



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2005

Prepared by
Finance Department
Marcie Medina
Finance Director

City of Oxnard, California

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For the Fiscal Year Ended June 30, 2005
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November 30, 2005

Honorable Mayor, Members of the City Council
City Manager, and Citizens of the City of Oxnard, California

**THE COMPREHENSIVE ANNUAL FINANCIAL
REPORT OF THE CITY OF OXNARD**

Submitted for your information and consideration is the Comprehensive Annual Financial Report (CAFR) of the City of Oxnard (City) for the fiscal year ended June 30, 2005. The basic financial statements are audited by an independent certified public accounting firm. The purpose of the audit is to ensure that the financial statements present fairly, in all material respects, the financial position and the results of operations of the City. Responsibility for both the accuracy of the data presented in this report, and the completeness and fairness of the presentation including all disclosures, rests with the City. We believe the data, as presented, to be accurate in all material aspects and presented in a manner designed to fairly set forth the financial position, and changes in financial position, of the City as measured by the financial activity the various funds. All disclosures necessary are included to enable the reader to gain the maximum understanding of the City's financial activities and operations.

The CAFR is organized into three sections:

- The **Introductory Section** is intended to familiarize the reader with the organizational structure of the City, the nature and scope of the services it provides, and the specifics of its legal operating environment. The introductory section includes the letter of transmittal, the Certificate of Achievement for Excellence in Financial Reporting, the Certificate of Award for Outstanding Financial Reporting, the City's organizational chart and a list of City officials. The letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it.

- The **Financial Section** is prepared in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34) requirements. It includes the independent auditor’s report, MD&A, the audited basic financial statements, notes to the basic financial statements, required supplementary information, supporting statements and schedules necessary to fairly present the financial position and the changes in financial position of the City in conformity with accounting principles generally accepted in the United States. The audited basic financial statements include the government-wide financial statements that present an overview of the City’s entire financial operations and the fund financial statements that present the financial information of each of the City’s major funds, as well as non-major governmental, fiduciary and other funds.
- The **Statistical Section** contains comprehensive statistical data on the City’s financial, physical, economic, social, and political characteristics.

REPORTING ENTITY

The City was incorporated as a general law city on June 30, 1903, and operates under the council-manager form of government. The City is governed by a four-member council elected at large for four-year staggered terms and by a Mayor who is directly elected for a two-year term. The City Treasurer and City Clerk are also elected for four-year terms. The City Manager is appointed by the Council and serves as the chief administrative officer of the organization. The City Manager is responsible for administration of City affairs, day-to-day operations, and implementation of Council policies. In addition to the City Manager, the City Attorney is appointed by and reports directly to the City Council. Additionally, the City Council members, in separate session, serve as the governing board of the Oxnard Community Development Commission (Redevelopment Agency), and with two tenant members as the Oxnard Housing Authority. City Council also appoints the Executive Director of the Agencies to administer redevelopment projects, housing projects and programs.

The City provides a full range of municipal services, including police and fire protection, construction and maintenance of highways, streets and infrastructure and the administration of parks facilities, libraries, recreational activities and cultural events. The City operates a municipal water system, a wastewater treatment facility, a solid waste facility, and a municipal golf course. In addition, the City oversees the Performing Arts and Convention Center.

This report includes all funds of the City, as well as all governmental organizations and activities for which the City Council has financial accountability. These organizations include the Oxnard Community Development Commission, the Oxnard Housing Authority, and the City of Oxnard Financing Authority.

THE CITY OF OXNARD:
“The City That Cares”

The City of Oxnard: “*The City That Cares*” is located in western Ventura County (County) on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the government center of the County. Oxnard is the financial hub and the largest city in the County, with a population estimated to be 188,849 in 2005, accounting for over 23 percent of the County’s population.

**ECONOMIC CONDITION AND
OUTLOOK**

The City’s average unemployment rate for calendar year 2005 was 4.90 percent, which was lower than the statewide average of 5.40 percent. The economic condition and outlook for the City remains positive and upbeat. The City has a diversified and expanding economic base composed of light and heavy manufacturing, retail, service and governmental sectors. Oxnard has maintained a steady population growth rate of approximately 2.48 percent for the past decade and the adopted 2020 General Plan anticipates continued steady growth for the next ten years, with a projected population of 218,194 by the year 2020.

The City Council approved a balanced General Fund budget for Fiscal Year 2004-2005. The budget includes adjustments for ongoing service level options, one-time service level options, and 100 percent revenue offset service level options. The operating reserve policy states “The City Council will endeavor to maintain an operating reserve equal to 18 percent of the General Fund Operating Budget.” The City has met the requirement of the 18 percent reserve policy.

FINANCIAL INFORMATION

The City’s accounting and budgeting records for general governmental operations are maintained on the modified accrual basis of accounting, with revenues recorded when available and measurable. Expenditures are recorded when the services or goods are received and the liabilities incurred. Accounting and budgeting for the City’s utilities and other proprietary funds are maintained on a full accrual basis. The City’s accounting policies are more fully explained in Note 1 to the basic financial statements.

In developing and enhancing the City’s accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and to ensure

the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the anticipated benefits. The evaluation of costs and benefits requires continuing estimates and judgments to be made by management staff.

Staff believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

The City Council approves operating appropriations at the department and fund level prior to July 1 each year and may amend the budget during the fiscal year at a public meeting. Budgetary control is maintained at the department level; however, the City Manager may approve the transfer of funds in the department and between departments within a fund.

Fiduciary Operations

The Fiduciary Funds of the City are established to account for assets held by the City in a trustee capacity for private individuals, organizations, and other governmental agencies. Included in these funds are, artworks funds and funds held for the payment of assessment district bonds. In past years, the City issued several 1915 Act Limited Obligation Improvement Bonds to fund the required improvements and levied assessments necessary to pay the debt service on the bonds. These bonds are not a general obligation of the City and the faith and credit nor the taxing power of the City are pledged to the payment of the bonds. Since the City is acting merely as an agent for the bond proceeds and the collection of assessments, the transactions are recorded in an agency fund. These bonds are not reflected in the accompanying basic financial statements. On June 30, 2005, the City's special assessment debt outstanding totaled approximately \$55,775,000.

Debt Administration

The City uses a variety of tax increment, revenue and lease indebtedness to finance various capital acquisitions. The outstanding balances for this indebtedness as of June 30, 2005, are as follows:

Tax Allocation Bonds	\$ 18,546,589
Revenue Bonds, Net of Unamortized Discount and Gain or Loss on Refunding	256,516,076
Capital Leases	3,881,468
Notes and Loans Payable	5,205,852
Certificates of Participation	7,835,000

The tax allocation bonds are paid from the increment revenues of property taxes levied within the City's redevelopment and renewal project areas. The Central City Revitalization Project (CCRP) and other redevelopment areas currently are accounted for by the Oxnard Community Development Commission.

Revenue bonds include issues used to finance projects for public parking, civic auditorium, wastewater and treatment plant expansion, and public housing. Debt service on these issues are paid from the revenues of the appropriate enterprise funds and the General Fund.

The City has, on several occasions, used single investor loans to lease-purchase equipment. The City's capital lease obligations at June 30, 2005, amounted to \$3,881,468.

The General Fund of the City (General Fund) pays debt service on approximately 5 percent of the City's outstanding debt. The remainder is paid from a variety of other funding sources including property tax collections, residential growth fee collection, property owner special taxes, water and wastewater utility rates, golf course net income and property tax increments. Some of the debt which is paid by the General Fund is supported by external sources specifically intended to support the retirement of the debt.

The State of California (State) mandates a limit on general obligation debt of 15 percent of true cash value of all taxable property within the City boundaries. On June 30, 2005, this limit was \$1,671,493,283.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2004-2005

CITY MANAGER'S OFFICE

Information Systems Division

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- Implemented Interactive Voice Response System Payment Module, allowing a telephone menu-driven system to assist contractors and homeowners with the building permit process
- In anticipation of the downtown renovation, assisted departments in developing document imaging applications to help create a paperless work environment
- Geographic Information Systems (GIS) data became available via paper maps, interactive Internet and Intranet maps, and custom workstation-based applications
- Enterprise GIS has linked software applications for Public Safety, Public Works and Community Development
- Implemented Citywide music on-hold system

- Implemented Voice Over Internet Protocol (VoIP) Phone systems at Del Norte, Water, and IS allowing state-of-the-art applications, including an enterprise call center and new voice mail system
- Added 24 desktop PCs, 22 laptops, and 4 servers to the City Network to meet the demands of our growing City
- Set up remote access to business/animal licensing data
- Deployed the following software applications : Maximus – fleet management for Equipment Maintenance; Primavera Expedition – project management system for Public Works; Click 2 Gov – allows citizens to pay bills online; Chameleon – animal licensing program; SewerCAD – manages the City’s Sewer System In; Graffiti – tracks reporting and removal efforts

CITY TREASURER’S OFFICE

Collection, cash management and safekeeping of all monies due to the City are the primary functions of the City Treasurer’s Office. Accomplishments for Fiscal Year 2004-2005 are outlined below:

- An average of 38,000 utility payments are received each month by mail and in-person payments (over 10,000 per month) at the cashiers’ windows. Additional customer traffic is generated by payments for permits, animal licenses, and revenues received from various departments.
- Cost-effective operations are maintained through continual efforts to streamline and update all processes. Research has been accomplished for future implementation of additional payment methods and on-line payments. A change from PC-based banking program to direct banking service via the internet has allowed more timely access to and retrieval of financial information.
- Great pride is taken in providing excellent service to each customer, internal as well as external. This presents an ongoing challenge as the City grows, the customer base increases, yet staffing levels remain the same. The success of the City Treasurer’s Office is attributable to its dedicated staff and a team approach.

COMMUNITY DEVELOPMENT DEPARTMENT

Accomplishments for Fiscal Year 2004-2005 are outlined below:

City-Wide Enhancement Program (CWEP) – Participated in the deployment of the City’s Mobile Satellite City Hall program in the West Village and Lemonwood Neighborhoods and will continue to participate in neighborhood visits scheduled for 2005-2006.

Community Development Department Web Page – Maintained a department web page to provide answers to typical redevelopment questions, provided updates on current projects, and outlined future activities. The web page will also be used to highlight development opportunities throughout the City.

Downtown Code Enforcement/Design Walk-Through, and Public Education Program – Continued the monthly meetings with Planning and Environmental Services Division and Code Enforcement personnel to monitor compliance with zoning and permit requirements. The Development Guidelines for signage, façade, and window treatment produced in 2002 continue to be effective in assisting merchants in understanding the various permit and zone clearance requirements. The Design Guidelines for “signs” was translated into Spanish previously, and the Central Business District (CBD) Design Criteria for Over-the-Counter Downtown Design Review Permits Guide was translated into Spanish this year to better assist some City merchants in understanding the process.

Downtown Façade Improvement Program – Continued development of a new façade improvement program to begin in fall 2005.

Downtown Lighting Improvement Program Phase II – This is the second phase of the Community Development Commission’s (CDC) program to improve downtown lighting, which consists of replacing streetlights with nostalgic lamp poles, adding streetlights, and enhancing existing parking lot lighting. This program, and the parking lot and alley improvement program are part of the downtown infrastructure improvements designed to rebuild the economic strength of the Downtown. Phase II of the Lighting Improvement Program will encompass the Meta Street area between Fourth and Seventh Streets on the east side of Oxnard Boulevard.

Downtown Maintenance Drive-Through – Continued the monthly drive-through with Solid Waste personnel to record maintenance issues and problems and then assign each problem to the appropriate divisions for follow-up (Streets, Solid Waste, Graffiti Action Program, Parks, Code Enforcement). This has resulted in a visible improvement to the Downtown.

Downtown Maintenance Improvement – Coordinated the selection and purchase of additional trashcans for placement in the Downtown area. This is in anticipation of increased visitors as a result of the 14-screen theater complex that opened in summer 2005, as well as other new retail and restaurant services. Trashcans will include both general litter and recycled material (bottles and cans) containers.

Downtown Parking Lot Improvement Program Phase I – Completed the resurfacing and restriping of 18 downtown parking lots and repaving and/or reconstruction of 13 sections of alley.

Downtown Parking Lot Improvement Program Phase II – The second phase of the Parking Lot Improvement Program will encompass the Meta Street area between Fourth and Seventh Streets on the east side of Oxnard Boulevard. Ten to 15 downtown public parking lots/alleys have been identified for these infrastructure improvements. Construction began in summer 2005.

Downtown Parking Structure – Served as the downtown community liaison during the construction of the four-level, 450-space parking structure, completed in summer 2005.

Downtown Property – Property-based Business Improvement District (PBID) - Continued to support the PBID in its management efforts by serving as a resource to staff and as a participating member of PBID Committees. Staff has also worked jointly with the PBID to improve communication between the business community and the City to address operational and maintenance issues.

Downtown Residential Development – Completed a Disposition and Development Agreement for the construction of 12 for-sale townhomes at the northwest corner of Seventh and “A” Streets in the Downtown. The proposed homes will include three live/work units to support the retail/professional opportunities in the Downtown, further acting as a catalyst for retail activity.

Downtown Security Assessment – Supported consultant services in the development of a Downtown security assessment for the core Downtown area, the results of which will be utilized in the Downtown Lighting Improvement project and the Façade Improvement Program (specifically the Crime Prevention through Environmental Design [CPTED] elements).

Downtown Tax Credit Revenue Bond (TCRB) – Refinanced the TCRB and made available \$5 million for use in Downtown improvements, including streetscape, park improvements, and seed money for an additional parking structure. Funds for infrastructure improvements include lighting, parking lot and alley improvements and support of the Façade Improvement Program.

Esplanade Shopping Center – Ongoing oversight of the Owner Participation Agreement for the redevelopment of the Esplanade Shopping Center. The project consists of a 500,000 square foot retail “power center” anchored by Home Depot. The first phase was completed in fall 2001. The second phase of construction was completed in spring 2004.

Fundamentals of Redevelopment – Created a PowerPoint presentation on the fundamentals of redevelopment to assist the public with understanding the requirements of California Redevelopment Law and the projects undertaken by the CDC throughout the City. This presentation is available to service groups and other special interest groups who wish to better understand redevelopment efforts in Oxnard.

HERO - Oxnard South Revitalization – More than 45 percent of the 56 total medians to be improved in Saviers, Pleasant Valley and Hueneme Roads have now been completed. Another 6 medians are under construction and 6 additional medians are out to bid. Continued to advance Oxnard South revitalization through participation in community-based organization activities.

HERO – RiverPark – Worked with developer entities on the delivery of affordable housing, commercial retail and hotel development required by the Owner Participation Agreement and amendments thereto. Began work on the delivery of 392 affordable housing units for very low-, low- and moderate-income families. Engaged in retail attraction endeavors to assist in security anchor retail tenants.

Housing Rehabilitation and Ownership – Provided awareness of housing programs and financial assistance to residents in the Southwinds and HERO Project Areas. Provided mobile home assistance to very low-income families in the CCRP Project Area.

Meta Street Apartments – Completed the construction and occupancy of a 24-unit apartment complex, the first farmworker family housing project built in Oxnard. This project is in the Meta Street area, a severely depressed and blighted area. The 27 for-sale units will generate renewed life and interest in the downtown.

Ormond Beach – Completed the sale of 276 acres of jointly owned property by the CDC and the Metropolitan Water District (MWD) to the Nature Conservancy. The sale of the property is an effort to expand and preserve wetlands and wildlife in Ormond Beach. Assisted an energy resources company in securing a permanent easement deed on CDC/MWD jointly owned property for the potential installment of a sewage connection pipe.

Oxnard Factory Outlet – Completed termination of the development agreement allowing new property owner to pursue traditional commercial shopping center tenants. Extensive private rehabilitation of the project which has been renamed “The Palms” has begun. Phase 1 was completed in summer 2004 and Phase 2 began construction in summer 2005. Leasing efforts are underway.

Retail Attraction Efforts – Updated retail attraction brochure, marketing the City and highlighting potential development opportunities. Attended local, regional and national retail trade shows and placed City advertisement in trade show publications. Established new contacts within the commercial development, brokerage and retail communities for follow-up meetings and City tours. Designed a new poster-sized exhibit with images of Oxnard along with informational literature for retail attraction. Updated City retail website providing information on Oxnard properties for lease and for sale, demographics and traffic counts.

Security Lighting and Fencing - Continued to provide homes with security fencing and lighting in the Southwinds Neighborhood to reduce crime, eliminate blight and to enhance the quality of the living environment. Met with Housing and Code Enforcement staff to discuss upgrading the quality and aesthetics of fences provided to residents participating in the security-fencing program.

Southwinds Project Area - Continued to use the private/public Southwinds Team partnership to reduce crime, eliminate blight and to enhance the quality of the neighborhood living environment. Completed rehabilitation of existing residential units and encouraged new residential and commercial development. Seventeen Housing Rehabilitation Loans and 11 Security Lighting and Fencing Grants were made.

Theater Project – Completed Disposition and Development Agreement (DDA) for development of a 14-screen theater and retail complex on CDC-owned property and former Bank of America building in the downtown area. The development is intended to serve as a catalyst for the revitalization of downtown and a proposed downtown marketplace development.

Vineyard/Esplanade Retail – Contacted property owners and retailers in the vicinity of the Esplanade Shopping Center for encouragement to revitalize their properties along the Vineyard/Esplanade corridor. Current activity includes ongoing contact with property owners in the area to encourage further revitalization.

DEVELOPMENT SERVICES

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- The department and the Planning and Environmental Services Division approved several residential and commercial projects either through Planning Commission resolution or the Development Design Review process. The Planning and Environmental Services Division completed the public outreach

phase of the update to the 2020 General Plan by conducting many workshops around the City where residents could participate in determining how the City will change over the next 20 years. The next phase of the project, actual development of a draft document, will begin shortly.

- The California Coastal Commission approved the Seabridge at Mandalay Bay project which represents the buildout of the City's Mandalay Bay Specific Plan envisioned in the 1980s as a master planned community of commercial and residential development around an extension of the inland waterway canals. The Seabridge project includes 708 residential units in a mix of single-family, condominium, live-work and rental units and approximately 200,000 square feet of visitor-serving commercial development. The adjacent project Westport at Mandalay Bay, is under construction and includes 306 single-family, duplex, townhomes and mixed-use residential/commercial development.
- The City has begun preparation of a Specific Plan and an environmental impact report on the Ormond Beach Specific Plan area after receiving applications from property owners on both sides of Hueneme Road. The proposed uses are residential, commercial, schools and parks north of Hueneme Road and industrial uses located south of Hueneme Road and north wetlands and wetlands restoration areas.

HOUSING DEPARTMENT

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- On June 29, 2005, the U.S. Department of Housing and Urban Development (HUD) awarded the Robert L. Woodson Affordable Communities Award to the City of Oxnard, in recognition of Oxnard's broad-based regulatory reforms to reduce the cost of housing and increase the supply of affordable housing in the City. The award was presented in Washington, D.C. The City was one of 14 nationwide recipients.
- The Sonria affordable Housing Project was completed. This public/private partnership between the City and Community Dynamics, Inc., of Santa Monica, produced a mix of 38 affordable and market-priced single-family homes in the El Rio neighborhood. The City provided \$460,000 to acquire the site. These funds were converted to second interest-free loans for the 22 low-income homebuyers. The affordable units sold for \$187,000 and \$197,000, well below market values. The last families moved in during July 2004.
- The Housing Authority again received high performer scores from HUD under Public Housing Assessment System and the Section 8 Management Assessment Program for Fiscal Year 2004-2005.
- In October 2004, HUD awarded an additional \$365,825 in Capital Fund Program bonus funds to the Housing Authority. The bonus funds were awarded because of the Housing Authority's high performer scores. This was the first year that HUD distributed bonus funds.
- The Housing Authority successfully appealed the Annual Adjustment Factor used by HUD in calculating housing assistance funds for the Housing Authority under HUD's Section 8 Housing Program. This successful appeal provided \$346,551 in additional funds to assist needy families under the program.

- Coordinated funding process and submittal of a grant application to HUD under HUD's Supportive Housing Program for Homeless Persons. The application resulted in the award of \$1,561,464, including 10-year funding for 13 Section 8 Moderate Rehabilitation rental assistance vouchers for homeless persons in the amount of \$1,383,720.

HUMAN RESOURCES DEPARTMENT

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- Conducted the most successful and best-attended Service Pin Ceremony for employees who have performed dedicated service to the City for up to 40 consecutive years each.
- Enhanced and conducted the 2004 Health Benefits Fair for all City employees to provide them with necessary information to select the level and type of benefits employees need to take care of themselves and their families.
- Exceeded our goals to coordinate recruitment and testing processes that attract highly qualified candidates to fill more than 100 full-time City positions.
- Provided centralized Human Resources support to all departments and divisions to maximize departmental efficiencies.
- Created and implemented new processes to support departments in meeting their personnel recruitment and retention goals, including an enhanced and streamlined request to fill process, merit increase process, reclassification process and much more.
- Lowered testing costs and improved testing tools through developing strong networks with neighboring competitive service organizations and creating tests within the department through a partnership with the non-profit test question developer, the Western Region Item Bank.
- Reclassified and realigned position to better meet the performance needs of City staff.
- Implemented Employee Identification Badge program and distributed City Identification Badges to employees.
- Conducted trainings with all Police and Fire Personnel on the Workers' Compensation program, prevention and changes in California Workers' Compensation laws.
- Provided customer care and support to over 5,000 internal and external customers.

FIRE DEPARTMENT

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- Five cardiac saves for Fiscal Year 2004-2005, the most in the Tri-Counties. To be counted as a cardiac saves, the patient must walk out of the hospital. We provide assistance to Gold Coast Ambulance paramedics on these responses.
- The “Tall Ship Rescues,” an event that generated worldwide news coverage in which a tall ship ran aground just outside the mouth of the Channel Islands Harbor, stranding crew and student passengers. Oxnard Fire personnel first on scene, effected rescue for 12 people in the water.
- Oxnard Fire personnel assisted in another worldwide news event the "La Conchita Tragedy.” Crews remained on scene for 2 days assisting Ventura County Fire personnel.
- The Department’s retrofit preemption program, “the capture of signalized intersections” by emergency vehicles will be 50 percent completed in the next 6 to 8 months. This program is managed by the City’s Traffic Engineering Division. All newly signalized intersections are equipped with preemption by development agreement. Completion of the retrofit program means that the City will in approximately 2 years have all major arterials equipped with preemption devices. The first City to achieve this status in all of the Tri-Counties. A significant leap in response safety and a reduction in response times for all emergency equipment.
- Of additional significance in the City’s preparedness posture will be the Oxnard Fire Station No. 7. Anticipated to be completed in late summer and operational in late 2005, this Station will provide much better coverage, reduce response times and lessen dependence on neighboring jurisdictions.

POLICE DEPARTMENT

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- A permanent gang injunction has been approved by a Ventura County judge. This civil injunction has helped curb gang-related crime in the City. It is the first such injunction ever approved in Ventura County.
- Crime continued its decade-long decline in the City. The crime rate in Oxnard continues to be lower than the crime rate in Ventura and Santa Barbara. The City now enjoys the fifth lowest crime rate in the nation among the 43 cities with populations between 150,000 and 200,000.
- A significant decline in alcohol-related vehicle crashes continued in Oxnard over the past year. This can be credited to a program which focuses attention on alcohol-related issues in the City, including minimizing problems associated with the sales and service of alcohol and the impact that outlets have on the surrounding neighborhoods. Much attention has also been paid to the availability of alcohol to minors.

- The Police Department continues to forge positive relationships with the youth in the City. These include the Police Activities League, youth academies in the high schools, officers working on school campuses, anti-truancy programs, and education programs for youth stressing the importance of making good choices in their lives.
- A new photo red-light program has been introduced in Oxnard. This program has made Oxnard streets safer for drivers as they travel through the City. This program has had profound effects in reducing red-light collisions at intersections.

OXNARD PUBLIC LIBRARY

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- Since its designation as a U.S. passport acceptance facility in October 2001, the Oxnard Public Library has been a source of information to customers, providing answers to varied questions regarding the application process. In Fiscal Year 2004-2005, the library processed 1,673 passports and earned \$52,128 in gross revenues.
- Approximately 10,000 volunteer hours have been donated to the Oxnard Public Library, contributing to its success.
- A self check-in book return and sorting system was installed at the Main Library in February 2004 to automatically check in returned library books, provide customers with a receipt, and sort the returned items into designated ergonomics bins for shelving.
- The library received the following grants from the California State Library: a \$10,000 Global Languages Materials grant to augment the collection with Spanish language materials, and \$75,000 to establish the Small Business Services Program to provide resources and consulting services to small business owners and entrepreneurs.
- The library was in its fifth year of funding from the California State Library for its Adult Literacy Program, receiving \$56,045.
- The Library Technical Services area cataloged 20,947 new items for the collection in multiple languages and publication formats.
- The library's Historic Photograph Collection is available to the public using the Internet.
- Construction began on the new South Oxnard Branch Library at the corner of Bard and Saviers Roads, with the California State Library providing 65 percent of funds and the City of Oxnard 35 percent. Project funds total \$8,901,170, and the new library is scheduled to open in the summer of 2006.

CARNEGIE ART MUSEUM

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- 37,474 visitors and clients served representing a 6 percent increase over prior fiscal year by developing special education outreach programs at school sites and offering art exhibits of increasing national caliber.
- 764 tours and art education presentations to 156 partnering schools and agencies in Ventura and Northern Los Angeles County including 85 percent of Oxnard elementary/middle school and high school districts.
- Public awareness of exhibits enhanced by articles appearing in four national art publications and two newspapers: Artscene, Art Guide, ARTWEEK, Ceramic Monthly, Ventura County Star, and Los Angeles Times.
- Produced three full-color interpretive exhibit brochures through museum's fundraising partnerships with the Carnegie Art Museum Cornerstones.

PUBLIC WORKS DEPARTMENT

Accomplishments for Fiscal Year 2004-2005 are outlined below:

Administrative Office

- Grand Jury Responses – As part of an interdepartmental team, compiled and submitted the City's official responses to a 2004 Grand Jury Report and 2005 correspondence regarding the River Ridge Golf Club.
- Report of Activities – Published a Report of Activities encompassing the Public Works Department's accomplishments July 1, 2003, through November 1, 2004.
- Transportation Policy Committee – Provided contributions and support to the Committee.
- Mandalay Bay Enhancement Review Committee – Led the formation of an interdepartmental committee to resolve landscape encroachments upon public property by homeowners in the Mandalay Bay Neighborhood.
- City Manager Projects – Liaison to the City Manager's Office and coordination among divisions to respond to customer service or information requests from elected officials and the public.

Engineering Division

Design Section

- Mountain View Avenue Storm Drain – Completed the design and construction (September 2004) of a storm drain system on Mountain View Avenue from Rose Avenue to Pacific Avenue, as part of the drainage improvements required for the Rose Avenue Widening project.
- Hemlock Avenue Storm Drain Phase II – Completed the design and contract procurement for this section in coordination with the Redwood Trunk wastewater project. Construction is in progress.
- Yucca Street Storm Drain, Phase I – Completed the design and contract procurement for Phase I of the Yucca Storm Drain from Saviers Road to “J” Street. Construction is 95 percent complete. Phase II is under design.
- Pleasant Valley Road Improvements/Tree Trimming/Removal – Completed the removal of 41 trees between Olds/Etting to Highway 1, trimmed 14 trees to allow for the street widening along the same limits, and provide improvement to the Masonic and Japanese cemeteries. Completed the design of the street widening project along Pleasant Valley Road from Olds/Etting to Highway 1. Processed and certified the environmental document for the project and currently proceeding with right-of-way acquisition. Project is under construction with completion anticipated in March 2006.
- Cast Iron Pipe Water Main Replacement Projects:
 - Engineering staff completed the design, contract procurement, contract administration, and construction of the Downtown Water Main Replacement Project south of Third Street to Wooley Road, Oxnard Boulevard and “C” Street, in coordination with Streets Division alley improvements, CDC parking lot improvements, and future theater construction covering the same project limits.
 - Engineering staff completed the design, contract procurement, contract administration and construction of the Bard Road and “F” Street Cast Iron Pipe Water Main Replacement Project.
 - Engineering staff completed the design, contract procurement, contract administration, and construction of the Meta Street-Fifth Street to Seventh Street cast iron pipe water main replacement project. This project was a joint venture between the City and Cabrillo Economic Development Corporation.

Survey Section

- Layout of Water Division Administration Building and associated curbs and drainage.
- Layout of Sanford Storm Drain, 6,000 linear feet.

- Layout of Yucca Street Storm Drain.
- Map check of final maps comprising over 1,000 lots, aggregate.

Contract Procurement and Administration Section

- South Oxnard Library Project – Managing this in-process project, started April 11, 2005, and is on pace to be complete April 2006.
- Rose Avenue/Highway 1 Pedestrian Facilities – Managed the design and the construction, completed the project April 2005.
- Emergency Oxnard Beach Cleanup, Phase I – Managed and contracted the work for this FEMA-reimbursable project resulting from the December 2004-January 2005 California severe storms.
- Emergency Oxnard Beach Cleanup, Phase II – Managed and contracted the work for this FEMA-reimbursable project resulting from the February 2005 California severe storms.
- Primavera Expedition – Implemented Primavera Expedition January 2005 as the primary public works project management software. Currently the Contract Administration, Engineering, Facilities, Streets, Wastewater, and Water Divisions are utilizing this software application.
- Del Norte/Highway 101 Interchange - Started the studies for the PSR (Project Study Report) and the PDS (Project Development Support), which are scheduled to be completed and approved by Caltrans Fall 2005. The PR (Project Report), and the ED (Environmental Document) will begin during the first quarter of 2006.
- Project Map Update – Updated three successive times the City Project Map depicting a “snap shot” of all the major public works projects and their status. In addition, monitored and provided guidance to the Public Works construction projects, e.g., Oxnard Boulevard and Highway 101 Interchange Project, Redwood Trunk Phases I and II, Headworks, Americans with Disabilities Act (ADA) accessibility to the Water Division Administration Building, Blending Station No. 3 Pipe Line and Building.

Equipment Maintenance Division

- Procured and implemented an asset management system to better manage repairs and costs associated with maintenance and operation of the City’s \$25 million vehicle fleet. This state-of-the-art system accurately tracks 100 percent of maintenance and operation costs, provides web access to City customers, enables enhanced warranty use to save funding, and lowers overhead costs through advanced automation of previously manual processes.
- Initiated an aggressive program to revamp and improve the City’s compliance with Preventive Maintenance (PM) and Inspection requirements for all classes of vehicles, many of which are subject to regulation by California law. Developed new processes to monitor and track overdue PM

inspections and efficient methods to more quickly return vehicles to users, enhancing their mission accomplishment and customer service. Drove a 65 percent reduction in the overdue PM rate for the 750 vehicle fleet.

- Developed a strong advanced training system for City technicians to ensure currency on complex automotive systems and expanded the division's training program to include forklift certification training for all Public Works employees. The forklift certification training (required by OSHA) trained and certified 38 employees from four departments and ensured safe and legal operation. The advanced technician training was key to reduction of maintenance costs and rapid turnaround of equipment repairs. Nineteen technicians received advanced training in the first six months of the program.
- Developed a night shift for PM inspections and service of critically needed refuse equipment. The night shift allows off-hours service of the Solid Waste Division's 52 refuse vehicles, thereby maximizing availability of equipment during their daytime shift and minimizing driver overtime.
- Successfully modified 6 heavy refuse trucks to reduce diesel emissions and ensure compliance with U.S. Environmental Protection Agency (EPA) Voluntary Retrofit Program and the California Air Resources Board Diesel Risk Reduction Program. These extensive exhaust system modifications reduced hazardous pollutants by 15 to 30 percent.

Parks and Facilities Division

- Addition of new Graffiti Action Program Coordinator and crew.
- Ongoing major beach cleanup at Oxnard Shores area.
- Carty Park Concession/Storage Building Improvements Completed - All construction improvements have been completed for the new concession/storage building at Carty Park. The previous 35-year-old concession building was torn down. The new concession/storage building features masonry block construction and a metal roof with roll up metal counter doors, a new electrical and lighting system and new plumbing. In addition, food counter preparation areas, storage cabinets and separate storage areas for equipment and food needs were installed. The final touches to the building included the installation of refrigerators, grills, fryers and other miscellaneous smaller appliances, each of which were purchased and provided by the Mermaid Softball League. The new Carty Park concession/storage building was a much needed improvement to the park and the building was formally made available to the Mermaid Softball League on March 29, 2005.
- Corporate Yard Improvement Project - In March 2005, the Corporate Yard Improvement Project, Phases I and II, were completed. The improvements included site drainage systems and the addition of a clarifier to meet stormwater quality standards, construction of walls on the north and west sides of the facility to improve security of both City equipment and private vehicles, Americans with Disabilities Act (ADA) accessibility improvements to the three front building entrances, landscape improvements to the front of the facility, improvements to traffic flow through the facility and enhancements to vehicle and equipment parking areas, lighting and heating upgrades to the equipment maintenance bays, construction of additional rest room facilities and improvements to existing facilities including ADA accessibility improvements in three of the buildings, and other building-related improvements.

- Arbor Day - The City celebrated Arbor Day on Wednesday, March 23, 2005, at Johnson Creek Park. Three classes from Larsen Elementary School attended the event. Also present were members of City Council, City staff, State and local government officials. At the end of the ceremony, the students planted small tree seedlings into one-gallon pots they were able to take home with them. Three Tipu trees were planted as part of the ceremony. City also celebrated the twenty-second straight year qualifying as a “Tree City USA” through the National Arbor Day Foundation.
- Acceptance of improvements for the Westport Community Facility District.

Solid Waste Division

- Installation of solid waste management software system to automate and electronically track over 90,000 annual customer service orders. This system will also track equipment and parts inventories, waste and recyclable materials tonnage, daily refuse and recycling routes schedules, and container deliveries. This system allows for standard and custom information reporting in all aspects of solid waste operations.
- On April 5, 2005, City Council adopted a resolution authorizing the issuance of \$25,000,000 Solid Waste Revenue Refunding Bonds for the purpose of refinancing current bonds at a lower interest rate allowing an estimated net savings of \$1,200,000. The net savings and additional funds raised made it possible to utilize this low-interest bond financing for purchasing replacement equipment to improve the Division’s operation and maintenance program.
- The Del Norte Regional Recycling & Transfer Station (Del Norte) has made significant gains in recovering scrap steel and carpet. In Fiscal Year 2004-2005, an estimated 2,800 tons of scrap steel was recovered from the waste stream, up by 185 percent from last year. Recycled metal is in high demand due to China and other overseas countries using steel for building infrastructure. In Fiscal Year 2004-2005, an estimated 800 tons of carpet was diverted from the waste stream and recycled. The recycled carpet was processed into fiber particles that make underlay padding for new carpet. Recycling efforts at Del Norte contributed to meeting California State Assembly Bill 939 that mandates localities to divert materials from the landfills.
- Purchased Voice over Internet Protocol, the latest technology in phone systems and call centers. This new system will vastly increase call-handling capabilities and enhance customer service. The system will be fully operational in Fiscal Year 2005-2006.
- The California Integrated Waste Management Board awarded the City “Most Comprehensive Household Hazardous Waste Management/Used Oil Recycling Program 2005” in the State.

Streets Division

The Streets and Waterways Division provided repair and maintenance services for 465 lane miles of streets and alleys and 3.2 miles of inland waterway. Some of the capital improvement projects were capital improvement plan resurfacing and reconstruction projects, asphalt maintenance, sidewalk, curb and gutter repair, pavement striping and marking, traffic sign maintenance, street sweeping, alley cleanup and inland waterways maintenance.

- **New Street Sweeping Frequency:** The entire City was rerouted to alternating side street sweeping on June 7, 2005. The frequency provides residents with half the street for parking on street sweeping day and follows the day after solid waste collection. This has proven to make it easier for residents to relate these services and respond appropriately. A pilot route was posted for alternating side street sweeping in February 2004. This routing has reduced the number of citations being issued and allowed streets to be cleaned at a rate of twice per month.
- **Mandalay Bay Dredging Project:** The project removed approximately 37,900 yards of material from the channels of Mandalay Bay. Approximately 30,000 cubic yards were removed from the eastern portion of the development, which restored the channels to the original designed depth of -8 feet mean low water. The bid was low enough to allow for spot dredging in western Mandalay Bay areas at green belts and channel ends where cleaned. Western Mandalay Bay's channels have a depth range between -6.5 to -7.5 feet mean low water. The residents were very cooperative with moving their boats to accommodate the dredging operation.
- **Oxnard Shores Residential Resurfacing Project:** Completed the construction at a cost of \$2,327,658. This project reconstructed the residential streets (ways) and provides positive drainage for the storm drain system.
- **Bard Road / Hueneme Road Arterial Resurfacing Project:** Completed the construction, consisting of 397,950 square feet of arterial and commercial roadway at a cost of \$756,345.
- **Initiated a Street Design Methodology:** To integrate Geographic Information Systems (GIS), AutoCAD, and the Micropaver Database information to streamline the design process, provide cost savings, and minimize unforeseen conditions causing change orders.

Traffic Engineering Division

- Traffic signals were installed at Hueneme Road and Perkins Road, and Del Norte Boulevard and Sturgis Road.
- Safety enhancements were implemented at the signalized intersections of Rose Avenue and Channel Islands Boulevard, Gonzales Road and Rice Avenue, Gonzales Road and Ventura Road.
- Change out of incandescent light bulbs to LED bulbs was initiated for all traffic signal indications along Rose Avenue corridor.
- Issued 132 Work Orders for the installation or modification of signs and/or striping.
- Reviewed over 100 plans including traffic control, development services, planning and construction.

Transportation Planning

- Oxnard Boulevard interchange improvements on Highway 101 are 65 percent complete.

- Design for the Rice Avenue/Santa Clara Avenue interchange is 100 percent complete, and the City has purchased 31 percent of the required right-of-way.
- Continued management of the Oxnard Transportation Center (OTC) within budget. Previously, significant additional funding was required year after year to operate the center. No additional funding has been required since our division assumed management responsibility two years ago.
- Secured over \$8 million in federal transportation funding for Oxnard’s transportation needs.
- Improved efficiency and effectiveness of the Harbor Beaches Dial-a-Ride (HBDAR) transit service.

Wastewater Division

- Headworks Project (design, funding & commencement of construction)
- Redwood Trunk Sewer Project (design, funding & commencement of construction)
- Septic System Conversion Project (design & funding)
- Yucca Street Storm Drain Project (design & commencement & completion of construction)
- Wastewater Collection System SCADA System Upgrade Project (design & commencement & completion of construction)

Water Division

- Administration Building and Emergency Power Building Upgrades. The Water Division completed significant upgrades to its Administration Building and Power Building Number 1, both located at the Blending Station Number 1 site. The upgrades significantly improve the buildings’ seismic performance, energy efficiency, and Americans with Disabilities (“ADA”) accessibility.
- Distribution System Cast Iron Mains Replacements: With assistance from the Engineering Division, the Water Division replaced over five miles of aging cast iron distribution mains in the neighborhood bounded by Hill Street, Kamala Street, Ventura Road, and “J” Street. The project will greatly improve fire hydrant flows, reduce rusty water problems, and eliminate water outages due to leaks in the neighborhood.
- Automated Meter Reading (“AMR”) Conversion: Water Division staff continued to replace existing conventional meters with AMR meters and installed AMR meters on all new water services. Currently, nearly 20,000 AMR meters are in service. Staff has replaced approximately 58 percent of existing meters over the past few years. The AMR meters improve reading accuracy and efficiency.

- **GREAT Desalter:** The Water Division has nearly completed construction of the Permeate Tank, which is the first phase of the Groundwater Recovery Enhancement and Treatment (“GREAT”) Desalter Project, at the Blending Station Number 1 site. The Division is wrapping up design work on the Desalter facility itself, which will remove minerals from local groundwater and produce approximately 7.5 million gallons per day of treated water, improving the quality of the water served to customers. The Desalter Project should be out to bid in fall 2005 and construction completed in early 2007.
- **Relocation of Blending Station No. 3:** The Blending Station Number 3 Relocation Project is a result of the MTBE contamination from a leaking buried gasoline tank at the existing blending station site. The Division has nearly completed construction of the new supply and blended water pipelines to the new site, and has started construction on the new facility itself. The new Blending Station Number 3 should be completed in 2006.
- **Conservation Outreach Programs:** The City became a signatory to the Memorandum of Understanding of the California Urban Water Conservation Council during the fiscal year, and continued to promote responsible stewardship of water resources through the following programs: High-Efficiency Clothes Washer Rebate Program, Ultra Low Flush Toilet Rebate Program, Children’s Science Theater, Molly Cool and Friends School Assemblies, Calendar and Poster Contest, and the Children’s Water Exploratorium.
- **Blending Station Number 5:** The Water Division purchased property and initiated design of Blending Station Number 5, located on Pleasant Valley Road, which will improve fire flows in the southern portion of the City.

RECREATION AND COMMUNITY SERVICES DEPARTMENT

Accomplishments for Fiscal Year 2004-2005 are outlined below:

- 2005 Recipient of the Work/LIFE Employer from the Child Care Planning Council of Ventura County.
- 2005 CPRS District VIII, Outstanding Facility Design Award, Bedford Pinkard Skate Park.
- The City was recognized by the National Recreation & Park Association and Sports Illustrated in the Sports Illustrated 50th Anniversary Sportstown competition.
- City Corps Program received a 2004-2005 Ventura County Science Fair Special Sponsor Award.
- 2004, Oxnard Chamber of Commerce, Young Woman of the Year, Olga Fernandez, Young Man of the Year, Terrel Harrison. Both Mrs. Fernandez and Mr. Harrison work for the Recreation and Community Services Department.
- Colonia Boxing Center received five Gold and two Silver Medals in the Junior Golden Gloves Tournament, three Gold, two Silver and one Bronze Medal in the Blue and Gold Tournaments and three Gold Medals in the Arizona Tournament.

Youth Development Program

- Police Activities League received three National Boxing Champions and one in Olympic trials, two awards for hosting CA PAL State Boxing Tournaments in 2003 and 2004. PAL hosts eight junior high/high school dances a year serving up to 1,000 youth per dance.
- City Corps Program performed 1,255 projects during 2004, completed more than 1,500 projects by June 30, 2005, and worked with 64 agencies and organizations to provide work and service-learning opportunities to youth and adolescents. The Program works with partner agencies to provide training and service activities for 55 gang-oriented youth and adolescents.
- The Southwinds, Durley, and Colonia Center activities included a Summer Lunch Program that served more than 750 free lunches to children and young adults daily for six weeks.
- The Colonia Recreation Pool Program registered over 750 children.

Senior Services Program RSVP(Retired Senior Volunteer Program)

- Provided over 100,000 volunteer hours to 100 work sites. The value invested back into the community is \$1.6 million.

