



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2007

Prepared by
Finance Department
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Interim Finance Director

City of Oxnard, California

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
Table of Contents*

PAGE

INTRODUCTION:

Letter of Transmittal i
GFOA Certificate of Achievement for Excellence in Financial Reporting xxvi
List of Principal Officials xxvii
City of Oxnard Organizational Chart xxviii
Finance Department Organizational Chart xxix
Vicinity Map xxx

FINANCIAL SECTION:

Independent Auditors' Report 1
Management's Discussion and Analysis 3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets 17
Statement of Activities 18

Fund Financial Statements:

Governmental Funds:

Balance Sheet 19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 20
Statement of Revenues, Expenditures and Changes in Fund Balance 21
Reconciliation of the Changes in Fund Balances of the Governmental Funds to the Statement of Activities 22

City of Oxnard, California

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
Table of Contents (Continued)*

Proprietary Funds:

Statement of Net Assets	23
Statement of Revenues, Expenses and Changes in Fund Net Assets	24
Statement of Cash Flows	25

Fiduciary Funds:

Statement of Fiduciary Assets and Liabilities	27
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Notes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies	29
2. Cash and Investments	43
3. Interfund Receivables and Payables	48
4. Receivables and Payables	49
5. Interfund Transfers	50
6. Capital Assets	51
7. Long-Term Liabilities	56
8. Defined Benefit Pension Plan	73
9. Postemployment Health Care Benefits	77
10. Commitment and Contingencies	77
11. Fund Balance - Governmental Funds	77
12. Net Assets - Proprietary Funds and Governmental Activities	81
13. Risk Management	81

City of Oxnard, California

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
Table of Contents (Continued)*

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Funding Progress Pension Plan (PERS) 85

Schedules of Revenues and Expenditures, Budget and Actual:

General Fund:

 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual 87

Major Special Revenue Funds:

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

 Development Fees Fund 90

 HUD and CDBG Grants Funds 91

 State and Federal Grants Fund 92

SUPPLEMENTARY DATA (COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES):

Non-Major Governmental Funds:

 Combining Balance Sheet 93

 Combining Statement of Revenues, Expenditures and Changes in Fund Balances 94

Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

 Gas Tax 95

 Traffic Safety 96

 Transportation Development 97

 Maintenance Assessment District 98

 Debt Service Fund 99

Internal Service Funds:

 Combining Statement of Net Assets 100

 Combining Statement of Revenues, Expenditures and Changes in Net Assets 101

 Combining Statement of Cash Flows 102

City of Oxnard, California

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
Table of Contents (Continued)*

Fiduciary Funds:

Combined Statement of Changes in Assets and Liabilities 103

STATISTICAL SECTION (Unaudited):

Schedule I - Net Assets by Component 105
Schedule II - Changes in Net Assets 106
Schedule III - Fund Balances of Governmental Funds 109
Schedule IV - Changes in Fund Balances of Governmental Funds 110
Schedule V - Governmental Activities Tax Revenue by Source 111
Schedule VI - Assessed Value and Estimated Actual Value of Taxable Property 112
Schedule VII - Direct and Overlapping Property Tax Rates 113
Schedule VIII - Principal Property Taxpayers 114
Schedule IX - Property Tax Levies and Collections 115
Schedule X - Ratio of Outstanding Debt by Type 116
Schedule XI - Direct and Overlapping Governments Activities Debt 117
Schedule XII - Legal Debt Margin Information in Thousands 118
Schedule XIII - Pledged Revenue Coverage 119
Schedule XIV - Demographic Statistics 120
Schedule XV - Principal Employers 121
Schedule XVI - Full-Time Equivalent City Governmental Employees by Function 122
Schedule XVII - Operating Indicators by Function 123
Schedule XVIII - Capital Assets by Function 124

APPROPRIATIONS LIMIT 127



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Interim Finance Director

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November 30, 2007

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

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Oxnard (City) for the fiscal year ended June 30, 2007. 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 results of operations, of the City as measured by the financial activity of 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.

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 City 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 City 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. Blessed by the sun, the sea and its climate, Oxnard is the “Jewel of the Gold Coast.” 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 of 192,997 in 2007, accounting for over 23 percent of the County’s population.

**ECONOMIC CONDITION AND
OUTLOOK**

The City’s average unemployment rate for calendar year 2007 was 5.4 percent, which was higher than last year’s average of 4.6 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, long-regarded as the most business-friendly community in the County, has taken great strides to strengthen each of its principal sectors of the local economy. Local assets include two thriving military bases, a full-service deep-water port, master-planned industrial parks, prime commercial and retail sites, a regional medical center and hospital, a flourishing community college and all the amenities of an ideal coastal community. Oxnard continues to take positive steps toward a vibrant economic future. 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 2006-2007. 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.

