 and on June 20, 2006, the District issued Series C bonds in the amount of \$1,971,510. The bond proceeds and uses are accounted for in the District's Bond Building Fund. The statements presented are for the individual Measure "R" General Obligation Bond Building Fund and are not intended to be a complete presentation of the District's financial position or results of operations.

B. Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements of the Measure "R" General Obligation Bond Building Fund are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Notes to Financial Statements
June 30, 2008

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Cash in County Treasury – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Notes to Financial Statements
June 30, 2008

NOTE 2 – CASH (continued)

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

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. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the Ventura County Investment Pool with a fair value of approximately \$3,900,385 and an amortized cost of \$3,905,841. The average weighted maturity for this investment is 248 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the Ventura County Investment Pool is rated AAA/Fs1 by Moody's Investor Service.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2008

NOTE 3 – MEASURE "R" GENERAL OBLIGATION BONDS

An election of the registered voters of the District was held on March 5, 2002, of which more than 55 percent of the persons voting on the proposition voted to authorize the issuance and sale of \$33 million principal amount of general obligation bonds. The bonds are being issued to finance the addition and modernization of school facilities for the District.

A summary of the outstanding bonded debt of the District is shown below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2007	Additions	Deductions	Balance, June 30, 2008
2002A	5/22/2002	2/1/2037	3.0% to 5.81%	\$ 22,080,676	\$ 5,205,676	\$ -	\$ 415,000	\$ 4,790,676
2002B	4/20/2005	2/1/2030	3.0% to 5.3%	8,947,684	8,922,684	-	-	8,922,684
2005 Ref.	4/20/2005	8/1/2030	3.0% to 5.0%	15,940,000	15,735,000	-	-	15,735,000
2002C	6/20/2006	8/1/2016	4.0% to 4.44%	1,971,510	1,971,510	-	155,000	1,816,510
					<u>\$31,834,870</u>	<u>\$ -</u>	<u>\$ 570,000</u>	<u>\$31,264,870</u>

The annual requirements to amortize general obligation bonds payable, outstanding as of June 30, 2008 are as follows:

Fiscal Year	Principal	Interest	Total
2008-09	\$ 650,000	\$ 1,266,538	\$ 1,916,538
2009-10	765,000	1,238,639	2,003,639
2010-11	865,000	1,206,551	2,071,551
2011-12	975,000	1,170,089	2,145,089
2012-13	1,090,000	1,128,976	2,218,976
2013-18	6,611,510	5,033,644	11,645,154
2018-23	9,685,000	2,985,584	12,670,584
2023-28	7,665,676	7,709,048	15,374,724
2028-30	2,957,684	5,620,732	8,578,416
	<u>\$ 31,264,870</u>	<u>\$ 27,359,801</u>	<u>\$ 58,624,671</u>

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Notes to Financial Statements
June 30, 2008

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2008 in the amount of \$75,713 represent the amount due from the County Treasurer for interest earnings for the quarter ended June 30, 2008.

NOTE 5 – INTERFUND ACTIVITY

The District made an interfund transfer during 2007-08 of \$321,785 from the General Fund to the Deferred Maintenance Fund to pay for a roof replacement at Moorpark High School. The cash was not transferred by June 30, 2008, so the amount was also shown as an amount due to other funds.

NOTE 6 – CONSTRUCTION COMMITMENTS

As of June 30, 2008, the District had commitments with respect to unfinished capital projects of approximately \$11,704 to be paid from a combination of State and Local funds.

Supplementary Information Section

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT
Detail Schedule of Expenditures By Location
June 30, 2008**

	Total 2007-08 <u>Expenditures</u>	Total Cumulative <u>Expenditures</u>
Flory Elementary School	\$ 595	\$ 4,675,376
Mountain Meadows Elementary School	2,790,333	3,595,045
Peach Hill Elementary School	15,476	5,554,996
Campus Canyon Elementary School	101,799	4,186,705
Walnut Canyon Elementary School	3,645	1,387,849
Arroyo West Elementary School	2,819,429	3,484,678
Community High School	16,698	1,732,804
Chaparral Middle School	47,404	4,256,115
Mesa Verde Middle School	4,000	573,620
Moorpark High School	437,723	812,295
New K-8 School	-	749,384
All Other Projects	<u>188,356</u>	<u>430,904</u>
 Total	 <u>\$ 6,425,458</u>	 <u>\$ 31,439,771</u>

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Detail Schedule of Expenditures By Project
June 30, 2008