BUDGETS AND BUDGETARY ACCOUNTING

The budget process includes the development of a balanced two-year budget, however, the two-year budget includes an approach that appropriations are approved for a one-year operations budget and ten-year capital improvement plan. Budgets are adopted annually by City Council resolution and are prepared for the General Fund, special revenue funds and debt service funds. Budgets are prepared on the modified accrual basis of accounting consistent with Generally Accepted Accounting Principles (GAAP) except that encumbrances are included in budgeted expenditures.

The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the department level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated within a division and between divisions within a department without City Council approval. During Fiscal Year 2004-2005, supplemental budget appropriations approximating \$27,766,483 were made.

Another important focus of the City budget was the capital improvement plan (CIP) . Capital improvement projects are closely related to the enterprise funds and numerous other funds throughout the City. In order to ensure that the CIP element received adequate review and scrutiny, the City Council conducted a study session to consider the capital improvements.

CASH MANAGEMENT

The City Treasurer is responsible for investing available cash in investments allowable by law and as further defined by the City Council investment policy. Allowable investments include, but are not limited to: certificates of deposit which are either government insured or collateralized, government securities, the State Treasurer's Local Agency Investment Fund (LAIF), and certain commercial paper and medium term notes. In priority order, safety, liquidity, and yield are considered to be the essential criteria for selecting investments.

The City's highly automated cash management system is designed to expedite the receipt and deposit of revenues through centralized cashing. Anticipated expenditures and accounts payable issues are carefully monitored to maximize availability of funds for investment.

The average balance of non-restricted cash and investments of the City for Fiscal Year 2004-2005 was \$177,877,329 which earned \$8,314,861, an average rate of 2.76 percent. At June 30, 2005, \$128,429,379 or 36.63 percent of the City's investment pool had maturities of 1-5 years. All other City investments are scheduled to mature in less than 360 days.

The City Council investment policy has been updated to meet requirements of the California Government Code revisions. The investment policy is adopted annually to the City Council.

The primary objective of the investment policy is to establish a conservative set of investment criteria that will prudently protect the City's principal sums and enable the City to generate a fair rate of return from its investment activities. The investment policy applies to all funds on deposit at the City's Treasury.

Interest earnings on investments for the last three fiscal years are as follows:

	2005	2004	2003
Governmental funds	\$ 3,911,106	\$ 4,547,276	\$ 3,858,978
Proprietary funds and internal service funds	4,403,755	2,370,706	2,292,082
Total	\$ 8,314,861	\$ 6,917,982	\$ 6,151,060
Average annual yield	2.76%	3.29%	3.78%

Interest income in Fiscal Year 2004-2005 increased 21.39 percent versus last fiscal year.

RISK MANAGEMENT

The risk management functions identify, evaluate, mitigate, and monitor the City's exposure to operational risks. The most significant risk exposures are employee injury (workers' compensation), and auto and general liability (including police liability). When available and economically feasible, risk is transferred through the purchase of commercial insurance. The City is a participant, along with four other cities, in a joint powers authority (JPA) known as the Big Independent Cities Excess Pool (BICEP) to obtain pooled general liability coverage on a risk sharing basis. The JPA covers \$24,000,000 above the City's self-insured retention of \$1,000,000 and, whenever it is cost effective, transfers risk through the purchase of commercial reinsurance. In addition to general liability insurance, the JPA supports group purchase of workers' compensation and property insurance which frequently results in reduced premiums.

The City's contribution to the JPA for general liability coverage in Fiscal Year 2004-2005 was \$801,412. The City paid \$305,779 for its excess workers' compensation insurance in Fiscal Year 2004-2005.

OTHER INFORMATION

Independent Audit

The firm of Mayer Hoffman McCann PC has conducted an audit of the financial statements of the City. Their opinion is included in the Financial Section of the CAFR. In accordance with the Single Audit Act of 1997, the City's grant programs which utilize federal funds, either directly or passed through from State agencies, have been subjected to the audit requirements of the Federal Office of Management and Budget (OMB) Circular A-133. This included tests of compliance with federal laws and regulations. The results of the single audit performed in accordance with OMB A-133 is presented under separate cover.

AWARDS

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2004.


This was the sixteenth consecutive year the City has received this prestigious award from GFOA, which reflects the conforming accounting and comprehensive reporting practices of the City. In order to be awarded a certificate of achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both GAAP and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. Staff believes the current report continues to conform to certificate of achievement program requirements, and staff is submitting it to the GFOA to determine its eligibility for another certificate.

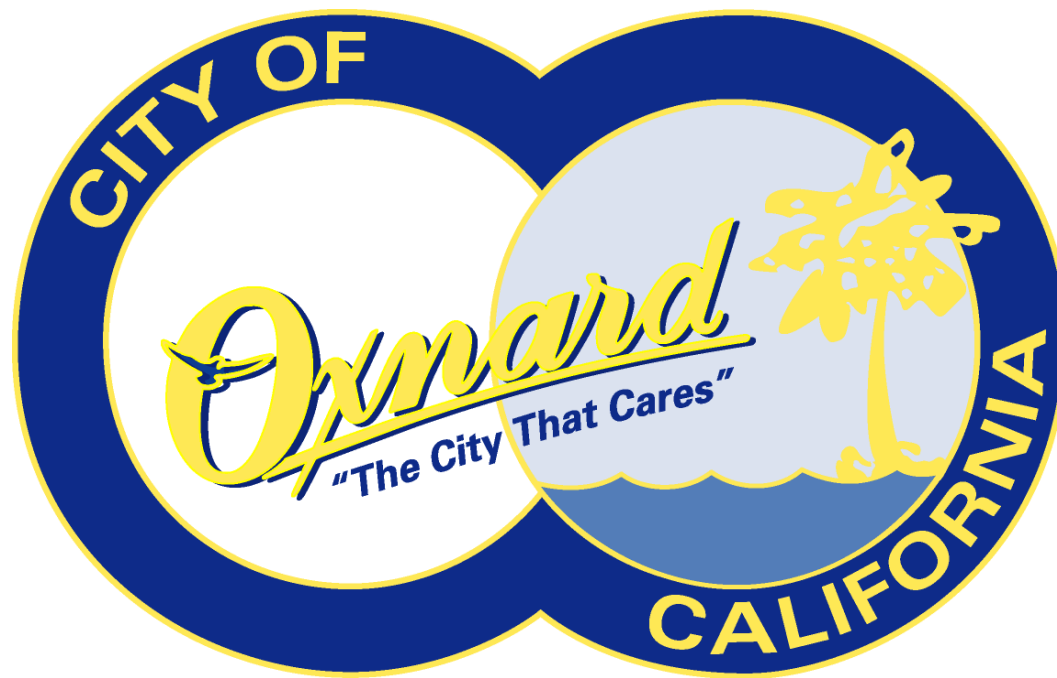
Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department . But a special word of thanks should go to the City's independent auditors, Mayer Hoffman McCann P.C., for their technical assistance. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor, City Council, City Manager, and department directors for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Marcie Medina
Finance Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oxnard,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

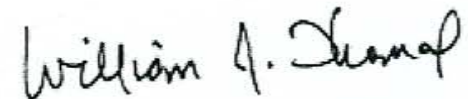
Outstanding Financial Reporting 2003-04

Presented to the

City of Oxnard

*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, 2005



Bill Thomas, Chair
Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management



City of Oxnard, California

CITY COUNCIL



ANDRES HERRERA
Mayor Pro Tem



DEAN MAULHARDT
Councilmember



DR. THOMAS E. HOLDEN
Mayor



JOHN C. ZARAGOZA
Councilmember

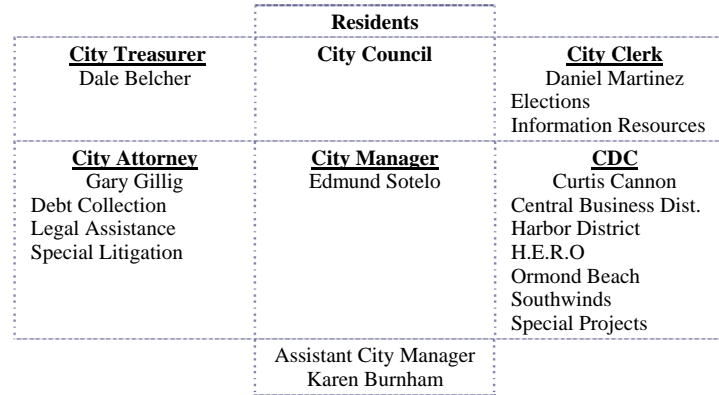


TIMOTHY B. FLYNN
Councilman



EDMUND F. SOTELO
City Manager

City of Oxnard Organizational Chart



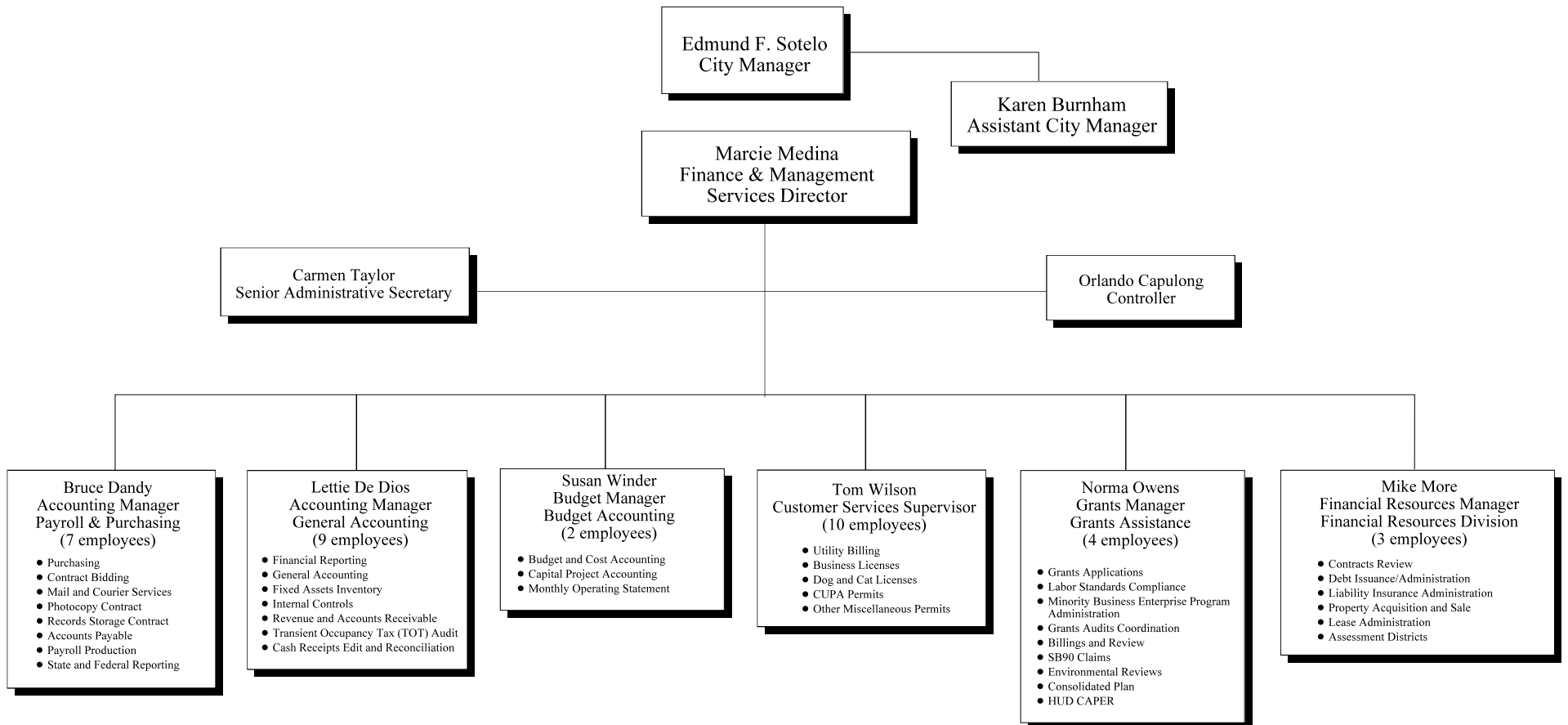
KAREN BURNHAM
Assistant City Manager

Police	Fire	Housing	Finance	Recreation and Community Services	Development Services	Public Works	City Manager	Human Resources	Library	
John Crombach	Joe Milligan	Sal Gonzalez	VACANT	VACANT	Matt Winegar	VACANT	Edmund Sotelo	Rachel Shaw	Barbara Murray	
Administrative Services (Brian MacDonald) Emergency Communications Professional Standards Support Services Field Operations (Mike Matlock) Code Enforcement Community Patrol Investigative Services (Charles Hookstra) Investigative Services Special Services	Disaster Preparedness (Darwin Base) Emergency Services (Terry McAnally) (Michael O'Malia) (Chris Donabedian) Fire Prevention (Tom Waller) CUPA (Steve Mattern)	Administrative Services (Carrie Sabatini) Affordable Housing (Ernie Whitaker) Housing Assistance (Arturo Casillas) Modernization (Ruben Andrade) Property Services (Rick Shear)	Budget and Capital Improvement (Susan Winder) Budget Capital Improvement Projects Customer Service (Tom Wilson) Business Licensing Utility Billing Financial Resources (Mike More) Debt & Property Management Liability Management General Accounting (Lettie De Dios) Accounting Grants Management (Norma Owens) Grants Assistance Payroll & Purchasing (Bruce Dandy) Mail Service Payroll & Benefits Purchasing	Community Facilities (Bob Holden) Performing Arts and Convention Center Recreation & Community Services (Gil Ramirez) Recreation Services Senior/Special Population Services South Oxnard Center Special Events Youth Development	Development Support Development Services (Rob Roshanian) Development Services Planning (Vacant) Planning & Environmental Services	Streets & Waterways (Daniel Rydberg) Inland Waterways Parking Lots Street Maintenance & Repair Traffic Signs & Markings Engineering Services (Rob Roshanian) Construction Services Design Equipment Maintenance (Dan Berlenbach) Parks & Facilities (Michael Henderson) Facilities Maintenance Landscape Assessment & Graffiti Removal Park/Facility Development Parks Maintenance River Ridge Golf Course Street Lighting	Solid Waste Reduction and Disposal (Don Smith) Collection Planning Processing & Disposal Waste Reduction Transportation (Martin Erickson) Traffic Engineering & Services Transportation Planning & Services Wastewater (Mark Norris) Flood Control Storm Water Quality Technical Services Treatment Services Water (Ken Ortega) Distribution Procurement Production Water Services	Operations Budget Cable Television Community Relations Legislative Neighborhood Services Public Information Special Projects Information Systems (Grace Hoffman) Citywide Network Support Document Publishing Services Geographic Information Systems Help Desk Municipal Software Support Telecommunications Support	Employee Benefits Employee Training Human Resources Labor Negotiations Safety & Wellness Workers' Compensation	Carnegie Art Museum Circulation and Branch Services Community Outreach Public Services Support Services

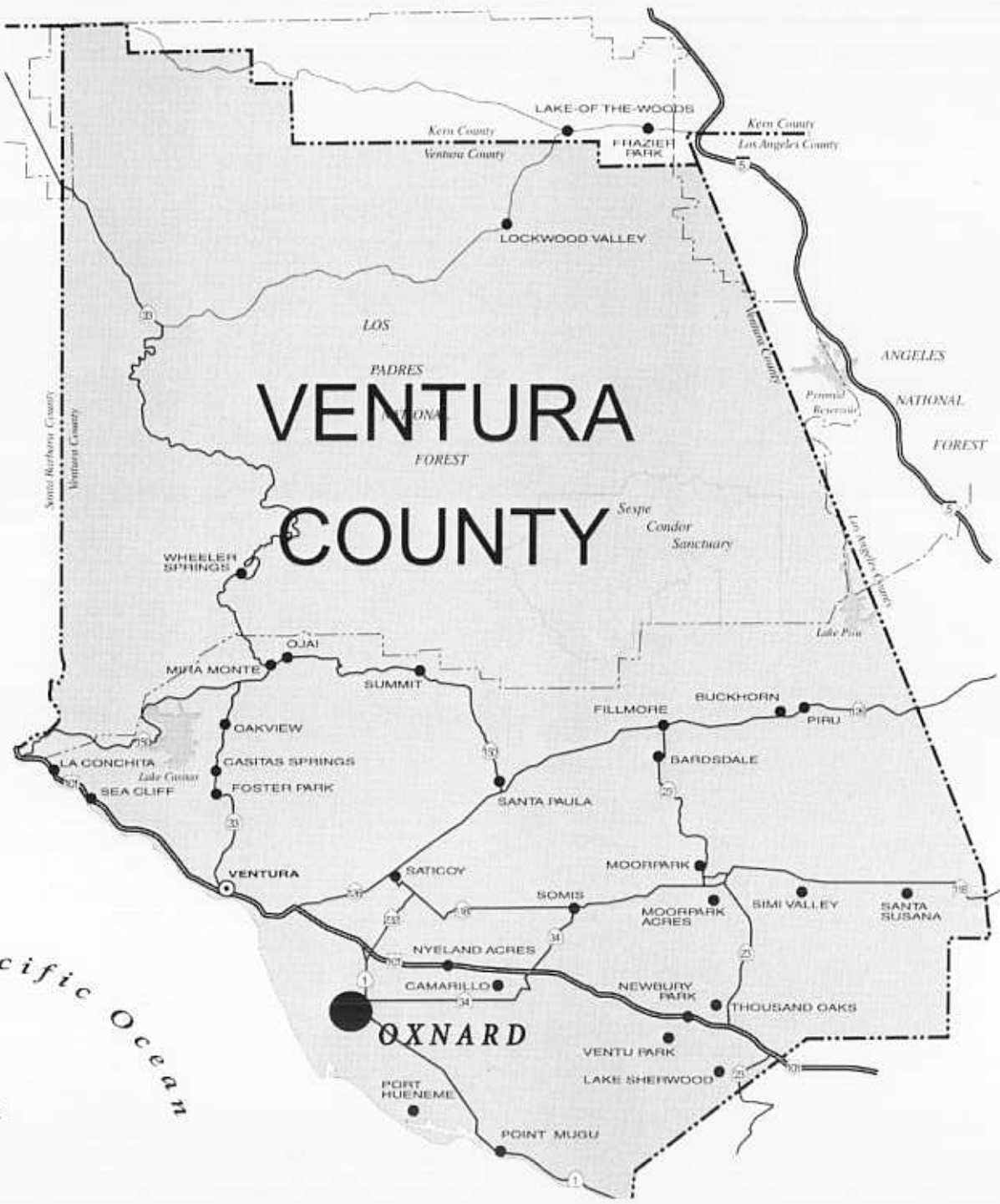
Structure: **Department** - Department Director - **Division** - (Division Manager) - Program

CITY OF OXNARD, CALIFORNIA

FINANCE DEPARTMENT



VICINITY MAP





Mayer Hoffman McCann P.C.
An Independent CPA Firm

INDEPENDENT AUDITORS' REPORT

Honorable City Council,
City of Oxnard, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oxnard, California management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2005, on our consideration of the City of Oxnard, State of California'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 conjunction with this report in considering the results of our audit.

SOUTHERN CALIFORNIA LOCATIONS

11601 WILSHIRE BOULEVARD, SUITE 2300 • LOS ANGELES, CA 90025 • PH 310.268.2000 • FAX 310.268.2001
5060 CALIFORNIA AVENUE, SUITE 800 • BAKERSFIELD, CA 93309 • PH 661.325.7500 • FAX 661.325.7004
300 ESPLANADE DRIVE, SUITE 250 • OXNARD, CA 93036 • PH 805.988.3222 • FAX 805.988.3220

The management's discussion and analysis and required supplementary information on pages 3 through 17 and 77 through 85 are not a required part of the basic financial statements but are 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 of Oxnard, California's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements 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 statistical tables 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.



Oxnard, California
October 20, 2005

Management's Discussion and Analysis

This Management's Discussion and Analysis (MD&A) provides an overview of financial activities of the City of Oxnard (City) for the fiscal year ended June 30, 2005. Please read this discussion and analysis in conjunction with the accompanying transmittal letter (page i), the basic financial statements (page 18), and the accompanying notes to the basic financial statements (page 29).

The financial statements presented herein include all financial activities of the City and its component units in accordance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government" (GASB 34).

The Government-Wide Financial Statements present the financial position of the City using the economic resources measurement focus and the accrual basis of accounting. These statements present governmental activities and business-type activities separately. Also, these statements include all assets of the City, as well as all liabilities, including long-term debt. Additionally, in accordance with GASB 34, certain eliminations have been made related to interfund activity, payables and receivables.

The Fund Financial Statements include governmental, proprietary and fiduciary funds. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds consist of agency funds, which only report a balance sheet and do not have a measurement focus. A reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is

provided to explain the differences created by the integrated approach under GASB 34.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

These statements report the City's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and economic trends, such as expansion and development.

In the Statement of Net Assets and the Statement of Activities, the City's activities are categorized as follows:

Management's Discussion and Analysis (continued)

Governmental Activities

Most of the City's basic services are reported in this category, including the general government activities, such as fire, police, public works, community development, parks, recreation and library services. Property and sales taxes, user fees, interest income, franchise fees, and State and federal grants finance these activities.

Business-Type Activities

The City charges a fee to customers to pay for the cost of certain services provided. The City's water and wastewater system, solid waste services, housing services, and the operations of the Performing Arts and Convention Center and River Ridge Golf Course are reported in this category.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Fund Financial Statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City establishes many other funds to help control and manage money for a particular purpose or to show that the City is meeting legal responsibilities for using certain taxes, grants, and other funds.

Governmental Funds

Most of the City's basic services are reported in governmental funds. These funds focus on reporting the flow of money into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services provided. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the Governmental Fund Financial Statements and the Government-Wide Financial Statements are explained in a reconciliation following the Government-Wide Financial Statements.

Proprietary Funds

When the City charges customers for services – whether to outside customers or to programs of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. The City's enterprise funds are the same as the business-type activities reported in the Government-Wide Financial Statements, but provide more detail and additional information, such as cash flows for each enterprise

Management's Discussion and Analysis (continued)

fund. The City also uses internal service funds to report activities that provide supplies and services for the City's internal programs and activities, such as the City's self-insurance, utility customer services, information services, facilities maintenance and equipment maintenance services.

Fiduciary Funds

The City is the trustee, or fiduciary, for certain funds established to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. These activities are excluded from the City's Government-Wide Financial Statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their specified purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The total net assets of the City as of June 30, 2005, were:

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 229,616,392	\$ 163,866,751	\$ 65,749,641
Restricted	23,879,998	19,891,555	3,988,443
Unrestricted	<u>219,535,696</u>	<u>250,371,602</u>	<u>(30,835,906)</u>
Total net assets	<u><u>\$ 473,032,086</u></u>	<u><u>\$ 434,129,908</u></u>	<u><u>\$ 38,902,178</u></u>

The total net assets of the City increased 8.96 percent from \$434.1 million at June 30, 2004, to \$473.0 million at June 30, 2005. The increase of \$38,902,178 derives from the change in net assets as recorded in the Statement of Activities and which flows through to the Statement of Net Assets.

Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities at June 30, 2005:

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>
Current assets	\$ 171,535,190	\$ 166,686,780	\$ 4,848,410
Capital assets (net of accumulated depreciation)	186,481,249	161,750,881	24,730,368
Properties held for resale	4,811,047	4,854,250	(43,203)
Other assets	<u>261,146</u>	<u>181,814</u>	<u>79,332</u>
Total assets	<u>363,088,632</u>	<u>333,473,725</u>	<u>29,614,907</u>
Current liabilities	51,198,751	50,672,527	526,224
Non-current liabilities	<u>83,089,563</u>	<u>74,673,693</u>	<u>8,415,870</u>
Total liabilities	<u>134,288,314</u>	<u>125,346,220</u>	<u>8,942,094</u>
Net assets:			
Invested in capital assets, net of related debt	131,874,401	104,613,981	27,260,420
Restricted	16,183,475	12,510,935	3,672,540
Unrestricted	<u>80,742,442</u>	<u>91,002,589</u>	<u>(10,260,147)</u>
Total net assets	<u><u>\$ 228,800,318</u></u>	<u><u>\$ 208,127,505</u></u>	<u><u>\$ 20,672,813</u></u>

At the end of Fiscal Year 2004-2005, the current assets are 47.24 percent of the total assets with the remaining 52.76 percent representing capital assets, net of accumulated depreciation, properties held for resale and other assets. The current liabilities are 38.13 percent of the total

Management's Discussion and Analysis (continued)

liabilities. The current ratio for governmental activities at the end of the year is \$3.35 of current assets for every \$1.00 of current liabilities. Of the total net assets, 57.64 percent was invested in capital assets, 7.07 percent was restricted, and the remaining 35.29 percent represented unrestricted which is available for future operations.

Net assets of the City's governmental activities as of June 30, 2005, and 2004 are comprised of the following:

	2005	2004	Increase (Decrease)
Invested in capital assets, net of related debt	\$ 131,874,401	\$ 104,613,981	\$ 27,260,420
Restricted	16,183,475	12,510,935	3,672,540
Unrestricted	80,742,442	91,002,589	(10,260,147)
Total net assets	\$ 228,800,318	\$ 208,127,505	\$ 20,672,813

The net assets of the City from governmental activities increased 9.93 percent from \$208.1 million at June 30, 2004, to 228.8 million at June 30, 2005. The increase of \$20,672,813 is mainly due to increase in capital assets net of related debt and restricted due to an increase in encumbrances related to Community Development Commission and City commitment to a commercial developer.

The cost of all governmental activities during Fiscal Year 2004-2005 was \$129,276,268. The amount that the City's taxpayers ultimately financed, however, was only \$71,271,081. Some of the cost of governmental activities was paid by those who directly benefitted from the programs (\$37,750,600) or by other government agencies and organizations that subsidized certain programs with operating grants and contributions (\$20,254,587).

Overall, the City generated program revenues from governmental activities amounting to \$58,005,187. The remaining cost of governmental

activities (\$71,271,081) was paid by the City's sources of general revenue (taxes and other general revenues).

The City's governmental activities include general government, public safety (police and fire services), transportation, community development, culture and leisure and libraries.

The following table presents the changes in net assets for governmental activities for the year ended June 30, 2005:

	2005	2004	Increase (Decrease)
Program revenues:			
Charges for services	\$ 37,750,600	\$ 28,845,996	\$ 8,904,604
Operating grants and other contributions	20,254,587	34,560,771	(14,306,184)
General revenues:			
Taxes	84,617,850	69,686,375	14,931,475
Fines and forfeitures	1,248,242	1,198,457	49,785
Infrastructure use	1,809,146	1,809,146	—
Other program revenue	2,240,492	4,809,674	(2,569,182)
Interest on investments	3,911,106	4,547,276	(636,170)
Total revenues	<u>151,832,023</u>	<u>145,457,695</u>	<u>6,374,328</u>
Expenses:			
General government	13,646,432	12,911,930	734,502
Public safety	68,542,046	58,758,103	9,783,943
Transportation	9,912,068	8,595,630	1,316,438
Community development	18,937,934	18,590,562	347,372
Culture and leisure	12,018,761	11,177,403	841,358
Libraries	3,919,671	3,940,974	(21,303)
Interest on long-term debt	2,299,356	2,305,762	(6,406)
Total expenses	<u>129,276,268</u>	<u>116,280,364</u>	<u>12,995,904</u>
Change in net assets	22,555,755	29,177,331	(6,621,576)
Transfers out	(1,882,942)	(1,778,579)	(104,363)
Changes in net assets - governmental activities	\$ 20,672,813	\$ 27,398,752	\$ (6,725,939)
Net assets - July 1	<u>208,127,505</u>	<u>180,728,753</u>	<u>27,398,752</u>
Net assets - June 30	<u>\$ 228,800,318</u>	<u>\$ 208,127,505</u>	<u>\$ 20,672,813</u>

Management's Discussion and Analysis (continued)

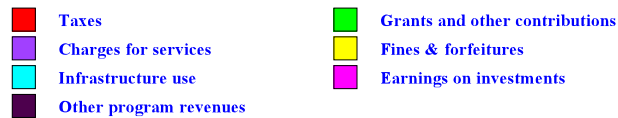
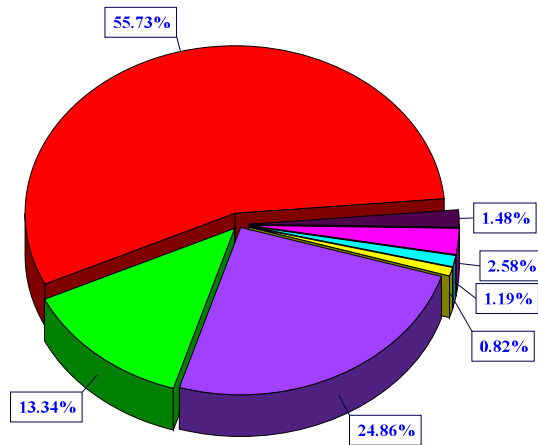
Governmental activities

Sources of revenues:	2005	2004	Increase (Decrease)
Taxes	\$ 84,617,850	\$ 69,686,375	\$ 14,931,475
Grants and other contributions	20,254,587	34,560,771	(14,306,184)
Charges for services	37,750,600	28,845,996	8,904,604
Fines and forfeitures	1,248,242	1,198,457	49,785
Infrastructure	1,809,146	1,809,146	—
Earnings on investments	3,911,106	4,547,276	(636,170)
Other program revenues	2,240,492	4,809,674	(2,569,182)
Total	\$ 151,832,023	\$ 145,457,695	\$ 6,374,328

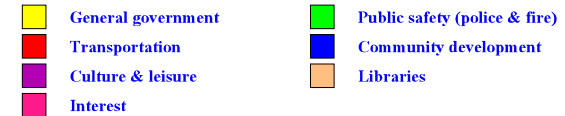
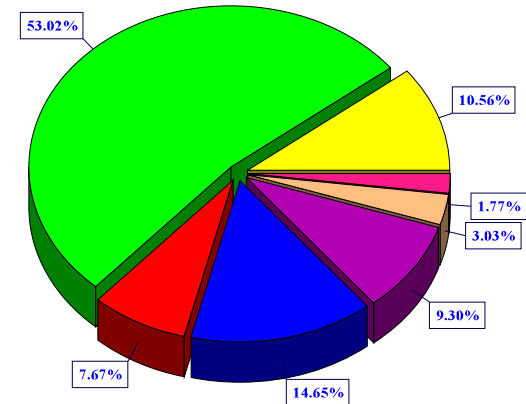
Governmental activities

Functional expenses:	2005	2004	Increase (Decrease)
General government	\$ 13,646,432	\$ 12,911,930	\$ 734,502
Public safety (police and fire)	68,542,046	58,758,103	9,783,943
Transportation	9,912,068	8,595,630	1,316,438
Community development	18,937,934	18,590,562	347,372
Culture and leisure	12,018,761	11,177,403	841,358
Libraries	3,919,671	3,940,974	(21,303)
Interest	2,299,356	2,305,762	(6,406)
Total	\$ 129,276,268	\$ 116,280,364	\$ 12,995,904

Sources of Revenues

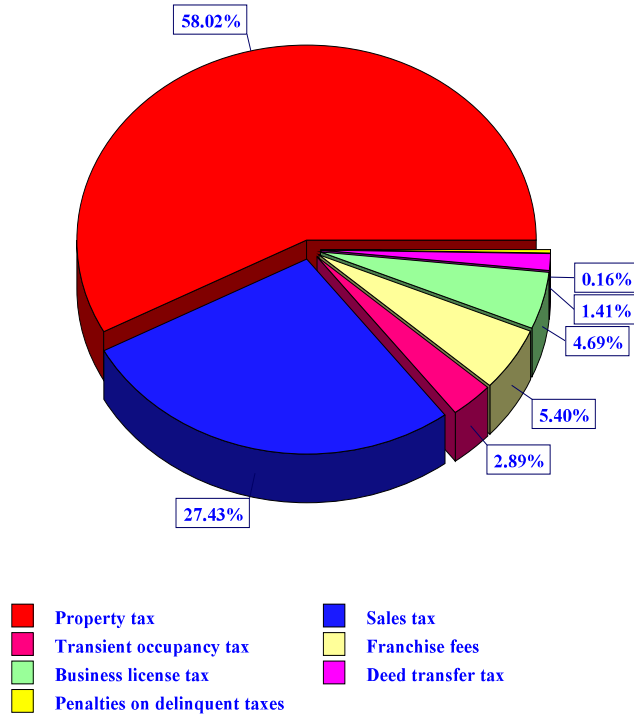


Functional Expenses



Management's Discussion and Analysis (continued)

Sources of Tax Revenues



The City's total sources of revenue showed a major increase of \$6,374,328 as compared to last fiscal year. The major increase in sources of revenue in Fiscal Year 2004-2005 came from taxes (\$14,931,475), followed by charges for services (\$8,904,604) and fine and forfeitures (\$49,785). However, operating grants and other contributions showed decreases of (\$14,306,184), other program revenues (\$2,569,182), and

earnings on investments (\$636,170), respectively. Overall revenue increases offset revenue decreases with a net revenue increase of 4.38 percent during the fiscal year.

Taxes, which are the largest source of revenue for the City, increased by \$14,931,475 or 21.43 percent, which is due to an increase in property tax (\$13,851,488), sales tax (\$440,283) and franchise tax (\$853,289), however, a decrease in business licenses (\$418,273) and penalties and interest (\$55,405). The continued construction and sale of new residential houses contributed to the increase in property taxes. Also, the City's sales tax increased by 1.93 percent or \$440,283. The reduced investment earnings of \$636,170 attributed to lower investment yields.

Sources of tax revenues for the fiscal years ended June 30, 2005, and 2004 are as follows:

Sources of tax:	2005	2004	Increase (Decrease)
Property tax	\$ 49,096,920	\$ 35,245,432	\$ 13,851,488
Sales tax	23,212,641	22,772,358	440,283
Transient occupancy tax	2,445,468	2,222,553	222,915
Franchise fees	4,572,206	3,718,917	853,289
Business license tax	3,967,972	4,386,245	(418,273)
Deed transfer tax	1,196,393	1,159,215	37,178
Penalties on delinquent taxes	126,250	181,655	(55,405)
Total	\$ 84,617,850	\$ 69,686,375	\$ 14,931,475

Management's Discussion and Analysis (continued)

Business-Type Activities

The following schedule summarizes the financial condition of the City's business-type activities at June 30, 2005:

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>
Current assets	\$ 176,790,447	\$ 182,762,774	\$ (5,972,327)
Capital assets (net of accumulated depreciation)	324,614,707	267,215,166	57,399,541
Other assets	1,630,237	630,608	999,629
Total assets	<u>503,035,391</u>	<u>450,608,548</u>	<u>52,426,843</u>
Current liabilities	18,987,637	15,017,621	3,970,016
Non-current liabilities	239,815,986	209,588,524	30,227,462
Total liabilities	<u>258,803,623</u>	<u>224,606,145</u>	<u>34,197,478</u>
Net assets:			
Invested in capital assets (net of related debt)	97,741,991	59,252,770	38,489,221
Restricted	7,696,523	7,380,620	315,903
Unrestricted	138,793,254	159,369,013	(20,575,759)
Total net assets	<u>\$ 244,231,768</u>	<u>\$ 226,002,403</u>	<u>\$ 18,229,365</u>

The business-type activities showed a positive current ratio at June 30, 2005 - \$9.31 of current assets for every \$1.00 of current liabilities. Of the total net assets, 40.02 percent was invested in capital assets, 3.15 percent represented restricted net assets, and 56.83 percent was unrestricted which is available for future operations.

Net assets of the City's business-type activities as of June 30, 2005, and 2004 are as follows:

	<u>2005</u>	<u>2004</u>	<u>Increase (Decrease)</u>
Invested in capital assets, net of related debt	\$ 97,741,991	\$ 59,252,770	\$ 38,489,221
Restricted for:			
Debt service	7,696,523	7,380,620	315,903
Unrestricted	138,793,254	159,369,013	(20,575,759)
Total net assets	<u>\$ 244,231,768</u>	<u>\$ 226,002,403</u>	<u>\$ 18,229,365</u>

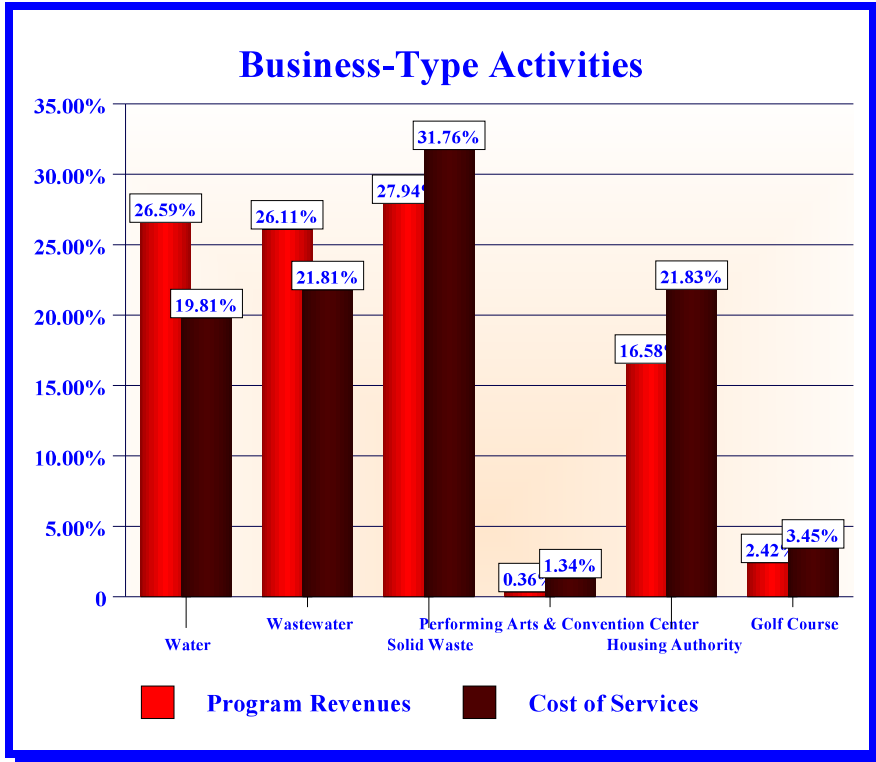
The net assets of the City's business-type activities increased 8.07 percent from \$226.00 million at June 30, 2004, to \$244.23 million at June 30, 2005. The increase of \$18,229,365 is primarily due to an increase in invested in capital assets net of related debt and an increase in restricted for debt service.

Total expenses for business-type activities for the year ended June 30, 2005, was \$116,854,140. Program revenues are primarily comprised of charges for services in the amount of \$129,115,686.

General revenues consist of earnings on investments \$4,486,577. Transfers from governmental activities amounted to \$1,481,242.

The City's business-type activities include: Water, Wastewater, Solid Waste, Performing Arts and Convention Center, Oxnard Housing Authority, and River Ridge Golf Course.

Management's Discussion and Analysis (continued)



The following table presents the changes in net assets for business-type activities for the year ended June 30, 2005:

	2005	2004	Increase (Decrease)
Program revenues:			
Charges for services	\$ 129,115,686	\$ 115,782,822	\$ 13,332,864
General revenues:			
Earnings on investments	4,486,577	2,080,206	2,406,371
Total revenues	<u>133,602,263</u>	<u>117,863,028</u>	<u>15,739,235</u>
Expenses:			
Water	23,152,648	23,636,082	(483,434)
Wastewater	25,482,133	18,960,096	6,522,037
Solid waste	37,117,879	35,070,009	2,047,870
Performing arts and convention center	1,565,920	1,402,812	163,108
Oxnard housing authority	25,507,125	24,462,843	1,044,282
Municipal golf course	4,028,435	3,130,165	898,270
Total expenses	<u>116,854,140</u>	<u>106,662,007</u>	<u>10,192,133</u>
Changes in net assets before transfers	16,748,123	11,201,021	5,547,102
Transfers in	1,481,242	1,488,793	(7,551)
Changes in net assets - business-type activities	<u>\$ 18,229,365</u>	<u>\$ 12,689,814</u>	<u>\$ 5,539,551</u>

The chart on the left illustrates the comparison of the program revenues (charges for services) against the total cost of services.

Management's Discussion and Analysis (continued)

FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

General Fund

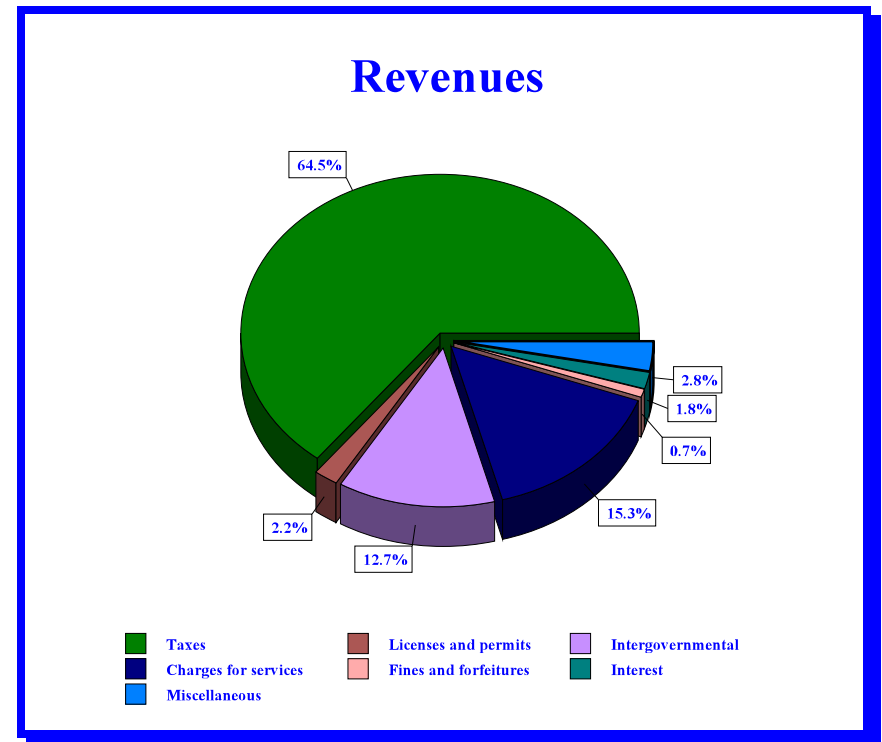
The General Fund accounts for all financial resources traditionally associated with government activities that are not required legally to be accounted for in another fund.

The General Fund ended the year with a fund balance of \$23,398,395, which is a decrease of \$3,180,591 as compared to the prior fiscal year. The fund balance is designated into categories for legally reserved or restricted (\$4,201,060) and unreserved, undesignated fund balance available for future operations (\$19,197,335). The General Fund showed a strong fund balance, which is over the 15 percent contingency reserve required by the City Council.

General Fund revenues for the year ended June 30, 2005, were \$97,905,723. The revenues increased by \$11,492,196 (13.30 percent). This increase is due primarily to an increase in taxes (\$11,448,001), and charges for services (\$4,083,846) offset by a decrease in intergovernmental (\$3,356,729) and licenses and permits (\$65,781).

