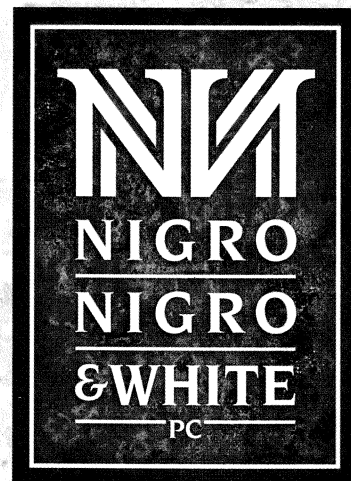


MEASURE "R"
GENERAL OBLIGATION BOND
BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT
COUNTY OF VENTURA
MOORPARK, CALIFORNIA
AUDIT REPORT
June 30, 2007



MEASURE "R"
GENERAL OBLIGATION BOND
BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT
COUNTY OF VENTURA
MOORPARK, CALIFORNIA
AUDIT REPORT
June 30, 2007

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT
June 30, 2007**

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Measure "R" Bond Oversight Committee
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, 2007, and the related statement of revenues, expenditures and changes in fund balance as of and for the year ended June 30, 2007. 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. 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, 2007, and the results of its operations for the period then ended in conformity with accounting principles generally accepted in the United States of America.

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Christy White, CPA

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2007 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
December 12, 2007

Financial Section

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

Balance Sheet

June 30, 2007

ASSETS

Cash	\$	9,731,618
Accounts receivable		120,332

Total Assets		<u>9,851,950</u>
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LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable		298,318
Due to other funds		308,165

Total Liabilities		<u>606,483</u>
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Fund Balances

Unreserved		9,245,467
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Total Liabilities and Fund Balance	\$	<u>9,851,950</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 Year Ended June 30, 2007

REVENUES	
Interest earnings	\$ 479,463
Total Revenues	479,463
EXPENDITURES	
Materials, supplies & non-capitalized equipment	82,634
Services & other operating expenditures	106,766
Capital outlay	2,477,811
Total Expenditures	2,667,211
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,187,748)
OTHER FINANCING SOURCES (USES)	
Interfund transfers out	(308,165)
Total Other Financing Sources (Uses)	(308,165)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2,495,913)
Fund Balance, June 30, 2006	11,741,380
Fund Balance, June 30, 2007	\$ 9,245,467

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, 2007

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, 2007

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 school facilities for the District.

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

<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance, July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2007</u>
2002A	5/22/2002	2/1/2037	3.0% to 5.81%	\$ 22,080,676	\$ 5,570,676	\$ -	\$ 365,000	\$ 5,205,676
2002B	4/20/2005	2/1/2030	3.0% to 5.3%	8,947,684	8,947,684	-	25,000	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	-	-	1,971,510
					<u>\$32,224,870</u>	<u>\$ -</u>	<u>\$ 390,000</u>	<u>\$ 31,834,870</u>

The annual requirements to amortize general obligation bonds payable, outstanding as of June 30, 2007 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007-08	\$ 570,000	\$ 1,282,314	\$ 1,852,314
2008-09	650,000	1,259,239	1,909,239
2009-10	765,000	1,230,339	1,995,339
2010-11	865,000	1,197,551	2,062,551
2011-12	975,000	1,160,389	2,135,389
2012-17	6,266,510	5,569,133	11,835,643
2017-22	8,815,000	3,437,184	12,252,184
2022-27	8,070,676	7,998,925	16,069,601
2027-31	4,857,684	5,730,313	10,587,997
	<u>\$ 31,834,870</u>	<u>\$ 28,865,387</u>	<u>\$ 60,700,257</u>

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

Notes to Financial Statements

June 30, 2007

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2007 in the amount of \$ 120,332 represent the amount due from the County Treasurer for interest earnings for the quarter ended June 30, 2007.

NOTE 5 – INTERFUND TRANSFERS

The District made an interfund transfer during 2006-07 of \$308,165 from the General fund to the Deferred Maintenance Fund to pay for a roof replacement at Moorpark High School.

NOTE 6 – CONSTRUCTION COMMITMENTS

The District's initial construction plan was to augment \$33 million of bond funds with almost \$6.3 million in State School Facility funds, combining for more than \$39 million in new construction and modernization of schools. As of June 30, 2007, about \$34 million has been spent, leaving almost \$5 million of construction projects remaining. However, due to a decrease in new home construction, the purchase of 20 portable classrooms, and declining enrollment, the District eligibility for State funds has been reduced, and now the District is only eligible for just over \$1 million in State funds.

The decreased eligibility for State funds, along with project cost overruns, and sharply increasing construction costs beyond the District's control have combined to diminish the District's ability to complete all of the approved projects. The Citizen's Bond Oversight Committee, in conjunction with the District Board of Trustees and management, is addressing these concerns and reprioritizing the approved projects so that the necessary projects are ensured of completion.