LONG-TERM FINANCIAL PLANNING

The City and the Community Development Commission (Redevelopment Agency) are currently working on development projects, which will result in directly and indirectly generating revenues to balance the City's operating budget in the future.

For many years, auto dealers have been the strength of the local economy. Oxnard Auto Center is a home to Buick/GMC Truck, Cadillac, Ford, Honda, Hyundai, Infiniti, Lexus, Lincoln, Mazda, Mercury, Nissan, Pontiac, Saturn, and Toyota.

Major industries such as Procter & Gamble Company and St. John's Regional Medical Center are the top two principal property taxpayers and the largest employers in the City. Other industries include Seminis Vegetable Seeds Inc., Weyerhaeuser Company, Terminal Freezers Inc., Deussenberg Investment Company and Channel Islands Harbor Investment Company. Other retail businesses include Costco, Home Depot, Kmart, Sam's Club, Target and Wal-Mart.

The Community Development Commission assisted in locating Centennial Plaza in downtown Oxnard which consists of Plaza Cinemas 14, Coldstone Creamery, Subway, Starbucks Coffee Company, Capriccio's Italian restaurant, Thai Peruvian restaurant, Casa Escobar and Fifth Street Steak and Seafood restaurant. The City built a four-story parking garage to accommodate this new development. Other existing retailers in the Esplanade Shopping Center include BJ's Restaurant & Brewery, Bed Bath & Beyond, Borders Books & Music, Cost Plus World Market, 24-Hour Fitness, Big 5 Sporting Goods, Nordstrom Rack, Old Navy, T.J. Maxx and In-N-Out Burger. Other retailers located in the City are Mervyn's California, Babies “R” Us, Bath & Body Works, Party America, The Guitar Center, Walgreens, Bally Total Fitness, Gold's Gym, Golfsmith, Sport Chalet, Sportsmart, LA-Z-Boy Furniture Gallery, Sit "N" Sleep, Wickes Furniture, Best Buy, Circuit City, Fry's Electronics, Office Depot, Staples and many others which contribute to the City's local economy. Sales tax is the number two revenue generator to the City's operating budget.

Current projects include the RiverPark Development located on Vineyard Avenue and Highway 101, which consists of 2,805 residential units, approximately 600,000 square feet of commercial/retail, lakes and jogging trails, parks, and schools. The Seabridge Project, located on Victoria Avenue and Wooley Road, is a waterfront community consisting of 395 townhomes/flats, 276 single-family homes, 21 “Live to Work” units and 169,000 square feet commercial/retail development. Westport at Mandalay Bay is a marina community consisting of 96 single-family homes, 88 town homes, 34 duplex

homes, 88 residential mixed-use units, parks and trails, waterways and boat docks, and visitor retail stores. The Northwest Community Golf Course Specific Plan on Gonzales Road and Victoria Avenue, includes 551 residential units and a 36-hole championship golf course. The Northeast Community Specific Plan on Gonzales Road and Rose Avenue includes 3,000 residential units, commercial/retail development, parks and a full-service hospital. The proposed Oxnard Village project on Oxnard Boulevard and Highway 101 includes a 56.4-acre project area of approximately 1,500 residential units, transit center, commercial/retail center, and an elementary school. The proposed Teal Club project includes up to 1,500 residential units, 37,000 square feet of commercial, elementary school, and a 1.5-acre fire station.

In Fiscal Year 2006-2007 alone, more than 2.1 million square feet of industrial space was occupied in Oxnard, creating approximately 2,160 jobs in the community.

The City Council intends that these projects will contribute to the quality of life, in addition to fiscal health of the City.

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, 2007, the City's special assessment debt outstanding totaled approximately \$76,355,000.

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, 2007, are as follows:

Tax Allocation Bonds	\$ 37,457,700
Revenue Bonds, Net of Unamortized Discount and Gain or Loss on Refunding	334,724,676
Capital Leases	2,286,699
Certificates of Participation	7,395,000

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, libraries, 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, 2007, amounted to \$2,286,699.