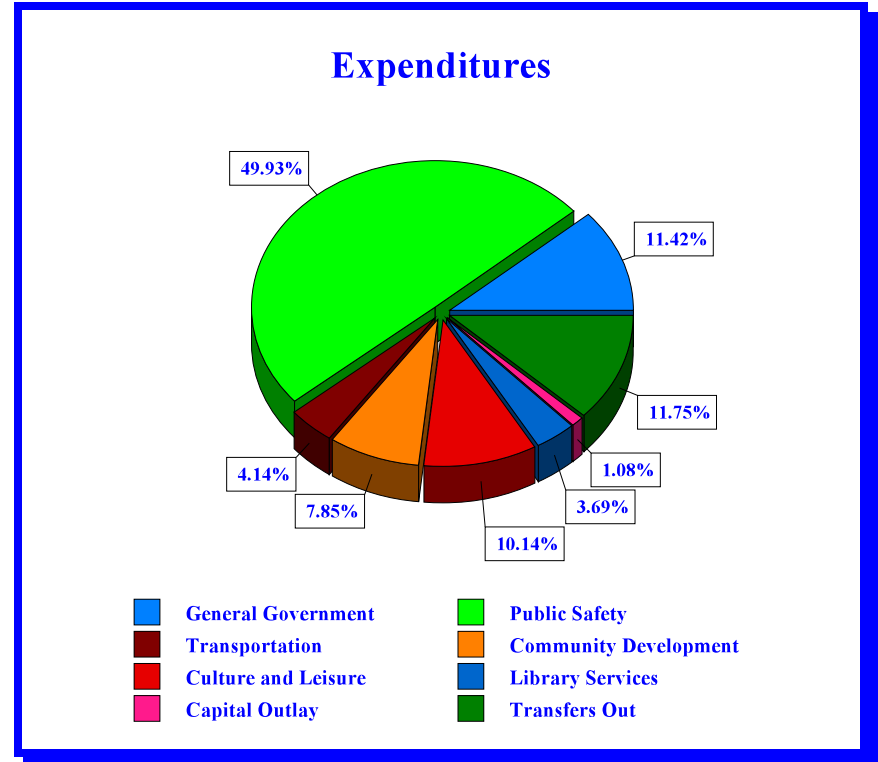
General Fund expenditures, including transfers out, for the year ended June 30, 2005, reported an increase of \$13,442,780 from \$87,643,534 in Fiscal Year 2003-2004 to \$101,086,314 in Fiscal Year 2004-2005. Major increases were in public safety (\$3,882,285), transportation (\$534,986), culture and leisure and library revenues (\$304,571), general government (\$369,761) and community development (\$2,769,582). The increase in public safety expenditures reflected the City Council's continued

commitments to fighting crimes and gang violence to maintain a peaceful and crime free community.



Management's Discussion and Analysis (continued)

	2005	2004	Increase (Decrease)
General fund revenues:			
Taxes	\$ 63,143,970	\$ 51,695,969	\$ 11,448,001
Licenses and permits	2,116,934	2,182,715	(65,781)
Intergovernmental	12,468,242	15,824,971	(3,356,729)
Charges for services	14,994,785	10,910,939	4,083,846
Fines and forfeitures	658,454	643,934	14,520
Interest	1,759,629	2,457,348	(697,719)
Miscellaneous	2,763,709	2,697,651	66,058
Total	<u>\$ 97,905,723</u>	<u>\$ 86,413,527</u>	<u>\$ 11,492,196</u>
General fund expenditures:			
General government	\$ 11,541,781	\$ 11,172,020	\$ 369,761
Public safety	50,470,467	46,588,182	3,882,285
Transportation	4,187,456	3,652,470	534,986
Community development	7,932,500	5,162,918	2,769,582
Culture and leisure	10,248,086	9,943,515	304,571
Library services	3,731,437	3,818,769	(87,332)
Capital outlay	1,090,198	1,118,408	(28,210)
Transfers out	11,884,389	6,187,252	5,697,137
Total	<u>\$ 101,086,314</u>	<u>\$ 87,643,534</u>	<u>\$ 13,442,780</u>



Major Special Revenue Funds

Development Fees Fund:

Growth and development fees revenue for the year was \$11,192,773, which is 7.37 percent of the City's total revenues, as compared to 6.98 percent for prior year. Expenditures and transfers out totaled \$8,953,191 as compared to \$7,170,180 for prior year. The increase of 24.87 percent is due to capital outlay.

HUD and CDBG Grants Fund:

Grant revenue for this fund totaled \$3,446,786, as compared to \$5,893,824 for prior fiscal year. The decrease of \$2,447,038 is due to a decrease in grant funding in the HUD and CDBG grants program. Expenditures for the Fiscal Year 2004-2005 totaled \$3,446,786 and \$5,893,824 for prior fiscal year. The decrease of \$2,447,038 is due to community development and capital outlay expenditures.

Management's Discussion and Analysis (continued)

State and Federal Grants Fund:

During Fiscal Year 2004-2005, this fund generated a total revenue of \$17,599,729, consisting of 56.33 percent of voter-approved property tax for public safety supplemental retirement; 35.64 percent of grant revenues (related primarily to transportation and public safety grants) and the remaining 8.03 percent representing miscellaneous revenues. For the fiscal year, the fund showed an excess (deficit) of revenues over expenditures (\$1,667,290), decreasing the fund balance to \$10,612,406.

Capital Outlay Fund and Community Development Commission Fund:

The Capital Outlay Fund showed a decrease in fund balance of \$3,961,040, the Community Development Commission Fund showed an increase of \$4,698,279, and the Debt Service Fund an increase in balance of \$227,334. All funds ended the year with positive fund balances.

Enterprise Funds

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises, wherein the cost of goods and services to the general public are financed or recovered primarily through user charges. The City's enterprise operations consist of Water, Wastewater, and Solid Waste. The cultural and recreation activities are the River Ridge Golf Course and the Performing Arts and Convention Center. The Oxnard Housing Authority is also included in the City's enterprise activities.

The enterprise operations showed an increase in revenues amounting to \$16,183,900 as compared to the prior fiscal year. Similarly, expenses

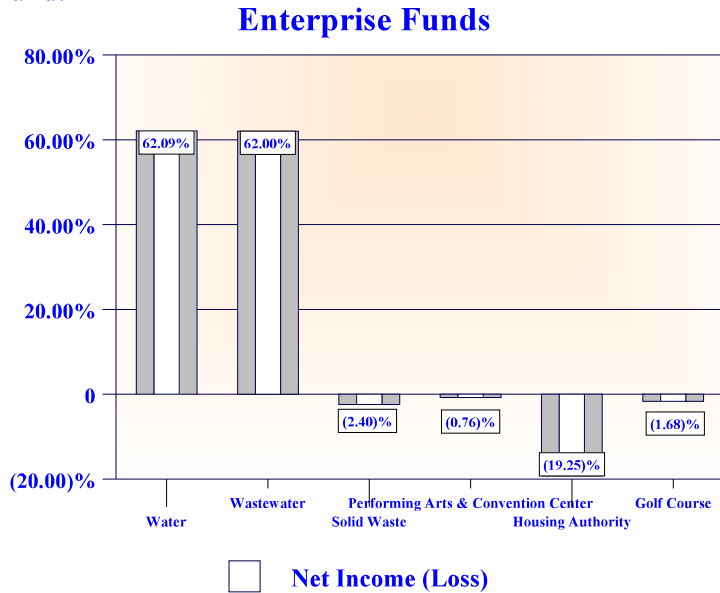
indicated an increase totaling \$4,131,426 in Fiscal Year 2005. Total net income for the year ended June 30, 2005, was \$18,551,799, which increased net assets to \$244,231,768 (after allocating Internal Services Funds losses) from \$226,002,404 as of the prior year end.

The following presents the net income (loss) for the City's enterprise funds for the years ended June 30, 2005, and 2004:

	<u>2005</u>	<u>2004</u>	<u>Change</u>
Water	\$ 11,519,332	\$ 5,696,492	\$ 5,822,840
Wastewater	11,501,918	4,531,308	6,970,610
Solid waste	(445,374)	(1,475,691)	1,030,317
Performing arts and convention center	(140,612)	(92,466)	(48,146)
Oxnard housing authority	(3,570,611)	(1,388,700)	(2,181,911)
Municipal golf course	(312,854)	5,016,531	(5,329,385)
Total	<u>\$ 18,551,799</u>	<u>\$ 12,287,474</u>	<u>\$ 6,264,325</u>

Management's Discussion and Analysis (continued)

Overall, the enterprise funds continue to exhibit a positive financial position at June 30, 2005, maintaining a high percentage of contingency reserve in comparison to the City's established reserve requirement for each fund.



machinery and equipment, and construction in progress). The City's investments in capital assets increased by 40.12 percent from the prior year. The majority of this increase related to governmental activities (\$27,260,420) and business-type activities (\$38,489,221).

Major capital assets additions during Fiscal Year 2004-2005 included the following:

- Acquisitions of equipment, solid waste trucks, police vehicles and computer equipment
- Construction in progress for water, wastewater and solid waste projects
- A variety of street and storm drain projects in new residential development, paving, street widening and slurry sealing for existing streets continues throughout the City
- Various improvements and additions to utilities systems still under construction.

The following table provides a breakdown of the City's capital assets at June 30, 2005:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 24,763,116	\$ 22,634,583	\$ 22,164,745	\$ 22,164,745	\$ 46,927,861	\$ 44,799,328
Land improvements	110,590	125,240	—	—	110,590	125,240
Construction in progress	22,605,158	60,883,905	98,339,137	101,582,806	120,944,295	162,466,711
Buildings	23,835,515	19,581,718	28,877,659	29,323,113	52,713,174	48,904,831
Improvements other than buildings	105,551,621	49,706,459	169,892,411	107,183,406	275,444,032	156,889,865
Machinery and equipment	9,615,249	8,818,976	5,340,755	6,961,096	14,956,004	15,780,072
Total	<u>\$ 186,481,249</u>	<u>\$ 161,750,881</u>	<u>\$ 324,614,707</u>	<u>\$ 267,215,166</u>	<u>\$ 511,095,956</u>	<u>\$ 428,966,047</u>

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2005, amounts to \$511,095,956 (net of accumulated depreciation). The City's capital assets include land, land improvements, buildings, improvements other than buildings (systems,

Management's Discussion and Analysis (continued)

Additional information on the City's capital assets can be found in Note 6 to the Basic Financial Statements.

DEBT ADMINISTRATION

The City uses a variety of tax increment, revenue and lease indebtedness to finance various capital acquisitions. At June 30, 2005, the City's long-term debt outstanding, including compensated absences was \$306,381,175. Of this total, \$66,663,224 was in governmental activities and \$239,717,951 was in business-type activities. More detailed information about the City's total long-term liabilities are presented in Note 7 to the financial statement.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2005:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Tax allocation bonds	\$ 18,546,589	\$ 19,086,766	\$ —	\$ —	\$ 18,546,589	\$ 19,086,766
Revenue bonds	21,607,009	22,874,301	234,909,067	210,783,118	256,516,076	233,657,419
Capital leases	1,412,398	1,729,354	2,469,070	2,916,139	3,881,468	4,645,493
Notes and loans payable	5,205,852	5,621,475	—	—	5,205,852	5,621,475
Certificate of participation	7,835,000	8,045,000	—	—	7,835,000	8,045,000
Total	<u>\$ 54,606,848</u>	<u>\$ 57,356,896</u>	<u>\$ 237,378,137</u>	<u>\$ 213,699,257</u>	<u>\$ 291,984,985</u>	<u>\$ 271,056,153</u>

The tax allocation bonds are paid from the increment revenues of property taxes levied within the City's redevelopment and renewal areas. The Central City Revitalization Project and other redevelopment areas

currently are accounted for by the Oxnard Community Development Commission.

Revenue bonds include issues used to finance projects for public parking, civic auditorium, wastewater and treatment plant expansion, water, golf course, solid waste improvements and public housing. Debt service on these issues is paid from the revenues of the appropriate enterprise funds and the General Fund.

The City has, on several occasions, used single investor loans to lease-purchase equipment. The City's capital lease obligations at June 30, 2005, amounted to \$3,881,468.

The General Fund pays debt service on approximately 5 percent of the City's outstanding debt. The remainder is paid from a variety of other funding sources including property tax collections, residential growth fee collection, property owner special taxes, water and sewer utility rates, golf course net income and property tax increments. Some of the debt which is paid by the General Fund is supported by external sources specifically intended to support the retirement of the debt.

The State mandates a limit on general obligation debt of 15 percent of true cash value of all taxable property within the City boundaries. At June 30, 2005, this limit was \$1,671,493,283.

Management's Discussion and Analysis (continued)

BUDGETING

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found on pages 77 through 84. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgets are prepared on the modified accrual basis of accounting consistent with GAAP except that encumbrances are included in budgeted expenditures.

Appropriations lapse at year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the department level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated within a division and between divisions within a department without City Council approval.

General Fund Budgetary Highlights

The General Fund final budget differs from the original budget by 11.97 percent. The components of this increase are briefly summarized as follows: \$70,000 increase is for City Attorney Special Litigation services in connection with the environmental review and permitting processes; \$82,801 is for Oxnard Convention and Visitors Bureau; \$500,000 is for

Planning and Environmental Services temporary staffing and hardware/software for document imaging and funding for the 2020 General Plan Update; \$209,450 is for Fire Suppression and Prevention additional funding for overtime and two additional(2) fire inspectors; \$93,045 is for Library Circulation Services and supplies and for literacy outreach program; \$1,613,950 is for Police Department Patrol/Support Services partial funding of 12 police officers II and III requested and 3 Police Sergeants for Central Business District staffing, support services Police Records Technician I, investigations funding for supporting equipment and patrol overtime for enhanced gang enforcement efforts; \$130,000 for Recreation and Community Services additional funding to enhance youth enrichment activities and repairs for the South Oxnard Center; and \$252,753 for Public Works addition of three Grounds worker I/II and funding for two Waterways Maintenance Assessment District.

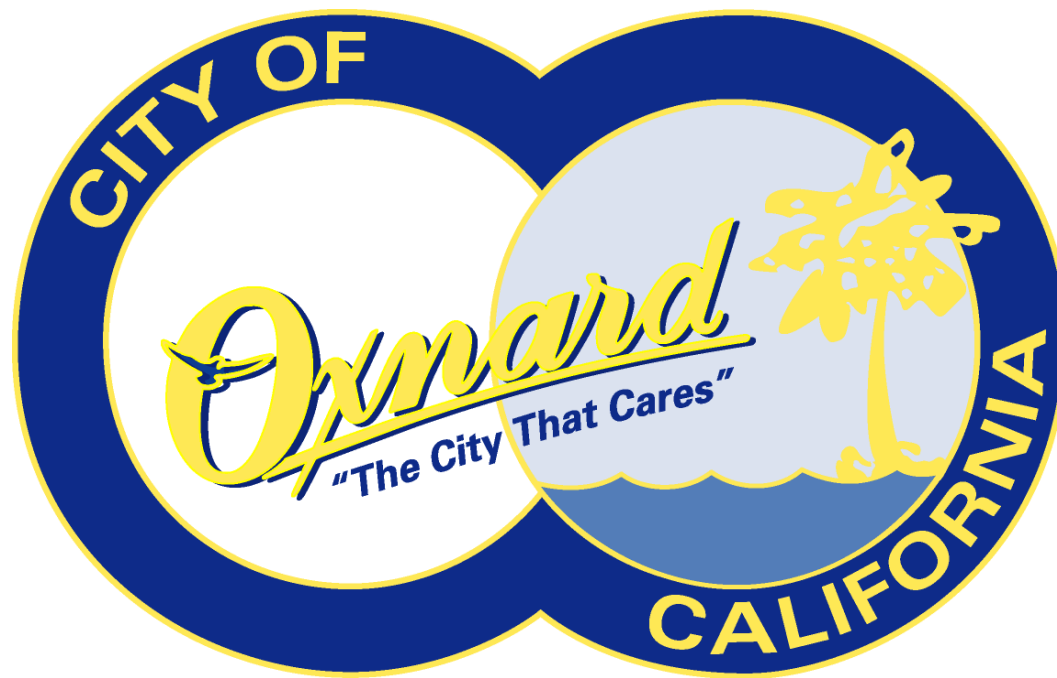
During the year, General Fund revenues met budgetary estimates while expenditures were less than budgetary estimates. Actual expenditures exceeded actual revenues (net of transfers in and out) by \$3,180,591 for Fiscal Year 2004-2005.

The General Fund budget to actual statements can be found on page 77 through 81 of this report.

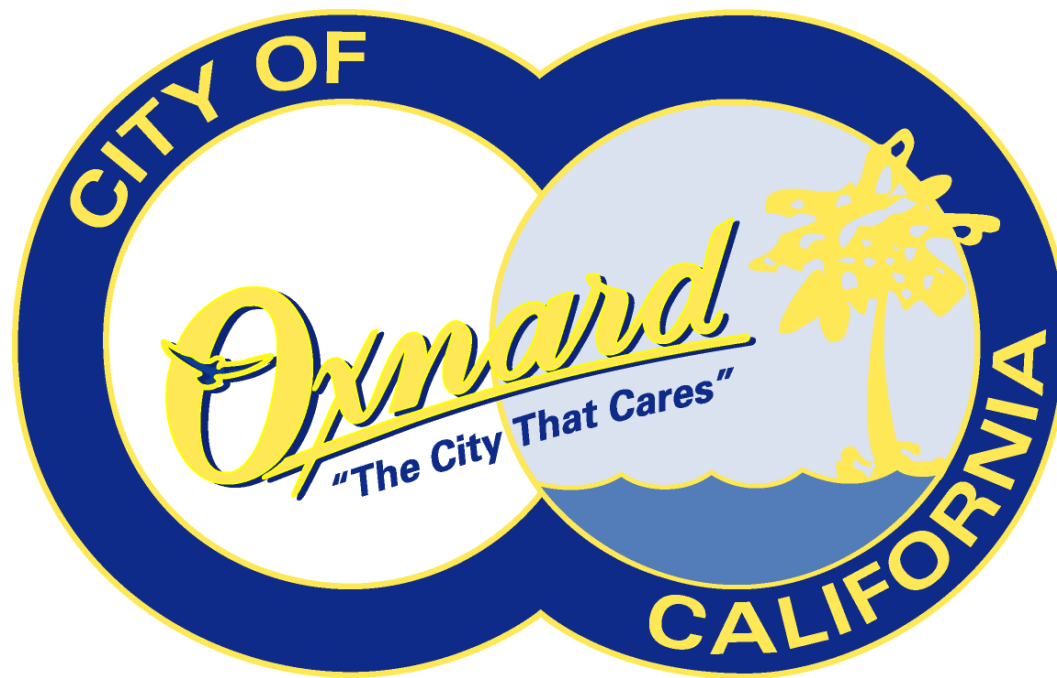
Management's Discussion and Analysis (continued)

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Management's Discussion and Analysis is designed to provide the City's residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this document, separate reports of the City's component units, or wish any additional financial information, contact the Office of the Director of Finance at 300 West Third Street, Oxnard, California, 93030.



BASIC FINANCIAL STATEMENTS



City of Oxnard, California

*Statement of Net Assets
June 30, 2005*

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 135,160,755	\$ 48,020,823	\$ 183,181,578
Investments with fiscal agents	15,014,241	112,251,468	127,265,709
Accounts and other receivables	10,975,243	15,572,548	26,547,791
Notes receivable	—	66,175	66,175
Due from other funds	2,600,000	129,226	2,729,226
Due from other governments	7,686,916	—	7,686,916
Advances to other funds	98,035	—	98,035
Property held for resale	4,811,047	—	4,811,047
Other assets	261,146	750,207	1,011,353
Restricted assets:			
Investments with fiscal agents	—	1,630,237	1,630,237
Capital assets not being depreciated:			
Land	24,763,116	22,164,745	46,927,861
Construction in progress	22,605,158	98,339,137	120,944,295
Capital assets, net of accumulated depreciation:			
Land improvements	110,590	—	110,590
Buildings	23,835,515	28,877,659	52,713,174
Improvement other than buildings	105,551,621	169,892,411	275,444,032
Machinery and equipment	9,615,249	5,340,755	14,956,004
Total assets	<u>363,088,632</u>	<u>503,035,391</u>	<u>866,124,023</u>
LIABILITIES			
Accounts payable	8,593,758	16,752,425	25,346,183
Other liabilities	22,198,556	2,235,212	24,433,768
Deferred revenues	17,677,211	—	17,677,211
Due to other funds	2,729,226	—	2,729,226
Non-current liabilities:			
Advances from other funds	—	98,035	98,035
Due within one year	8,334,414	7,123,803	15,458,217
Due in more than one year	51,722,434	231,354,334	283,076,768
Self-insurance claims liabilities	16,426,339	—	16,426,339
Compensated absences	6,606,376	1,239,814	7,846,190
Total liabilities	<u>134,288,314</u>	<u>258,803,623</u>	<u>393,091,937</u>
NET ASSETS			
Invested in capital assets, net of related debt	131,874,401	97,741,991	229,616,392
Restricted for:			
Debt service	1,024,025	7,696,523	8,720,548
Community services	5,392,229	—	5,392,229
Capital projects	4,811,047	—	4,811,047
Other purposes	4,956,174	—	4,956,174
Unrestricted	80,742,442	138,793,254	219,535,696
Total net assets	<u>\$ 228,800,318</u>	<u>\$ 244,231,768</u>	<u>\$ 473,032,086</u>

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

City of Oxnard, California

*Statement of Activities
For the Year Ended June 30, 2005*

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>		
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
FUNCTIONS/PROGRAMS						
Primary government:						
Governmental activities:						
General government	\$ 13,646,432	\$ 3,218,135	\$ 4,078,621	\$ (6,349,676)	—	\$ (6,349,676)
Public safety	68,542,046	5,306,818	7,430,218	(55,805,010)	—	(55,805,010)
Transportation	9,912,068	2,468,510	6,027,794	(1,415,764)	—	(1,415,764)
Community development	18,937,934	23,822,460	2,071,007	6,955,533	—	6,955,533
Culture and leisure	12,018,761	2,725,055	102,054	(9,191,652)	—	(9,191,652)
Libraries	3,919,671	209,622	544,893	(3,165,156)	—	(3,165,156)
Interest on long-term debt	2,299,356	—	—	(2,299,356)	—	(2,299,356)
Total governmental activities	129,276,268	37,750,600	20,254,587	(71,271,081)	—	(71,271,081)
Business-type activities:						
Water	23,152,648	34,334,436	—	—	11,181,788	11,181,788
Wastewater	25,482,133	33,709,319	—	—	8,227,186	8,227,186
Solid waste	37,117,879	36,071,999	—	—	(1,045,880)	(1,045,880)
Performing arts and convention center	1,565,920	468,732	—	—	(1,097,188)	(1,097,188)
Oxnard housing authority	25,507,125	21,411,579	—	—	(4,095,546)	(4,095,546)
Municipal golf course	4,028,435	3,119,621	—	—	(908,814)	(908,814)
Total business-type activities	116,854,140	129,115,686	—	—	12,261,546	12,261,546
Total primary government	\$ 246,130,408	\$ 166,866,286	\$ 20,254,587	\$ (71,271,081)	\$ 12,261,546	\$ (59,009,535)
General revenues:						
Taxes:						
Property tax				49,096,920	—	49,096,920
Sales tax				23,212,641	—	23,212,641
Transient occupancy tax				2,445,468	—	2,445,468
Franchise tax				4,572,206	—	4,572,206
Deed transfer tax				1,196,393	—	1,196,393
Business license tax				3,967,972	—	3,967,972
Penalties and interest				126,250	—	126,250
Special assessment				2,240,492	—	2,240,492
Fines and forfeitures				1,248,242	—	1,248,242
Infrastructure use				1,809,146	—	1,809,146
Interest on investments				3,911,106	4,486,577	8,397,683
Transfers				(1,882,942)	1,481,242	(401,700)
Total general revenues and transfers				91,943,894	5,967,819	97,911,713
Change in net assets				20,672,813	18,229,365	38,902,178
Net assets - July 1				208,127,505	226,002,403	434,129,908
Net assets - June 30				\$ 228,800,318	\$ 244,231,768	\$ 473,032,086

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

City of Oxnard, California

*Balance Sheet
Governmental Funds
June 30, 2005*

	<u>General Fund</u>	<u>Development Fees Fund</u>	<u>HUD and CDBG Grants Fund</u>	<u>State and Federal Grants Fund</u>	<u>Debt Service Fund</u>	<u>Capital Outlay Fund</u>	<u>Community Development Commission Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS									
Cash and cash equivalents	\$ 40,453,152	\$ 38,838,690	\$ —	\$ 14,647,590	\$ 227,334	\$ 4,692,221	\$ 14,146,512	\$ 6,318,299	\$ 119,323,798
Investments with fiscal agents	—	—	—	—	796,691	9,128,809	5,088,741	—	15,014,241
Accounts and other receivables	2,150,858	33,273	4,505,744	3,566,489	—	402,765	6,026	274,288	10,939,443
Due from other funds	2,600,000	—	—	—	—	—	—	—	2,600,000
Due from other governments	4,109,192	—	2,754,484	—	—	—	823,240	—	7,686,916
Properties held for resale	—	—	—	—	—	—	4,811,047	—	4,811,047
Advances to other funds	98,035	—	—	—	—	—	—	—	98,035
Other assets	—	—	261,146	—	—	—	—	—	261,146
Total assets	<u>\$ 49,411,237</u>	<u>\$ 38,871,963</u>	<u>\$ 7,521,374</u>	<u>\$ 18,214,079</u>	<u>\$ 1,024,025</u>	<u>\$ 14,223,795</u>	<u>\$ 24,875,566</u>	<u>\$ 6,592,587</u>	<u>\$ 160,734,626</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$ 901,163	\$ 155,502	\$ 2,398,408	\$ 2,879,066	\$ —	\$ 7,601	\$ 367,819	\$ 1,112,123	\$ 7,821,682
Other liabilities	21,262,179	58,892	44,281	398,658	—	8,245	49,411	96,274	21,917,940
Due to other funds	—	—	—	—	—	129,226	2,600,000	—	2,729,226
Deferred revenues	3,849,500	149,193	5,078,685	4,323,949	—	2,252,062	858,299	1,165,523	17,677,211
Total liabilities	<u>26,012,842</u>	<u>363,587</u>	<u>7,521,374</u>	<u>7,601,673</u>	<u>—</u>	<u>2,397,134</u>	<u>3,875,529</u>	<u>2,373,920</u>	<u>50,146,059</u>
Fund balances									
Reserved for:									
Encumbrances	3,713,299	—	—	—	—	—	—	—	3,713,299
Receivables	—	—	—	—	—	—	823,240	—	823,240
Repayment of debt	—	—	—	—	1,024,025	—	—	—	1,024,025
Advances	98,035	—	—	—	—	—	—	—	98,035
Restricted revenue	68,126	235,362	—	—	—	—	5,088,741	—	5,392,229
Carryover savings	321,600	—	—	—	—	—	—	—	321,600
Capital project funds	—	—	—	—	—	—	4,811,047	—	4,811,047
Unreserved									
General fund	19,197,335	—	—	—	—	—	—	—	19,197,335
Special revenue funds	—	38,273,014	—	10,612,406	—	—	—	4,218,667	53,104,087
Capital project funds	—	—	—	—	—	11,826,661	10,277,009	—	22,103,670
Total fund balances	<u>23,398,395</u>	<u>38,508,376</u>	<u>—</u>	<u>10,612,406</u>	<u>1,024,025</u>	<u>11,826,661</u>	<u>21,000,037</u>	<u>4,218,667</u>	<u>110,588,567</u>
Total liabilities and fund balances	<u>\$ 49,411,237</u>	<u>\$ 38,871,963</u>	<u>\$ 7,521,374</u>	<u>\$ 18,214,079</u>	<u>\$ 1,024,025</u>	<u>\$ 14,223,795</u>	<u>\$ 24,875,566</u>	<u>\$ 6,592,587</u>	<u>\$ 160,734,626</u>

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

City of Oxnard, California

*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2005*

	<u>Total Governmental Funds</u>	<u>Internal Service Funds</u>	<u>General Fixed Assets Group</u>	<u>General Long- Term Debt Group</u>	<u>Eliminations</u>	<u>Total Statement of Net Assets</u>
ASSETS						
Current:						
Cash and cash equivalents	\$ 119,323,798	\$ 15,836,957	\$ —	\$ —	\$ —	\$ 135,160,755
Investments with fiscal agents	15,014,241	—	—	—	—	15,014,241
Accounts and other receivables	10,939,443	35,800	—	—	—	10,975,243
Due from other funds	2,600,000	—	—	—	—	2,600,000
Due from other governments	7,686,916	—	—	—	—	7,686,916
Advances to other funds	98,035	—	—	—	—	98,035
Subtotal	<u>\$ 155,662,433</u>	<u>\$ 15,872,757</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 171,535,190</u>
Noncurrent:						
Property held for resale	\$ 4,811,047	\$ —	\$ —	\$ —	\$ —	\$ 4,811,047
Other assets	261,146	—	—	—	—	261,146
Capital assets:						
Capital outlay capitalized	—	1,933,127	233,527,675	—	—	235,460,802
Less: accumulated depreciation	—	(1,351,978)	(47,627,575)	—	—	(48,979,553)
Subtotal	<u>\$ 5,072,193</u>	<u>\$ 581,149</u>	<u>\$ 185,900,100</u>	<u>—</u>	<u>—</u>	<u>\$ 191,553,442</u>
Total assets	<u>\$ 160,734,626</u>	<u>\$ 16,453,906</u>	<u>\$ 185,900,100</u>	<u>—</u>	<u>—</u>	<u>\$ 363,088,632</u>
LIABILITIES						
Current:						
Accounts payable	7,821,682	772,076	—	—	—	8,593,758
Other liabilities	21,917,940	53,371	—	—	227,245	22,198,556
Due to other funds	2,729,226	—	—	—	—	2,729,226
Deferred revenues	17,677,211	—	—	—	—	17,677,211
Due within one year	—	—	—	8,334,414	—	8,334,414
Subtotal	<u>50,146,059</u>	<u>825,447</u>	<u>—</u>	<u>8,334,414</u>	<u>227,245</u>	<u>59,533,165</u>
Noncurrent:						
Due in more than one year	—	—	—	51,722,434	—	51,722,434
Self-insurance claims liabilities	—	16,426,339	—	—	—	16,426,339
Compensated absences	—	626,932	—	5,979,444	—	6,606,376
Subtotal	<u>—</u>	<u>17,053,271</u>	<u>—</u>	<u>57,701,878</u>	<u>—</u>	<u>74,755,149</u>
Total liabilities	<u>50,146,059</u>	<u>17,878,718</u>	<u>—</u>	<u>66,036,292</u>	<u>227,245</u>	<u>134,288,314</u>
NET ASSETS						
Invested in capital assets (net of related debt)	11,017,932	992,661	185,900,100	(66,036,292)	—	131,874,401
Restricted	16,183,475	—	—	—	—	16,183,475
Unrestricted	83,387,160	(2,417,473)	—	—	(227,245)	80,742,442
Total net assets	<u>\$ 110,588,567</u>	<u>\$ (1,424,812)</u>	<u>\$ 185,900,100</u>	<u>\$ (66,036,292)</u>	<u>\$ (227,245)</u>	<u>\$ 228,800,318</u>

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

City of Oxnard, California

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2005

	General Fund	Development Fees Fund	HUD and CDBG Grants Fund	State and Federal Grants Fund	Debt Service Fund	Capital Outlay Fund	Community Development Commission Fund	Non-Major Governmental Funds	Totals
REVENUES									
Taxes	\$ 63,143,970	\$ —	\$ —	\$ 9,914,595	\$ 1,746,597	\$ —	\$ 9,812,688	\$ —	\$ 84,617,850
Licenses and permits	2,116,934	—	—	—	—	—	—	—	2,116,934
Intergovernmental	12,468,242	—	3,446,786	6,271,916	—	74,888	—	4,775,116	27,036,948
Growth and development fees	—	10,059,305	—	—	—	—	2,651	—	10,061,956
Charges for current services	14,994,785	—	—	—	—	186,429	—	177,218	15,358,432
Fines and forfeitures	658,454	—	—	58,538	—	—	—	531,250	1,248,242
Interest	1,759,629	997,360	—	349,156	63,235	194,754	369,140	177,832	3,911,106
Special assessments	—	—	—	—	—	—	—	2,240,492	2,240,492
Miscellaneous	2,763,709	136,108	—	1,005,524	—	144,721	638,855	551,147	5,240,064
Total revenues	<u>97,905,723</u>	<u>11,192,773</u>	<u>3,446,786</u>	<u>17,599,729</u>	<u>1,809,832</u>	<u>600,792</u>	<u>10,823,334</u>	<u>8,453,055</u>	<u>151,832,024</u>
EXPENDITURES									
Current:									
General government	11,541,781	—	246,973	—	—	—	—	—	11,788,754
Public safety	50,470,467	536,825	167,740	12,944,014	—	—	—	193,910	64,312,956
Transportation	4,187,456	—	—	140,995	—	2,242	—	5,378,613	9,709,306
Community development	7,932,500	164,909	1,927,361	1,501,034	—	—	5,588,729	1,483,423	18,597,956
Culture and leisure	10,248,086	—	315,702	711,353	—	244,962	—	—	11,520,103
Library services	3,731,437	—	—	—	—	—	—	—	3,731,437
Capital outlay	1,090,198	7,790,491	789,010	3,969,623	—	10,895,875	928,486	4,460,617	29,924,300
Debt service:									
Principal	—	—	—	—	2,999,393	—	—	—	2,999,393
Interest and fiscal charges	—	—	—	—	2,072,111	—	—	—	2,072,111
Total expenditures	<u>89,201,925</u>	<u>8,492,225</u>	<u>3,446,786</u>	<u>19,267,019</u>	<u>5,071,504</u>	<u>11,143,079</u>	<u>6,517,215</u>	<u>11,516,563</u>	<u>154,656,316</u>
Excess (deficiency) of revenues over expenditures	<u>8,703,798</u>	<u>2,700,548</u>	<u>—</u>	<u>(1,667,290)</u>	<u>(3,261,672)</u>	<u>(10,542,287)</u>	<u>4,306,119</u>	<u>(3,063,508)</u>	<u>(2,824,292)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	—	—	—	—	3,489,006	6,581,247	700,000	—	10,770,253
Transfers out	(11,884,389)	(460,966)	—	—	—	—	(307,840)	—	(12,653,195)
Total other financing sources (uses)	<u>(11,884,389)</u>	<u>(460,966)</u>	<u>—</u>	<u>—</u>	<u>3,489,006</u>	<u>6,581,247</u>	<u>392,160</u>	<u>—</u>	<u>(1,882,942)</u>
Net change in fund balances	(3,180,591)	2,239,582	—	(1,667,290)	227,334	(3,961,040)	4,698,279	(3,063,508)	(4,707,234)
Fund balances, July 1	26,578,986	36,268,794	—	12,279,696	796,691	15,787,701	16,301,758	7,282,175	115,295,801
Fund balances, June 30	<u>\$ 23,398,395</u>	<u>\$ 38,508,376</u>	<u>\$ —</u>	<u>\$ 10,612,406</u>	<u>\$ 1,024,025</u>	<u>\$ 11,826,661</u>	<u>\$ 21,000,037</u>	<u>\$ 4,218,667</u>	<u>\$ 110,588,567</u>

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

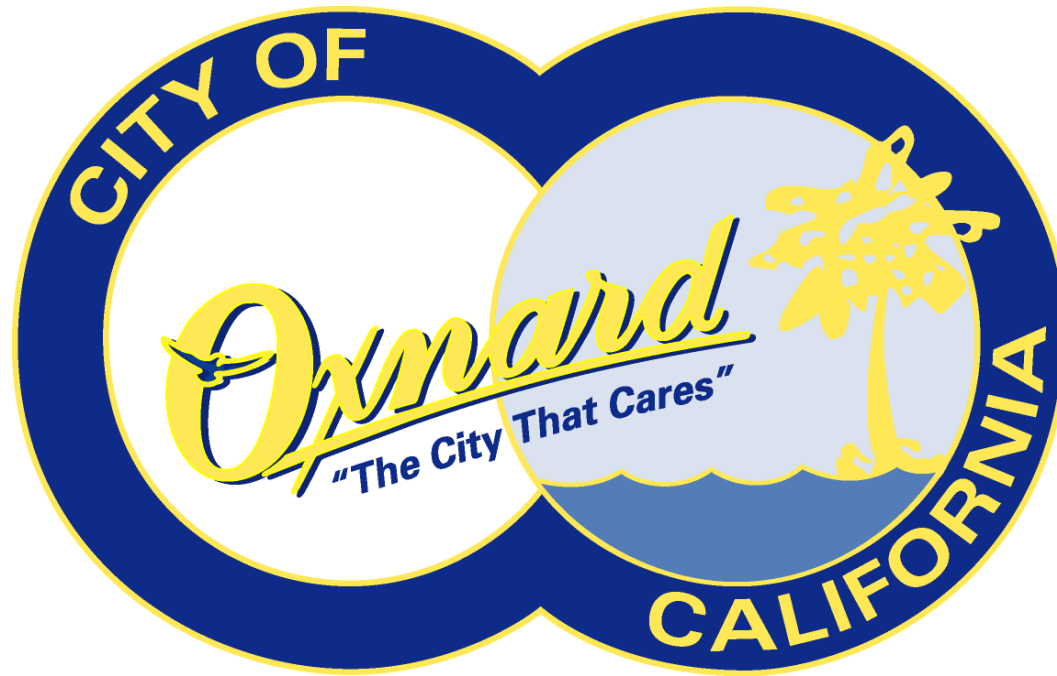
City of Oxnard, California

*Reconciliation of the Change in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2005*

Net change in fund balances - total governmental funds	\$ (4,707,234)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(5,227,535)
Change in compensated absences accrual. As compensated absences are considered long-term liabilities, the changes in the liability do not affect the governmental fund financial statements.	(986,489)
Allocation of internal service funds net loss during fiscal year 2005 to governmental activities.	(1,102,377)
Capital outlay expenditures were capitalized and added to the capital assets of governmental funds.	29,924,300
Repayment of long-term obligations is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets.	2,999,393
The amount included in the statement of activities does not provide or require the use of current financial resources and, therefore, is not reported as revenue or expenditures in governmental funds (net change): interest expenses	(227,245)
Change in net assets of governmental activities (page 19)	<u>\$ 20,672,813</u>

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

PROPRIETARY FUNDS



City of Oxnard, California

*Statement of Net Assets
Proprietary Funds
June 30, 2005*

	Business-Type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Totals Current Year	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 6,505,862	\$ 39,192,079	\$ 1,255,542	\$ —	\$ 1,067,340	\$ —	\$ 48,020,823	\$ 15,836,957
Cash with fiscal agents	30,358,298	71,758,633	6,609,432	35,000	2,429,416	1,060,689	112,251,468	—
Accounts and other receivables (net of allowance for uncollectible)	7,983,141	3,626,567	3,105,082	6,849	654,384	196,525	15,572,548	35,800
Due from other funds	74,057	—	55,169	—	—	—	129,226	—
Notes receivable	—	—	—	—	66,175	—	66,175	—
Other assets	—	—	498,310	—	251,897	—	750,207	—
Total current assets	44,921,358	114,577,279	11,523,535	41,849	4,469,212	1,257,214	176,790,447	15,872,757
Noncurrent assets:								
Investments with fiscal agent	—	—	—	—	1,630,237	—	1,630,237	—
Capital assets:								
Land	877,144	4,273,655	3,811,166	—	8,920,208	4,282,572	22,164,745	—
Construction in progress	43,922,646	42,984,502	4,162,156	—	1,937	7,267,897	98,339,138	—
Buildings	4,707,025	6,714,809	22,859,740	42,615	34,078,907	3,247,033	71,650,129	—
Infrastructure	82,094,437	165,374,157	866,026	—	—	—	248,334,620	—
Machinery and equipment Improvements	2,519,410	17,297,297	18,802,374	8,728	1,717,903	—	40,345,712	1,933,127
Less accumulated depreciation	(37,782,950)	(73,997,886)	(20,582,436)	(1,827)	(27,140,956)	(2,516,824)	(162,022,879)	(1,351,978)
Total capital assets (net of accumulated depreciation)	96,337,712	162,646,534	29,919,026	49,516	17,577,999	18,083,920	324,614,707	581,149
Total noncurrent assets	96,337,712	162,646,534	29,919,026	49,516	19,208,236	18,083,920	326,244,944	581,149
Total assets	141,259,070	277,223,813	41,442,561	91,365	23,677,448	19,341,134	503,035,391	16,453,906
LIABILITIES								
Current liabilities:								
Accounts payable	3,785,223	7,137,176	2,196,786	650,975	655,460	2,004,369	16,429,989	772,076
Other liabilities	669,704	605,924	174,019	—	746,010	39,555	2,235,212	53,371
Revenue bonds payable - current	1,180,000	1,885,000	2,040,056	—	205,000	713,747	6,023,803	—
Total current liabilities	5,634,927	9,628,100	4,410,861	650,975	1,606,470	2,757,671	24,689,004	825,447
Noncurrent liabilities:								
Compensated absences payable	434,940	679,301	538,323	64,866	622,385	—	2,339,815	626,932
Self-insurance claims	—	—	—	—	—	—	—	16,426,339
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	54,905,874	139,885,956	20,283,924	—	5,410,000	8,864,567	229,350,321	—
Capital leases payable	—	—	2,004,013	—	—	—	2,004,013	—
Advances from other funds	—	—	—	—	—	98,035	98,035	—
Total noncurrent liabilities	55,340,814	140,565,257	22,826,260	64,866	6,032,385	8,962,602	233,792,184	17,053,271
Total liabilities	60,975,741	150,193,357	27,237,121	715,841	7,638,855	11,720,273	258,481,188	17,878,718
NET ASSETS								
Invested in capital assets, net of related debt	41,713,142	23,924,981	6,955,081	49,516	16,834,371	8,264,900	97,741,991	992,661
Restricted for debt service	4,327,866	—	2,067,263	—	—	1,301,394	7,696,523	—
Unrestricted	34,242,321	103,105,475	5,183,096	(673,992)	(795,778)	(1,945,433)	139,115,689	(2,417,473)
Total net assets	\$ 80,283,329	\$ 127,030,456	\$ 14,205,440	\$ (624,476)	\$ 16,038,593	\$ 7,620,861	\$ 244,554,203	\$ (1,424,812)
							Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(322,435)
							Net assets of business-type activities	<u>\$ 244,231,768</u>