Supplementary Information Section

**MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT**
Detail Schedule of Expenditures By Location
June 30, 2007

	Total Expenditures
Flory Elementary School	\$ -
Mountain Meadows Elementary School	177,723
Peach Hill Elementary School	-
Campus Canyon Elementary School	2,165,694
Walnut Canyon Elementary School	-
Arroyo West Elementary School	269,627
Community High School	49,058
Chaparral Middle School	-
Mesa Verde Middle School	866
Moorpark High School	-
New K-8 School	15,935
All Other Projects*	<u>(11,692)</u>
 Total	 <u><u>\$ 2,667,211</u></u>

*Negative amount is a result of a refund of bond issuance costs.

MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
 MOORPARK UNIFIED SCHOOL DISTRICT
 Detail Schedule of Expenditures By Project
 June 30, 2007

	Total Expenditures
<u>Flory Elementary School</u>	
New classroom building	\$ -
Shade structure	-
Renovate playgrounds	-
Complete modernization project	-
Implementation of technology plan	-
Total	<u>\$ -</u>
<u>Mountain Meadows Elementary School</u>	
New classroom building	\$ 177,060
Cover lunch area trellage	-
Renovate playgrounds	-
Grounds/facility enhancements	-
Implementation of technology plan	663
Renovation of student restrooms	-
Total	<u>\$ 177,723</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	-
Renovation of all buildings	-
Implementation of technology plan	-
Renovation of student restrooms	-
Total	<u>\$ -</u>

MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
 MOORPARK UNIFIED SCHOOL DISTRICT
 Detail Schedule of Expenditures By Project
 June 30, 2007

	Total Expenditures
<u>Campus Canyon Elementary School</u>	
New classroom building	\$ 2,165,694
Extend existing lunch cover	-
Shade structure for kindergarten area	-
Renovate playgrounds	-
Replace roof system	-
Replace wrought iron fencing	-
Implementation of technology plan	-
Renovation of student restrooms	-
Total	<u>\$ 2,165,694</u>
<u>Walnut Canyon Elementary School</u>	
Shade structure	\$ -
Interior renovation of auditorium	-
Implementation of technology plan	-
Total	<u>\$ -</u>
<u>Arroyo West Elementary School</u>	
New classroom building	\$ 218,826
Renovate playgrounds	-
Grounds/facility enhancements	-
Slurry stripe playground	-
Perimeter fencing in front of school	-
Implementation of technology plan	-
Renovation of student restrooms	50,801
Total	<u>\$ 269,627</u>

MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
 MOORPARK UNIFIED SCHOOL DISTRICT
 Detail Schedule of Expenditures by Project
 June 30, 2007

	Total Expenditures
<u>Community High School</u>	
New classroom building	\$ -
Covered eating area and shade structure	-
Replace roof	49,058
Implementation of technology plan	-
Total	<u>\$ 49,058</u>
<u>Chaparral Middle School</u>	
New classroom building	\$ -
Music classroom facility	-
Shade structure	-
Install asphalt basketball courts	-
Gymnasium parking lot	-
Modify existing hard court area	-
Renovate classrooms, offices, media center and locker rooms	-
Implementation of technology plan	-
Total	<u>\$ -</u>
<u>Mesa Verde Middle School</u>	
Music classroom facility	\$ 866
Covered lunch patio	-
Wrought iron fencing	-
Implementation of technology plan	-
Total	<u>\$ 866</u>

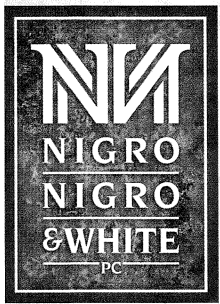
MEASURE "R" GENERAL OBLIGATION BOND BUILDING FUND OF
MOORPARK UNIFIED SCHOOL DISTRICT

Detail Schedule of Expenditures By Project

June 30, 2007

	Total Expenditures
<u>Moorpark High School</u>	
Roof replacement	\$ -
Implementation of technology plan	-
Total	<u>\$ -</u>
<u>New K-8 School</u>	
New school construction	<u>\$ 15,935</u>
<u>All Other</u>	
Implementation of District-wide technology plan	\$ (11,692)
Joint use project	-
Bond counsel expenses	-
Total	<u>\$ (11,692)</u>

Other Independent Auditors' Reports



Measure "R" Bond Oversight Committee
Moorpark Unified School District
Moorpark, California

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**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, 2007, and the related statement of revenues, expenditures and changes in fund balance as of and for the year ended June 30, 2007. 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.

Jeff Nigro, CPA
Elizabeth Nigro, CPA
Christy White, CPA

Internal Control Over Financial Reporting

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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.

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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.

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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.

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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.

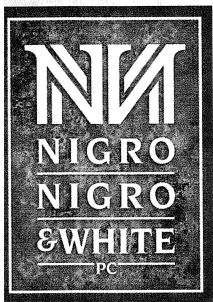
Compliance and Other Matters

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.



Murrieta, California
December 12, 2007



Measure "R" Bond Oversight Committee
Moorpark Unified School District
Moorpark, California

A Professional
Accountancy Corporation

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, 2007 and have issued our report thereon dated December 12, 2007. 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.

Jeff Nigro, CPA
Elizabeth Nigro, CPA
Christy White, CPA

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, 2007. 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.

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

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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.

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Murrieta, California
December 12, 2007

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