	<u>Total Expenditures</u>
<u>Flory Elementary School</u>	
New classroom building	\$ 595
Shade structure	-
Renovate playgrounds	-
Complete modernization project	-
Implementation of technology plan	-
Total	<u>\$ 595</u>
 <u>Mountain Meadows Elementary School</u>	
New classroom building	\$ 2,748,011
Cover lunch area trellage	-
Renovate playgrounds	-
Grounds/facility enhancements	408
Implementation of technology plan	41,914
Renovation of student restrooms	-
Total	<u>\$ 2,790,333</u>
 <u>Peach Hill Elementary</u>	
New classroom building	\$ -
Renovation of play field	-
Renovate playgrounds	-
Grounds/facility enhancements	-
Recarpet entire school	-
Repair, replace, paint wrought iron fencing	-
Refabricate kindergarten fence	-
Replace front parking lot, extend side parking	8,300
Renovation of all buildings	-
Implementation of technology plan	1,176
Remove Walk and regrade and replace concrete	6,000
Total	<u>\$ 15,476</u>

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Detail Schedule of Expenditures By Project
June 30, 2008

	<u>Total Expenditures</u>
<u>Campus Canyon Elementary School</u>	
New classroom building	\$ 73,166
Extend existing lunch cover	-
Shade structure for kindergarten area	-
Renovate playgrounds	-
Replace roof system	-
Replace wrought iron fencing	-
Implementation of technology plan	28,633
Renovation of student restrooms	-
Total	<u>\$ 101,799</u>
<u>Walnut Canyon Elementary School</u>	
Upgrade Transformer for auditorium	\$ 3,645
Interior renovation of auditorium	-
Implementation of technology plan	-
Total	<u>\$ 3,645</u>
<u>Arroyo West Elementary School</u>	
New classroom building	\$ 2,809,989
Renovate playgrounds	-
Grounds/facility enhancements	980
Slurry stripe playground	-
Perimeter fencing in front of school	-
Implementation of technology plan	-
Parking Lot	8,460
Total	<u>\$ 2,819,429</u>

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Detail Schedule of Expenditures by Project
June 30, 2008

	Total Expenditures
<u>Community High School</u>	
New classroom building	\$ 2,730
Covered eating area and shade structure	-
Replace roof	
Implementation of technology plan	13,968
Total	\$ 16,698
 <u>Chaparral Middle School</u>	
New classroom building	\$ 792
Music classroom facility	-
Renovate storage area next to library	9,250
Install asphalt basketball courts	-
Gymnasium parking lot	-
Modify existing hard court area	-
Add covers and open backwater valves for open storm drains	11,800
Implementation of technology plan	25,562
Total	\$ 47,404
 <u>Mesa Verde Middle School</u>	
Music classroom facility	\$ -
Covered lunch patio	-
Wrought iron fencing	-
Implementation of technology plan	4,000
Total	\$ 4,000

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Detail Schedule of Expenditures By Project
June 30, 2008

	Total Expenditures
<u>Moorpark High School</u>	
Roof replacement	\$ 326,742
Implementation of technology plan	110,981
Total	\$ 437,723
 <u>New K-8 School</u>	
New school construction	\$ -
 <u>All Other</u>	
Implementation of District-wide technology plan	\$ 23,802
Plans	148,058
Joint use project	2,912
Bond counsel expenses	13,584
Total	\$ 188,356

Other Independent Auditors' Reports



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Moorpark, California

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying balance sheet of the Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District (the "District") as of June 30, 2008, and the related statement of revenues, expenditures and changes in fund balance as of and for the year ended June 30, 2008. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Measure "R" Bond Oversight Committee, the District Governing Board, management, and the taxpayers of Moorpark Unified School District and is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in cursive script that reads "Nijm Nijm & White, PC".

Murrieta, California
October 9, 2008



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Moorpark, California

INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

We have audited the basic financial statements of the Measure "R" General Obligation Bond Building Fund of Moorpark Unified School District's (the "District") as of and for the year ended June 30, 2008 and have issued our report thereon dated October 9, 2008. Our audit was made in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we also performed an audit for compliance as required in the performance requirements for the Proposition 39 Measure "R" General Obligation Bond for the fiscal year ended June 30, 2008. The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that the proceeds from the sale of the bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, including teacher and administrator salaries and other operating expenses.

Our audit of compliance made for the purpose set forth in the preceding paragraph would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the compliance requirements for the Measure "R" General Obligation Bond proceeds listed and tested above.

This report is intended for the information of the Board of Trustees, management and the Measure "R" General Obligation Bond Oversight Committee; however, this report is a matter of public record.

Murrieta, California
October 9, 2008