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

City of Oxnard, California

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2005**

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds	
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course		Totals
Operating revenues:								
Charges for services	\$ 34,334,436	\$ 33,709,319	\$ 36,071,999	\$ 468,732	\$ 21,411,579	\$ 3,119,621	\$ 129,115,686	\$ 22,955,975
Operating expenses:								
Salaries and wages	3,663,499	5,491,362	5,851,780	1,131,750	1,919,837	37,505	18,095,733	5,451,238
Contractual services	1,006,809	1,339,766	13,018,115	90,143	1,076,699	2,995,368	19,526,900	2,614,103
Operating supplies	9,983,299	1,678,519	978,005	140	12,990,993	—	25,630,956	3,133,268
Utilities	569,530	3,425,394	7,136,521	123,113	652,272	2,204	11,909,034	1,201,217
Depreciation	1,747,598	3,709,347	1,392,439	—	2,053,483	70,753	8,973,620	191,516
General and administrative	2,843,649	2,537,628	3,525,770	210,817	6,540,102	473,037	16,131,003	1,309,066
Repairs and maintenance	284,686	242,407	3,717,844	9,957	55,467	22,844	4,333,205	1,186,305
Claims expenses	—	—	—	—	—	—	—	9,776,290
Total operating expenses	20,099,070	18,424,423	35,620,474	1,565,920	25,288,853	3,601,711	104,600,451	24,863,003
Operating income (loss)	14,235,366	15,284,896	451,525	(1,097,188)	(3,877,274)	(482,090)	24,515,235	(1,907,028)
Nonoperating revenues (expenses):								
Interest income	275,138	3,182,974	457,712	—	104,266	45,818	4,065,908	337,847
Interest expense	(2,991,172)	(6,965,952)	(1,329,277)	—	(218,272)	(426,582)	(11,931,255)	—
Total nonoperating revenues (expenses)	(2,716,034)	(3,782,978)	(871,565)	—	(114,006)	(380,764)	(7,865,347)	337,847
Income (loss) before contributions and transfers	11,519,332	11,501,918	(420,040)	(1,097,188)	(3,991,280)	(862,854)	16,649,888	(1,569,181)
Capital contributions	—	—	—	—	420,669	—	420,669	—
Transfers out	—	—	(25,334)	—	—	—	(25,334)	—
Transfers in	—	—	—	956,576	—	550,000	1,506,576	401,700
Change in net assets	11,519,332	11,501,918	(445,374)	(140,612)	(3,570,611)	(312,854)	18,551,799	(1,167,481)
Total net assets - July 1	68,763,997	115,528,538	14,650,814	(483,864)	19,609,204	7,933,715	226,002,404	(257,331)
Total net assets - June 30	\$ 80,283,329	\$ 127,030,456	\$ 14,205,440	\$ (624,476)	\$ 16,038,593	\$ 7,620,861	244,554,203	\$ (1,424,812)
							Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(322,435)
							Change in net assets of business-type activities	\$ 244,231,768

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

City of Oxnard, California

*Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2005*

	Business-Type Activities - Enterprise Funds							Governmental Activities- Internal Service Funds
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$ 29,306,275	\$ 34,208,360	\$ 35,479,588	\$ 464,306	\$ 3,977,390	\$ 3,193,384	\$ 106,629,303	\$ 23,088,234
Payments to suppliers	(15,044,645)	(9,818,083)	(28,365,060)	(306,350)	(17,201,828)	(1,511,199)	(72,247,165)	(9,197,955)
Payments to employees	(3,607,619)	(5,437,758)	(5,840,161)	(1,122,632)	(6,205,824)	(37,505)	(22,251,499)	(5,425,368)
Cash paid to claimants	—	—	—	—	—	—	—	(6,413,666)
Net cash provided by (used in) operating activities	10,654,011	18,952,519	1,274,367	(964,676)	(19,430,262)	1,644,680	12,130,639	2,051,245
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Due from other funds	—	170,677	—	—	—	(25,000)	145,677	—
Cash received from grants	—	—	—	—	17,410,492	—	17,410,492	—
Transfer from other funds	—	—	—	956,576	—	550,000	1,506,576	401,700
Transfer to other funds	—	—	(25,334)	—	—	—	(25,334)	—
Net cash provided (used) by capital and related financing activities	—	170,677	(25,334)	956,576	17,410,492	525,000	19,037,411	401,700
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchases of capital assets	(18,207,090)	(36,735,920)	(765,322)	(6,900)	(1,224,594)	(1,252,308)	(58,192,134)	(140,228)
Cash received from grants	—	—	—	—	530,871	—	530,871	—
Principal paid on long-term debt	(1,150,000)	(1,815,000)	(19,001,588)	—	(205,000)	(693,186)	(22,864,774)	—
Interest and issuance cost paid on long-term debt	(2,682,330)	(5,969,101)	(1,155,331)	—	(231,660)	(394,652)	(10,433,074)	—
Proceeds from issuance of long-term debt	—	23,561,429	22,378,845	—	—	—	45,940,274	—
Net cash used in capital and related financing activities	(22,039,420)	(20,958,592)	1,456,604	(6,900)	(1,130,383)	(2,340,146)	(45,018,837)	(140,228)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest on investments	275,138	3,182,974	457,712	—	105,796	45,818	4,067,438	337,847
Net cash provided by investing activities	275,138	3,182,974	457,712	—	105,796	45,818	4,067,438	337,847
Net increase (decrease) in cash and cash equivalents	(11,110,271)	1,347,578	3,163,349	(15,000)	(3,044,357)	(124,648)	(9,783,349)	2,650,564
Cash and cash equivalents, July 1	47,974,431	109,603,134	4,701,625	50,000	8,171,350	1,185,337	171,685,877	13,186,393
Cash and cash equivalents, June 30	<u>\$ 36,864,160</u>	<u>\$ 110,950,712</u>	<u>\$ 7,864,974</u>	<u>\$ 35,000</u>	<u>\$ 5,126,993</u>	<u>\$ 1,060,689</u>	<u>\$ 161,902,528</u>	<u>\$ 15,836,957</u>
Noncash investing, capital, and financing activities:								
Purchase of equipment on account	<u>\$ 1,717,579</u>	<u>\$ 6,323,799</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ 8,041,378</u>	<u>—</u>

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

Continued -

City of Oxnard, California

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended June 30, 2005

	Business-Type Activities - Enterprise Funds							Governmental Activities- Internal Service Funds
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Total	
CASH FLOWS FROM OPERATING ACTIVITIES								
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ 14,235,366	\$ 15,284,896	\$ 451,525	\$ (1,097,188)	\$ (21,373,981)	\$ (482,090)	\$ 7,018,528	\$ (1,907,028)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Depreciation and amortization	1,747,598	3,709,347	1,392,439	—	2,053,483	70,753	8,973,620	191,516
Gain (Loss) on disposal of capital assets	—	—	—	—	—	—	—	—
Changes in assets and liabilities:								
Decrease (increase) in accounts receivable and due from other funds	(5,028,160)	499,041	(592,411)	(4,426)	(23,359)	73,763	(5,075,552)	132,259
Decrease (increase) in other assets	—	—	—	—	160,581	—	160,581	—
Increase (decrease) in accounts payable	(357,908)	(419,946)	441,739	124,285	(392,206)	1,983,459	1,379,423	242,548
Increase (decrease) in other liabilities	1,235	(174,423)	(430,544)	3,535	132,090	(1,205)	(469,312)	3,456
Increase (decrease) in compensated absences	55,880	53,604	11,619	9,118	13,130	—	143,351	25,870
Increase in self-insurance liabilities	—	—	—	—	—	—	—	3,362,624
Net cash provided by (used in) operating activities	<u>\$ 10,654,011</u>	<u>\$ 18,952,519</u>	<u>\$ 1,274,367</u>	<u>\$ (964,676)</u>	<u>\$ (19,430,262)</u>	<u>\$ 1,644,680</u>	<u>\$ 12,130,639</u>	<u>\$ 2,051,245</u>

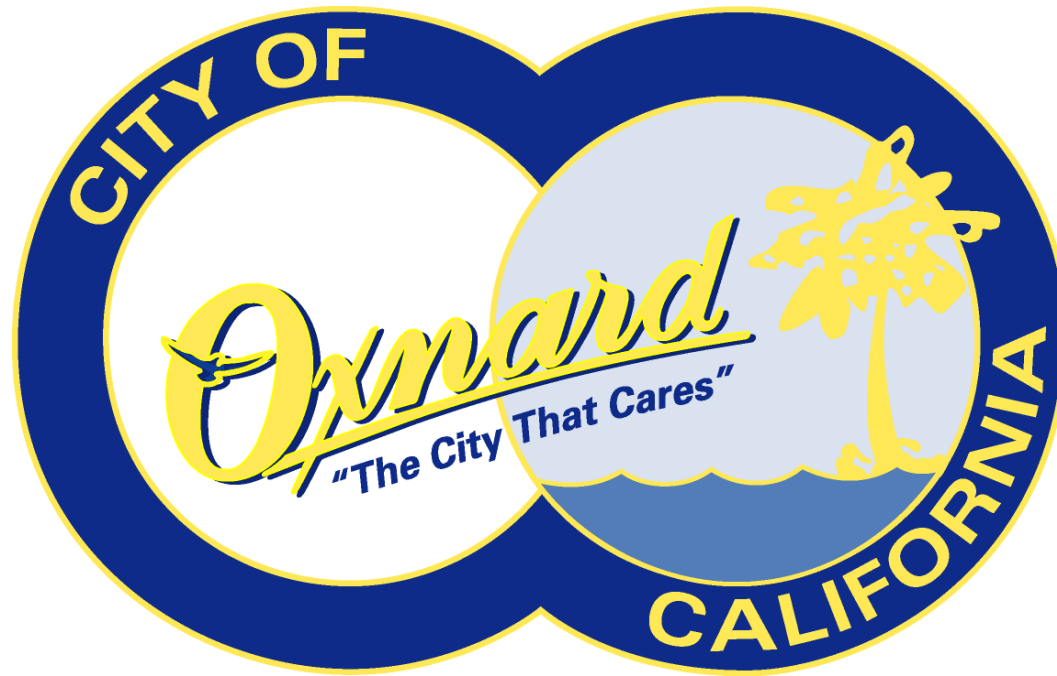
The notes to the financial statements are an integral part to this statement.

City of Oxnard, California

*Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005*

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 13,200,768
Investments with fiscal agents	26,954,120
Total Assets	<u>\$ 40,154,888</u>
LIABILITIES AND FUND BALANCES	
Liabilities - other	
Trust and agency payables	\$ 40,154,888
Total liabilities	<u>\$ 40,154,888</u>

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



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Oxnard, California (City) was incorporated as a general law city on June 30, 1903, and operates under the council-manager form of government. The City is governed by a four-member City Council elected at large for four-year alternating terms and by a Mayor who is directly elected for a two-year term. Other elected positions include the City Clerk and City Treasurer. The accompanying basic financial statements present the financial position and results of operations of the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. Although these entities are legally separate, the City's elected officials have a continuing financial responsibility and accountability for fiscal matters of these other entities. Financial accountability includes the appointment of governing bodies, budget authority, approval of tax levies and responsibility for funding deficits.

Blended Component Units

City of Oxnard Community Development Commission

The Redevelopment Agency of the City of Oxnard (RDA) was established pursuant to the California Community Redevelopment Law, codified in Part 1 of Division 24 of the California Health and Safety Code. The RDA was activated in 1960 by Ordinance No. 2365 of the City Council. On January 24, 1995, the RDA became the Community Development Commission (CDC). The CDC has continued the RDA's principal activities such as business retention, employment creation, the acquisition of real property for the purpose of removing or preventing blight, for construction or improvements and loaning money for rehabilitation and restoration of properties. The City Council acts as the Board of Directors of the CDC. The City is financially accountable for the operations of the CDC through budgetary authority and fiscal management and the City is able to significantly influence operations of the CDC. The funds of CDC have been included in the City's governmental activities in the accompanying government-wide financial statements. The CDC prepares a separate Comprehensive Annual Financial Report (CAFR) and a copy can be obtained from the Finance Department.

City of Oxnard Financing Authority

The Oxnard Financing Authority (Authority) is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sales and may sell such bonds to public or private purchasers at public or negotiated sales. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions of the Authority. The financial service of the Authority is included in the Golf Course Enterprise Fund, Solid Waste Enterprise Fund and Debt Service Fund.

Housing Authority of the City of Oxnard

The Housing Authority of the City of Oxnard (the Authority) was established in April 1945 when City Council adopted an ordinance which was added to the City Code. The Authority is a public entity which was organized under the laws of the State of California's Health and Safety Code for the purpose of providing safe, decent and sanitary housing for qualified economically disadvantaged and elderly individuals in areas where a shortage of such housing exists. To accomplish this purpose, the Authority has entered into Annual Contributions Contracts with the U.S. Department of Housing and Urban Development (HUD) to operate assisted housing programs (such as Local Housing Authority Owned Housing, Section 8 and Modernization). City Council and two tenant representatives serve as the governing board and is therefore responsible for the fiscal and administrative activities of the Authority. The Authority's operations have been included in the City's business-type activities in the accompanying government-wide financial statements. The Authority prepares separate financial statements and a copy can be obtained from the Authority's Financial Services Division.

New Pronouncements

The City included in this report requirements of the new GASB Statements No. 40, 42 and 44, however City is currently analyzing its accounting practices on GASB Statements No. 43 and 45 to determine the potential impact on the financial statements:

In March 2003, GASB issued Statement No. 40, Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3. The deposits and investments of state and local governments are exposed to risks that have the potential to result in losses. The Statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates.

Deposit and investment policies related to the risks identified in the Statement also should be disclosed. This statement is effective for the City's fiscal year ending June 30, 2005.

In November 2003, GASB issued Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets for Insurance Recoveries. This Statement establishes accounting and financial reporting standards of impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. This statement is effective for the City's fiscal year ending June 30, 2005.

In May 2004, GASB issued Statement No. 44, Economic Condition Reporting. 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 adds new information that financial statement users have identified as important and eliminates certain previous requirements. This statement is effective for the City's fiscal year ending June 30, 2006.

In April 2004, GASB issued Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement establishes uniform financial reporting standards for other postemployment benefits (OPEB) plans. The approach followed in this statement generally is consistent with the approach adopted for defined benefit pension plans with modifications to reflect differences between pension plans and OPEB plans. The statement applies for OPEB trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them. This statement is effective for the City's fiscal year ending June 30, 2006.

In June 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be

amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. This statement is effective for the City's fiscal year ending June 30, 2007.

Financial Statements Presentation

In accordance with Governmental Accounting Standards Board Statement No. 34, the City's basic financial statements consist of the following:

- Government-wide financial statements;
- Fund financial statements; and
- Notes to the basic financial statements.

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 and business-type activities for the City, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

All of the City's basic services are considered to be governmental activities, including general government, public safety, transportation, community development, culture and leisure, and library services. Property tax, sales tax, transient occupancy tax, franchise tax, business license tax, and development fees financially support most of these activities.

The City's enterprise operations are classified as business-type activities. These operations consist of water, wastewater collection and treatment, solid waste, housing, the River Ridge Golf Course and the Performing Arts and Convention Center.

The statement of activities demonstrates the degree to which expenses (direct and indirect) of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the City's cost allocation plan. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating grants and contributions, including special assessments, that are

restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, development growth fees, and other items not properly included among program revenues are reported instead as general revenues.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the City’s assets and liabilities, including capital assets and long-term liabilities, 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 expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: (1) charges for services; (2) grants and other contributions; and, (3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances. In the Statement of Activities, net internal service fund transactions have been allocated back to the governmental and business-type activities generating the net income or loss. In the Statement of Net Assets, internal service assets and liabilities have been combined with the governmental funds and presented as governmental activities.

In accordance with GASB 34, a reconciliation of the difference between the fund financial statements and the government-wide financial statements is provided.

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements (including all NCGA Statements and Interpretations currently in effect), as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

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 or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund Financial Statements

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the major governmental funds and non-major governmental funds aggregated. In accordance with GASB 34 and based on the direction of management and the sole purpose for which a fund is established, the following funds have been determined by management to be the City's major governmental funds:

- ❖ **General Fund:** This fund is always a major fund and is used to account for all financial resources traditionally associated with government activities which are not required legally to be accounted for in another fund.
- ❖ **Development Fees Fund:** This fund includes fees that the City collects on new development to provide resources for special projects such as parks, storm drainage facilities, traffic improvements, utility undergrounding and community developments. They are reported as general revenue in the Statement of Activities because they are not restricted to meeting the operational or capital requirements of a particular function.
- ❖ **HUD and CDBG Grants Fund:** This fund is used to account for resources to develop viable urban communities, providing decent housing and expanding economic opportunities.
- ❖ **State and Federal Grants Fund:** This fund accounts for the receipts and expenditures of monies received from State and federal grants-in-aid.
- ❖ **Debt Service Fund:** This fund accounts for the accumulation of resources and payments of principal and interest of the City's general long-term debt.
- ❖ **Capital Outlay Fund:** This fund accounts for financing and construction of general government capital projects.
- ❖ **Community Development Commission Fund:** This fund accounts for expenditures incurred on the redevelopment projects, financed primarily from tax increments.

Governmental funds are accounted for using a “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. 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 net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The City considers revenues available if they are collected within 60 days after year-end. The primary revenue sources, which have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues and other taxes. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures are recorded in the accounting period in which the related fund liability is incurred and if paid within 60 days of year end, except for unmatured principal and interest on long-term debt, which is recognized when due.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major fund and in the aggregate for the enterprise funds. A column representing Internal Service Funds in total is also presented in these statements.

The proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises wherein the cost of goods and services to the general public are financed or recovered primarily through user charges. In accordance with GASB 34 and based on the direction of management and the sole purpose for which a fund is established, the following enterprise funds have been determined by management to be the City’s major funds:

- ❖ **Water Fund:** This fund is used to account for all activities of the City’s water distribution and treatment system. Revenues are derived mainly from metered water services, connection fees, and installation charges.
- ❖ **Wastewater Fund:** This fund is used to account for all sewer activities related to conveyance and treatment services. Revenues are derived mainly from sewer service charges, connection fees, and treatment plant charges.
- ❖ **Solid Waste Fund:** This fund is used to account for the activities related to collection and disposal of refuse throughout the City.

- ❖ **Performing Arts and Convention Center Fund:** This fund is used to account for the operations and maintenance of the City's Performing Arts and Convention Center.
- ❖ **Oxnard Housing Authority:** This fund is used to account for the receipts and disbursements of funds received from the U.S. Department of Housing and Urban Development (HUD) to provide rental assistance programs for low income residents and senior citizens under Section 8 of the Federal Housing Act of 1937, as amended.
- ❖ **Municipal Golf Course Fund:** This fund is used to account for the operation and maintenance of the City's River Ridge Golf Course.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included within the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Assets. The City's fiduciary funds consist of agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's fiduciary funds are as follows:

- ❖ **Artworks Fund:** This fund is used to report resources held by the City in a custodial capacity (assets equal liabilities). This fund involves the receipt and remittance of fiduciary resources to private organizations or other agencies.
- ❖ **Improvement Districts Fund:** This fund is used to account for various limited obligation improvement bonds issued by the City, wherein bond proceeds are used to finance land acquisition and public improvements of the various assessment districts within the City. Neither the faith and credit nor the taxing power of the City or any of its political subdivisions is pledged to the payment of the bonds. Property owners

within the assessment district are assessed through the County tax bills and the money collected is used to pay off the annual debt service requirements.

B. Budget

The City's annual budget is the legally adopted expenditure control document of the City. Budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP) in the United States of America, except that encumbrances are included in budgeted expenditures.

Appropriations lapse at year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the department level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated within a division and between divisions within a department without City Council approval. During Fiscal Year 2005, supplementary budget appropriations of approximately \$27,766,483 were made.

Budgetary comparison statements are required to be presented for the General Fund and all major special revenue funds and are presented as required supplementary information found on pages 77 through 84. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

C. Cash and Investments

Investment Policy

The City's investment policy is intended to provide guidelines for the prudent investment of surplus funds of the City, and to outline the policies for maximizing the efficiency of the City's cash management system. The policy of the City Council is to invest public funds in a manner which will provide high investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds.

The investment policy applies to the City’s pooled investment fund which encompasses all monies under the direct oversight of the City Treasurer. These include the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds.

Investments shall be made with care—under circumstances then prevailing—which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investments

In accordance with GASB Statement No. 31, “Accounting and Financial Reporting for Certain Investments and External Investment Pools,” the City’s investments are stated at fair value.

The City Treasurer’s investment pool is comprised of pooled deposits and investments and the State of California Local Agency Investment Fund (LAIF) investments. The City Treasurer’s pooled investments are carried at fair value. The fair value is determined utilizing SunGard Securities Systems, the vendor providing investment reporting capability for the City Treasurer’s Office, which provides pricing data from multiple industry sources. The fair value of LAIF is determined by allocating the City’s share of LAIF’s fair value as reported by LAIF.

The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1953 and has oversight provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

The LAIF has oversight by the Local Agency Investment Advisory Board. The board consists of five members as designated by statute. The Chairman is the State Treasurer or his designated representative. Two members qualified by training and experience in the field of investment or finance, and two members who are treasurers, finance or fiscal officers, or business managers employed by any county, city or local district, or municipal corporation of this state, are appointed by the State Treasurer. LAIF is required to invest in accordance with state statute.

Interest Income

Interest income earned on pooled cash and investments is allocated monthly to the General Fund and those other funds for which such allocation is a legal contractual requirement based on the month-end cash balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund. Changes in the fair value of investments are recognized in interest income at the end of each year.

Income from nonpooled investments is recorded based on the specific investments held by the trustee of the fund. The interest income is recorded in the fund that earned the interest.

Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include cash in bank and investments held by the City Treasurer in a cash management pool as the amounts are readily available for use by the respective funds.

D. Utility Revenue

Utility revenue is recorded when earned. Customers are billed bimonthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying basic financial statements.

E. Properties Held for Resale

In the Capital Outlay Fund, properties acquired for the Heritage Square office complex are included as properties held for resale, which are carried at the lower of cost or estimated fair value. At June 30, 2005, properties held for resale amounted to \$4,811,047.

F. Capital Assets

The City's assets for governmental and business-type activities are capitalized at historical cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. City policy has set the capitalization threshold at \$5,000. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	45 years
Improvements:	
Paving, curbs, lighting	40 years
Parks Improvements	25 years
Sports Courts	40 years
Landscaping	50 years
Equipment and Machinery	5-20 years

In accordance with GASB 34, the recording of infrastructure assets acquired or constructed prior to July 1, 2001, may be deferred to fiscal year 2006. As a result, the governmental activities column in the accompanying government-wide financial statements as of June 30, 2005, only reflects infrastructure assets acquired or constructed since July 1, 2001.

G. Risk Management

The City provides workers' compensation benefits under a self-insurance program up to \$20 million per year. The City is self-insured for general and property damage liabilities to the extent of the first \$1,000,000 per occurrence and has excess insurance in the layer of \$1 million to \$25 million in Fiscal Year 2004-2005. The City contracts with outside service agencies to supervise and administer the self-insurance programs. Estimated liabilities related to outstanding workers' compensation and public liability claims (including estimates for incurred but not reported claims) are based upon actuarial studies and are recorded in an internal service fund.

In August 1988, the City adopted a resolution to execute a Joint Powers Agreement (JPA) creating the Big Independent Cities Excess Pool Joint Powers Authority (BICEP), a risk management pool. Through the BICEP insurance pool, the five cities share the cost of catastrophic general liability losses incurred by the members for claims between \$1 million and \$27 million, thereby eliminating the need for individual excess commercial insurance protection. The purpose of this agreement is to jointly develop and fund excess insurance for comprehensive liability, the purchase of reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting and legal defense service. BICEP is governed by a five-member Board of Directors representing each member city, appointed by the member's City Council and serving at the pleasure of such City Council.

The agreement with BICEP may be terminated at any time provided that no bonds or other obligations of BICEP are outstanding. Upon termination of this agreement, all assets of BICEP shall (after payment of all unpaid costs, expenses and charges incurred under the agreement) be distributed among the parties in accordance with the respective contributions of each participating city.

H. Compensated Absences

Vacation leave and annual leave compensation time pay is recorded as a liability when incurred within the government-wide and proprietary funds financial statements. Sick leave, which does not vest, is recorded in all funds when leave is taken. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured and are paid by the City subsequent to year-end.

The accrual for compensated absences comprised the following at June 30, 2005:

	<u>Governmental Activities</u>	<u>Business Type</u>	<u>Total</u>
Beginning Balance	\$ 11,069,887	\$ 2,196,464	\$ 13,266,351
Additions	6,435,738	1,706,593	8,142,331
Payments	(5,449,249)	(1,563,243)	(7,012,492)
Ending Balance	<u>12,056,376</u>	<u>2,339,814</u>	<u>14,396,190</u>
Current Portions	<u>\$ 5,450,000</u>	<u>\$ 1,100,000</u>	<u>\$ 6,550,000</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

I. Property Taxes

Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Valuation Date	March 1
Lien/Levy Date	July 1 to June 30
Due Dates	November 1 (first installment) and February 1 (second installment)
Delinquent Dates	December 10 (first installment) and April 10 (second installment), August 3 (unsecured)

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuation

Valuations are established by the Assessor of the County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100 percent of full value. The value of real taxable property is based on fiscal year 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies

The County-wide tax levy for general revenue purposes is limited to 1 percent of full value, for a tax rate of \$1.00 per \$100 of assessed valuation. Tax rates for voter-approved indebtedness prior to passage of Proposition 13 are excluded from this limitation. Taxes are levied in September for both real and unsecured personal property based upon the assessed valuation as of the previous January 1 (lien date).

Under GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*, property taxes are recognized as revenue in the period for which the taxes are levied. Therefore, the City recognizes revenue and a receivable, less any allowance for doubtful accounts deemed appropriate, for the entire tax levy in the period for which the taxes are levied. Accordingly, at June 30, 2005, the City has recorded property taxes receivable of \$515,402, which is included in due from other governments in the accompanying balance sheet.

Tax Lien Dates

All lien dates attach annually on March 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Liens against real estate, and taxes on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections

The County Treasurer-Tax Collector is responsible for all property tax collections. Taxes and assessments on the secured and utility rolls, which constitute a lien against the property, may be paid in two installments: the first installment is due on November 1 of the fiscal year and is delinquent if not paid by December 10; the second installment is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be paid in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed for late payments.

Tax Apportionments and Special District Augmentation Fund (SDAF)

Due to the nature of the County-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total County-wide levy for the three years prior to fiscal year 1979. The SDAF was established in order to provide greater flexibility in the allocation of the total levy to special districts under this basic apportionment method. Each special district makes a contribution from its base tax levy apportionment to the SDAF. Oversight governments of the special districts (cities or the County) can then reallocate this pool among special districts based on financing needs.

J. Use of Estimates

The preparation of the City’s basic financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The City’s cash and cash equivalents and investments consist of the following at June 30, 2005:

Deposits	\$ 7,532,594
Investments	<u>188,849,752</u>
Cash and cash equivalents	196,382,346
Investments with Fiscal Agents	<u>154,219,829</u>
Total	<u><u>\$ 350,602,175</u></u>

The City’s deposits and investments are reflected in the accompanying basic financial statements as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Internal Service Funds</u>	<u>Fiduciary Funds</u>	<u>Grand Total</u>
Cash and cash equivalents	\$ 119,323,798	\$ 48,020,823	\$ 15,836,957	\$ 13,200,768	\$ 196,382,346
Cash with fiscal agents:	15,014,241	112,251,468	—	26,954,120	154,219,829
Total	<u><u>\$ 134,338,039</u></u>	<u><u>\$ 160,272,291</u></u>	<u><u>\$ 15,836,957</u></u>	<u><u>\$ 40,154,888</u></u>	<u><u>\$ 350,602,175</u></u>

Deposits

Custodial Credit Risks. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s deposit policy requires deposits to be covered by federal depository insurance and collateral having a market value of 110 percent of the uninsured deposit. As of June 30, 2005, none of the City’s bank balance of \$990,045 (carrying amount of \$7,532,594) was exposed to custodial credit risk. Deposits held by the Oxnard Housing Authority are also not exposed to custodial credit risk.

Investments

As of June 30, 2005, the City had the following investments:

	<u>Book Value</u>	<u>Maturities in Years</u>		
		<u>Less than 1 Year</u>	<u>1 to 5 Years</u>	<u>Over 5 Years</u>
U.S. treasury notes	\$ 6,718,454	\$ 1,990,212	\$ 4,728,242	\$ —
U.S. agencies	151,921,771	26,043,552	125,878,219	—
Other local agencies	—	—	—	—
Local agency investment funds	33,570,142	33,570,142	—	—
Money market funds	10,002,699	10,002,699	—	—
Guaranteed investment contracts	142,747,179	—	102,453,743	40,293,436
	344,960,245	<u>71,606,605</u>	<u>233,060,204</u>	<u>40,293,436</u>
Less accrued discount	(55,212)			
Total	<u>\$ 344,905,033</u>			

Authorized Investments

The investments listed above are managed by the City Treasurer, fiscal agents (bond trustees acting in accordance with bond covenants), and authorized representatives of the Oxnard Housing Authority. Investments managed by the City Treasurer and the Authority are invested in accordance with its respective investment policies. Investments managed by bond trustees are invested in accordance by provisions of the respective bond agreements, rather than the general provisions of the California Government Code or the City’s or Authority’s investment policy.

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

The City’s investments by investments manager are as follows:

City treasurer	\$ 188,904,964
Fiscal agents (bond trustees for the City and its component units)	151,790,413
Oxnard housing authority (includes fiscal agents)	4,264,868
	<u>344,960,245</u>

The City Treasurer has direct oversight over the City’s pooled investment fund which covers cash and cash equivalents of the City’s governmental funds, proprietary funds, and trust and agency funds which are invested in accordance with the City’s investment policy. The investment policy generally complies with California Government Code Section 53601 and its primary detail is as follows:

	<u>Authorized by Investment</u>	<u>Maximum Maturity (years)</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Ratings</u>
U.S. treasury and agencies	Yes	5	None	None	None
Local agency bonds, notes	Yes	5	15%	None	None
Bankers acceptances	Yes	.5	40%	30%	None
Commercial paper	Yes	.75	15%	10%	P1/A1
Negotiable CDs	Yes	2	30%	None	Aa, AA
Certificates of Deposits (CDs)	Yes	2	40%	15%	A
Repurchase agreements	Yes	.25	None	None	None
Medium term notes	Yes	5	30%	None	A
Mutual funds	Yes	N/A	15%	None	None
Local agency investment funds	Yes	N/A	None	None	None

The Oxnard Housing Authority investment policy and related disclosures regarding its investments at June 30, 2005 is more fully disclosed in its separate financial statements. Financial statements for the Oxnard Housing Authority may be obtained from the Authority’s Financial Services Division.

Investments with fiscal agents are investments held by the bond trustee. The City and its investment advisor selects the investment under the terms of the applicable trust agreement, directs the bond trustee to acquire the investment, and the bond trustee then holds the investment on behalf of the City and/or its component units. Proceeds of bonds administered by bond trustees are also generally covered under the City Treasurer's investment policy; however, specific provisions of each issuance are usually used in managing such investments. In addition, the Investment Policy allows for bond reserve funds to be invested in securities with maturities in excess of 5 years.

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. Information about the sensitivity of the fair values of the City and its component units' investments to market rate fluctuations is provided in the table above that shows the distribution by maturity.

The City's investment policy generally complies with the California Government Code with respect to allowable investment instruments as a means of managing its fair value losses arising from changing interest rates. Guaranteed investment contracts are investments held by fiscal agents (bond trustees) and are restricted for construction projects and debt service.

Credit Risk and Concentration of Credit Risk

The City's investment policy complies with the State Government Code with respect to allowable investment instruments in managing its risk of loss related to credit risk and concentration of credit risk. At June 30, 2005, Standard & Poor's and Moody's rated the City's investments, except for those investments held by its bond trustees, as AAA and Aaa, respectively. In addition, none of the investment categories listed above exceeded the maximum allowable percentage of its portfolio.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's investments, the guaranteed investment contracts held by fiscal agents are subject to custodial risks as they are uninsured or unregistered investments, acquired by the broker or dealer or by its trust department or agent and are not held in the City's name. Custodial credit risk for LAIF is not determinable.

3. INTERFUND RECEIVABLES AND PAYABLES

Total interfund receivables and payables at June 30, 2005, which are included in the Fund Financial Statements as due from/to other funds and advances to/from other funds, before eliminations consist of the following:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
Advances to golf course fund	\$ 98,035	\$ —
Due from other funds	2,600,000	—
Total general fund	<u>2,698,035</u>	<u>—</u>
Community development commission fund	—	2,600,000
Capital outlay	—	129,226
Total governmental funds	<u>2,698,035</u>	<u>2,729,226</u>
Proprietary funds:		
Water	74,057	—
Solid waste	55,169	—
Golf course fund advances from general fund	—	98,035
Total proprietary funds	<u>129,226</u>	<u>98,035</u>
Total	<u>\$ 2,827,261</u>	<u>\$ 2,827,261</u>

The interfund balances at June 30, 2005, are loans to cover temporary cash deficits in various funds. All interfund balances outstanding at June 30, 2005, are expected to be repaid within one year, except for the advance from the General Fund to the Golf Course Fund in the amount of \$98,035, which will be paid in future annual installments of \$25,000.

4. RECEIVABLES AND PAYABLES

Accounts and other receivables as of June 30, 2005, included in the accompanying Statement of Net Assets primarily consist of the following:

<u>Accounts Receivables</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accrued interest receivable	\$ 1,096,951	\$ —
Utilities receivables	6,435	8,460,674
Grants receivable	3,610,653	282,853
Accounts receivable billed and accrued	1,132,401	6,253,333
Other receivables	5,702,231	1,604,857
Subtotal	11,548,671	16,601,717
Allowance for uncollectible receivables	(573,428)	(1,029,169)
Total	<u>\$ 10,975,243</u>	<u>\$ 15,572,548</u>

Accounts payable and other liabilities as of June 30, 2005, primarily consist of the following:

<u>Accounts Payable and Other Liabilities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts payable (due to vendors)	\$ 8,593,758	\$ 16,752,425
Other liabilities:		
Accrued payroll	3,291,354	1,076,452
Other accrued expenses	1,013,583	162,998
Other payables	17,893,619	995,762
Total other liabilities	22,198,556	2,235,212
Total	<u>\$ 30,792,314</u>	<u>\$ 18,987,637</u>

Governmental activities record deferred revenue for revenues that are not yet earned as of year end. At June 30, 2005, deferred revenues are comprised of the following:

Governmental Funds:		
Community Development Charges for Services	\$	3,849,500
Development and Traffic Impact Fees		149,193
Federal Grant Drawdowns Prior to Meeting All Eligibility Requirements		5,078,685
State Grants		4,323,949
Civic Center Development Fees		2,252,062
Community Development Commission		858,299
Transportation Development Act		1,165,523
Total	\$	<u>17,677,211</u>

5. INTERFUND TRANSFERS

The net transfers of \$1,882,942 from governmental activities to business-type activities and internal services in the Statement of Activities primarily relates to operational subsidies from the General Fund to the Golf Course and Performing Arts and Convention Center Enterprise Funds. Transfers are indicative of funding for capital projects, lease payments or debt service and subsidies of various City operations.

The following Transfers In and Out are reflected in the Fund Financial Statements for the year ended June 30, 2005:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ —	\$ (11,884,389)
Development Fees Fund	—	(460,966)
Community Development Commission Fund	700,000	(307,840)
Debt Service Fund	3,489,006	—
Capital Outlay Fund	6,581,247	—
Total Governmental Funds	<u>10,770,253</u>	<u>(12,653,195)</u>
Proprietary Funds:		
Internal Service Fund	401,700	—
Performing Arts and Convention Center	956,576	—
Municipal Golf Course	550,000	—
Solid Waste	—	(25,334)
Total Proprietary Funds	<u>1,908,276</u>	<u>(25,334)</u>
Total	<u>\$ 12,678,529</u>	<u>\$ (12,678,529)</u>

The interfund transfers generally fall within one of the following categories: 1) debt service payments made from a debt service fund but funded from an operating fund; 2) subsidy transfers; or 3) transfers to fund internal service equipment replacement funds. There were no transfers during Fiscal Year 2004-2005 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

6. CAPITAL ASSETS

Changes in the City’s capital assets for the year ended June 30, 2005, consisted of the following:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
GOVERNMENTAL ACTIVITIES				
Capital assets, not being depreciated:				
Land	\$ 22,634,583	\$ 2,128,533	\$ —	\$ 24,763,116
Construction in progress	60,883,905	22,605,158	(60,883,905)	22,605,158
Total capital assets, not being depreciated	<u>83,518,488</u>	<u>24,733,691</u>	<u>(60,883,905)</u>	<u>47,368,274</u>
Capital assets, being depreciated:				
Land improvements	1,159,280	—	—	1,159,280
Buildings	35,625,090	5,022,918	—	40,648,008
Improvements other than building	55,504,774	57,267,955	—	112,772,729
Equipment and machinery	29,695,267	4,344,438	(527,194)	33,512,511
Total capital assets, being depreciated	<u>121,984,411</u>	<u>66,635,311</u>	<u>(527,194)</u>	<u>188,092,528</u>
Less accumulated depreciation for:				
Land improvements	(1,034,040)	(14,650)	—	(1,048,690)
Buildings	(16,043,372)	(769,121)	—	(16,812,493)
Improvements other than building	(5,798,315)	(1,422,793)	—	(7,221,108)
Equipment and machinery	(20,876,291)	(3,020,971)	—	(23,897,262)
Total accumulated depreciation	<u>(43,752,018)</u>	<u>(5,227,535)</u>	<u>—</u>	<u>(48,979,553)</u>
Total capital assets, being depreciated, net	<u>78,232,393</u>	<u>61,407,776</u>	<u>(527,194)</u>	<u>139,112,975</u>
Governmental activities capital assets, net	<u>\$ 161,750,881</u>	<u>\$ 86,141,467</u>	<u>\$ (61,411,099)</u>	<u>\$ 186,481,249</u>

City of Oxnard, California

**Notes to the Basic Financial Statements
June 30, 2005**

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets, not being depreciated:				
Land	\$ 22,164,745	\$ —	\$ —	\$ 22,164,745
Construction in progress	101,582,806	64,389,289	(67,632,958)	98,339,137
Total capital assets, not being depreciated	<u>123,747,551</u>	<u>64,389,289</u>	<u>(67,632,958)</u>	<u>120,503,882</u>
Capital assets, being depreciated:				
Buildings	69,334,053	2,316,076	—	71,650,129
Improvements other than building	181,666,777	66,667,843	—	248,334,620
Municipal golf course improvements	5,803,242	—	—	5,803,242
Equipment and machinery	40,027,689	624,663	(306,639)	40,345,713
Total capital assets, being depreciated	<u>296,831,761</u>	<u>69,608,582</u>	<u>(306,639)</u>	<u>366,133,704</u>
Less accumulated depreciation for:				
Buildings	(40,010,940)	(2,761,530)	—	(42,772,470)
Improvements other than building	(78,882,686)	(3,948,873)	—	(82,831,559)
Municipal golf course improvements	(1,403,927)	(9,965)	—	(1,413,892)
Equipment and machinery	(33,066,593)	(2,251,187)	312,822	(35,004,958)
Total accumulated depreciation	<u>(153,364,146)</u>	<u>(8,971,555)</u>	<u>312,822</u>	<u>(162,022,879)</u>
Total capital assets, being depreciated, net	<u>143,467,615</u>	<u>60,637,027</u>	<u>6,183</u>	<u>204,110,825</u>
Business-type activities capital assets, net	<u>267,215,166</u>	<u>125,026,316</u>	<u>(67,626,775)</u>	<u>324,614,707</u>
Total	<u>\$ 428,966,047</u>	<u>\$ 211,167,783</u>	<u>\$ (129,037,874)</u>	<u>\$ 511,095,956</u>

(1a) CDC oversight of Fiscal Year 2003-2004, hence included in current year additions.

For the year ended June 30, 2005, depreciation expense on capital assets was charged to the governmental functions as follows:

Governmental Activities:	
Legislative	\$ 52,275
Administration and Support Services	1,411,434
Public Safety	2,247,840
Transportation	104,552
Community Development	156,826
Culture and Leisure	313,652
Libraries	104,551
Capital Improvement Projects	470,478
Capital assets held by the City's Internal Service Fund	365,927
	<u>\$ 5,227,535</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

Internal Service Funds predominantly serve the governmental funds. Accordingly, their capital assets are included within governmental activities in the above table.