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, 2007, this limit was \$2,191,850,614.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2006-2007

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 2006-2007 are outlined below:

- The primary functions of the City Treasurer's Office include collection, safekeeping, cash management and investment of all monies revenues due to the City. The highest volume of transactions is generated by utility payments on more than 40,000 accounts each month. Approximately 25 percent of those transactions (over 10,000 per month) are received directly from customers at the cashiers' windows. Additional traffic is generated by payments for business and animal licenses, permits, and revenues received then brought by various departments.
- The results of last year's introduction of payment of utility bills electronically via the City's website and an automated voice response system have proven successful. These two methods provide bill payment capability to customers from 5:00 a.m. to 11:00 p.m., seven days per week and the current volume averages over 5,000 transactions per month. An element of the ongoing efforts of the City Treasurer to streamline operations, this program benefits the customer and also frees staff from time-consuming credit card telephone transactions.
- 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.
- A certified cash handling program has been developed by the City Treasurer for presentation to all City staff involved with the handling of public funds. There have been eight sessions since March 2006 with a total of 75 employees in attendance. This course has been very well received and will be provided on an ongoing basis. Employees gain important knowledge and skills including tips for recognizing counterfeit currency and fraudulent checks, the need for checks and balances as well as dual custody, and gain a new understanding of the importance of this aspect of their jobs.
- The City's investment portfolio continues to grow. Safekeeping and investment of these funds is the primary responsibility of the City Treasurer. Daily cash flow monitoring, research and evaluation of products, assessment of future needs and continual review of market trends are essential to maintaining a viable portfolio in keeping with the City Treasurer's investment policy. The diversification and safety of the funds, availability of funds for disbursement as needed, and the production of revenue at a reasonable earnings rate are the important elements of this responsibility.

COMMUNITY DEVELOPMENT DEPARTMENT

Accomplishments for Fiscal Year 2006-2007 are outlined below:

2006 Tax Allocation Bond - Assisted with the issuance of a \$20,530,000 tax allocation bond for the reconstruction of streets in the Southwinds, Ormond Beach and HERO Project Areas. Bond proceeds were appropriated in the 2006-2007 Budget. Coordination between the Public Works Department and the Community Development Commission (CDC) for the reconstruction of the streets is anticipated to occur in fall 2007.

Centennial Plaza – Phase I Retail Shops completion occurred June 2007. All Phase I shop spaces are open for business.

City-Wide Enhancement Program (CWEP) - Participated in the deployment of the City's Mobile Satellite City Hall program at Centerpoint Mall and will continue to participate in all neighborhood visits scheduled for 2006-2007.

Community Development Department Web Page - Maintained and updated department web page to provide answers to typical redevelopment questions and updates on current projects, and outline future activities. The web page is also linked to the CDC's Retail Website which promotes retail leasing and development opportunities throughout the City, and links for internet users to access Community Development Maps.

Downtown Code Compliance/Design and Public Education Program - Continued the monthly meetings with Planning and Environmental Services Division and Code Compliance personnel to monitor compliance with zoning and permit requirements. The Development Guidelines for signage, façade, and window treatments produced in 2002 continue to be effective in assisting merchants with understanding the various permit and zone clearance requirements. The Design Guidelines for "signs" and the Central Business District (CBD) Design Criteria for Over-the-Counter Downtown Design Review Permits Guide are both available in Spanish to better assist some of our merchants in understanding the process.

Downtown Façade and Paint Improvement Program - Developed a Façade and Paint Improvement Program to assist Downtown businesses in enhancing the exteriors of their buildings, including improved signage, lighting, landscaping, awnings, and other building treatments. The program includes financial assistance for both architectural services and physical improvements. The program was introduced in July 2006. By June 2007, 30 applications have been received for various types of façade improvements.

Downtown Lighting Improvement Program Phase II - This is the second phase of the CDC's 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 Fifth Street and Wooley Road, on the east side of Oxnard Boulevard, and will be combined with the Downtown Parking Lot Improvement Program Phase II.

Downtown Oxnard Market Place - Entered into a second Exclusive Negotiation Agreement with Oxnard Plaza Associates, LLC for the planning and possible development of the Marketplace in Downtown Oxnard.

Downtown Parking Improvement Program Phase II - The second phase of the Parking Lot Improvement Program will encompass the Meta Street area between Fifth Street and Wooley Road, on the east side of Oxnard Boulevard. Two Downtown public parking lots and eight alleys have been identified for these infrastructure improvements. Construction began in June 2007 and should be completed in September 2007.

Downtown Parking Lot Management Plan - Enlisted the services of parking consultants Nelson-Nygaard to provide a parking management plan for downtown to determine current and future parking needs, revenue sources, transportation systems.

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

Downtown 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. CDC staff has also worked jointly with the PBID to improve communication between the business community and the City and address operational and maintenance issues. The City Council has, upon receiving a majority vote of the property owners, authorized the renewal of the PBID for another five years (FY 2006-07 through FY 2010-2011).