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
Internal service funds:				
Equipment and machinery	\$ 1,792,898	\$ 140,229	\$ —	\$ 1,933,127
Accumulated depreciation	(1,160,462)	(191,516)	—	(1,351,978)
Total	<u>\$ 632,436</u>	<u>\$ (51,287)</u>	<u>\$ —</u>	<u>\$ 581,149</u>

The following is a summary of changes in capital assets for each major enterprise fund for the year ended June 30, 2005:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
Water fund				
Land	\$ 877,144	\$ —	\$ —	\$ 877,144
Buildings	4,707,025	—	—	4,707,025
Improvements other than buildings	67,318,580	14,775,857	—	82,094,437
Equipment and machinery	2,161,304	358,906	(800)	2,519,410
Construction in progress	39,131,940	19,566,562	(14,775,856)	43,922,646
Total	<u>114,195,993</u>	<u>34,701,325</u>	<u>(14,776,656)</u>	<u>134,120,662</u>
Accumulated depreciation	(36,035,352)	(1,747,598)	—	(37,782,950)
Total	<u>\$ 78,160,641</u>	<u>\$ 32,953,727</u>	<u>\$ (14,776,656)</u>	<u>\$ 96,337,712</u>
Wastewater fund				
Land	\$ 4,273,655	\$ —	\$ —	\$ 4,273,655
Buildings	6,380,938	333,871	—	6,714,809
Improvements other than buildings	114,348,197	51,025,960	—	165,374,157
Equipment and machinery	17,436,114	76,117	(214,934)	17,297,297
Construction in progress	51,359,830	42,984,503	(51,359,831)	42,984,502
Total	<u>193,798,734</u>	<u>94,420,451</u>	<u>(51,574,765)</u>	<u>236,644,420</u>
Accumulated depreciation	(70,502,591)	(3,709,347)	214,052	(73,997,886)
Total	<u>\$ 123,296,143</u>	<u>\$ 90,711,104</u>	<u>\$ (51,360,713)</u>	<u>\$ 162,646,534</u>

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City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2005</u>
Solid waste				
Land	\$ 3,811,166	\$ —	\$ —	\$ 3,811,166
Buildings	22,782,735	77,005	—	22,859,740
Improvement other than building	—	866,026	—	866,026
Equipment and machinery	18,711,937	181,343	(90,906)	18,802,374
Construction in progress	4,521,208	583,979	(943,031)	4,162,156
Total	<u>49,827,046</u>	<u>1,708,353</u>	<u>(1,033,937)</u>	<u>50,501,462</u>
Accumulated depreciation	(19,280,901)	(1,400,305)	98,770	(20,582,436)
Total	<u>\$ 30,546,145</u>	<u>\$ 308,048</u>	<u>\$ (935,167)</u>	<u>\$ 29,919,026</u>
Performing arts and convention center fund				
Buildings	\$ —	\$ 42,615	\$ —	\$ 42,615
Equipment and machinery	1,828	6,900	—	8,728
Construction in progress	42,615	—	(42,615)	—
Total	<u>44,443</u>	<u>49,515</u>	<u>(42,615)</u>	<u>51,343</u>
Accumulated depreciation	(1,827)	—	—	(1,827)
Total	<u>\$ 42,616</u>	<u>\$ 49,515</u>	<u>\$ (42,615)</u>	<u>\$ 49,516</u>
Oxnard housing authority fund				
Land	\$ 8,920,208	\$ —	\$ —	\$ 8,920,208
Buildings	32,727,946	1,350,961	—	34,078,907
Equipment and machinery	1,716,506	1,397	—	1,717,903
Construction in progress	—	1,937	—	1,937
Total	<u>43,364,660</u>	<u>1,354,295</u>	<u>\$ —</u>	<u>44,718,955</u>
Accumulated depreciation	(25,097,403)	(2,043,553)	—	(27,140,956)
Total	<u>\$ 18,267,257</u>	<u>\$ (689,258)</u>	<u>\$ —</u>	<u>\$ 17,577,999</u>
Municipal golf course fund				
Land	\$ 4,282,572	\$ —	\$ —	\$ 4,282,572
Buildings	2,735,409	511,624	—	3,247,033
Golf course improvements	5,803,242	—	—	5,803,242
Construction in progress	6,527,213	1,252,308	(511,624)	7,267,897
Total	<u>19,348,436</u>	<u>1,763,932</u>	<u>(511,624)</u>	<u>20,600,744</u>
Accumulated depreciation	(2,446,072)	(70,752)	—	(2,516,824)
Total	<u>\$ 16,902,364</u>	<u>\$ 1,693,180</u>	<u>\$ (511,624)</u>	<u>\$ 18,083,920</u>

7. LONG-TERM OBLIGATIONS

The following is a summary of changes in the City's long-term obligations for the year ended June 30, 2005:

	Balance July 1, 2004	Issued	Retired	Balance June 30, 2005	Amounts Due Within One Year
Governmental activities:					
Revenue bonds:					
Lease revenue refunding bonds, series 2003	\$ 6,974,301	\$ 239,199	\$ 486,491	\$ 6,727,009	\$ 501,309
Adjustable rate lease revenue refunding bonds, series 1993	1,500,000	—	700,000	800,000	800,000
Adjustable rate lease revenue bonds, series 2003B	14,400,000	—	320,000	14,080,000	330,000
1999 certificates of participation	8,045,000	—	210,000	7,835,000	215,000
Tax allocation refunding bonds, series 2004A	19,185,000	—	550,000	18,635,000	605,000
Capital lease:					
LaSalle national leasing	1,729,354	—	316,956	1,412,398	326,387
Compensated absences	11,069,887	6,435,738	5,449,249	12,056,376	5,450,000
Notes payable	315,075	—	315,075	—	—
Metropolitan water district loan	5,306,400	—	100,548	5,205,852	106,718
Unamortized discounts	(98,234)	—	(9,823)	(88,411)	—
Total governmental activities	<u>\$ 68,426,783</u>	<u>\$ 6,674,937</u>	<u>\$ 8,438,496</u>	<u>\$ 66,663,224</u>	<u>\$ 8,334,414</u>
Business-type activities:					
Revenue bonds:					
Lease revenue refunding bonds, series 2003 - golf	\$ 10,271,500	\$ —	\$ 693,186	\$ 9,578,314	\$ 713,747
Water revenue refunding bonds, series 2001	11,660,000	—	245,000	11,415,000	255,000
Water revenue project bonds, series 2004	47,895,000	—	905,000	46,990,000	925,000
Wastewater revenue refunding bonds, series 2003	40,230,000	—	1,815,000	38,415,000	1,885,000
Wastewater revenue bonds, series 2004A	80,000,000	—	—	80,000,000	—
Wastewater revenue bonds, series 2004B	—	23,975,000	—	23,975,000	—
Solid waste revenue bonds, series 1995	17,920,000	—	17,920,000	—	—
Solid waste revenue refunding bonds, series 2005	—	20,955,000	—	20,955,000	1,575,000
Lease revenue refunding bonds, series 2003 - solid waste	239,199	—	239,199	—	—
2004 capital fund revenue bonds - housing authority	5,820,000	—	205,000	5,615,000	205,000
Unamortized bond premium	1,172,921	1,040,131	45,112	2,167,940	—
Unamortized discounts	(1,019,738)	(136,208)	(228,532)	(927,414)	—
Unamortized gain or loss on refunding	(3,405,764)	—	(130,991)	(3,274,773)	—
Subtotal	<u>210,783,118</u>	<u>45,833,923</u>	<u>21,707,974</u>	<u>234,909,067</u>	<u>5,558,747</u>
Capital lease:					
Residential trash collection vehicles	814,268	—	217,368	596,900	229,264
Del Norte Blvd. Improvement	621,506	—	64,943	556,563	66,900
Fifth and Del Norte improvement	1,036,356	—	101,461	934,895	103,520
LaSalle national leasing - solid waste	444,009	—	63,297	380,712	65,372
Compensated absences	2,196,464	1,706,593	1,563,243	2,339,814	1,100,000
Total business-type activities	<u>215,895,721</u>	<u>47,540,516</u>	<u>23,718,286</u>	<u>239,717,951</u>	<u>7,123,803</u>
Total	<u>\$ 284,322,504</u>	<u>\$ 54,215,453</u>	<u>\$ 32,156,782</u>	<u>\$ 306,381,175</u>	<u>\$ 15,458,217</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

Internal Service Funds predominantly serve the governmental funds. Accordingly, their long-term obligations are included as part of the above totals for the governmental activities. Changes in long-term obligations for the internal service funds for the year ended June 30, 2005, are as follows:

	<u>Balance July 1, 2004</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2005</u>	<u>Amounts Due Within One Year</u>
Internal Service Funds:					
Compensated absences	\$ 601,063	\$ 502,651	\$ 476,782	\$ 626,932	\$ 232,000
Total	<u>\$ 601,063</u>	<u>\$ 502,651</u>	<u>\$ 476,782</u>	<u>\$ 626,932</u>	<u>\$ 232,000</u>

The following is a summary of changes in long-term obligations for each major enterprise fund for the year ended June 30, 2005:

	<u>Balance July 1, 2004</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2005</u>	<u>Amounts Due Within One Year</u>
Water fund					
Revenue refunding bonds, series 2001	\$ 11,660,000	\$ —	\$ 245,000	\$ 11,415,000	\$ 255,000
Water revenue refunding, series 2004	47,895,000	—	905,000	46,990,000	925,000
Unamortized bond premium	1,172,921	—	45,112	1,127,809	—
Less: unamortized loss on refunding	(3,405,764)	—	(130,991)	(3,274,773)	—
Unamortized discounts	(179,049)	—	(6,887)	(172,162)	—
Subtotal	<u>57,143,108</u>	<u>—</u>	<u>1,057,234</u>	<u>56,085,874</u>	<u>1,180,000</u>
Compensated absences	379,059	319,896	264,015	434,940	185,000
Total	<u>\$ 57,522,167</u>	<u>\$ 319,896</u>	<u>\$ 1,321,249</u>	<u>\$ 56,520,814</u>	<u>\$ 1,365,000</u>
Wastewater fund					
Revenue refunding bonds, series 2003	\$ 40,230,000	\$ —	\$ 1,815,000	\$ 38,415,000	\$ 1,885,000
Revenue bonds, series 2004A	80,000,000	—	—	80,000,000	—
Revenue bonds, series 2004B	—	23,975,000	—	23,975,000	—
Less: unamortized discounts	(687,827)	—	(68,783)	(619,044)	—
Subtotal	<u>119,542,173</u>	<u>23,975,000</u>	<u>1,746,217</u>	<u>141,770,956</u>	<u>1,885,000</u>
Compensated absences	625,697	449,627	396,023	679,301	255,000
Total	<u>\$ 120,167,870</u>	<u>\$ 24,424,627</u>	<u>\$ 2,142,240</u>	<u>\$ 142,450,257</u>	<u>\$ 2,140,000</u>

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City of Oxnard, California

**Notes to the Basic Financial Statements
June 30, 2005**

	<u>Balance July 1, 2004</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2005</u>	<u>Amounts Due Within One Year</u>
Solid waste fund					
Lease revenue refunding bonds, series 2003	\$ 239,199	\$ —	\$ 239,199	\$ —	\$ —
Solid waste revenue bonds, series 1995	17,920,000	—	17,920,000	—	—
Solid waste revenue refunding bonds, series 2005	—	20,955,000	—	20,955,000	1,575,000
Less: unamortized bond premium	—	1,040,131	—	1,040,131	—
Less: unamortized discounts	(152,862)	(136,208)	(152,862)	(136,208)	—
Subtotal	<u>18,006,337</u>	<u>21,858,923</u>	<u>18,006,337</u>	<u>21,858,923</u>	<u>1,575,000</u>
Capital lease					
Residential trash collection vehicles	814,268	—	217,368	596,900	229,264
Del Norte Blvd. improvement	621,506	—	64,943	556,563	66,900
Fifth and Del Norte improvement	1,036,356	—	101,461	934,895	103,520
LaSalle national leasing	444,009	—	63,297	380,712	65,372
Compensated absences	526,704	473,646	462,027	538,323	235,000
Total	<u>\$ 21,449,180</u>	<u>\$ 22,332,569</u>	<u>\$ 18,915,433</u>	<u>\$ 24,866,316</u>	<u>\$ 2,275,056</u>
Performing arts and convention center fund					
Compensated absences	\$ 55,749	\$ 38,189	\$ 29,072	\$ 64,866	\$ 25,000
Total	<u>\$ 55,749</u>	<u>\$ 38,189</u>	<u>\$ 29,072</u>	<u>\$ 64,866</u>	<u>\$ 25,000</u>
Oxnard housing authority fund					
2004 capital fund revenue bonds	\$ 5,820,000		\$ 205,000	\$ 5,615,000	\$ 205,000
Compensated absences	609,255	425,235	412,105	622,385	400,000
Total	<u>\$ 6,429,255</u>	<u>\$ 425,235</u>	<u>\$ 617,105</u>	<u>\$ 6,237,385</u>	<u>\$ 605,000</u>
Municipal golf course					
Lease revenue refunding bonds, series 2003	\$ 10,271,500	\$ —	\$ 693,186	\$ 9,578,314	\$ 713,747
Total	<u>\$ 10,271,500</u>	<u>\$ 0</u>	<u>\$ 693,186</u>	<u>\$ 9,578,314</u>	<u>\$ 713,747</u>

Lease Revenue Refunding Bonds 2003, Series A

The Lease Revenue Refunding Bonds 2003 Series A are a thirteen-year bond issue with a net interest cost of 3.5904 percent. The bonds were issued to refinance the outstanding Lease Revenue Refunding Bonds Series 1993 for the 1988 Civic Center Library bonds, the 1986 River Ridge Golf Course bonds, the land acquisition bonds, the 1966 Auditorium Authority bonds and the 1972 parking authority, and to prepay the Zion Bank leases for the Old Oxnard High School and 300 West Third Street. The refunding resulted in an economic gain of \$921,361 and an overall cash savings of

\$4,922,193. The bonds were issued on May 22, 2003, with an original amount of \$18,640,000, maturing in various amounts through June 1, 2016. The total balance outstanding as of June 30, 2005, is \$16,305,323, of which \$6,727,009 is recorded within governmental activities and \$9,578,314 is recorded within business-type activities in the accompanying statement of net assets.

Adjustable Rate Lease Revenue Bonds, Series 2003 B

The Adjustable Rate Lease Revenue Bonds 2003 Series B were issued on December 1, 2003, with an original amount of \$14,750,000. These bonds are a thirty-year bond issue with a base interest of 1.45 to a maximum of 4 percent maturing in various amounts through June 1, 2033. These bonds were issued to finance the Downtown Parking Structure and a new Library. The balance outstanding as of June 30, 2005, is \$14,080,000.

Adjustable Rate Taxable Refunding Bonds Series 1993

The Adjustable Rate Taxable Refunding Series 1993 was issued on November 10, 1993 with an original amount of \$7,700,000. These bonds had a variable interest rate ranging from 1.35 to 6.80 percent over the life of the bond. For Fiscal Year 2004-2005, the variable interest rate ranged from 1.35 to 2.25 percent, maturing in various amounts through June 1, 2006. The bonds were issued to refinance outstanding bonds for the 1985 public parking bonds. The balance outstanding and recorded as governmental activities as of June 30, 2005, is \$800,000.

1999 Certificates of Participation

The 1999 Certificates of Participation are thirty-year bonds that were issued on January 26, 1999, with an original amount of \$8,980,000 and a net interest cost of 5.04 percent. The balance outstanding and recorded as governmental activities as of June 30, 2005, is \$7,835,000.

Tax Allocation Refunding Bonds, Series 2004A

The Tax Allocation Refunding Bonds, Series 2004 A are a twenty-two-year bond issued on May 4, 2004, with an interest rate of 4.643 percent and an original amount of \$19,185,000. The bonds were issued to refinance the Tax Allocation Refunding Bonds Series 1994A and to finance additional redevelopment activities within the Central City Revitalization and Downtown Project Area. The balance outstanding as of June 30, 2005, is \$18,635,000.

Water Revenue Refunding and Project Bonds, Series 2001

On July 17, 2001, the Oxnard Financing Authority issued \$12,410,000 of Water Revenue Refunding and Project Bonds, Series 2001 with interest rate of 5.1057 percent, maturing on June 1, 2030. The proceeds from the sale of the bonds were used to refund the total outstanding principal amount of \$5,391,884 of the Water Revenue Bonds Series 1993 and the Water Capital Appreciation Bonds and to finance the cost of construction of the 2001 project. The advance refunding resulted in an economic gain of \$1,373,201 (difference between the present value of the old bonds and the present value of the new bonds), which is being amortized over the life of the original bonds, and cash flow savings of \$5,796,073. The outstanding balance on the new bonds as of June 30, 2005, is \$11,415,000.

The 2001 Project includes improvements to the City's Blending Station No. 1 Disinfection System; replacement of cast iron pipe in the City's downtown area; an upgrade of the City's Blending Station No. 1 to improve its energy efficiency; improvements to the City's Automated Meter Reading Program; replacement and upgrade of existing pipeline corrosion protection systems; and, the rehabilitation of certain water wells.

Water Revenue Project Bonds, Series 2004

On February 1, 2004, the Oxnard Financing Authority issued \$47,895,000 of Water Revenue Project Bonds, Series 2004 with an interest rate of 2 through 5 percent, maturing on June 30, 2034. The proceeds from the sale of the bonds were used to pay for the costs of improvements to the Water System, including Cast Iron Pipe Replacement (Hydraulic Improvement), Hydrant Upgrades, Hydraulic Deficiencies, Blending Station No. 3 Water Conditioning II, Blending Station No. 5, SCADA Upgrades, Phase I of the Groundwater Recovery Enhancement and Treatment Program, Automated Meter Reading Retrofit Program, and Water Well Improvement Program. The balance outstanding as of June 30, 2005, is \$46,990,000.

Wastewater Revenue Refunding Bonds, Series 2003

The Wastewater Revenue Refunding Bonds Series 2003 are a seventeen-year bond issue with a net interest cost of 4.183 percent. The bonds were issued to refinance the Wastewater Revenue Refunding Bonds Series 1993 outstanding balances related to the 1986 Wastewater Treatment Plant Expansion Bonds, 1985 Wastewater Treatment Plant Expansion Land Bonds and the 1977 Oxnard Port Hueneme Regional Wastewater Treatment Authority bonds. The bonds were issued on April 1, 2003, with an original amount of \$43,785,000, maturing in various amounts through June 1, 2020. The outstanding balance as of June 30, 2005, is \$38,415,000. The current refunding resulted in an economic gain of \$3,923,503 (difference between the present value of the old bonds and the present value of the new bonds) and a cash flow savings of \$4,922,193.

Wastewater Revenue Bonds, Series 2004A

On June 22, 2004, the Oxnard Financing Authority issued \$80,000,000 of Wastewater Revenue Bonds, Series 2004 A, with a fixed interest rate of 5 percent, maturing on June 30, 2034. The purpose of these bonds is to pay for the costs of the Redwood Trunk Sewer and Headworks Projects. The balance outstanding as of June 30, 2005, is \$80,000,000.

Wastewater Revenue Bonds, Series 2004B

On November 1, 2004, the Oxnard Financing Authority issued \$23,975,000 of Variable Rate Demand Wastewater Revenue Bonds, Series 2004 B, with an interest rate of 2.45 to 4.45 percent, maturing on June 1, 2033. The bond proceeds were used to finance the cost of certain capital improvements to the City's wastewater system (Headworks and Septic System Conversion Projects). The balance outstanding as of June 30, 2005, is \$23,975,000.

Solid Waste Revenue Refunding Bonds, Series 2005

On April 15, 2005, the Oxnard Financing Authority issued Solid Waste Revenue Refunding Bonds Series 2005 in the amount of \$20,955,000 with an interest rate of 3.97 to 5.00 percent maturing in various amounts on May 1, 2016. The proceeds of the bonds were used to refund the Solid Waste Revenue Bonds, Series 1995 and the additional fund of \$4,120,000 was to fund various Solid Waste equipment such as: commercial front-end loader trucks, green waste collection, refuse tractors, trailers, compactors, pickup truck and others. The bonds were issued to finance the reconstruction of the Del Norte Regional Recycling and Transfer Station. The purchase of certain solid waste transfer and materials recovery equipment and the purchase of rolling stock to be used in transferring solid waste from the Del Norte station site to a landfill for disposal. The refunding of the 1995 Bonds provided a net present value savings of \$1,200,000. The outstanding balance as of June 30, 2005, is \$20,955,000.

2004 Capital Fund Revenue Bonds

On April 25, 2004, the Affordable Housing Agency issued Affordable Housing Agency Certificates of Participation, Series 2004 (Oxnard's Santa Clara Projects) in the amount of \$10,370,000, evidencing a proportionate ownership interest in debt service payments to be made with respect to certain Capital Fund Revenue Bonds, Series 2004, issued by the Oxnard and Santa Clara Housing Authorities in the amounts of \$5,820,000 and \$4,550,000, respectively. Each certificate represents a proportionate ownership interest of the holder in the right to receive debt service payments made with respect to the bonds. The obligation of the housing authorities under their respective bond indentures are independent and neither is obligated for the payment

of principal or interest on the bonds of the other housing authority. The bonds were issued to finance certain capital projects of the Housing Authority, with interest ranging from 2.00 percent to 4.95 percent, maturing on or after April 1, 2012. The outstanding balance as of June 30, 2005, is \$5,615,000.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and financings. Liabilities were calculated for the issues. However, the five-year reporting period has not yet occurred and therefore the amount calculated has been recorded as a liability to the IRS and maintained by the Trustee until payments are due to the IRS.

The annual debt service requirements are shown below for all long-term debt except installment purchase obligations:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 2,884,414	\$ 2,138,498	\$ 6,023,804	\$ 11,331,347
2007	2,150,119	2,025,764	6,234,400	11,115,134
2008	2,140,099	1,950,005	6,348,450	10,873,810
2009	2,156,207	1,869,008	7,249,970	10,654,476
2010	2,236,209	1,793,566	7,522,570	10,385,086
2011-2015	11,461,973	7,728,547	41,660,544	46,887,793
2016-2020	10,495,670	5,501,579	34,132,646	37,789,937
2021-2025	10,998,800	3,276,404	39,180,000	29,256,393
2026-2030	8,066,768	884,969	47,480,000	18,727,985
2031-2033	2,105,000	105,543	43,580,000	5,776,407
Totals	<u>\$ 54,695,259</u>	<u>\$ 27,273,883</u>	<u>\$ 239,412,384</u>	<u>\$ 192,798,368</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

Fiscal Year	Wastewater Revenue Refunding Bonds, Series 2003		Wastewater Revenue Bonds, Series 2004A		Wastewater Revenue Bonds, Series 2004B	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,885,000	\$ 1,785,013	—	\$ 4,087,725	—	\$ 1,082,407
2007	1,950,000	1,717,612	—	4,087,725	—	1,082,407
2008	2,035,000	1,631,613	—	4,087,725	—	1,082,407
2009	2,100,000	1,565,563	—	4,087,725	820,000	1,082,407
2010	2,175,000	1,492,063	—	4,087,725	840,000	1,056,823
2011-2015	12,390,000	5,949,575	—	20,438,625	4,570,000	4,814,077
2016-2020	15,880,000	2,459,500	—	20,438,625	5,265,000	3,830,144
2021-2025	—	—	22,505,000	18,297,535	3,905,000	2,763,805
2026-2030	—	—	28,725,000	12,079,625	4,495,000	1,744,673
2031-2034	—	—	28,770,000	3,872,843	4,080,000	529,815
Totals	<u>\$ 38,415,000</u>	<u>\$ 16,600,939</u>	<u>\$ 80,000,000</u>	<u>\$ 95,565,878</u>	<u>\$ 23,975,000</u>	<u>\$ 19,068,965</u>

Fiscal Year	Water Revenue Refunding Bonds, Series 2001		Water Revenue Project Bonds, Series 2004		Adjustable Rate Taxable Refunding Bonds, Series 1993	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 255,000	\$ 551,997	\$ 925,000	\$ 2,102,434	\$ 800,000	\$ 50,000
2007	265,000	541,796	940,000	2,083,934	—	—
2008	275,000	531,196	960,000	2,065,134	—	—
2009	285,000	520,196	980,000	2,043,534	—	—
2010	300,000	508,796	1,005,000	2,020,014	—	—
2011-2015	1,700,000	2,339,840	5,530,000	9,593,837	—	—
2016-2020	2,130,000	1,898,293	6,695,000	8,436,218	—	—
2021-2025	2,725,000	1,309,813	8,445,000	6,685,000	—	—
2026-2030	3,480,000	551,687	10,780,000	4,352,000	—	—
2031-2034	—	—	10,730,000	1,373,750	—	—
Totals	<u>\$ 11,415,000</u>	<u>\$ 8,753,614</u>	<u>\$ 46,990,000</u>	<u>\$ 40,755,855</u>	<u>\$ 800,000</u>	<u>\$ 50,000</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

Fiscal Year	Lease Revenue Refunding Bonds, Series 2003A		Adjustable Lease Revenue Bonds, Series 2003B		Solid Waste Revenue Refunding Bonds, Series 2005	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,215,000	\$ 634,410	\$ 330,000	\$ 349,751	\$ 1,575,000	\$ 1,006,720
2007	1,250,000	599,960	340,000	341,554	1,645,000	935,400
2008	1,305,000	549,960	350,000	334,021	1,715,000	869,600
2009	1,355,000	497,760	360,000	324,414	1,785,000	801,000
2010	1,405,000	450,335	370,000	315,472	1,875,000	711,750
2011-2015	7,990,000	1,274,600	2,035,000	1,433,973	10,860,000	2,057,000
2016-2020	1,785,323	71,400	2,345,000	1,166,905	1,500,000	75,000
2021-2025	—	—	2,710,000	857,299	—	—
2026-2030	—	—	3,135,000	499,937	—	—
2031-2033	—	—	2,105,000	105,543	—	—
Totals	<u>\$ 16,305,323</u>	<u>\$ 4,078,425</u>	<u>\$ 14,080,000</u>	<u>\$ 5,728,869</u>	<u>\$ 20,955,000</u>	<u>\$ 6,456,470</u>

Fiscal Year	1999 Certificates of Participation		Tax Allocation Refunding Bonds, Series 2004A		2004 Capital Fund Revenue Bonds, Housing Authority	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 215,000	\$ 362,168	\$ 605,000	\$ 765,949	\$ 205,000	\$ 228,783
2007	225,000	353,460	620,000	750,599	215,000	224,682
2008	235,000	344,348	640,000	728,499	220,000	218,233
2009	245,000	334,713	665,000	702,399	225,000	211,632
2010	255,000	324,423	690,000	680,129	235,000	204,882
2011-2015	1,445,000	1,444,763	3,785,000	3,052,162	1,300,000	897,910
2016-2020	1,765,000	1,073,975	4,555,000	2,242,003	1,615,000	610,665
2021-2025	2,005,000	637,925	4,810,000	1,171,490	1,600,000	200,240
2026-2030	1,445,000	139,413	2,265,000	113,478	—	—
Totals	<u>\$ 7,835,000</u>	<u>\$ 5,015,188</u>	<u>\$ 18,635,000</u>	<u>\$ 10,206,708</u>	<u>\$ 5,615,000</u>	<u>\$ 2,797,027</u>

Capital Lease Obligations

On September 12, 2000, the City entered into a Lease Purchase Agreement with Municipal Finance Corporation in the amount of \$1,490,000 for the acquisition of twelve residential trash collection vehicles. The lease bears an interest rate of 5.4 percent with final maturity on September 12, 2007. The outstanding balance as of June 30, 2005, is \$596,900.

On October 28, 2002, the City entered into a Lease Purchase Agreement, line of credit with Zions Bank in the amount of \$715,575, for the purpose of Del Norte Boulevard improvements, with variable interest rate, based upon a projected interest rate of 5.0 percent, final maturity on December 1, 2012. The outstanding balance as of June 30, 2005, is \$556,563.

On February 7, 2003, the City entered into a Lease Purchase Agreement with Zions Bank in the amount of \$1,118,330 for the purpose of purchasing Fifth /Del Norte Land Purchase, with an interest rate of 5.00 percent, final maturity on June 1, 2013. The outstanding balance as of June 30, 2005, is \$934,895.

On November 20, 2003, the City entered into a Lease Purchase Agreement with LaSalle National Leasing Corporation in the amount of \$2,390,000 for various Parks equipment (\$524,000) amortized over a 4-year term at an interest rate of 2.57 percent, Fire equipment (\$1,383,000) and Solid Waste equipment (\$480,000) amortized over a 7-year period at a rate of 3.23 percent, final maturity on November 25, 2010. The outstanding balance as of June 30, 2005, is \$1,793,110.

The annual debt service requirements by year for the capital leases are as follows:

Fiscal Year	Equipment Lease Purchase LaSalle National Leasing		Residential Trash Collection Vehicles		Fifth Street/Del Norte Land Boulevard Purchase		Del Norte Boulevard Improvement	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 391,759	\$ 50,524	\$ 229,264	\$ 29,179	\$ 103,520	\$ 44,738	\$ 66,900	\$ 27,161
2007	403,876	38,110	241,812	16,631	106,623	39,523	69,143	23,789
2008	326,886	26,001	125,824	3,397	109,818	34,152	71,461	20,303
2009	272,104	17,143	—	—	113,109	28,620	73,857	16,700
2010	280,733	8,514	—	—	116,500	22,923	76,332	12,976
2011-2013	117,752	1,656	—	—	385,325	32,850	198,870	15,321
Totals	<u>\$ 1,793,110</u>	<u>\$ 141,948</u>	<u>\$ 596,900</u>	<u>\$ 49,207</u>	<u>\$ 934,895</u>	<u>\$ 202,806</u>	<u>\$ 556,563</u>	<u>\$ 116,250</u>

Notes and Loans Payable

On August 3, 1998, the Community Development Commission purchased property from the Metropolitan Water District of Southern California in exchange for a promissory note. The note is secured by deeds of trust on real property and bears interest at 6 percent per annum. The note matures at various times through December 2028. At June 30, 2005, the outstanding balance was \$5,205,852.

The annual debt service requirement for notes and loans payable are as follows:

Fiscal Year	Metropolitan Water District Loan	
	Principal	Interest
2006	\$ 106,718	\$ 309,980
2007	113,267	303,431
2008	120,217	296,481
2009	127,594	289,104
2010	135,424	281,274
2011-2015	812,451	1,271,039
2016-2020	1,094,613	989,237
2021-2025	1,473,800	609,689
2026-2028	1,221,768	132,142
Totals	<u>\$ 5,205,852</u>	<u>\$ 4,482,377</u>

Management believes the City complies with all significant covenants related to its debt issues as of June 30, 2005.

Compensated Absences

The long-term portion of the liability was \$6,606,376 for governmental activities and \$1,239,814 for business-type activities at June 30, 2005, which is expected to be paid in future years from future resources.

Special Assessment Bonds

There are various 1915 Act Improvement Districts and Mello-Roos Community Facilities Act of 1982, within the City, which have issued special assessment or special tax debt. The debt is secured by liens or special taxes on the properties in the districts and is paid by the property owners. 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 the collections to fiscal agents to pay the bondholders, and initiating foreclosure proceedings, if appropriate.

Accordingly, such special assessment debt is not reflected in the accompanying basic financial statements. Special assessment debt outstanding at June 30, 2005, is as follows:

Hueneme Road Assessment District:	
1915 Act Improvement Bonds issued May 29, 1985; original amount \$5,657,485.84; interest rate that varies with maximum rate of 9.8%; maturity 2005	\$ 575,000
Mandalay Bay Assessment District:	
1915 Act Improvement Bonds issued April 24, 1987; original amount \$6,250,000; maximum rate 7.4%; due 2007	1,850,000
Rose/Santa Clara Assessment District:	
1915 Act Improvement Bonds issued August 14, 1986 with original amount \$13,170,000; maximum rate 8.25%; due 2006	1,705,000
Rice Avenue/Highway 101 Assessment District:	
1915 Act Limited Obligation Bonds issued August 27, 2002 with original amount \$15,125,000; maximum rate of 5.70%; maturing in varying amounts through 2032	14,390,000
Rose Avenue/Highway 101 Assessment District:	
1915 Act Improvement Bonds issued November 1, 1996; original amount \$8,560,000; average rate of 5.50%; maturing in 2016	6,230,000
Pacific Commerce Center Assessment District:	
1915 Act Improvement Bonds issued November 1, 1996; original amount \$31,120,000; average rate of 5.17%; maturing in 2006	7,110,000
City of Oxnard Community Facilities District I:	9,740,000
City of Oxnard Community Facilities District 88-1:	1,735,000
Oxnard Boulevard Interchange Community District:	10,135,000
Oxnard Boulevard/Highway 101 Interchange:	
1915 Act Improvement Limited Obligation Bonds issued on August 14, 2003; original amount \$2,335,000; interest rate varies; the maximum rate of 6.15%; maturing in 2033	2,305,000
Total	<u>\$ 55,775,000</u>

8. DEFINED BENEFIT PENSION PLAN

A. Retirement Plan Description - PERS

The City contributes to the California Public Employees' Retirement System ("PERS"), an agent multiple-employer, public employee defined benefit plan, that acts as a common investment and administrative agent for participating public entities within the State of California. The City's membership is reported within three plans classified into two categories: safety members (police and fire) and miscellaneous members (all other regular employees). The City's payroll for employees covered by PERS for the year ended June 30, 2005, was \$70,039,025; the City's total payroll was \$75,785,365. PERS issues a separate comprehensive annual financial report. Copies of PERS' annual financial report may be obtained from the PERS Executive Office, 400 "P" Street, Sacramento, CA 95814.

All personnel are eligible to participate in PERS. Benefits vest after five years of service. Employees who retire at or after age 50 with five years of credited service are entitled to retirement benefits. Monthly retirement benefits are payable for life in an amount equal to a specified percentage (ranging from 1.426 percent for employees who retire at age 50 to 2.418 percent for employees who retire at age 63 or over) for miscellaneous employees and 3 percent for police employees at age 50 and fire employees at age 55. The benefits are calculated at the highest consecutive 12 months for miscellaneous employees and safety employees.

Required employee contributions to PERS are 7 percent of compensation for miscellaneous employees and 9 percent of compensation for safety employees, which the City currently pays for regular employees. The City is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the PERS actuaries and actuarial consultants and adopted by the PERS Board of Administration.

PERS uses a modification of the entry age normal actuarial cost method, which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued.

Annual Pension Cost

For Fiscal Year 2004-2005, the City's annual pension cost (APC) of \$15,961,934 for Public Employees Retirement System was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2003, revised actuarial assumptions and retain the entry age actuarial cost method.

Significant actuarial assumptions across all three plans included (a) 8.25 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases ranging from 3.75 percent to 14.2 percent (for miscellaneous employees) and from 4.27 percent to 11.59 percent (for safety employees) and that vary based on the duration of service and type of employment, and (c) 3.75 percent per year across-the-board real salary increases. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2005, was five years for prior service unfunded and sixteen years for remaining unfunded.

Trend Information by Plan

	Fiscal Year Ending June 30	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Police	2003	6/30/03	\$ 3,666,407	100%	\$ —
Police	2004	6/30/04	4,681,429	100%	—
Police	2005	6/30/05	7,493,998	100%	—
Fire	2003	6/30/03	\$ 733,272	100%	\$ —
Fire	2004	6/30/04	1,179,214	100%	—
Fire	2005	6/30/05	2,452,730	100%	—
Miscellaneous	2003	6/30/03	\$ 2,732,723	100%	\$ —
Miscellaneous	2004	6/30/04	2,890,761	100%	—
Miscellaneous	2005	6/30/05	6,015,206	100%	—

Contributions to PERS for the Fiscal Year ended June 30, 2005, are shown below:

	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Total</u>
Safety employees:			
Police	\$ 5,815,945	\$ 1,678,053	\$ 7,493,998
Fire	1,784,933	667,797	2,452,730
Total safety employees	7,600,878	2,345,850	9,946,728
Miscellaneous employees	2,937,025	3,078,181	6,015,206
Total	<u>\$ 10,537,903</u>	<u>\$ 5,424,031</u>	<u>\$ 15,961,934</u>

B. Public Agency Retirement System, Retirement Enhancement Plan (PARS-REP)

Plan Description - The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS-REP) for selected group of miscellaneous employees (non-safety), Service Employees International Union (SEIU), International Union of Operating Engineers (IUOE), Management, and one of the two groups of Confidential employees, effective January 1, 2003. PARS is a defined benefit 401 (a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Phase II systems is the PARS Trust Administrator. Upon meeting the eligibility requirements, Plan provides a benefit equal to the “3.0% at 60” plan factor (formula is a static 3.0% at age 60 and older). Less the CalPERS “2% at 55” plan factors for all years of City service. Eligibility for an immediate benefit is defined as reaching age 50, completing five years of Oxnard service, and retiring concurrently from both the City and CalPERS after leaving City employment. In addition, a deferred benefit would be available to participants who complete five years of service. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

Funding Policy – The City contributes of eligible employee gross wages 2.63 percent, IUOE employees contributes 8 percent, SEIU, management and confidential employees contributes 8 percent, of which 3 percent is paid by the City. The City’s payroll for employees covered by PARS for the year ended June 30, 2005, was \$33,356,777. PARS issues a separate comprehensive annual financial report. Copies of PARS annual financial report may be obtained for the PARS Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660.

PARS uses an entry age normal actuarial cost method, which is a projected benefit cost method. The chief characteristics of project benefits methods is that the actuarial present value of all plan benefits is determined as of the valuation date and then allocated between the period before and after the valuation date. The present value of plan benefits earned prior to the valuation date is called the actuarial liability. The present value of plan benefits to be earned after the valuation date is called the present value of future normal costs.

Annual Pension Costs

PARS will issue an actuarial study after the City has participated in the plan for a two-year period.

Contributions to PARS for the fiscal year ended June 30, 2005, are shown below:

	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Total</u>
Miscellaneous employees	<u>\$ 877,283</u>	<u>\$ 2,668,542</u>	<u>\$ 3,545,825</u>

9. POSTEMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides postemployment health care benefits to all retired employees that separate from the City, as provided under the City’s contractual agreement with its recognized employee organizations. The City’s maximum payment of \$32.20 increased in January 2005 to \$48.40 per month per retiree, as long as the retiree remains in a City-sponsored health plan. The benefits are funded on a pay-as-you-go basis. Postemployment health care benefits for the year ended June 30, 2005, totaled \$92,932. Currently, 192 retirees are enrolled and eligible to receive this benefit.

10. COMMITMENT AND CONTINGENCIES

There are various lawsuits and claims pending against the City. In the opinion of the City Attorney and management, none of these cases, nor the aggregate thereof, represents any substantial exposure to the City. At June 30, 2005, the City has recorded a general litigation reserve of \$1,000,000 to cover any potential exposure, which has been recorded within self-insurance claims liabilities in the accompanying basic financial statements.

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

The City has received several federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Based upon prior experience, the City believes such disallowance, if any, would be immaterial.

11. FUND BALANCE - GOVERNMENTAL FUNDS

The restricted revenues of \$5,392,229 are restricted for capital improvements related to development and Community Development Commission. The following is a summary of reserved and unreserved fund balances at June 30, 2005:

	<u>General Fund</u>	<u>Development Fees Fund</u>	<u>HUD and CDBG Fund</u>	<u>State and Federal Grants Fund</u>	<u>Debt Services Fund</u>	<u>Capital Outlay Fund</u>	<u>Community Development Commission Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Reserved fund balance:									
Encumbrances	\$ 3,713,299	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,713,299
Receivables	—	—	—	—	—	—	823,240	—	823,240
Repayment of debt	—	—	—	—	1,024,025	—	—	—	1,024,025
Advances	98,035	—	—	—	—	—	—	—	98,035
Restricted revenue	68,126	235,362	—	—	—	—	5,088,741	—	5,392,229
Carryover savings	321,600	—	—	—	—	—	—	—	321,600
Properties held for resale	—	—	—	—	—	—	4,811,047	—	4,811,047
Total reserved	4,201,060	235,362	—	—	1,024,025	—	10,723,028	—	16,183,475
Unreserved fund balance:									
Designated for authorized projects	19,197,335	23,128,902	—	10,612,406	—	12,976,947	10,156,106	4,370,587	80,442,283
Undesignated and available for future operation	—	15,144,112	—	—	—	(1,150,286)	120,903	(151,920)	13,962,809
Total unreserved	19,197,335	38,273,014	—	10,612,406	—	11,826,661	10,277,009	4,218,667	94,405,092
Fund balances - unreserved:									
Designated for existing council- authorized projects	\$ —	\$ 23,128,902	\$ —	\$ 10,612,406	\$ —	\$ 12,976,947	\$ 10,156,106	\$ 4,370,587	\$ 61,244,948

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

	<u>General Fund</u>	<u>Development Fees Fund</u>	<u>HUD and CDBG Fund</u>	<u>State and Federal Grants Fund</u>	<u>Debt Services Fund</u>	<u>Capital Outlay Fund</u>	<u>Community Development Commission Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Undesignated but restricted as to purpose:									
General fund:									
Administration, public safety, parks and street maintenance, recreation, and transportation services and community development									
Operating reserves and economic contingencies	15,445,376	—	—	—	—	—	—	—	15,445,376
Undesignated and available for future operations	3,751,959	—	—	—	—	—	—	—	3,751,959
Development fees funds:									
Quimby fees restricted solely for acquisition and development of parks	—	643,015	—	—	—	—	—	—	643,015
Parks acquisition fees restricted to acquire land and improve parks	—	300,519	—	—	—	—	—	—	300,519
Storm drain facilities fees restricted for storm drain constructions	—	3,384,612	—	—	—	—	—	—	3,384,612
Impact fees solely for traffic signals and synchronization systems	—	1,015,674	—	—	—	—	—	—	1,015,674
Capital growth fees restricted to each residential/commercial neighborhoods	—	4,745,561	—	—	—	—	—	—	4,745,561
Capital growth fees restricted to each nonresidential/noncommercial neighborhoods	—	1,268,811	—	—	—	—	—	—	1,268,811
Utilities undergrounding fees solely for construction of underground lines	—	847,998	—	—	—	—	—	—	847,998
CUPA permit fees solely to manage hazardous materials disposal	—	137,736	—	—	—	—	—	—	137,736
Housing in-lieu fees and affordable housing fees solely for low-cost housing	—	2,800,186	—	—	—	—	—	—	2,800,186
Capital outlay fund:									
This fund is solely for the acquisition and construction of street projects, civic center improvements	—	—	—	—	—	(1,150,286)	—	—	(1,150,286)

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2005*

	<u>General Fund</u>	<u>Development Fees Fund</u>	<u>HUD and CDBG Fund</u>	<u>State and Federal Grants Fund</u>	<u>Debt Services Fund</u>	<u>Capital Outlay Fund</u>	<u>Community Development Commission Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Community development commission fund: This fund is solely for the development of blighted areas in the city and to construct capital improvement projects, provide low-cost housing to low/moderate income buyers and to grant loans	—	—	—	—	—	—	120,903	—	120,903
Non-major governmental funds: State gas tax restricted for street improvements and maintenance	—	—	—	—	—	—	—	(1,024,645)	(1,024,645)
Traffic safety fund restricted to maintenance of traffic signals, equipment and devices	—	—	—	—	—	—	—	(742,813)	(742,813)
Transportation development (TDA) restricted for street maintenance and improvements	—	—	—	—	—	—	—	(1,166,556)	(1,166,556)
Landscape maintenance districts restricted to waterways and landscape maintenance to various assessment districts	—	—	—	—	—	—	—	2,782,094	2,782,094
Subtotals	<u>\$ 19,197,335</u>	<u>\$ 38,273,014</u>	<u>\$ —</u>	<u>\$ 10,612,406</u>	<u>\$ —</u>	<u>\$ 11,826,661</u>	<u>\$ 10,277,009</u>	<u>\$ 4,218,667</u>	<u>\$ 94,405,092</u>
Total fund balances	<u>\$ 23,398,395</u>	<u>\$ 38,508,376</u>	<u>\$ —</u>	<u>\$ 10,612,406</u>	<u>\$ 1,024,025</u>	<u>\$ 11,826,661</u>	<u>\$ 21,000,037</u>	<u>\$ 4,218,667</u>	<u>\$ 110,588,567</u>

12. NET ASSETS - PROPRIETARY FUNDS AND GOVERNMENTAL ACTIVITIES

The following is a summary of net assets (restricted and unrestricted) which are included in the Fund Financial Statements for proprietary funds at June 30, 2005:

	Enterprise Funds						Governmental Activities - Internal Service Funds	
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Housing Authority	Municipal Golf Course		Total
Invested in capital assets (net of related debt)	\$ 41,713,142	\$ 23,924,981	\$ 6,955,081	\$ 49,516	\$ 16,834,371	\$ 8,264,900	\$ 97,741,991	\$ 992,661
Restricted:								
Repayment of debt	4,327,866	—	2,067,263	—	—	1,301,394	7,696,523	—
Total restricted	4,327,866	—	2,067,263	—	—	1,301,394	7,696,523	—
Unrestricted:								
Capital assets replacements	—	—	—	—	—	—	—	—
Authorized projects	27,735,601	91,581,702	7,563,180	(673,992)	—	—	126,206,491	—
Undesignated	6,506,720	11,523,773	(2,380,084)	—	(795,778)	(1,945,433)	12,909,198	(2,417,473)
Total unrestricted	34,242,321	103,105,475	5,183,096	(673,992)	(795,778)	(1,945,433)	139,115,689	(2,417,473)
Total net assets	<u>\$ 80,283,329</u>	<u>\$ 127,030,456</u>	<u>\$ 14,205,440</u>	<u>\$ (624,476)</u>	<u>\$ 16,038,593</u>	<u>\$ 7,620,861</u>	<u>\$ 244,554,203</u>	<u>\$ (1,424,812)</u>

13. RISK MANAGEMENT

General Liability

The City is self-insured for general liability claims up to \$1 million. The City is covered through BICEP for claims between \$1 million and \$25 million. Self-insured general liability claims are administered through a claims adjuster, with the City Attorney’s approval for larger settlements. Litigated claims are settled directly through the City Attorney’s Office.

The City's contribution to the Big Independent Cities Excess Pool (BICEP) for general liability coverage in Fiscal Year 2004-2005 was \$801,412 and a pure premium adjustment of \$30,829. BICEP information, a pooled liability insurance program for medium to large cities, can be obtained at 1100 South Flower Street, Suite 2100, Los Angeles, CA 90015, telephone number (213) 748-0066.

Workers' Compensation

The City is self-insured for workers' compensation claims up to \$500,000. For claims over \$500,000, the City has purchased excess workers' compensation insurance through BICEP. The claims are processed by a third party administrator similar to general liability claims.

Within the City's self-insured program for workers' compensation, there has been an average of 306 claims per year filed for the past four years, with an average of approximately \$3,269,693 per year in total reported losses as of June 30, 2005, (at an average of \$10,685 per claim). During the same four-year period, the average claims filed each year for general liability amounted to 250 claims totaling \$1,814,998 per year (at an average of \$7,260 per claim). In addition, there have been no insurance settlements that have exceeded the City's insurance coverage for each of the past three years.

All funds of the City participate in the program and make payments to an internal service fund on the basis of loss experience and exposure. The total unpaid claims and claims adjustment expense liability (long-term obligations) of \$16,426,339 (Workers' Compensation-\$12,381,899 and Public Liability and Property Damage-\$4,044,440) recorded at June 30, 2005, is based on results of actuarial studies and includes an estimate for claims incurred but not reported at the balance sheet date. Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts and other economic and societal factors. General liability and workers' compensation liabilities are carried at present value using a discount rate of 3.0 percent. In addition, the City is in compliance with the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

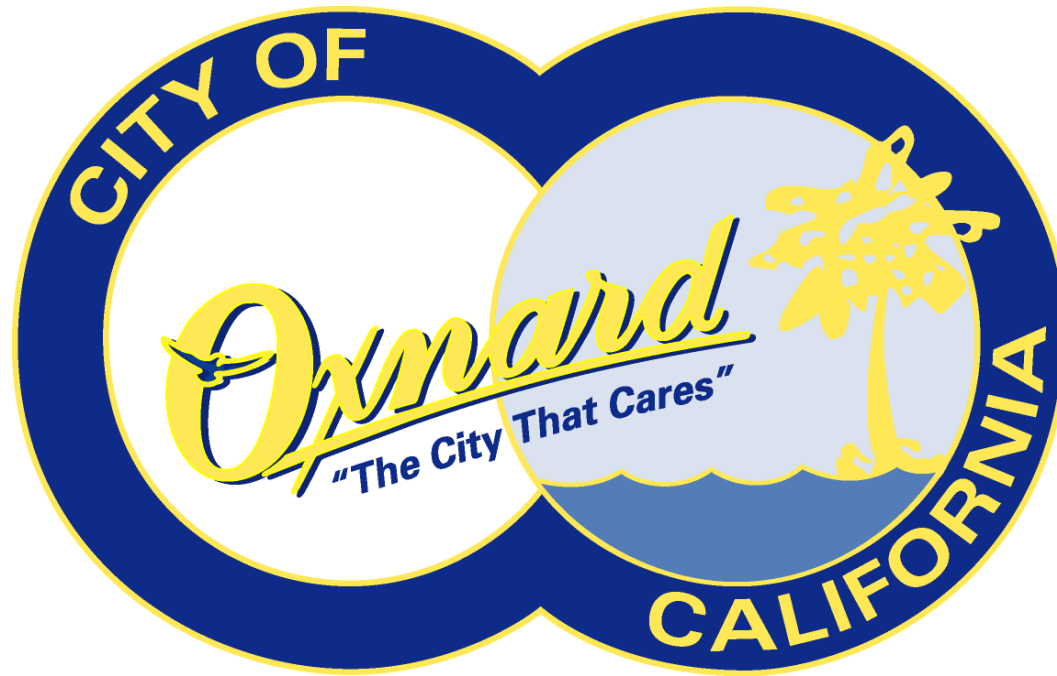
The following schedule presents the changes in self-insurance claims liabilities for the past two years for the Workers' Compensation Fund and Public Liability and Property Damage Fund:

	Workers' Compensation		Public Liability and Property Damage		Total	
	FY 04-05	FY 03-04	FY 04-05	FY 03-04	FY 04-05	FY 03-04
Unpaid claims and claims adjustment expenses - July 1	\$ 10,290,798	\$ 8,623,941	\$ 2,772,917	\$ 5,384,446	\$ 13,063,715	\$ 14,008,387
Incurring claims and claims adjustment expenses:						
Provision for insured events of the current fiscal year	306,144	2,120,636	1,074,448	370,514	1,380,592	2,491,150
Increase/Decrease in provision for insured events of prior fiscal years	2,091,449	3,819,092	1,709,714	226,369	3,801,163	4,045,461
Total incurred claims and claims adjustment expenses	2,397,593	5,939,728	2,784,162	596,883	5,181,755	6,536,611
Payments:						
Attributable to insured events of the current fiscal year	196,433	1,117,740	94,575	255,706	291,008	1,373,446
Attributable to insured events of prior fiscal years	110,059	3,155,131	1,418,064	2,952,706	1,528,123	6,107,837
Total payments	306,492	4,272,871	1,512,639	3,208,412	1,819,131	7,481,283
Unpaid claims and claims adjustment expenses - June 30	\$ 12,381,899	\$ 10,290,798	\$ 4,044,440	\$ 2,772,917	\$ 16,426,339	\$ 13,063,715

14. ACCUMULATED FUND DEFICITS

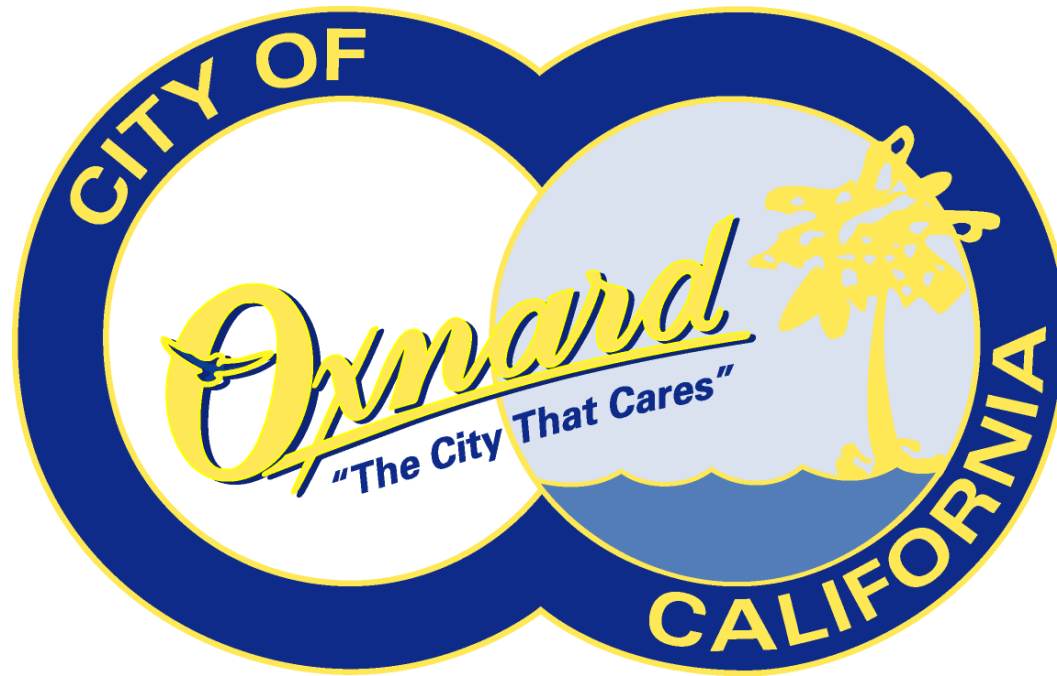
As of June 30, 2005, the City has fund deficits in the Performing Arts and Convention Center of \$624,476 and the Traffic Safety Fund of \$742,813 and in the Workers' Compensation Fund of \$7,672,811. The City intends to eliminate these deficits through increased user charges in future years.

**REQUIRED SUPPLEMENTARY
INFORMATION**



GENERAL FUND

The General Fund is used to account for all financial resources traditionally associated with government activities which are not required legally to be accounted for in another fund. Principal sources of revenues are property taxes, sales tax, license and permits, state shared revenues, and billings for outside and interfund services. Primary expenditures in the General Fund are made for general administration, police and fire protection, parks maintenance, streets and transportation services, and community development.



City of Oxnard, California

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

For the Year Ended June 30, 2005

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Taxes:			
Property tax	\$ 26,353,000	\$ 27,623,040	\$ 1,270,040
Sales tax	22,849,107	23,212,641	363,534
Transient occupancy tax	2,282,801	2,445,468	162,667
Other taxes:			
Franchise tax	4,540,000	4,572,206	32,206
Business license (net of refund)	3,608,547	3,967,972	359,425
Deed transfer tax	750,000	1,196,393	446,393
Total other taxes	<u>8,898,547</u>	<u>9,736,571</u>	<u>838,024</u>
Penalties/interest on delinquencies	150,000	126,250	(23,750)
Total taxes	<u>60,533,455</u>	<u>63,143,970</u>	<u>2,610,515</u>
Licenses and permits	<u>2,494,381</u>	<u>2,116,934</u>	<u>(377,447)</u>
Intergovernmental			
State shared revenue:			
Homeowners property tax relief	360,000	244,130	(115,870)
State mandated reimbursement - SB 90	—	65,397	65,397
POST reimbursement	—	92,119	92,119
Motor vehicle in lieu of tax	4,452,000	4,109,600	(342,400)
Off highway vehicle in lieu of tax	4,000	6,681	2,681
FEMA reimbursement	511,795	14,335	(497,460)
Public safety augmentation	963,800	1,134,850	171,050
AB 1191	75,000	18,410	(56,590)
Total state shared revenues	<u>6,366,595</u>	<u>5,685,522</u>	<u>(681,073)</u>
Local shared revenue:			
Infrastructure use revenues	1,809,146	1,809,146	—
Indirect cost reimbursements	4,362,941	4,973,574	610,633
Total local shared revenues	<u>6,172,087</u>	<u>6,782,720</u>	<u>610,633</u>
Total intergovernmental	<u>12,538,682</u>	<u>12,468,242</u>	<u>(70,440)</u>

City of Oxnard, California

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)
For the Year Ended June 30, 2005**

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
CHARGES FOR SERVICES			
General government	316,923	310,600	(6,323)
Public safety	1,645,648	2,640,416	994,768
Parks and recreation	717,413	829,232	111,819
Community development	5,464,062	5,801,168	337,106
Other current service charges	753,100	1,294,397	541,297
Tipping fees	110,000	110,000	—
Miscellaneous service charges	204,150	377,382	173,232
Services to other programs	3,562,764	3,631,590	68,826
Total charges for services	12,774,060	14,994,785	2,220,725
Fines and forfeitures:			
Parking fines	301,500	658,454	356,954
Total fines and forfeitures	301,500	658,454	356,954
Interest	2,484,990	1,759,629	(725,361)
Miscellaneous:			
Rent and royalties	60,482	64,962	4,480
Reimbursements	207,645	758,189	550,544
Contributions and donations	39,482	43,465	3,983
Payments on loans	—	195,698	195,698
Other	1,343,613	1,525,534	181,921
Special assessments - other	—	72,809	72,809
Sale of fixed assets			
Sale of vehicle/equipment	60,000	96,547	36,547
Sale of unclaimed property	7,000	6,505	(495)
Total sale of fixed assets	67,000	103,052	36,052
Contingency reserve	2,800,000	—	(2,800,000)
Total miscellaneous	4,518,222	2,763,709	(1,754,513)
Total operating revenues	95,645,290	97,905,723	2,260,433
Other financing sources:			
Operating transfers-in	—	—	—
Total other financing sources	—	—	—
Total revenues	95,645,290	97,905,723	2,260,433

City of Oxnard, California

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)
For the Year Ended June 30, 2005**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
EXPENDITURES			
General government:			
Legislative			
City Council	282,265	282,574	309
City Treasurer	534,970	544,558	9,588
City Clerk	432,722	405,081	(27,641)
Total legislative	<u>1,249,957</u>	<u>1,232,213</u>	<u>(17,744)</u>
Administrative and support services			
City Manager	1,231,540	1,191,680	(39,860)
City Attorney	1,564,040	1,447,962	(116,078)
Financial Services	3,807,586	3,680,774	(126,812)
Human Resources	929,304	977,933	48,629
Non-departmental	14,914,666	12,932,679	(1,981,987)
Amount reclassified as transfers out	(5,585,021)	(5,585,021)	—
Amount reclassified as transfer to COFA	(2,694,866)	(2,694,866)	—
Amount estimated for CDC loans	(1,730,560)	(1,730,560)	—
Subtotal	<u>4,904,219</u>	<u>2,922,232</u>	<u>(1,981,987)</u>
Total administrative and support services	12,436,689	10,220,581	(2,216,108)
Other	97,000	88,987	(8,013)
Total general government	<u>13,783,646</u>	<u>11,541,781</u>	<u>(2,241,865)</u>
Public Safety:			
Police	36,310,617	38,413,011	2,102,394
Fire	10,605,513	12,057,456	1,451,943
Total Public Safety	<u>46,916,130</u>	<u>50,470,467</u>	<u>3,554,337</u>
Transportation:			
Transportation planning and engineering	1,604,963	1,754,906	149,943
Engineering services - design	969,870	1,072,765	102,895
Public services administration	352,782	425,655	72,873
Street lighting - SCE	1,231,748	934,130	(297,618)
Total transportation	<u>4,159,363</u>	<u>4,187,456</u>	<u>28,093</u>

City of Oxnard, California

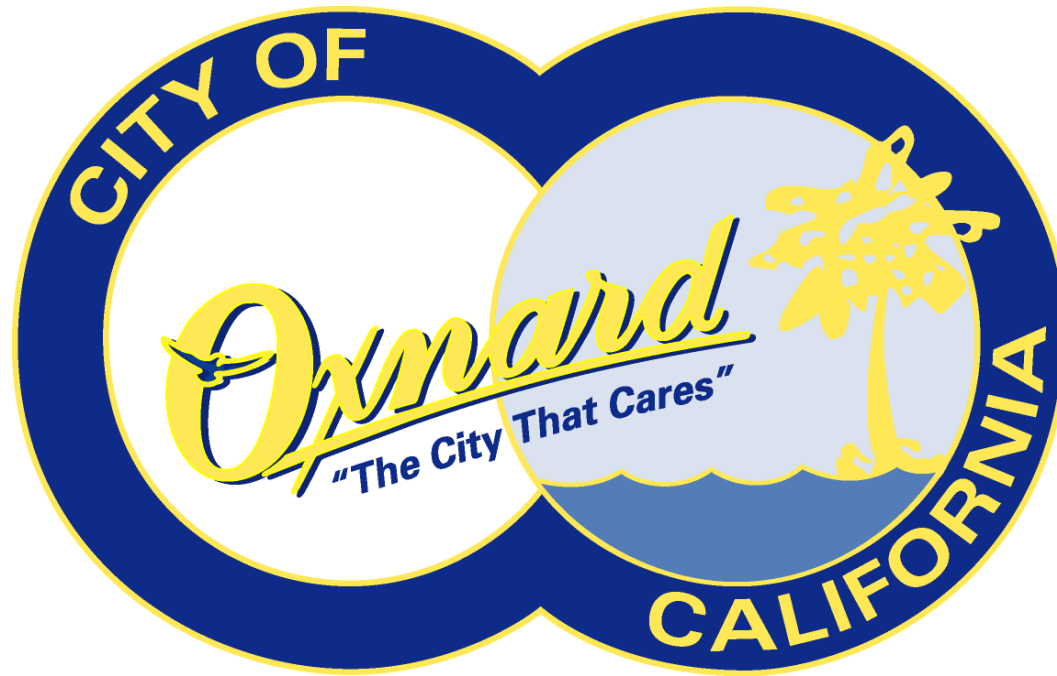
**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)
For the Year Ended June 30, 2005**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Community development:			
Planning and environmental services	5,077,968	1,282,233	(3,795,735)
Economic development and tourism service	602,154	602,154	—
Development and construction services	3,006,377	2,970,217	(36,160)
Development support/public projects	423,343	334,862	(88,481)
Housing services	206,281	172,492	(33,789)
Neighborhood services	286,969	290,895	3,926
Human services	2,509,467	2,279,647	(229,820)
Total community development	12,112,559	7,932,500	(4,180,059)
Culture and leisure:			
Recreation services	2,020,693	2,020,729	36
Carnegie art museum	356,495	339,702	(16,793)
Parks and public grounds	6,962,336	7,887,655	925,319
Total culture and leisure	9,339,524	10,248,086	908,562
Library services:			
Library services	3,718,715	3,731,437	12,722
Total library services	3,718,715	3,731,437	12,722
Capital outlay:			
General government			
Legislative	5,500	—	(5,500)
Administration and support services	76,835	—	(76,835)
Public safety			
Police	1,232,019	746,328	(485,691)
Fire	145,690	51,949	(93,741)
Transportation	111,632	45,668	(65,964)
Community development			
Engineering services - design	—	—	—
Planning and environmental services	—	—	—
Development and construction services	60,211	19,920	(40,291)
Development support/public projects	—	—	—
Neighborhood services	5,000	5,000	—

City of Oxnard, California

**General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Continued)
For the Year Ended June 30, 2005**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Culture and leisure			
Recreation services	—	—	—
Parks and public grounds	332,722	190,792	(141,930)
Library services	7,708	—	(7,708)
Savings carryover	352,141	30,541	(321,600)
Total capital outlay	2,329,458	1,090,198	(1,239,260)
Total operating expenditures	92,359,395	89,201,925	(3,157,470)
Other financing uses - transfers out:			
Community development commission	700,000	700,000	—
Capital outlay fund	3,676,745	3,676,745	—
Reserve for salary adjustments	—	—	—
City of oxnard financing authority	2,694,866	2,694,866	—
Federal fund match	—	—	—
Civic center improvement project	2,906,677	2,904,502	(2,175)
Golf course fund	550,000	550,000	—
PACC operating fund	956,576	956,576	—
Internal service fund	401,700	401,700	—
Total transfers out	11,886,564	11,884,389	(2,175)
Total expenditures	104,245,959	101,086,314	(3,159,645)
Net change in fund balances	(8,600,669)	(3,180,591)	5,420,078
Fund balances, July 1	19,399,724	26,578,986	7,179,262
Fund balances, budgetary basis, June 30	<u>\$ 10,799,055</u>	<u>\$ 23,398,395</u>	<u>\$ 12,599,340</u>



MAJOR SPECIAL REVENUE FUNDS

The Major Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects funds that are legally restricted to expenditures for particular purposes).

Park Fees Quimby Reserve Fund—As a result of the passage of the Quimby Act of 1965, the City requires that a developer set aside land or pay fees in lieu of land dedication. Park fees are earmarked primarily for the acquisition and development of neighborhood parks within the City.

Parks Acquisition and Development Fund—This fund is used to account for park and recreation facilities fees assessed on new developments on a per unit basis. Park development revenues are set aside for the acquisition of land and improvement of the City's park facilities.

Storm Drain Facilities Fund—This fund is used to account for revenue and expenditures related to the installation of storm drainage facilities from all new property developments.

Circulation System Improvement Fees—This fund is used to provide an additional funding source necessary to meet the need for circulation system improvements. This fee is assessed on new developments and calculated based on the expected number of trips daily. Funds collected from this fee can only be used to fund projects included in the 5-Year Circulation Improvement List.

Capital Growth Fee Funds—These funds were established to account for capital growth fees collected and to pay for community development expenditures designated to each community sector responsible for the growth:

- Capital Growth Fee Fund—Residential—Used to account for all developments/improvements in a residential area;
- Capital Growth Fee Fund—Non-Residential—Used to account for all developments/improvements in commercial and industrial areas.

Utility Undergrounding Fees Fund—This fund is used to account for utility undergrounding fees collected by the City in lieu of undergrounding existing overhead utility lines. These funds are restricted for the construction of utility undergrounding projects.

Housing In-Lieu Fees Fund—This fund is used to account for fees collected in lieu of the affordable housing requirement for housing development. This fund was created in April 1999.

Community Development Block Grants (CDBG) and HUD Home Loan—To account for Federal entitlements received by the City from CDBG for the purpose of developing a viable urban community, providing decent housing and a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. Funds are allocated and administered by the U.S. Department of Housing and Urban Development (HUD).

State and Federal Grants Funds—These funds account for the receipt and expenditures of monies received from State and federal grants in aid.

City of Oxnard, California

*Development Fees Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2005*

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES:			
Growth and development fees	\$ 11,010,155	\$ 10,059,305	\$ (950,850)
Charges for services	601,421	997,360	395,939
Miscellaneous	—	136,108	136,108
Total Revenues	<u>11,611,576</u>	<u>11,192,773</u>	<u>(418,803)</u>
EXPENDITURES			
Public safety	600,193	536,825	(63,368)
Community development	1,752,704	164,909	(1,587,795)
Capital outlay	29,469,191	7,790,491	(21,678,700)
Total expenditures	<u>31,822,088</u>	<u>8,492,225</u>	<u>(23,329,863)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,210,512)</u>	<u>2,700,548</u>	<u>22,911,060</u>
Other financing sources (uses):			
Transfers out	<u>(534,960)</u>	<u>(460,966)</u>	<u>73,994</u>
Total other financing sources (uses):	<u>(534,960)</u>	<u>(460,966)</u>	<u>73,994</u>
Net change in fund balances	(20,745,472)	2,239,582	22,985,054
Fund balances, July 1	<u>(19,036,245)</u>	<u>36,268,794</u>	<u>55,305,039</u>
Fund balances, June 30	<u>\$ (39,781,717)</u>	<u>\$ 38,508,376</u>	<u>\$ 78,290,093</u>

City of Oxnard, California

*HUD & CDBG Grants Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)
For the Year Ended June 30, 2005*

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES:			
Intergovernmental	\$ 5,152,927	\$ 3,446,786	\$ (1,706,141)
Miscellaneous	—	—	—
Total revenues	<u>5,152,927</u>	<u>3,446,786</u>	<u>(1,706,141)</u>
EXPENDITURES			
General government	254,694	246,973	7,721
Public safety	231,000	167,740	63,260
Transportation	—	—	0
Community development	3,852,444	1,927,361	1,925,083
Culture and leisure	294,370	315,702	(21,332)
Capital outlay	1,989,762	789,010	1,200,752
Total expenditures	<u>6,622,270</u>	<u>3,446,786</u>	<u>3,175,484</u>
Net change in fund balances	(1,469,343)	—	(1,469,343)
Fund balances, July 1	<u>(13,205,474)</u>	—	<u>(13,205,474)</u>
Fund balances (deficit), June 30	<u>\$ (14,674,817)</u>	<u>\$ —</u>	<u>\$ (14,674,817)</u>

City of Oxnard, California

*State and Federal Grants Special Revenue Funds
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)
 For the Year Ended June 30, 2005*

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES:			
Taxes	\$ 8,434,221	\$ 9,914,595	\$ 1,480,374
Intergovernmental	7,206,676	6,271,916	(934,760)
Fines and forfeitures	—	58,538	58,538
Interest	4,046	349,156	345,110
Miscellaneous	56,445	1,005,524	949,079
Total Revenues	<u>15,701,388</u>	<u>17,599,729</u>	<u>1,898,341</u>
EXPENDITURES			
General government			
Public safety	12,881,919	12,944,014	(62,095)
Transportation	465,061	140,995	324,066
Community development	129,158	1,501,034	(1,371,876)
Culture and leisure	2,187,655	711,353	1,476,302
Capital outlay	12,011,115	3,969,623	8,041,492
Total expenditures	<u>27,674,908</u>	<u>19,267,019</u>	<u>8,407,889</u>
Net changes in fund balances	(11,973,520)	(1,667,290)	10,306,230
Fund balances, July 1	<u>(11,748,269)</u>	<u>12,279,696</u>	<u>24,027,965</u>
Fund balances, June 30	<u>\$ (23,721,789)</u>	<u>\$ 10,612,406</u>	<u>\$ 34,334,195</u>

Continued -

City of Oxnard, California

*Required Supplementary Information
 Schedule of Funding Progress (Dollars in Thousands)
 For the Year Ended June 30, 2005*

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded/ (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Payroll
Police						
06/30/02	\$ 102,851	\$ 115,644	\$ 12,793	88.9%	\$ 13,757	93.0%
06/30/03	105,659	125,298	19,639	84.3%	14,783	132.8%
06/30/04	113,059	137,184	24,125	82.4%	16,902	142.7%
Fire						
06/30/02	63,571	67,338	3,767	94.4%	5,856	64.3%
06/30/03	1,045,896	1,248,173	202,277	83.8%	154,385	131.0%
06/30/04	4,424,587	5,383,922	959,335	82.2%	575,296	166.8%
Miscellaneous						
06/30/02	166,837	158,442	(8,395)	105.3%	38,080	(22.0)%
06/30/03	166,713	183,219	16,506	91.0%	41,622	39.7%
06/30/04	175,702	197,607	21,905	88.9%	42,957	51.0%

INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for goods and services provided by one City department to other City departments or related entities, generally on a cost recovery basis.

Workers' Compensation Fund—This fund is used to account for the City's self-insurance program for workers' compensation claims.

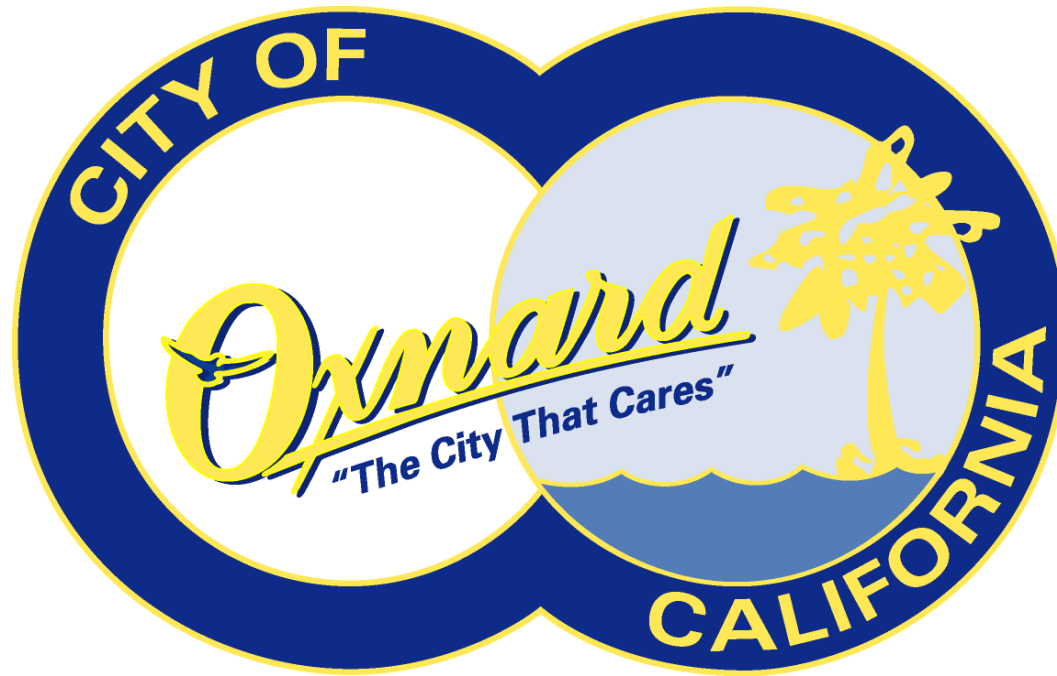
Public Liability and Property Damage—This fund is used to account for the City's self-insurance program of providing public liability and property damage insurance coverage and claims adjustment services to the City's operating funds.

Utility Customer Services Fund—This fund is used to account for the costs associated with administering the operation of the Customer Services Division and to distribute these costs to the various City utilities such as water, sewer and refuse.

Information Services Fund—This fund is used to account for the costs associated with the City's data/word processing and financial systems and to distribute these costs to the departments using the systems on a pro-rata basis. Included are costs for hardware and software maintenance, computer operation costs and some centralized supplies.

Facilities Maintenance Fund—This fund is used to account for the operation and maintenance of City facilities, properties and capital projects.

Equipment Maintenance Fund—This fund is used to account for automotive fleet maintenance and services provided to City departments.



City of Oxnard, California

**Internal Service Funds
Combining Statement of Net Assets
June 30, 2005**

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
ASSETS							
Cash and cash equivalents	\$ 4,727,589	\$ 7,202,899	\$ 632,620	\$ 1,530,192	\$ 1,051,223	\$ 692,434	\$ 15,836,957
Investments with fiscal agents	—	—	—	—	—	—	—
Accounts and other receivables	35,000	800	—	—	—	—	35,800
Capital assets:							
Property, plant and equipment	47,580	3,793	40,569	773,081	586,426	481,678	1,933,127
Less: accumulated depreciation	(32,697)	(3,793)	(40,207)	(557,871)	(322,302)	(395,108)	(1,351,978)
Net capital assets	14,883	—	362	215,210	264,124	86,570	581,149
Total assets	4,777,472	7,203,699	632,982	1,745,402	1,315,347	779,004	16,453,906
LIABILITIES							
Current liabilities:							
Accounts payable	34,246	166,901	36,942	139,766	45,141	349,080	772,076
Other liabilities	—	—	—	—	53,371	—	53,371
Non-current liabilities:							
Self-insurance claims liabilities	12,381,899	4,044,440	—	—	—	—	16,426,339
Compensated absences	34,138	—	97,834	126,876	196,191	171,893	626,932
Total liabilities	12,450,283	4,211,341	134,776	266,642	294,703	520,973	17,878,718
NET ASSETS							
Invested in capital assets, net of related debt	14,883	—	362	476,483	414,363	86,570	992,661
Unrestricted	(7,687,694)	2,992,358	497,844	1,002,277	606,281	171,461	(2,417,473)
Total net assets	\$ (7,672,811)	\$ 2,992,358	\$ 498,206	\$ 1,478,760	\$ 1,020,644	\$ 258,031	\$ (1,424,812)

City of Oxnard, California

**Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the Year June 30, 2005**

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
OPERATING REVENUES							
Charges for services	\$ 7,024,169	\$ 3,799,718	\$ 1,044,130	\$ 2,866,339	\$ 2,595,790	\$ 5,625,829	\$ 22,955,975
OPERATING EXPENSES:							
Salaries and wages	236,293	47,543	491,771	1,355,804	1,378,950	1,940,877	5,451,238
Contractual services	714,531	1,504,469	3,193	108,688	167,979	115,243	2,614,103
Operating supplies	—	—	225,513	248,710	237,461	2,421,584	3,133,268
Utilities	4,085	2,360	6,719	753,380	423,505	11,168	1,201,217
Depreciation and amortization	10,131	—	5,450	97,213	47,613	31,109	191,516
General and administrative	332,884	136,938	315,883	360,933	56,845	105,583	1,309,066
Repairs and maintenance	17,892	—	18,933	215,603	92,494	841,383	1,186,305
Claims expenses	6,992,128	2,784,162	—	—	—	—	9,776,290
Total operating expenses	8,307,944	4,475,472	1,067,462	3,140,331	2,404,847	5,466,947	24,863,003
Net operating income (loss)	(1,283,775)	(675,754)	(23,332)	(273,992)	190,943	158,882	(1,907,028)
NONOPERATING REVENUES (EXPENSES)							
Interest income	107,443	150,259	15,746	35,419	24,883	4,097	337,847
Interest (expense)	—	—	—	—	—	—	—
Total nonoperating revenues (expenses)	107,443	150,259	15,746	35,419	24,883	4,097	337,847
Income (loss) before contributions and transfers	(1,176,332)	(525,495)	(7,586)	(238,573)	215,826	162,979	(1,569,181)
Transfers in	—	—	—	238,200	157,000	6,500	401,700
Transfers out	—	—	—	—	—	—	—
Net transfers	—	—	—	238,200	157,000	6,500	401,700
Change in net assets	(1,176,332)	(525,495)	(7,586)	(373)	372,826	169,479	(1,167,481)
Net assets - July 1	(6,496,479)	3,517,854	505,791	1,479,133	647,818	88,552	(257,331)
Net assets - June 30	\$ (7,672,811)	\$ 2,992,359	\$ 498,205	\$ 1,478,760	\$ 1,020,644	\$ 258,031	\$ (1,424,812)

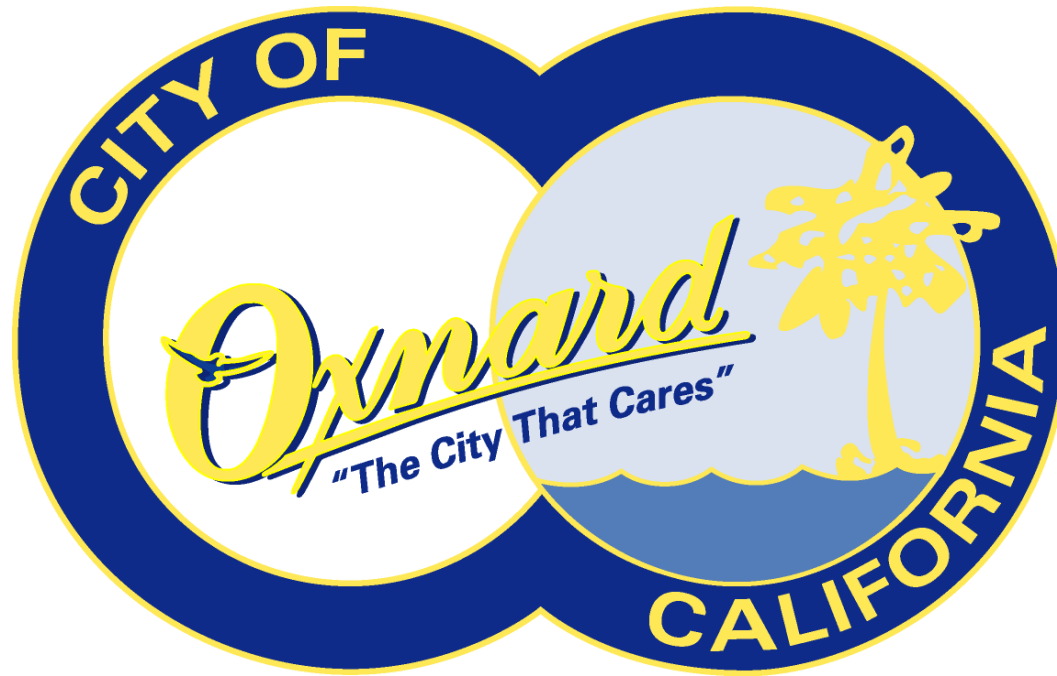
City of Oxnard, California

Internal Service Funds

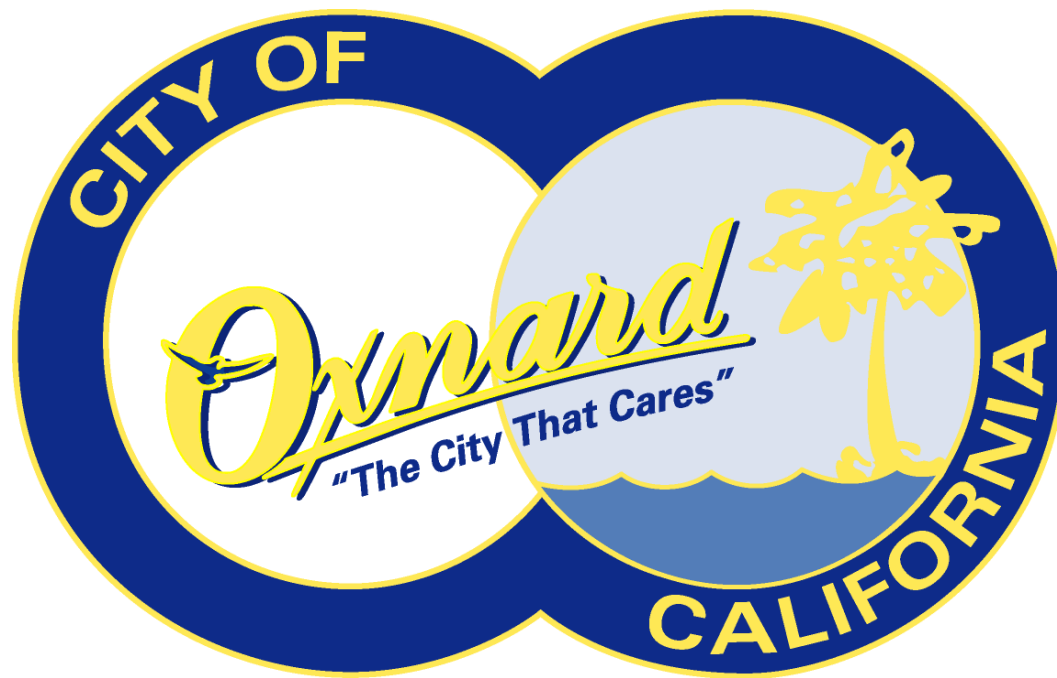
Combining Statement of Cash Flows

For the Year Ended June 30, 2005

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
Cash flows from operating activities:							
Receipts from customers	\$ 7,134,792	\$ 3,799,718	\$ 1,044,130	\$ 2,868,565	\$ 2,615,200	\$ 5,625,829	\$ 23,088,234
Payments to suppliers	(1,109,985)	(1,505,470)	(568,823)	(1,662,908)	(978,580)	(3,372,189)	(9,197,955)
Payments to employees	(230,450)	(47,543)	(478,942)	(1,345,782)	(1,386,818)	(1,935,833)	(5,425,368)
Claims paid	(4,901,027)	(1,512,639)	—	—	—	—	(6,413,666)
Cash flows from operating activities	893,330	734,066	(3,635)	(140,125)	249,802	317,807	2,051,245
Cash flows from noncapital financing activities:							
Interfund payments							
Transfers in	—	—	—	238,200	157,000	6,500	401,700
Transfers out	—	—	—	—	—	—	—
Cash flows from noncapital financing activities	—	—	—	238,200	157,000	6,500	401,700
Cash flows from capital and related financing activities:							
Acquisition of capital assets	—	—	—	(43,525)	(89,571)	(7,132)	(140,228)
Interest paid on capital debt	—	—	—	—	—	—	—
Cash flows from capital and related financing activities	—	—	—	(43,525)	(89,571)	(7,132)	(140,228)
Cash flows from investing activities:							
Interest on investments	107,443	150,259	15,746	35,419	24,883	4,097	337,847
Cash flows from investing activities	107,443	150,259	15,746	35,419	24,883	4,097	337,847
Net cash flows	1,000,773	884,325	12,111	89,969	342,114	321,272	2,650,564
Cash and investments at beginning of period	3,726,816	6,318,574	620,509	1,440,223	709,109	371,162	13,186,393
Cash and investments at end of period	<u>\$ 4,727,589</u>	<u>\$ 7,202,899</u>	<u>\$ 632,620</u>	<u>\$ 1,530,192</u>	<u>\$ 1,051,223</u>	<u>\$ 692,434</u>	<u>\$ 15,836,957</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:							
Operating income (loss)	\$ (1,283,775)	\$ (675,754)	\$ (23,332)	\$ (273,992)	\$ 190,943	\$ 158,882	\$ (1,907,028)
Adjustments to reconcile operating income to net cash flows from operating activities:							
Depreciation	10,131	—	5,450	97,213	47,613	31,109	191,516
Change in assets and liabilities:							
Decrease (increase) in accounts receivable	110,623	—	—	2,226	19,410	—	132,259
Increase (decrease) in accounts payable	(40,593)	138,297	1,418	24,406	(3,752)	122,772	242,548
Increase (decrease) in other liabilities	—	—	—	—	3,456	—	3,456
Increase (decrease) in self-insured claims liabilities	2,091,101	1,271,523	—	—	—	—	3,362,624
Increase (decrease) in compensated absences	5,843	—	12,829	10,022	(7,868)	5,044	25,870
Cash flows from operating activities	<u>\$ 893,330</u>	<u>\$ 734,066</u>	<u>\$ (3,635)</u>	<u>\$ (140,125)</u>	<u>\$ 249,802</u>	<u>\$ 317,807</u>	<u>\$ 2,051,245</u>



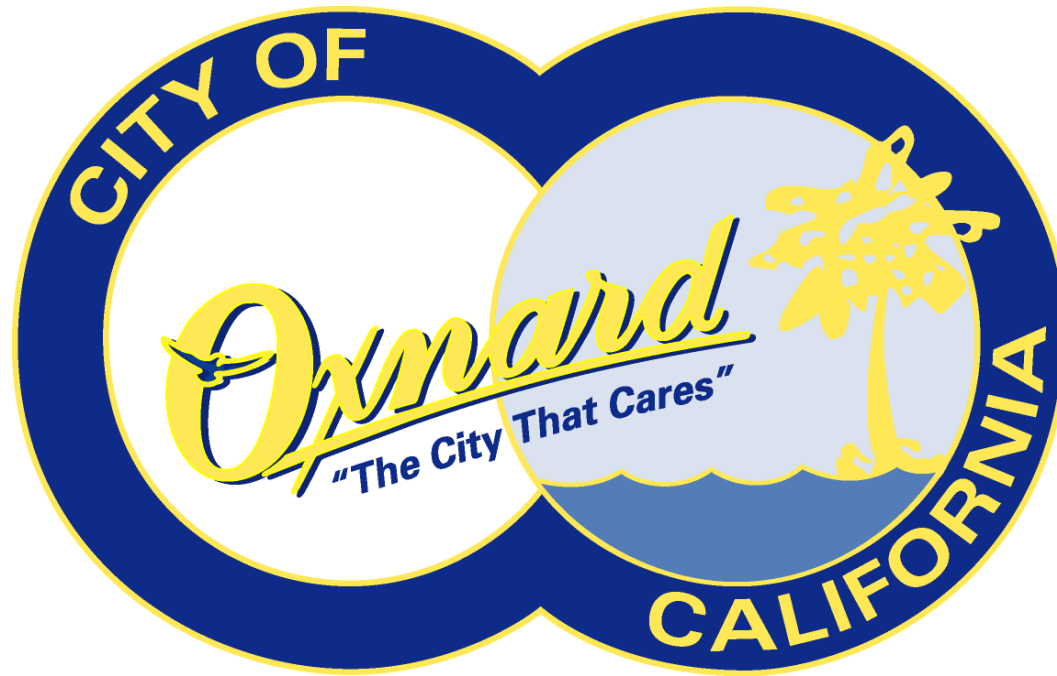
FIDUCIARY FUNDS



City of Oxnard, California

**Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
June 30, 2005**

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
ARTWORKS FUND				
ASSETS				
Cash and cash equivalents	\$ 49,612	\$ 1,164	\$ 3,925	\$ 46,851
Total assets	<u>\$ 49,612</u>	<u>\$ 1,164</u>	<u>\$ 3,925</u>	<u>\$ 46,851</u>
LIABILITIES				
Trust and agency payables	\$ 49,612	\$ 1,164	\$ 3,925	\$ 46,851
Total liabilities	<u>\$ 49,612</u>	<u>\$ 1,164</u>	<u>\$ 3,925</u>	<u>\$ 46,851</u>
IMPROVEMENT DISTRICTS FUND				
ASSETS				
Cash and cash equivalents	\$ 12,691,917	\$ 14,314,303	\$ 13,852,303	\$ 13,153,917
Investments with fiscal agents	30,123,907	811,237	3,981,024	26,954,120
Total assets	<u>\$ 42,815,824</u>	<u>\$ 15,125,540</u>	<u>\$ 17,833,327</u>	<u>\$ 40,108,037</u>
LIABILITIES				
Trust and agency payables	\$ 42,815,824	\$ 15,125,540	\$ 17,833,327	\$ 40,108,037
Total liabilities	<u>\$ 42,815,824</u>	<u>\$ 15,125,540</u>	<u>\$ 17,833,327</u>	<u>\$ 40,108,037</u>
TOTAL - ALL FIDUCIARY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 12,741,529	\$ 14,315,467	\$ 13,856,228	\$ 13,200,768
Investments with fiscal agents	30,123,907	811,237	3,981,024	26,954,120
Total assets	<u>\$ 42,865,436</u>	<u>\$ 15,126,704</u>	<u>\$ 17,837,252</u>	<u>\$ 40,154,888</u>
LIABILITIES				
Trust and agency payables	\$ 42,865,436	\$ 15,126,704	\$ 17,837,252	\$ 40,154,888
Total liabilities	<u>\$ 42,865,436</u>	<u>\$ 15,126,704</u>	<u>\$ 17,837,252</u>	<u>\$ 40,154,888</u>



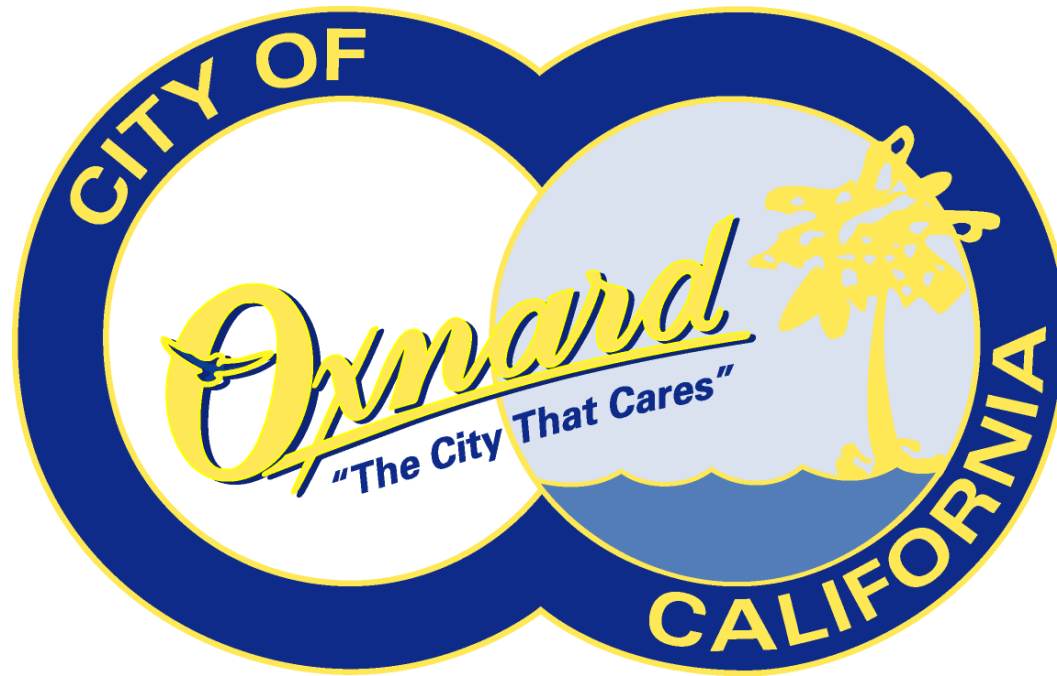
NON-MAJOR SPECIAL REVENUE FUNDS

State Gas Tax Fund—This fund is used to account for the allocated share of Gas Tax Revenue received by the City from the State of California. Spending of gas tax is legally restricted by the State to be used for maintenance and improvement of public streets, in accordance with Section 2106, 2107, 2107.5 of the Streets and Highways Code.