Downtown Residential Development Heritage Walk - Completed a 12-unit for-sale townhome project at the northwest corner of Seventh and “A” Streets. This project consists of 8 market-rate and 4 affordable units. Six of the 12 units have a Live-Work option floor plan.

Downtown Residential Development Hacienda Guadalupe Townhomes – Assisted with a 27-unit for-sale townhome project in the Meta Street area. All units are affordable. Construction is anticipated to be completed by June 2007.

Downtown Street Tree and Sidewalk Replacement Project – CDC oversight of project funded by bond proceeds that commenced January 2007 for sidewalk replacement, curb and gutter upgrades, landscaping, site furnishings and underground electrical.

Downtown Tax Allocation Refunding Bond (TARB) - Refinanced the TARB 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.

Gateway Sign Program Implementation - New gateway street name signs are being installed in new subdivisions. Existing street name signs and wayfinding signs that are in need of replacement due to damage or wear and tear are being changed out to the new Gateway designs. A Pleasant Valley Road entry street monument sign was installed. A preliminary application has been submitted to Caltrans for a freeway pylon sign at southbound Vineyard Avenue and northbound Del Norte Boulevard. Twenty-three new wayfinding signs are being ordered.

Heritage Square Consulting Services - Coordinated the recent Heritage Square Consulting Services Request For Proposal process and interview panel for hiring of property management, maintenance, facility leasing and special events coordinator.

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.

Ormond Beach Economic Development - Continued promoting business retention and attraction activities and assisted companies in upgrading and expanding their facilities where feasible. Supported the Economic Development Corporation of Oxnard (“EDCO”) in promoting economic development opportunities in the project area to corporations statewide.

Ormond Beach Wetlands Restoration – Worked to protect, restore and enhance the wetlands and other coastal resources in Ormond Beach.

Retail Attraction - Updated retail attraction brochure marketing the City and highlighting potential development opportunities. Attended local, regional and national retail trade shows and placed advertisements in trade show publications. Established and maintained a computer database of contacts within the commercial development, brokerage and retail communities for follow-up meetings and City tours. Updated the CDC’s Retail Website providing information on available commercial properties in Oxnard, and revised demographics and traffic counts to reflect current statistics. Responded daily to website users that utilize the “Contact Us” page for additional information.

RiverPark - RiverPark is in the process of conveying Lot 19 to Cabrillo Economic Development Corporation for the delivery of 140 extremely and very low-income rental units. Construction is expected to start in the first quarter of 2008. Of the 252 required low- and moderate-income affordable for-sale homes, approximately 79 have closed escrow, 11 are for sale, and 162 homes are either under design or in plan check.

South Oxnard Revitalization - Having completed the renovation of 43 of the 57 medians in Saviers, Hueneme and Pleasant Valley Roads, the program is now 75% complete. The four medians on Pleasant Valley Road were the most recent improvements to be completed. The design of the final three groups of medians is complete; these improvements are to be included in the Saviers Road Resurfacing Project and are expected to be constructed in spring 2008.

Southwinds Neighborhood Revitalization - Continued to use the private/public Southwinds Team and Weed and Seed to administer programs created to reduce crime, eliminate blight and enhance quality of the living environment. Eight owner-occupied and one multifamily investor rehabilitation loans were approved. Three security lighting and fencing loans were approved utilizing upgraded fencing design and quality.

Vineyard/Esplanade Retail - Continuous contact with retail building and shopping center owners and tenants to encourage the enhancement of their building exteriors subsequent to completion of the contiguous Esplanade redevelopment project. Three projects were completed during FY 2006-07: the 24-Hour Fitness building on Esplanade Drive, the Big Five Center on Vineyard Avenue and the adjacent Goodyear Tire building on Vineyard Avenue.

Other miscellaneous retail projects - These projects include various levels of involvement with such retailers as Vons to locate a store at Oxnard’s new Seabridge Marketplace; recruitment of Walgreen’s and Starbucks to South Oxnard; formulation of maintenance and landscaping upgrade requirements for Wal-Mart as conditions for approval of its new expansion at Shopping at the Rose.

DEVELOPMENT SERVICES DEPARTMENT

Accomplishments for Fiscal Year 2006-2007 are outlined below:

Building and Engineering Division

The Building and Engineering Division processed permits for 243 new single-family residences and 79 new multifamily buildings, 1,900 miscellaneous building permits, 3,700 plumbing, electrical, and mechanical permits and 1,223 building record reports for a grand total of 7,145 permits for FY 2006-2007. The Division also provided a total of 36,492 inspections for this fiscal year.

Planning and Environmental Services Division

Permit Processing - The Planning and Environmental Services Division accepted and processed 677 zone clearances, 637 home occupation permits, 210 temporary use permits, 198 administrative permits and 111 discretionary permits.