Traffic Safety Fund—This fund is used to account for shared revenues received from fines and forfeitures under the State of California Vehicle Code. Fund is restricted to be expended only for improvement and maintenance of traffic control equipment/devices.

Transportation Development Fund—In July 1972, the State of California enacted the Transportation Development Act (known as TDA:SB325). A Local Transportation Fund (LTF) was created for each county to disburse TDA revenues derived from 1/4 cent of the 6 1/4 percent State Retail Sales Tax. Apportionments are locally administered by the Southern California Association of Governments (SCAG) and Ventura County Transportation Commission (VCTC). This fund is used to account for this revenue and restrict the use for street maintenance and road improvements, and construction of pedestrian and bike facilities.

Maintenance Assessment District—To account for assessment revenues and expenditures related to waterways and landscape maintenance of various district areas in the City. Maintenance work is undertaken by the City. Lot owners within the affected district areas are assessed a maintenance fee based on estimated maintenance cost per lot square footage.



City of Oxnard, California

*Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2005*

	<u>State Gas Tax Fund</u>	<u>Traffic Safety Fund</u>	<u>Transportation Development Fund</u>	<u>Maintenance Assessment Districts Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 886,185	\$ —	\$ 2,505,202	\$ 2,926,912	\$ 6,318,299
Accounts and other receivables	—	—	273,872	416	274,288
Total assets	<u>\$ 886,185</u>	<u>\$ —</u>	<u>\$ 2,779,074</u>	<u>\$ 2,927,328</u>	<u>\$ 6,592,587</u>
LIABILITIES					
Accounts payable	\$ 111,212	\$ 713,913	\$ 141,763	\$ 145,235	\$ 1,112,123
Other liabilities	64,929	28,900	2,445	—	96,274
Due to other funds	—	—	—	—	—
Deferred revenues	—	—	1,165,523	—	1,165,523
Total liabilities	<u>176,141</u>	<u>742,813</u>	<u>1,309,731</u>	<u>145,235</u>	<u>2,373,920</u>
FUND BALANCES					
Reserved for:					
Designated for authorized projects	1,734,689	—	2,635,898	—	4,370,587
Unreserved:					
Undesignated	<u>(1,024,645)</u>	<u>(742,813)</u>	<u>(1,166,555)</u>	<u>2,782,093</u>	<u>(151,920)</u>
Total fund balances	<u>710,044</u>	<u>(742,813)</u>	<u>1,469,343</u>	<u>2,782,093</u>	<u>4,218,667</u>
Total liabilities and fund balances	<u>\$ 886,185</u>	<u>\$ —</u>	<u>\$ 2,779,074</u>	<u>\$ 2,927,328</u>	<u>\$ 6,592,587</u>

City of Oxnard, California

*Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Governmental Non-Major Funds
For the Year Ended June 30, 2005*

	<u>State Gas Tax Fund</u>	<u>Traffic Safety Fund</u>	<u>Transportation Development Fund</u>	<u>Maintenance Assessment Districts Fund</u>	<u>Total</u>
REVENUES					
Intergovernmental	\$ 3,499,378	\$ —	\$ 1,275,738	\$ —	\$ 4,775,116
Charges for services	—	—	177,218	—	177,218
Fines and forfeitures	—	531,250	—	—	531,250
Interest	37,559	360	66,843	73,070	177,832
Special assessments	—	—	—	2,240,492	2,240,492
Miscellaneous	338,394	—	—	212,753	551,147
Total revenues	<u>3,875,331</u>	<u>531,610</u>	<u>1,519,799</u>	<u>2,526,315</u>	<u>8,453,055</u>
EXPENDITURES					
Current:					
Public safety	—	193,910	—	—	193,910
Transportation	3,331,245	569,061	512,792	965,515	5,378,613
Community development	—	—	—	1,483,423	1,483,423
Capital outlay	1,857,494	—	2,603,123	—	4,460,617
Total expenditures	<u>5,188,739</u>	<u>762,971</u>	<u>3,115,915</u>	<u>2,448,938</u>	<u>11,516,563</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	—	—	—	—	—
Transfers out	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>(1,313,408)</u>	<u>(231,361)</u>	<u>(1,596,116)</u>	<u>77,377</u>	<u>(3,063,508)</u>
Fund balances, July 1	<u>2,023,452</u>	<u>(511,452)</u>	<u>3,065,459</u>	<u>2,704,716</u>	<u>7,282,175</u>
Fund balances (deficit), June 30	<u>\$ 710,044</u>	<u>\$ (742,813)</u>	<u>\$ 1,469,343</u>	<u>\$ 2,782,093</u>	<u>\$ 4,218,667</u>

City of Oxnard, California

**Gas Tax - Non-major Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Intergovernmental	\$ 3,560,500	\$ 3,499,378	\$ (61,122)
Interest	100,500	37,559	(62,941)
Miscellaneous	249,000	338,394	89,394
Total revenues	<u>3,910,000</u>	<u>3,875,331</u>	<u>(34,669)</u>
EXPENDITURES			
Transportation	3,283,776	3,331,245	(47,469)
Capital outlay	3,564,350	1,857,494	1,706,856
Total expenditures	<u>6,848,126</u>	<u>5,188,739</u>	<u>1,659,387</u>
Excess (deficiency) of revenues over expenditures	(2,938,126)	(1,313,408)	1,624,718
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(2,938,126)	(1,313,408)	1,624,718
Fund balance, July 1	(6,258,508)	2,023,452	8,281,960
Fund balance (deficit), June 30	<u>\$ (9,196,634)</u>	<u>\$ 710,044</u>	<u>\$ 9,906,678</u>

City of Oxnard, California

**Traffic Safety - Non-major Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2005**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Fines and forfeitures	\$ 870,366	\$ 531,250	\$ (339,116)
Interest	—	360	360
Total revenues	<u>870,366</u>	<u>531,610</u>	<u>(338,756)</u>
EXPENDITURES			
Public safety	294,853	193,910	100,943
Transportation	575,513	569,061	6,452
Capital outlay	—	—	—
Total expenditures	<u>870,366</u>	<u>762,971</u>	<u>107,395</u>
Excess (deficiency) of revenues and expenditures	—	(231,361)	(231,361)
OTHER FINANCING SOURCES (USES)			
Transfers in	—	—	—
Transfers out	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	—	(231,361)	(231,361)
Fund balances, July 1	53,099	(511,452)	(564,551)
Fund balances (deficit), June 30	<u>\$ 53,099</u>	<u>\$ (742,813)</u>	<u>\$ (795,912)</u>

Continued -

City of Oxnard, California

**Transportation Development - Non-major Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Intergovernmental	\$ 2,431,260	\$ 1,275,738	\$ (1,155,522)
Charges for services	168,394	177,218	8,824
Interest	—	66,843	66,843
Miscellaneous	—	—	—
Total revenues	<u>2,599,654</u>	<u>1,519,799</u>	<u>(1,079,855)</u>
EXPENDITURES			
Transportation	516,511	512,792	3,719
Capital outlay	5,328,021	2,603,123	2,724,898
Total expenditures	<u>5,844,532</u>	<u>3,115,915</u>	<u>2,728,617</u>
Excess (deficiency) of revenues over expenditures	<u>(3,244,878)</u>	<u>(1,596,116)</u>	<u>1,648,762</u>
OTHER FINANCING SOURCES (USES)	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>(3,244,878)</u>	<u>(1,596,116)</u>	<u>1,648,762</u>
Fund balances, July 1	<u>(5,505,760)</u>	<u>3,065,459</u>	<u>8,571,219</u>
Fund balances (deficit), June 30	<u>\$ (8,750,638)</u>	<u>\$ 1,469,343</u>	<u>\$ 10,219,981</u>

Continued -

City of Oxnard, California

**Maintenance Assessment District - Non-major Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2005**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Interest	\$ 25,000	\$ 73,070	\$ 48,070
Special assessments	2,196,749	2,240,492	43,743
Miscellaneous	212,753	212,753	—
Total revenues	<u>2,434,502</u>	<u>2,526,315</u>	<u>91,813</u>
EXPENDITURES			
Community development	1,871,812	1,483,423	388,389
Transportation	1,557,044	965,515	591,529
Total expenditures	<u>3,428,856</u>	<u>2,448,938</u>	<u>979,918</u>
Excess (deficiency) of revenues over expenditures	(994,354)	77,377	1,071,731
OTHER FINANCING USES			
Transfers in	—	—	—
Transfers out	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	(994,354)	77,377	1,071,731
Fund balances, July 1	1,119,686	2,704,716	1,585,030
Fund balances (deficit), June 30	<u>\$ 125,332</u>	<u>\$ 2,782,093</u>	<u>\$ 2,656,761</u>

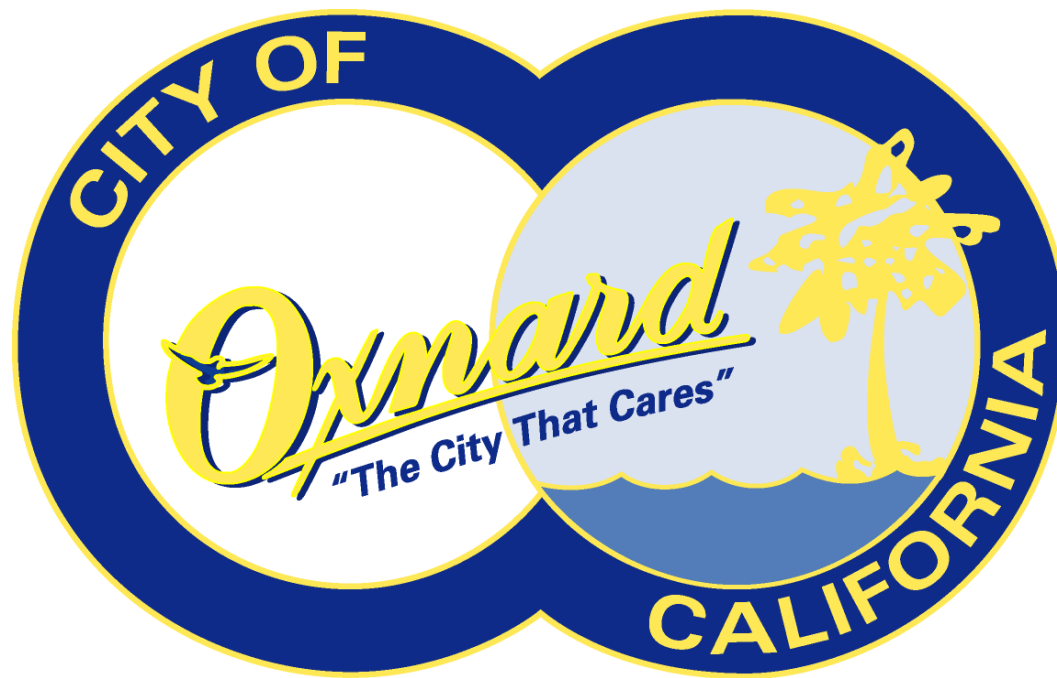
City of Oxnard, California

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2005

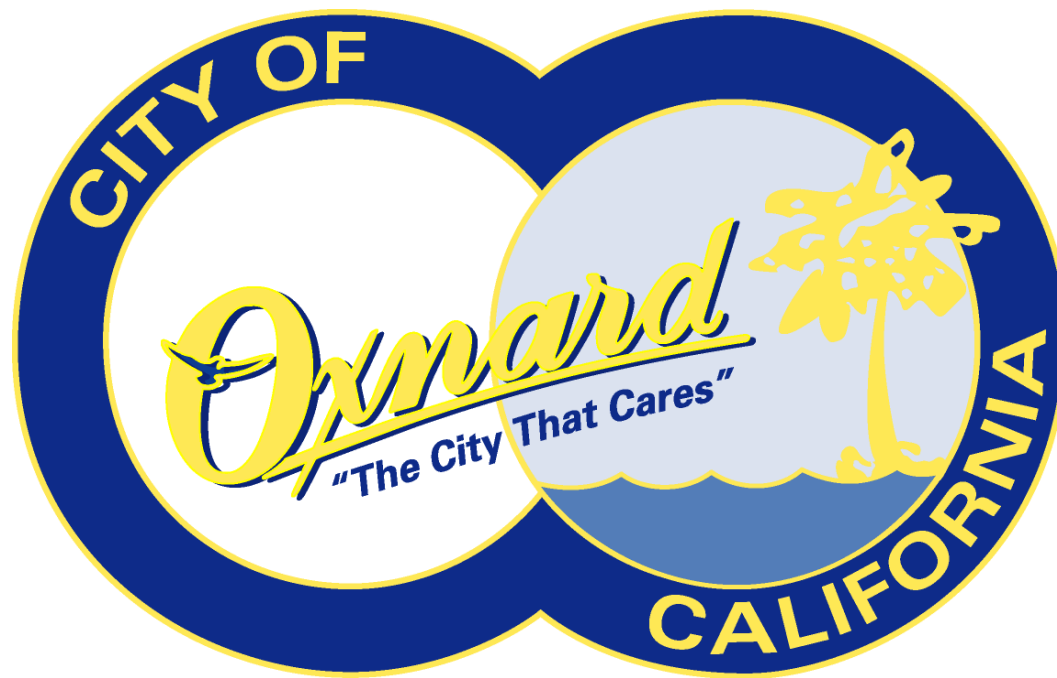
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES			
Taxes increments	\$ 2,397,395	\$ 1,746,597	\$ (650,798)
Interest	—	63,235	63,235
Total revenues	<u>2,397,395</u>	<u>1,809,832</u>	<u>(587,563)</u>
EXPENDITURES			
Debt service:			
Principal	1,267,178	2,999,393	(1,732,215)
Interest	1,130,217	2,072,111	(941,894)
Total expenditures	<u>2,397,395</u>	<u>5,071,504</u>	<u>(2,674,109)</u>
Excess (deficiency) of revenues over expenditures	—	(3,261,672)	(3,261,672)
OTHER FINANCING SOURCES (USES)			
Transfers in	—	3,489,006	3,489,006
Transfers out	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>3,489,006</u>	<u>3,489,006</u>
Net change in fund balances	—	227,334	227,334
Fund balances, July 1	1,171,941	796,691	(375,250)
Fund balances (deficit), June 30	<u>\$ 1,171,941</u>	<u>\$ 1,024,025</u>	<u>\$ (147,916)</u>



STATISTICAL SECTION

The Statistical Section contains comprehensive statistical data which relates to physical, economic, social, and political characteristics of the City. It is intended to provide users with a broader and more complete understanding of the City and its financial affairs than is possible from the basic financial statements.

Statistical Section tables usually cover more than two fiscal years and often present data from outside the accounting records. The Statistical Section information is not subject to independent audit.



City of Oxnard, California

*Net Assets by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)*

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Governmental activities:										
Investments in capital assets, net of related debt	—	—	—	—	—	\$ 53,182,282	\$ 56,440,149	\$ 105,248,878	\$ 104,613,981	\$ 131,874,401
Restricted	—	—	—	—	—	15,555,288	18,239,533	59,123,684	12,510,935	16,183,475
Unrestricted	—	—	—	—	—	48,584,003	71,775,592	16,356,191	91,002,589	80,742,442
Total governmental activities net assets	—	—	—	—	—	<u>\$ 117,321,573</u>	<u>\$ 146,455,274</u>	<u>\$ 180,728,753</u>	<u>\$ 208,127,505</u>	<u>\$ 228,800,318</u>
Business-type activities:										
Investments in capital assets, net of related debt	—	—	—	—	—	\$ 158,107,742	\$ 161,339,177	\$ 171,973,198	\$ 59,252,770	\$ 97,741,991
Restricted	—	—	—	—	—	5,841,492	2,931,639	2,714,603	7,380,620	7,696,523
Unrestricted	—	—	—	—	—	41,672,083	42,906,594	38,624,788	159,369,013	138,793,254
Total business-type activities net assets	—	—	—	—	—	<u>\$ 205,621,317</u>	<u>\$ 207,177,410</u>	<u>\$ 213,312,589</u>	<u>\$ 226,002,403</u>	<u>\$ 244,231,768</u>
Primary government:										
Investments in capital assets, net of related debt	—	—	—	—	—	\$ 211,290,024	\$ 217,779,326	\$ 277,222,076	\$ 163,866,751	\$ 229,616,392
Restricted	—	—	—	—	—	21,396,780	21,171,172	61,838,287	19,891,555	23,879,998
Unrestricted	—	—	—	—	—	90,256,086	114,682,186	54,980,979	250,371,602	219,535,696
Total primary government net assets	—	—	—	—	—	<u>\$ 322,942,890</u>	<u>\$ 353,632,684</u>	<u>\$ 394,041,342</u>	<u>\$ 434,129,908</u>	<u>\$ 473,032,086</u>

Source: Finance Department, City of Oxnard

City of Oxnard, California

**Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EXPENSES										
Governmental activities:										
General government	—	—	—	—	—	\$ 8,962,823	\$ 11,561,786	\$ 11,089,303	\$ 12,911,930	\$ 13,646,432
Public safety	—	—	—	—	—	43,221,741	47,675,795	51,798,458	58,758,103	68,542,046
Transportation	—	—	—	—	—	5,529,190	4,900,486	8,576,565	8,595,630	9,912,068
Community development	—	—	—	—	—	13,613,463	17,583,882	25,632,688	18,590,562	18,937,934
Culture and leisure	—	—	—	—	—	5,613,563	7,917,645	8,194,868	11,177,403	12,018,761
Libraries	—	—	—	—	—	2,629,171	2,908,754	3,115,118	3,940,974	3,919,671
Interest on long-term debt	—	—	—	—	—	2,542,778	1,811,687	2,076,882	2,305,762	2,299,356
Total governmental activities expenses	—	—	—	—	—	82,112,729	94,360,035	110,483,882	116,280,364	129,276,268
Business-type activities:										
Water	—	—	—	—	—	17,335,671	20,660,212	19,281,560	23,636,082	23,152,648
Wastewater	—	—	—	—	—	19,406,873	18,321,799	22,141,678	18,960,096	25,482,133
Solid waste	—	—	—	—	—	30,287,398	29,770,148	28,693,531	35,070,009	37,117,879
Performing arts and convention center	—	—	—	—	—	1,113,265	1,250,372	1,284,733	1,402,812	1,565,920
Oxnard housing authority	—	—	—	—	—	17,685,407	20,103,955	22,800,927	24,462,843	25,507,125
Municipal golf course	—	—	—	—	—	4,318,642	3,901,301	2,052,025	3,130,165	4,028,435
Total business-type activities expenses	—	—	—	—	—	90,147,256	94,007,787	96,254,454	106,662,007	116,854,140
Total primary government expenses	—	—	—	—	—	\$ 172,259,985	\$ 188,367,822	\$ 206,738,336	\$ 222,942,371	\$ 246,130,408
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	—	—	—	—	—	450,058	2,006,497	4,953,040	572,074	3,218,135
Public safety	—	—	—	—	—	1,054,655	2,412,682	5,066,751	3,654,740	5,306,818
Transportation	—	—	—	—	—	21,323	204,005	2,079,319	1,455,304	2,468,510
Community development	—	—	—	—	—	13,502,510	12,780,422	16,018,715	16,712,568	23,822,460
Culture and leisure	—	—	—	—	—	1,216,114	1,337,193	2,343,267	1,772,109	2,725,055
Libraries	—	—	—	—	—	86,064	103,356	196,900	214,559	209,622
Operating grants and contributions	—	—	—	—	—	25,907,496	36,071,980	32,793,458	39,370,445	20,254,587
Total governmental activities program revenues	—	—	—	—	—	42,238,220	54,916,135	63,451,450	63,751,799	58,005,187

City of Oxnard, California

**Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Business-type activities:										
Charges for services:										
Water	—	—	—	—	—	16,226,461	17,206,345	20,465,812	28,401,190	34,334,436
Wastewater	—	—	—	—	—	18,254,171	20,495,040	22,130,759	23,532,305	33,709,319
Solid waste	—	—	—	—	—	29,697,676	28,432,860	29,811,773	32,965,746	36,071,999
Performing arts and convention center	—	—	—	—	—	422,078	296,295	364,053	371,553	468,732
Oxnard housing authority	—	—	—	—	—	18,292,175	18,040,124	20,342,572	23,024,813	21,411,579
Municipal golf course	—	—	—	—	—	3,351,431	3,207,541	2,687,299	7,487,215	3,119,621
Operating grants and contributions	—	—	—	—	—	4,777,822	3,881,547	3,422,902	—	—
Total business-type activities program revenues	—	—	—	—	—	91,021,814	91,559,752	99,225,170	115,782,822	129,115,686
Total primary government program revenues	—	—	—	—	—	\$ 133,260,034	\$ 146,475,887	\$ 162,676,620	\$ 179,534,621	\$ 187,120,873
Net expense (revenue):										
Governmental activities	—	—	—	—	—	(39,874,509)	(45,464,591)	(66,212,003)	(60,334,442)	(71,271,081)
Business-type activities	—	—	—	—	—	874,558	(2,448,035)	2,970,716	9,120,815	12,261,546
Total primary government net expense	—	—	—	—	—	\$ (38,999,951)	\$ (47,912,626)	\$ (63,241,287)	\$ (51,213,627)	\$ (59,009,535)
GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS										
Governmental activities:										
Taxes:										
Property taxes	—	—	—	—	—	23,484,567	25,873,406	30,115,989	35,245,432	49,096,920
Sales taxes	—	—	—	—	—	18,140,143	19,846,352	20,775,896	22,772,358	23,212,641
Transient occupancy taxes	—	—	—	—	—	2,328,218	2,321,758	2,247,831	2,222,553	2,445,468
Franchise taxes	—	—	—	—	—	4,807,104	7,085,201	2,830,462	3,718,917	4,572,206
Deed transfer taxes	—	—	—	—	—	583,617	555,249	573,234	1,159,215	1,196,393
Business license taxes	—	—	—	—	—	2,203,188	3,194,683	—	4,386,245	3,967,972
Penalties on delinquent taxes	—	—	—	—	—	90,164	182,230	190,546	181,655	126,250
Infrastructure use	—	—	—	—	—	5,293,799	5,191,633	5,491,859	6,273,788	1,809,146
Special assessments	—	—	—	—	—	1,250,930	1,411,837	1,727,674	—	2,240,492
Fines and forfeitures	—	—	—	—	—	1,284,259	4,588,082	—	1,198,457	1,248,242
Investment earnings	—	—	—	—	—	4,389,201	—	3,858,978	4,547,276	3,911,106
Transfers	—	—	—	—	—	(1,463,398)	(1,672,830)	(1,236,947)	(1,778,579)	(1,882,942)
Total governmental activities	—	—	—	—	—	62,391,792	68,577,601	66,575,522	79,927,317	91,943,894

City of Oxnard, California

**Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Business-type activities:										
Investment earnings	—	—	—	—	—	—	2,331,298	1,927,516	2,080,206	4,486,577
Transfers	—	—	—	—	—	1,463,398	1,672,830	1,236,947	1,488,793	1,481,242
Total business-type activities	—	—	—	—	—	1,463,398	4,004,128	3,164,463	3,568,999	5,967,819
Total primary program	—	—	—	—	—	\$ 63,855,190	\$ 72,581,729	\$ 69,739,985	\$ 83,496,316	\$ 97,911,713
Change in net assets:										
Governmental activities	—	—	—	—	—	117,321,573	146,455,274	180,728,753	208,127,505	228,800,318
Business-type activities	—	—	—	—	—	205,621,317	207,177,410	213,312,589	226,002,403	244,231,768
Total primary government program	—	—	—	—	—	\$ 322,942,890	\$ 353,632,684	\$ 394,041,342	\$ 434,129,908	\$ 473,032,086

1. The increase from the prior period was caused by an increase in property tax due to increases in assessed valuation and development growth in the City.
2. The increase from the prior period was caused by user fee rate increases in water and wastewater in order to meet with user programs and demands.

City of Oxnard, California

*Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)*

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Deed Transfer Tax	Business License Tax	Penalties and Interest	Total
1996	—	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—	—
1998	—	—	—	—	—	—	—	—
1999	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—
2001	23,484,567	18,140,143	2,328,218	4,807,104	583,617	2,203,188	90,164	51,637,001
2002	25,873,406	19,846,352	2,321,758	7,085,201	555,249	3,194,683	182,230	59,058,879
2003	30,115,989	20,775,896	2,247,831	2,830,462	—	—	190,546	56,160,724
2004	35,245,432	22,772,358	2,222,553	3,718,917	1,159,215	4,386,245	181,655	69,686,375
2005	49,096,920	23,212,641	2,445,468	4,572,206	1,196,393	3,967,972	126,250	84,617,850

City of Oxnard, California

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General fund										
Reserved	—	—	—	—	—	\$ 1,631,586	\$ 1,870,298	\$ 3,211,597	\$ 1,180,342	\$ 4,201,060
Unreserved	—	—	—	—	—	19,864,559	25,526,320	24,597,396	25,398,644	19,197,335
Total general fund	—	—	—	—	—	21,496,145	27,396,618	27,808,993	26,578,986	23,398,395
All other governmental funds										
Reserved	—	—	—	—	—	13,838,262	13,887,599	8,486,307	11,330,593	11,982,415
Unreserved, reported in:										
Special revenue funds	—	—	—	—	—	32,000,890	37,036,381	45,814,074	55,595,303	53,104,087
Capital projects funds	—	—	—	—	—	12,487,381	12,639,137	12,974,002	21,790,919	22,103,670
Total all other governmental funds	—	—	—	—	—	58,326,533	63,563,117	67,274,383	88,716,815	87,190,172

1. The increase in total fund balance of the general fund balance is explained in the Management Discussion and Analysis.
2. The increase in reserved fund balances in this period was due to an increase in encumbrances related to Community Development Commission and City commitment to a developer.

City of Oxnard, California

**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
REVENUES										
Taxes	—	—	—	—	—	\$ 51,637,001	\$ 59,058,879	\$ 59,303,485	\$ 69,686,376	\$ 84,617,850
Licenses and permits	—	—	—	—	—	2,211,303	1,987,392	2,862,476	2,182,715	2,116,934
Intergovernmental	—	—	—	—	—	27,714,568	37,691,308	38,508,559	40,834,560	27,036,948
Growth and development fees	—	—	—	—	—	8,049,376	7,432,528	8,796,590	9,004,335	10,061,956
Charges for services	—	—	—	—	—	6,070,045	7,908,643	12,022,652	11,105,208	15,358,432
Fines and forfeitures	—	—	—	—	—	1,284,259	1,411,837	853,188	1,198,456	1,248,242
Interest	—	—	—	—	—	4,389,201	4,588,082	3,858,978	4,547,276	3,911,106
Special assessments	—	—	—	—	—	1,250,930	1,515,592	1,727,674	2,089,097	2,240,492
Miscellaneous	—	—	—	—	—	3,486,727	3,572,305	3,055,944	4,809,675	5,240,064
Total revenues	—	—	—	—	—	106,093,410	125,166,566	130,989,546	145,457,698	151,832,024
EXPENDITURES										
General government	—	—	—	—	—	7,713,044	9,786,593	9,781,192	11,444,213	11,788,754
Public safety	—	—	—	—	—	40,353,308	44,560,812	48,494,541	55,856,590	64,312,956
Transportation	—	—	—	—	—	5,384,755	4,743,755	8,409,737	8,108,305	9,709,306
Community development	—	—	—	—	—	13,031,954	17,413,069	20,454,657	17,912,245	18,597,956
Culture and leisure	—	—	—	—	—	7,799,434	10,362,084	7,811,085	10,824,801	11,520,103
Library services	—	—	—	—	—	—	—	2,991,509	3,818,769	3,731,437
Capital outlay	—	—	—	—	—	16,294,274	23,794,668	22,199,380	31,640,247	29,924,300
Debt service:										
Principal	—	—	—	—	—	2,370,096	2,412,335	4,525,483	2,908,600	2,999,393
Interest	—	—	—	—	—	2,250,368	1,988,947	2,178,355	2,102,073	2,072,111
Total expenditures	—	—	—	—	—	95,197,233	115,062,263	126,845,939	144,615,843	154,656,316
Excess (deficiency) of revenues over expenditures	—	—	—	—	—	10,896,177	10,104,303	4,143,607	841,855	(2,824,292)
OTHER FINANCING SOURCES (USES)										
Transfers in	—	—	—	—	—	5,177,295	6,374,102	6,989,190	6,475,027	10,770,253
Transfers out	—	—	—	—	—	(6,640,693)	(8,046,932)	(8,064,156)	(8,253,606)	(12,653,195)
Proceeds from loans payable	—	—	—	—	—	—	2,705,584	7,435,000	—	—
Proceeds from financing sources	—	—	—	—	—	—	—	—	34,750,209	—
Payment to escrow agent	—	—	—	—	—	—	—	(6,380,000)	(13,601,060)	—
Total other financing sources (uses)	—	—	—	—	—	(1,463,398)	1,032,754	(19,966)	19,370,570	(1,882,942)
Net change in fund balances	—	—	—	—	—	9,432,779	11,137,057	4,123,641	20,212,425	(4,707,234)
Debt service as a percentage of noncapital expenditures	—	—	—	—	—	6.04%	4.95%	6.70%	4.60%	4.20%

City of Oxnard, California

**General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

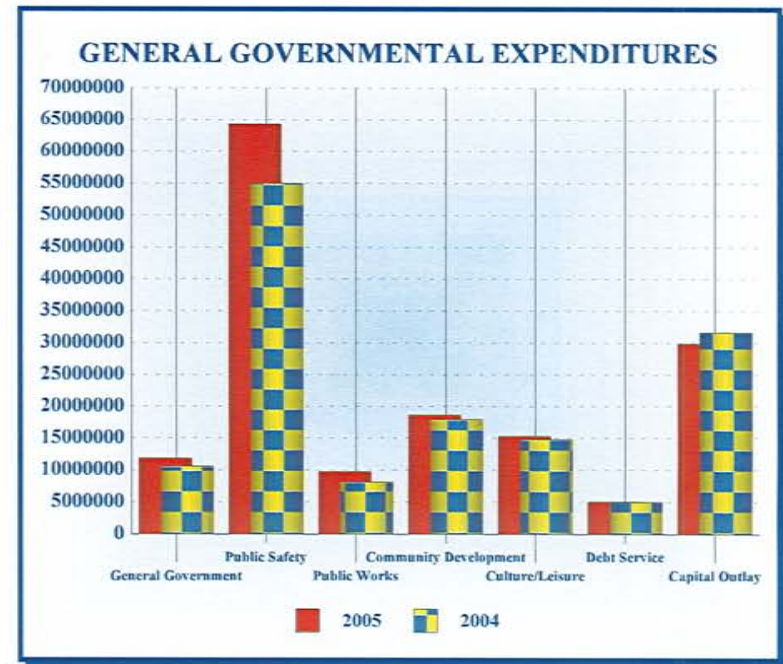
Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Deed Transfer Tax	Business License Tax	Penalties and Interest	Total
1996	—	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—	—
1998	—	—	—	—	—	—	—	—
1999	—	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—	—
2001	23,484,567	18,140,143	2,328,218	4,807,104	583,617	2,203,188	90,164	51,637,001
2002	25,873,406	19,846,352	2,321,758	7,085,201	555,249	3,194,683	182,230	59,058,879
2003	30,115,989	20,775,896	2,247,831	2,830,462	573,234	—	190,546	56,733,958
2004	35,245,432	22,772,358	2,222,553	3,718,917	1,159,215	4,386,245	181,655	69,686,375
2005	49,096,920	23,212,641	2,445,468	4,572,206	1,196,393	3,967,972	126,250	84,617,850

City of Oxnard, California

**General Governmental Expenditures by Function (1)
Last Ten Fiscal Years**

Year Ended June 30	General Government	Public Safety	Public Works	Community Development
1996	5,520,064	29,675,975	3,983,431	22,381,184
1997	7,070,153	34,058,231	4,081,468	20,108,988
1998	7,016,296	35,691,103	4,295,643	22,252,846
1999	7,579,837	32,862,850	3,990,342	25,786,055
2000	7,602,018	38,888,150	5,169,841	25,247,832
2001	7,713,044	40,353,308	5,384,755	13,031,954
2002	9,786,593	44,560,812	4,743,755	15,269,415
2003	9,781,192	48,494,541	8,409,737	20,454,657
2004	11,444,213	55,856,590	8,108,305	17,912,245
2005	11,788,754	64,312,956	9,709,306	18,597,956

Year Ended June 30	Culture & Leisure & Other	Debt Service	Capital Outlay	Total
1996	7,738,299	5,951,109	21,427,099	96,677,161
1997	7,728,394	4,450,121	27,523,245	105,020,600
1998	7,788,172	4,139,298	26,262,397	107,445,755
1999	8,772,328	4,978,226	23,027,986	106,997,624
2000	8,238,815	6,673,072	23,469,160	115,288,888
2001	7,799,434	4,737,657	16,294,274	95,314,426
2002	10,362,415	4,401,282	23,794,668	112,918,940
2003	10,802,594	6,703,838	22,199,380	126,845,939
2004	14,643,570	5,010,673	31,640,247	144,615,843
2005	15,251,540	5,071,504	29,924,300	154,656,316



NOTE: (1) Includes General, Special Revenue, Debt Service and Capital Project Funds.

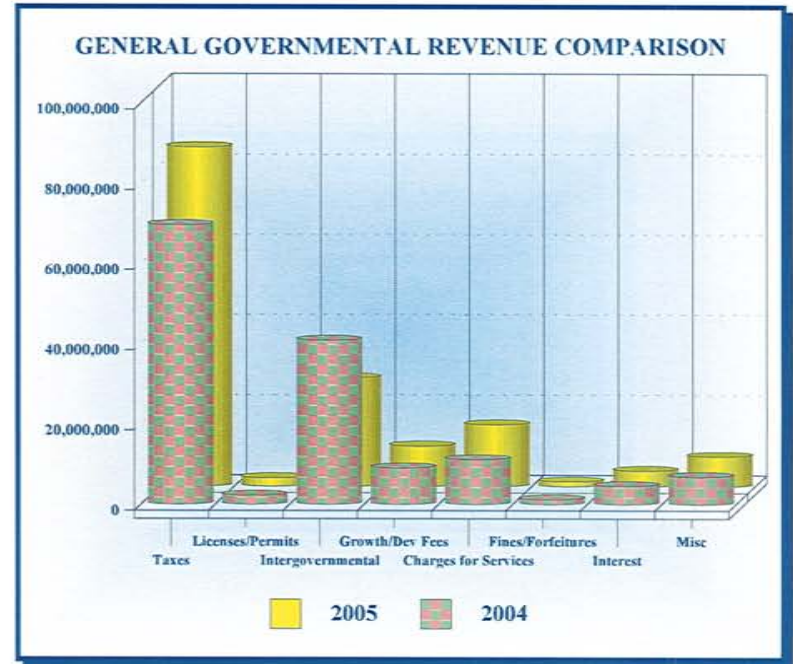
SOURCE: Annual Financial Reports

City of Oxnard, California

**General Governmental Revenues by Source (1)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

Year Ended June 30	Taxes (2)	Licenses & Permits	Inter-Governmental	Growth & Development Fees	
1996	37,710,655	1,266,647	41,482,116	3,561,774	
1997	36,976,727	1,609,510	40,929,504	3,675,892	
1998	39,024,110	1,391,272	45,808,968	4,332,493	
1999	38,111,470	2,213,020	49,262,250	5,232,503	
2000	42,054,756	2,474,296	47,735,813	11,840,096	
2001	51,637,001	2,211,303	27,714,568	8,049,376	
2002	59,058,879	1,987,392	37,691,308	7,432,528	
2003	59,303,485	2,862,476	38,508,559	8,796,590	
2004	69,686,376	2,182,715	40,834,560	9,004,335	
2005	84,617,850	2,116,934	27,036,948	10,061,956	

Year Ended June 30	Charges for Services	Fines & Forfeitures	Interest	Miscellaneous (3)	Total
1996	3,216,968	883,595	3,616,963	7,428,872	99,167,590
1997	2,760,071	807,091	3,743,337	5,459,143	95,961,275
1998	3,720,913	864,928	3,326,872	5,609,578	104,079,134
1999	7,191,112	1,211,785	4,241,599	5,898,116	113,361,855
2000	6,696,895	1,698,760	5,209,190	7,008,947	124,718,753
2001	6,070,045	1,284,259	4,389,201	4,737,657	106,093,410
2002	7,908,643	1,411,837	4,588,082	5,087,897	125,166,566
2003	12,022,652	853,188	3,858,978	4,783,618	130,989,546
2004	11,105,208	1,198,456	4,547,276	6,898,772	145,457,698
2005	15,358,432	1,248,242	3,911,106	7,480,556	151,832,024



- NOTES: (1) Includes General, Special Revenue, Debt Service and Capital Projects Funds
 (2) See Table III for detailed breakdown of tax revenues
 (3) Includes special assessments, dwelling rental and miscellaneous.

SOURCE: Annual Financial Reports

City of Oxnard, California

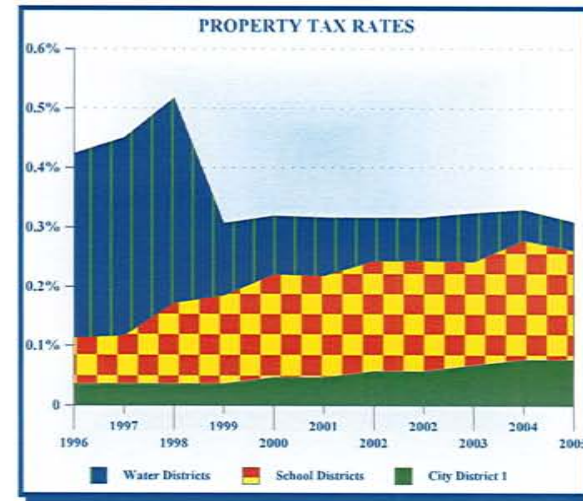
*Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years*

Fiscal Year	Real Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Personal Property					
1996	4,490,858,633	1,821,493,471	119,814,735	667,234,581	5,764,932,258	—	5,764,932,258	100.00%
1997	4,485,815,079	1,822,016,387	101,123,835	720,506,163	5,688,449,138	—	5,688,449,138	100.00%
1998	4,594,240,080	1,878,967,522	94,844,835	722,494,121	5,845,558,316	—	5,845,558,416	100.00%
1999	4,653,629,276	1,951,680,008	95,463,165	737,477,086	5,963,295,363	—	5,963,295,363	100.00%
2000	4,830,144,691	2,014,131,847	91,597,348	874,969,634	6,060,904,252	—	6,060,904,252	100.00%
2001	5,378,551,952	2,267,262,765	97,930,553	846,810,724	6,896,934,546	—	6,896,934,546	100.00%
2002	5,857,044,851	2,494,786,288	111,351,225	905,863,935	7,557,318,429	—	7,557,318,429	100.00%
2003	6,420,500,506	2,673,117,741	124,301,084	1,110,078,014	8,107,841,317	—	8,107,841,317	100.00%
2004	7,253,159,544	2,975,719,097	117,948,102	1,346,099,223	9,000,727,520	—	9,000,727,520	100.00%
2005	8,168,388,379	3,341,067,161	114,301,049	1,537,114,090	10,086,642,499	—	10,086,642,499	100.00%

City of Oxnard, California

Property Tax Rates Last Ten Fiscal Years

Year Ended June 30	Basic County (1)	City District 1 (2)	School Districts	Water Districts	Total Tax Rates
1996	1.0000%	0.0362%	0.0773%	0.3105%	1.4240%
1997	1.0000%	0.0367%	0.0807%	0.3328%	1.4502%
1998	1.0000%	0.0367%	0.1360%	0.3449%	1.5176%
1999	1.0000%	0.0367%	0.1491%	0.1212%	1.3070%
2000	1.0000%	0.0475%	0.1740%	0.0979%	1.3194%
2001	1.0000%	0.0475%	0.1714%	0.0977%	1.3166%
2002	1.0000%	0.0575%	0.1867%	0.0723%	1.3165%
2003	1.0000%	0.0675%	0.1748%	0.0817%	1.3240%
2004	1.0000%	0.0766%	0.2022%	0.0509%	1.3297%
2005	1.0000%	0.0766%	0.1849%	0.0480%	1.3095%



- NOTES: (1) The passage of Proposition 13 on June 6, 1978 established a maximum countywide levy of 1% of market value or \$1.00 per \$100 of assessed value. Prior to fiscal year 1981-82, assessed valuation was stated at 25% of market value or \$4.00 per \$100 of assessed value.
- (2) In June 1978, California voters approved Proposition 13 (Jarvis-Gahn Initiative) which added Article XIII A to the California Constitution. Article XIII A limits ad valorem taxes on real property to 1 percent of the full cash value plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voters approved obligation of the City are comprised of the "1969 Storm Drain Bond" and "Public Safety Retirement." The "1969 Storm Drain Bond" was redeemed and paid off as of June 30, 1994.

SOURCE: Ventura County Auditor-Controller's Office

City of Oxnard, California

**Principal Tax Payers
June 30, 2005**

List No.	Taxpayer	Type of Business	Assessed Valuation	Percentage of Assessed Valuation
1.	PROCTOR & GAMBLE PAPER PRODUCTS COMPANY	MANUFACTURING-PAPER PRODUCTS	\$ 260,096,649	2.267%
12.	ST. JOHN'S REGIONAL MEDICAL CENTER	HOSPITAL	196,605,247	1.714%
13.	SI VIII LLC (1)	REAL ESTATE DEVELOPMENT	71,558,454	0.624%
14.	DUESENBERG INVESTMENT COMPANY	COMMERCIAL DEVELOPMENT	60,254,119	0.525%
15.	WEYERHAEUSER COMPANY	PROCESSED PAPER MANUFACTURER	56,538,900	0.493%
16.	FRED KAVLI	REAL ESTATE DEVELOPMENT	56,433,705	0.492%
17.	SEMINIS VEGETABLE SEEDS INC.	SEEDS	51,047,509	0.445%
18.	ESSEX TIERRA VISTA	REAL ESTATE DEVELOPMENT	47,214,603	0.412%
19.	CENTRO WATT OPERATING PARTNERS LLC	REAL ESTATE DEVELOPMENT	47,184,000	0.411%
110.	FIRST SECURITY BANK/PTI ADVANCED TECHNOLOGIES	SUPPLIER OF FILTRATION PRODUCTS	36,594,117	0.319%
111.	BMW OF NORTH AMERICA INC.	AUTO PREPARATION	35,598,114	0.310%
112.	AT&T CREDIT CORPORATION TRUST	COMMERCIAL CREDIT	34,517,771	0.301%
113.	TERMINAL FREEZERS	REFRIGERATED WAREHOUSING COMPANY	33,620,140	0.293%
114.	PEGH INVESTMENTS LLC	REAL ESTATE DEVELOPMENT	32,575,511	0.284%
115.	OTHER TAXPAYERS	VARIOUS	10,453,329,644	91.111%
	TOTALS		<u>\$ 11,473,168,483</u>	<u>100.000%</u>

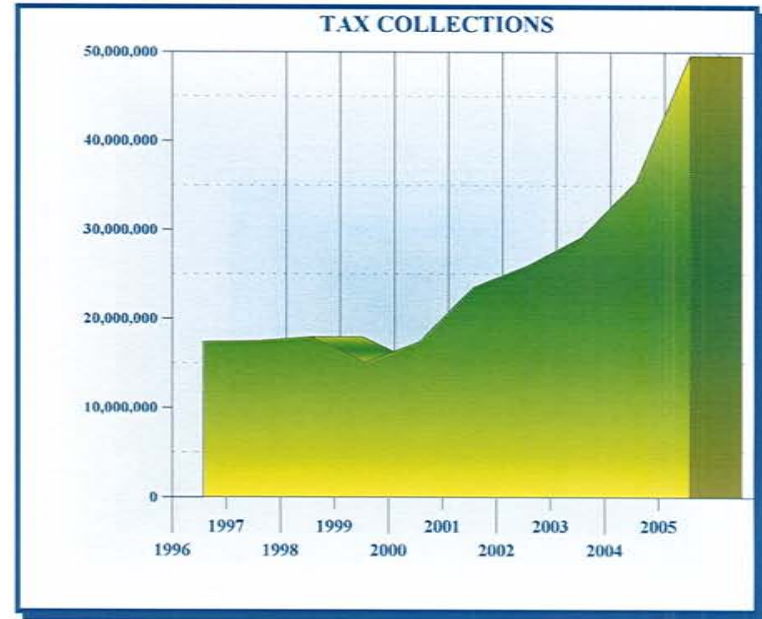
NOTE: Assessed valuation includes land, building and improvements.

SOURCE: Information Systems Division

City of Oxnard, California

*Property Tax Levies and Collections
Last Ten Fiscal Years*

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections As a % of Tax Levy
1996	18,296,398	16,831,456	91.99%	569,431	17,400,887	95.11%
1997	18,233,366	17,033,821	93.42%	487,301	17,521,122	96.09%
1998	18,113,687	17,712,334	97.78%	250,440	17,962,774	99.17%
1999	15,014,300	14,868,769	99.03%	189,551	15,058,320	100.29%
2000	17,038,470	17,317,763	101.64%	99,032	17,416,795	102.22%
2001	23,380,000	23,484,567 (2)	100.45%	90,164	23,574,731	100.83%
2002	25,900,000	25,718,029	99.30%	284,711	26,055,636	100.40%
2003	30,040,000	29,892,747	99.51%	190,546	29,233,880	97.32%
2004	35,432,169	35,281,916	99.58%	344,390	35,427,088	99.99%
2005	44,743,658	49,223,170	110.67%	126,250	49,349,420	110.95%



- NOTE: (1) Total tax collections agreed to General Property Taxes shown in Table III.
- (2) Voter's approved tax for \$3,977,315 was transferred from trust and agency to the special revenue fund in FY 2001.

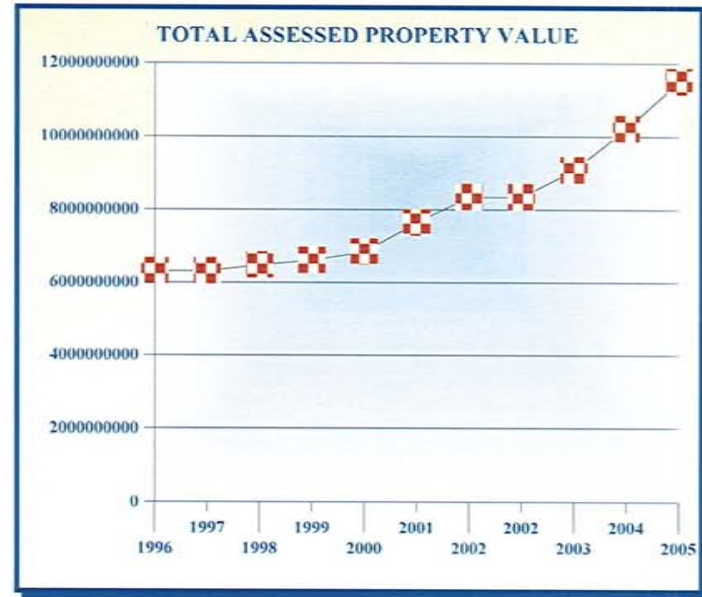
SOURCE: Finance Department

City of Oxnard, California

Assessed and Estimated Actual Value of Property Last Ten Fiscal Years

Year Ended June 30	Real Property		Personal Property		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	6,312,352,104	6,312,352,104	119,814,735	119,814,735	100.00%
1997	6,307,831,466	6,307,831,466	101,123,835	101,123,835	100.00%
1998	6,473,207,602	6,473,207,602	94,844,935	94,844,935	100.00%
1999	6,605,309,284	6,605,309,284	95,463,165	95,463,165	100.00%
2000	6,844,276,538	6,844,276,538	91,597,348	91,597,348	100.00%
2001	7,645,814,717	7,645,814,717	97,930,553	97,930,553	100.00%
2002	8,351,831,139	8,351,831,139	111,351,225	111,351,225	100.00%
2003	9,093,618,247	9,093,618,247	124,301,084	124,301,084	100.00%
2004	10,228,878,641	10,228,878,641	117,948,102	117,948,102	100.00%
2005	11,509,455,540	11,509,455,540	114,301,049	114,301,049	100.00%

Year Ended June 30	Exemptions		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value (2)	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	667,234,581	667,234,581	5,764,932,258	5,764,932,258	100.00%
1997	720,506,163	720,506,163	5,688,449,138	5,688,449,138	100.00%
1998	722,494,121	722,494,121	5,845,558,416	5,845,558,416	100.00%
1999	737,477,086	737,477,086	5,963,295,363	5,963,295,363	100.00%
2000	874,969,634	874,969,634	6,060,904,252	6,060,904,252	100.00%
2001	846,810,724	846,810,724	6,896,934,546	6,896,934,546	100.00%
2002	905,863,935	905,863,935	7,557,318,429	7,557,318,429	100.00%
2003	1,110,078,014	1,110,078,014	8,107,841,317	8,107,841,317	100.00%
2004	1,346,099,223	1,346,099,223	9,000,727,520	9,000,727,520	100.00%
2005	1,537,114,090	1,537,114,090	10,086,642,499	10,086,642,499	100.00%



NOTES: (1) Prior to July 1, 1981, the assessed values were stated at 25% of actual value. Pursuant to Internal Revenue Service and Tax Code Section 135, property tax valuation is stated at 100% of actual value.

(2) The above exemption figures include homeowners business inventory, redevelopment agency tax increments and other County exemptions.

SOURCE: Ventura County Auditor - Controller's Office

City of Oxnard, California

**Legal Debt Margin Information
Last Ten Fiscal Years**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Debt limit	\$ 964,825	\$ 961,343	\$ 985,208	\$ 1,005,116	\$ 1,040,381	\$ 1,161,562	\$ 1,269,477	\$ 1,382,688	\$ 1,534,332	\$ 1,726,418
Total net debt applicable to limit	149	921	2,060	2,216	—	—	—	—	—	—
Legal debt margin	964,676	960,422	983,148	1,002,900	1,040,381	1,161,562	1,269,477	1,382,688	1,534,332	1,726,418
Total net debt applicable to the limit as a percentage of debt limit	0.02%	0.10%	0.21%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2005

Assessed value	9,972,341
Add back: exempt real property	1,537,114
Total assessed value	11,509,455
Debt limit (15% of total assessed value)	1,726,418
Debt applicable to limit:	
General obligation bonds	285,020
Less: assets in debt service funds for principal payments:	
Revenue bonds - governmental activities	(21,384)
Revenue bonds - business-type activities	(237,166)
Tax allocation bond - community development commission	(18,635)
Certificates of participation	(7,835)
Total net debt applicable limit	<u>0</u>
Legal debt margin	<u><u>1,726,418</u></u>

Source: Finance Department

City of Oxnard, California

*Property Tax Rate
Direct and Overlapping Governments
Last Ten Fiscal Years*

Fiscal Year	Overlapping Rates										
	City of Oxnard			Ventura County			School District				Total Direct and Overlapping Rates
	Operating	Debt Service	Total City	Operating	Debt Service	Total County	Operating	Debt Service	Total School	Special Districts	
1996	1,960,310	101,810,000	103,770,310	11,023,914	21,870,891	32,894,805	596,361	48,910,068	49,506,429	5,920,930	192,092,474
1997	1,862,685	100,680,000	102,542,685	9,435,828	20,552,858	29,988,686	10,854,692	47,819,436	58,674,128	5,238,948	196,444,447
1998	1,747,878	96,488,920	98,236,798	8,026,529	19,584,154	27,610,683	59,977,566	19,931,938	79,909,504	4,558,729	210,315,714
1999	1,627,604	100,243,920	101,871,524	5,099,784	18,154,182	23,253,966	70,962,590	21,593,781	92,556,371	4,063,586	221,745,447
2000	1,501,082	91,560,000	93,061,082	4,584,852	16,260,908	20,845,760	89,424,375	21,145,266	110,569,641	3,671,428	228,147,911
2001	1,368,312	70,695,000	72,063,312	4,401,328	15,431,083	19,832,411	99,969,482	22,122,811	122,092,293	3,718,734	217,706,750
2002	1,227,732	63,425,000	64,652,732	11,859,026	14,017,103	25,876,129	112,755,624	21,728,884	134,484,508	3,632,202	228,645,571
2003	1,079,342	94,330,000	95,409,342	11,191,954	11,982,274	23,174,228	126,119,171	21,197,728	147,316,899	3,194,481	269,094,950
2004	922,361	86,915,000	87,837,361	14,710,491	10,157,228	24,867,719	122,608,732	22,580,269	145,189,001	3,306,840	261,200,921
2005	755,227	106,065,000	106,820,227	14,014,860	7,858,800	21,873,660	124,634,754	19,178,550	143,813,304	3,191,558	275,698,749

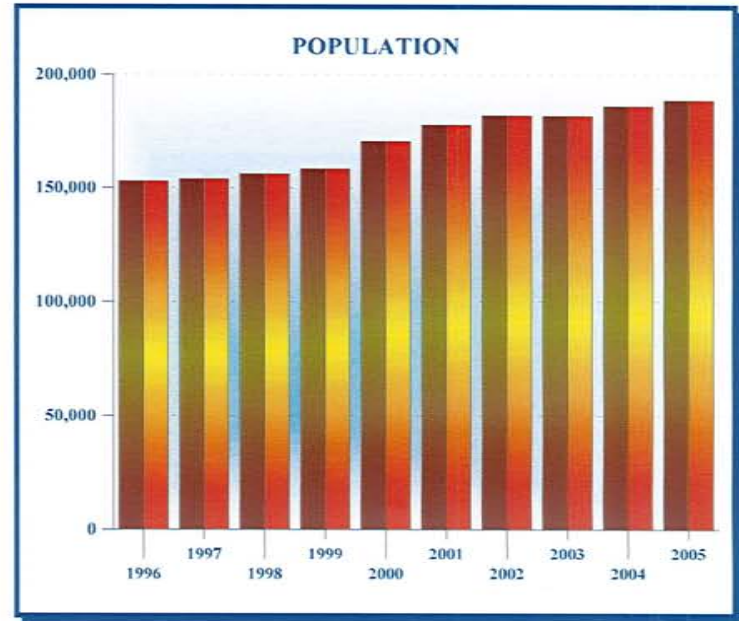
Source: California Municipal Statistics, Inc.

City of Oxnard, California

*Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt per Capita
June 30, 2005*

Year Ended June 30	(1) Population	Assessed Value (2)	General Gross Bonded Debt (3)	Less Certain Debt Service Funds
1996	152,800	5,764,932,258	—	—
1997	153,700	5,688,449,138	—	—
1998	156,000	5,845,558,416	—	—
1999	158,300	5,963,295,363	—	—
2000	170,358	6,060,904,252	—	—
2001	177,700	6,896,934,546	—	—
2002	182,027	7,557,318,429	—	—
2003	181,800	8,107,841,317	—	—
2004	186,122	8,882,779,418	—	—
2005	188,849	9,972,341,450	—	—

Year Ended June 30	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Ratio of Debt/Capita
1996	—	—	—
1997	—	—	—
1998	—	—	—
1999	—	—	—
2000	—	—	—
2001	—	—	—
2002	—	—	—
2003	—	—	—
2004	—	—	—
2005	—	—	—



NOTES: (1) Source: The California Department of Finance, Demographic Research Unit

(2) The passage of Proposition 13 on June 6, 1978, changed the basis of property tax valuation from 25% of assessed value to 100% of actual values as required under section 135 of the Revenue and Tax Code.

Source: Ventura County Assessor's Office

(3) Gross bonded debt includes general obligation bond.

Source: Finance Department

City of Oxnard, California

*Ratio of Annual Debt Service Expenditures for
General Bonded Debt to General Governmental Expenditures
Last Ten Fiscal Years*

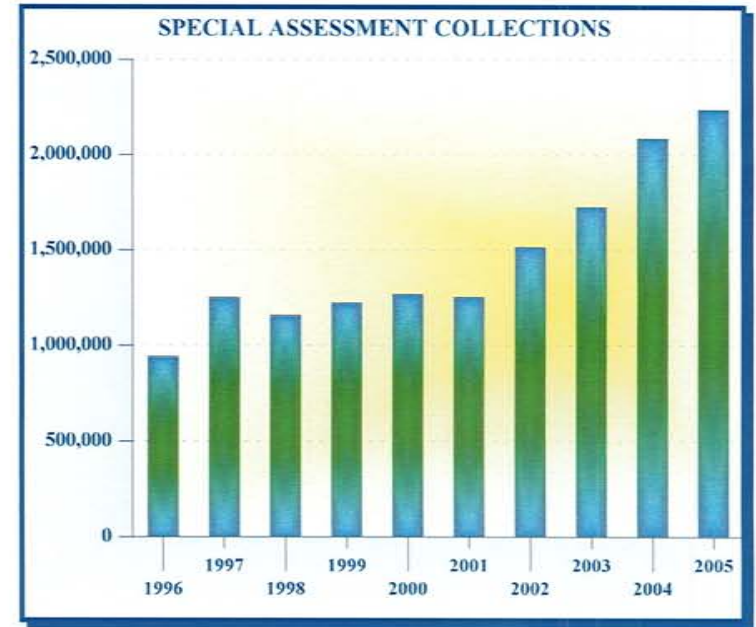
Year Ended June 30	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1996	—	—	—	96,677,161	—
1997	—	—	—	105,020,600	—
1998	—	—	—	107,445,755	—
1999	—	—	—	106,997,624	—
2000	—	—	—	115,288,888	—
2001	—	—	—	95,197,233	—
2002	—	—	—	112,918,609	—
2003	—	—	—	126,845,939	—
2004	—	—	—	142,946,111	—
2005	—	—	—	153,648,427	—

SOURCE: Finance Department

City of Oxnard, California

*Special Assessment Collections
Last Ten Fiscal Years*

Year Ended June 30	Special Assessment Billings	Current Special Assessment Collections	Delinquent Special Assessment Collections	Total Special Assessment Collections	Percentage of Collections
1996	779,702	925,430	15,777	941,207	120.71%
1997	826,460	1,041,980	210,659	1,252,639	151.56%
1998	988,389	992,014	166,813	1,158,827	117.24%
1999	1,418,496	1,040,354	183,786	1,224,140	86.30%
2000	1,035,779	1,079,243	191,018	1,270,261	122.64%
2001	1,247,385	1,250,930	2,894	1,253,824	100.52%
2002	1,505,800	1,515,592	—	1,515,592	100.65%
2003	1,720,440	1,727,674	—	1,727,674	100.42%
2004	2,076,224	2,089,097	—	2,089,097	100.62%
2005	2,196,749	2,240,492	—	2,240,492	101.99%



SOURCE: Finance Department

City of Oxnard, California

*Water Revenue Bond Coverage
Last Ten Fiscal Years*

<u>Year Ended June 30</u>	<u>Gross Revenue</u>	<u>Direct Operating Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
1996	12,887,673	11,599,467	1,288,206	715,000	144,788	859,788	1.5
1997	13,594,356	12,875,166	719,190	745,000	115,295	860,295	0.84
1998	13,508,174	13,364,858	143,316	551,127	157,283	708,410	0.2
1999	14,980,803	13,780,587	1,200,216	543,537	128,855	672,392	1.78
2000	16,529,128	15,057,247	1,471,881	534,642	230,776	765,418	1.92
2001	16,226,461	15,347,727	878,734	522,065	224,747	746,812	1.18
2002	17,856,094	18,141,656	(285,562)	794,388	709,225	1,503,613	-0.19
2003	20,602,479	16,782,851	3,819,628	225,000	730,142	955,142	4
2004	28,898,906	19,899,216	8,999,690	235,000	1,315,783	1,550,783	5.87
2005	34,609,573	18,351,471	16,258,102	1,150,000	2,682,330	3,832,330	4.24

NOTES: (1) The above operating expense figures do not include depreciation and debt service expenses.

City of Oxnard, California

**Wastewater Revenue Bond Coverage
Last Ten Fiscal Years**

Year Ended June 30	Total Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	DEBT SERVICE REQUIREMENTS			Coverage
				Principal	Interest	Total	
1996	16,530,595	9,763,030	6,767,565	1,500,000	3,276,118	4,776,118	1.42
1997	17,132,675	9,555,298	7,577,377	1,560,000	3,220,618	4,780,618	1.59
1998	17,180,389	9,964,354	7,216,035	1,615,000	3,158,218	4,773,218	1.51
1999	18,371,484	11,561,115	6,810,369	1,685,000	2,843,492	4,528,492	1.5
2000	17,749,682	11,315,240	6,434,442	1,760,000	2,653,560	4,413,560	1.46
2001	18,254,171	11,591,100	6,663,071	1,840,000	2,568,810	4,408,810	1.51
2002	22,005,625	11,978,948	10,026,677	1,925,000	248,427	2,173,427	2.27
2003	23,515,790	16,445,581	7,070,209	1,805,000	1,883,286	3,688,286	1.92
2004	23,182,456	12,958,128	10,224,328	1,750,000	1,924,826	3,674,826	2.78
2005	36,892,293	14,715,076	22,177,217	1,815,000	5,969,101	7,784,101	2.85

NOTES: (1) The above operating expense figures do not include depreciation and debt service expenses.

SOURCE: Finance Department

City of Oxnard, California

*Demographic Statistics
Last Ten Fiscal Years*

Fiscal Year	Population (1)	Per Capita Income (2)	Median Age (3)	School Enrollment	Unemployment Rate (5)		
					City	State	US
1996	152,800	13,385	33	34,504	9.40%	7.30%	5.50%
1997	153,700	14,300	33	37,211	8.40%	6.20%	5.00%
1998	156,000	15,349	34	38,073	7.00%	6.30%	4.90%
1999	158,300	16,538	34	38,793	6.40%	5.40%	4.30%
2000	160,300	19,217	32	40,238	6.38%	5.30%	4.00%
2001	177,700	19,630	30	39,865	4.90%	4.90%	4.40%
2002	182,027	19,777	30	42,106	5.20%	6.50%	5.90%
2003	181,800	21,887	30	41,936	7.40%	6.80%	6.40%
2004	186,122	22,605	30	42,276	5.60%	6.60%	5.70%
2005	188,941	23,346	30	31,890	4.90%	5.40%	5.20%

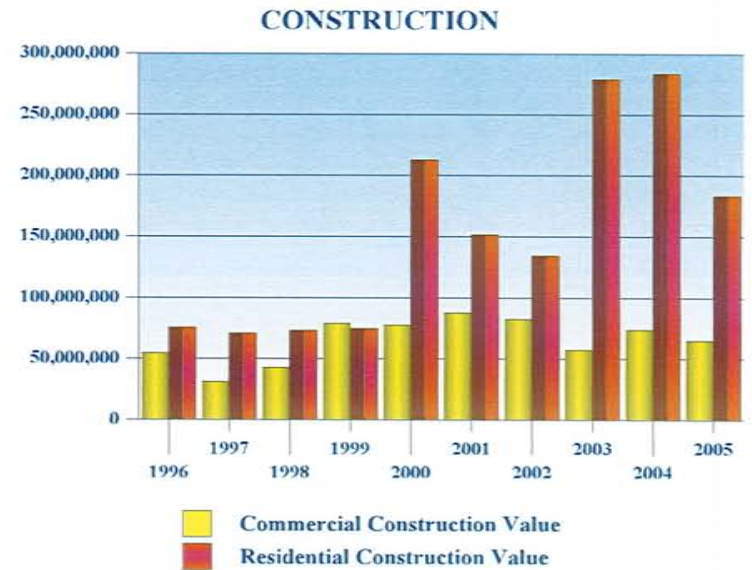
SOURCES:

- (1) California Department of Finance, Demographic Research Unit
- (2) CPI Index of Urban Wage Earners
- (3) US Census
- (4) Oxnard School Districts (Elementary) and Oxnard Union High School District
- (5) State Employment Development Department (data is based on annual average)

City of Oxnard, California

Property Value, Construction and Bank Deposits Last Ten Fiscal Years

Fiscal Year	Property Values			Commercial Construction		Residential Construction		Bank* Deposits
	Commercial	Residential	Total	Number Of Units	Value	Number Of Units	Value	
1996	1,821,493,471	4,490,858,633	6,312,352,104	24	54,428,310	338	75,642,129	827,423
1997	1,822,016,387	4,485,815,079	6,307,831,466	29	31,264,797	392	70,772,213	903,927
1998	1,878,967,522	4,594,240,080	6,473,207,602	27	42,732,437	393	73,409,979	823,506
1999	1,951,680,008	4,653,629,276	6,605,309,284	66	78,960,175	356	74,685,262	752,363
2000	2,014,131,847	4,830,144,691	6,844,276,538	41	77,650,163	824	212,784,494	919,437
2001	2,267,262,765	5,378,551,952	7,645,814,717	41	87,711,175	625	151,748,368	784,519
2002	2,494,786,288	5,857,044,851	8,351,831,139	40	82,553,859	539	134,526,090	1,060,847
2003	2,673,117,741	6,420,500,506	9,093,618,247	70	57,272,955	980	279,229,594	904,433
2004	1,194,272,909	6,694,841,731	7,889,114,640	72	74,087,739	604	283,797,396	884,430
2005	3,341,067,161	8,168,388,379	11,509,455,540	41	65,157,490	540	183,530,021	1,353,183



* Amounts expressed in thousands

SOURCE: The Findley Reports (Fiscal year 1990 includes credit union and savings & loan institutions)

City of Oxnard, California

**Schedule of Insurance in Force
June 30, 2005**

Type of Coverage & Name of Insurer	Policy Number	Policy Period		Details of Coverage	Liability Limits	Deductible Self- insured Retention	Annual Premiums
		From	To				
LIABILITY:							
BICEPS	APEP100704	07/01/04	07/01/05	Municipal Liability 5 City Insurance Pool - In 97-98, the pool purchased commercial insurance for exposures between \$1 million and \$20 million	\$ 25,000,000	\$ 1,000,000	\$ 801,412
Navigators Insurance Company	SF02LIA270941	06/13/04	06/13/05	Marine Liability - This insurance is charged to the Mandalay Bay Assessment District	1,000,000	2500	25,000
PROPERTY:							
Public Entity Property Insuradance Program (PEPIP) - Various Insuring Companies	PPROP0405	07/01/04	07/01/05	All Risks excluding quake & flood - includes City buildings& contents & rental interruption when required by bond financing	750,000,000	10000	136,927
Lloyd's of London	HF 02 ABH6	04/21/04	04/21/05	Automobile/Mobile Equipment Physical Damage including Comprehensive and Collision			
				Boiler and Machinery - includes air conditioning, heating and other types of machinery			
				Las Posas Sewer Line - includes general liability for sewer line service into Camarillo	500,000	10000	61,935
				Fine Arts - Carnegie Art Museum & Oxnard Public Library - protects the City for losses to exhibits of art belonging to others	1,800,000	500	4,375
Clarendon American Insurance Co.	303134EQ-1	11/01/04	11/01/05	Difference in Conditions including Flood and Earthquake, excluding EQSL, Burglary and Theft; Real and Personal Property, Business Interruption/Extra Expense, EDP but excluding vehicles	1,250,000	5% of loss, subject to \$100,000 per occurrence minimum	260,024
Empire Indemnity Insurance Co.	"				2,500,000		
Glencoe Insurance Ltd.	"				1,250,000		
Insurance Company of the West	XHO213302800				5,000,000		
Clarendon American Insurance Co.	303134EQ-1				3,750,000		
Empire Indemnity Insurance Co.	"				7,500,000		
Glencoe Insurance Ltd.	"			<u>3,750,000</u>			
				\$25,000,000			
WORKERS' COMPENSATION:							
CSAC Excess Insurance		07/01/04	07/01/05	Excess Workers' Compensation	50,000,000	500,000	
EMPLOYEE BONDS:							
Fidelity & Deposit	CCP895567806	04/08/04	04/08/05	Public Employees Dishonesty Bond	500,000	5,000	5,233
Hartford Insurance Company	72BSBBV7296	11/22/03	11/22/04	City Treasurer, Dale V. Belcher	50,000	N/A	200
Hartford Insurance Company	72BSBBV7294	11/02/03	11/02/04	Asst. City Treasurer, Danielle Navas	50,000	N/A	250
Hartford Insurance Company	72BSBBV7298	11/24/03	11/24/04	City Clerk, Daniel Martinez	50,000	N/A	200
Hartford Insurance Company	72BSBBM8399	01/21/04	01/21/05	Asst. City Clerk, Jill Beaty	5,000	N/A	100
Hartford Insurance Company	57BSBAH2846	10/20/04	10/20/05	Finance Director, Marcie Medina	25,000		100

SOURCE: Finance Department

City of Oxnard, California

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	—	—	—	—	—	—	—	—	—	49
Fire stations	6	6	6	6	6	6	6	6	6	6
Sanitation										
Collection trucks	—	—	—	—	—	—	—	—	—	75
Highways and streets										
Streest (miles)	374	374	374	374	374	374	394	394	394	—
Steretlights	7,853	7,853	8,720	8,773	8,773	8,773	9,395	8,935	8,935	—
Traffic signals	—	—	—	—	—	—	—	—	—	—
Culture and recreation										
Parks acreage	—	—	—	—	—	—	—	—	—	—
Parks	34	37	37	37	37	37	39	39	39	45
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	36	36	36	36	36	36	36	36	36	33
Community centers	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	275	500	545	545	545	545	425	430	430	500
Fire hydrants	3,500	3,500	3,500	3,900	3,920	3,920	4,150	4,180	4,180	4,180
Maximum daily treatment capacity	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	18,000,000
Sewer										
Number of customers	29,265	29,652	29,969	30,612	31,272	32,063	32,634	32,929	32,929	34,694
Miles of sewer lines	390	390	390	400	400	400	700	700	700	425

Sources: Various City departments

City of Oxnard, California

*State of California
Miscellaneous Statistics
As of June 30, 2005*

Date of Incorporation	June 30, 1903
Form of Government-General Law City	Council/Manager
Incorporated Area in square miles	25.9
Sphere of influence in square miles	30.8
Elections: (3)	General Municipal (11-07-04)
Number of registered voters	63,403
Number of votes cast	44,183
Percentage of votes cast to number of registered voters	69.69%
Number of full-time employees (2)	
General government	305
Public safety	491
Transportation	45
Community development	45
Culture & Leisure	79
Utilities	<u>201</u>
Total full-time employees	<u><u>1,166</u></u>
GENERAL GOVERNMENT:	
Miles of paved streets	403
Number of street lights - Edison	9,120
Number of street lights - City	650

City of Oxnard, California

*State of California
Miscellaneous Statistics
As of June 30, 2005*

PUBLIC SAFETY:

Police:

Number of volunteers	28
Number of sworn officers	237
Number of non-safety employees	135
Ratio of sworn officers over population (per thousand)	1.25:1

Fire:

Number of volunteers	0
Number of sworn officers	93
Number of fire hydrants	4,180

TRANSPORTATION:

Number of police vehicles	223
Number of fire vehicles	49
Number of refuse vehicles	75

CULTURE AND LEISURE:

Parks & Recreation facilities (public):

Parks	45
Ball fields	6
Golf course	1
Ball diamonds	31
Basketball courts	20
Craft/Activity buildings	9
Gymnasiums	2
Swimming pools	1
Tennis courts	33
Auditoriums	1
Museum	1
Community centers	3

Library:

Number of books	336,518
Number of microforms	8,299
Number of audio tapes	14,537
Number of video tapes	9,377
Number of CD-ROMS (data disk)	609

City of Oxnard, California

*State of California
Miscellaneous Statistics
As of June 30, 2005*

Education:

Number of enrollments:

Elementary	15,729
High school	16,161
College	6,482

UTILITY STATISTICS (1):

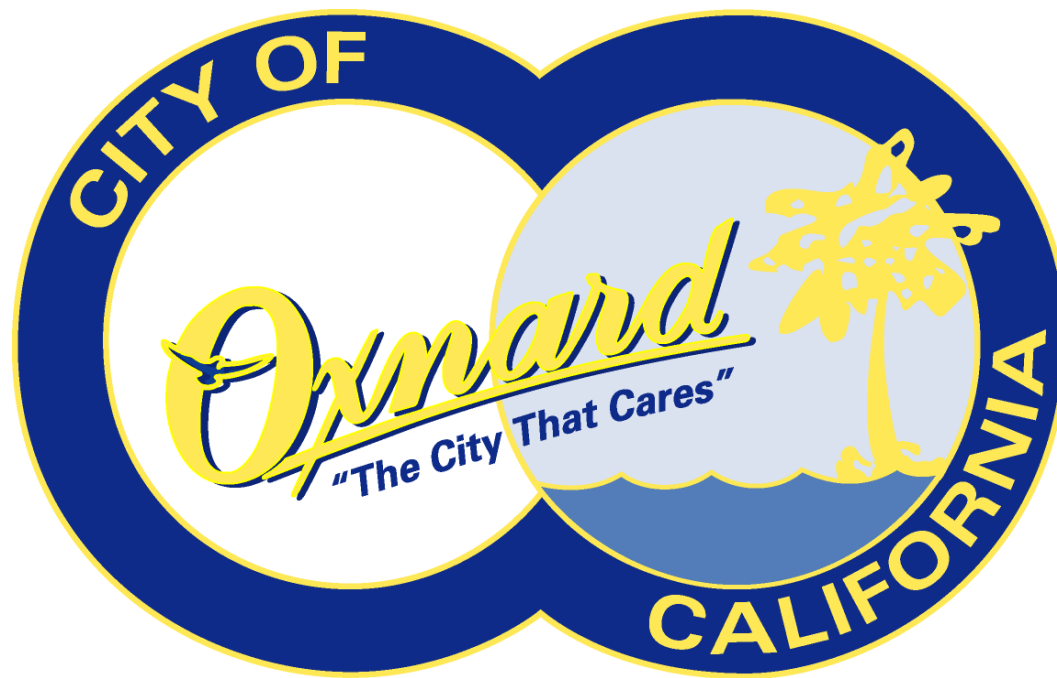
Water:

Storage capacity in gallons	18,000,000
Daily consumption in gallons	29,000,000
Miles of main pipes	500
Number of customers	37,276

Sewer (Secondary bio-filtration systems):

Daily treatment capacity in gallons	23,000,000
Miles of sewer pipes	425
Number of customers	34,694

SOURCE: (1) Public Works Department, Water and Wastewater Divisions
(2) Human Resources Department
(3) City Clerk's Office





Mayer Hoffman McCann P.C.
An Independent CPA Firm

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH THE PROPOSITION 111
2004-2005 APPROPRIATION LIMIT INCREMENT**

Honorable Mayor and Members of the City Council
City of Oxnard

We have applied the procedures enumerated below to the Appropriations Limitation Worksheet for the City of Oxnard for the year ended June 30, 2005. These procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is intended for the information of management and the Honorable Mayor and Members of the City Council; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

The procedures you requested us to perform and our findings were as follows:

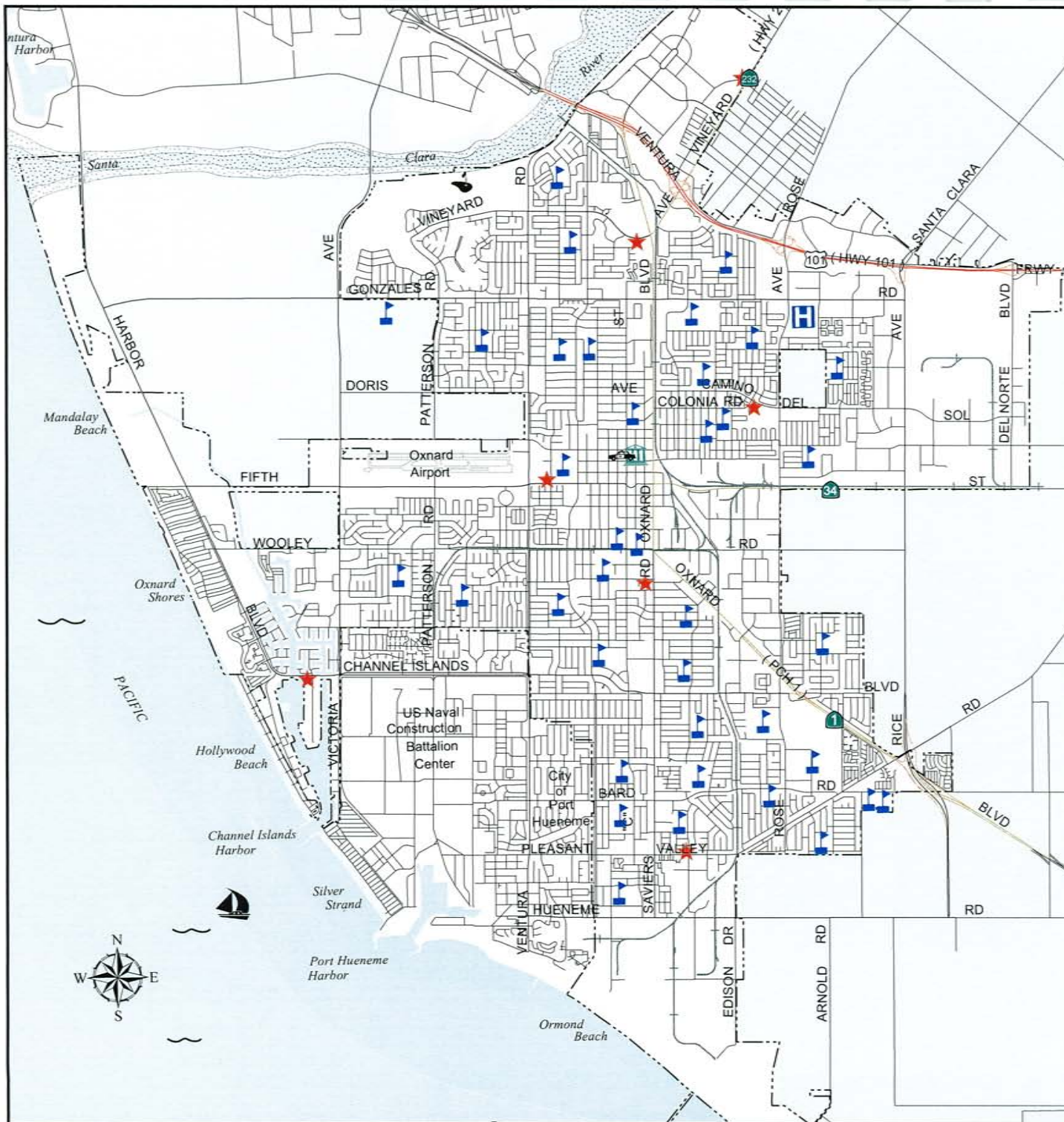
- A. We obtained the Appropriations Limitation Worksheet and determined that the 2004-2005 Appropriations Limit and annual adjustment factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the 2004-2005 Appropriations Limit to be \$138,093,741 by multiplying the 2003-2004 Prior Year Appropriations Limit by the annual adjustment factors. The City calculated a 2003-2004 appropriations limit of \$128,298,212.
- C. For the Appropriations Limitation Worksheet, we agreed the Per Capita Income, County and City Population Factors to California State Department of Finance Worksheets.

These agreed-upon procedures are substantially less in scope than an audit, the objective of which is the expression of an opinion on the Appropriations Limitation Worksheet. Accordingly, we do not express such an opinion.

Based on the application of the procedures referred to above, nothing came to our attention, which caused us to believe that the City's Appropriations Limitation Worksheet was not computed in accordance with Article XIII B of the California Constitution, as interpreted in the California League of Cities Article XIII B Appropriations Limit Uniform Guidelines. Had we performed additional procedures or had we made an audit of the Appropriations Limitation Worksheet and the other completed worksheets described above, matters might have come to our attention, which would have been reported to you.

October 20, 2005
Oxnard, CA

SOUTHERN CALIFORNIA LOCATIONS
11601 WILSHIRE BOULEVARD, SUITE 2300 • LOS ANGELES, CA 90025 • PH 310.268.2000 • FAX 310.268.2001
5060 CALIFORNIA AVENUE, SUITE 800 • BAKERSFIELD, CA 93309 • PH 661.325.7500 • FAX 661.325.7004
300 ESPLANADE DRIVE, SUITE 250 • OXNARD, CA 93036 • PH 805.988.3222 • FAX 805.988.3220



LEGEND

-  PUBLIC SAFETY
-  CITY HALL
-  FIRE STATION
-  HOSPITAL
-  SCHOOL
-  GOLF COURSE
-  SCHOOL
-  PARK
-  CITY LIMIT
-  RAILROAD

CITY OF OXNARD



November 4, 2005

The mapped data is created and designed by the City of Oxnard GIS Program, which is developed and operated solely for the convenience of the City. The map is for illustrative purposes only. The City does not warrant the accuracy of this map, and no decision involving a risk of injury or economic loss should be made in reliance thereon.