Project Highlights:

- Approvals for various RiverPark residential communities (including Celadon, Meridian, Waypointe, Westerly, Daybreak, Destination, Luminaria, Market Street, Avenue, Tradewinds, Trellis). These are currently under construction.
- Approval of Rancho Victoria, commercial/residential uses. These are currently under construction.
- Approval of Lowe's development at former Carriage Square site.
- Approvals for Sycamore Senior Village and Gardens.
- Completion of commercial center at Seabridge development site.
- Completion of Whitesails mixed-use development at Westport at Mandalay Bay development.
- Completion of Olson's Heritage Walk, including live-work units.
- Initiation and compliance review of onsite remediation at Northshore at Mandalay Bay development site.
- Land use designation determined for Sports Park site.

FIRE DEPARTMENT

Accomplishments for Fiscal Year 2006-2007 are outlined below:

- Responded to nearly 12,000 calls for service.
- Reduced average response times as a result of the newest Fire Station (No. 7) and the continued progress on the pre-emption program (devices on signalized intersections that change traffic lights to green in the direction of travel).

- Graduated six firefighters from the Department's Fire Academy.
- Purchased Urban Search and Rescue Tow Vehicle (further enhances the Department's capability to affect rescue in confined spaces).
- Purchased Strike Team Vehicle (enables the Department to more efficiently meet mutual aid obligations).
- Purchased Command Vehicle (replaces current vehicle with a safer, better design).
- Placed into service the reserve ladder truck (provides the Department with a backup ladder truck and lessens the City's dependence on neighboring jurisdictions).
- Purchased equipment required for Office of Emergency Services Type II (medium) designation for Urban Search and Rescue capability.
- Certified Unified Program Agency (Hazardous Materials Inspection Division) cost recovery revenue gains for the third consecutive year.
- Further enhanced the City's ability to manage and mitigate natural or manmade large-scale incidents with the new Emergency Operations Center (Sturgis Road Annex Facility) becoming operational.
- Conducted 3,693 inspections, investigations, and acceptance tests by Fire Prevention and CUPA (hazardous materials) personnel.

HOUSING DEPARTMENT

Accomplishments for Fiscal Year 2006-2007 are outlined below:

- **Construction of Old St. John's/Sycamore Senior Village** - Construction began on the development of the former St. John's Hospital site on "F" Street for 229 senior apartments. City Council conducted a public hearing and authorized the issuance of \$29 million of multifamily revenue bonds for the project.
- **1450 South Rose Avenue** - Staff received an appropriation of funds for the renovation of 1450 Rose Avenue and executed a contract with McCarthy Construction for the renovation of the property, which will be completed and occupied by December 1, 2007.
- **5200 Squires Drive** - Construction of a new multi-purpose building at 5200 Squires Drive in the Pleasant Valley Village public housing site was completed in October 2006. The facility is the new home of Housing's administrative and maintenance staff assigned to the Pleasant Valley Road site and also provides new quarters for the Head Start program run by Child Development Resources of Ventura County.
- **Homeless Count** - Staff and volunteers carried out the most extensive Homeless Count ever in the City, with a count of 671 homeless persons.

- **Grant Funding** - The Homeless Prevention Program was awarded \$481,000 in Continuum of Care funds and \$120,545 in state Emergency Shelter Grant funds. Affordable Housing received \$780,000 in BEGIN funds, and \$1,094,975 in HOME and American Dream Downpayment funds to aid in the purchase or rehabilitation of homes. Affordable Housing also received \$291,700 under the Workforce Housing Grant which was awarded for the City's record in permitted affordable housing units; the funds went to the new South Oxnard Branch Library. The Resident Initiatives Program in Public Housing was awarded \$250,000 for the Family & Home Ownership Category Grant and \$150,000 for the Neighborhood Networks Category Grant.
- **SEMAP Scores** - The Housing Authority achieved the status of a high performer under the Section 8 Management Assessment Program (SEMAP) with a score of not less than 93 percent.
- **Affordable Housing Production** - Affordable Housing oversaw the production of 68 affordable for sale housing units and 52 affordable rental units in the City.
- **Lease-up in PHA/Section 8** - The Housing Authority maintained over 98% lease up in the Section 8 and Public Housing programs.
- **Mobile Home Rent Stabilization** - In close collaboration with the City Attorney, successfully defended in a lawsuit filed by Royal Palms Mobilehome Park challenging a decision of the Mobilehome Park Rent Review Board. The park owner had sued the City in 2005, claiming that its constitutional rights were violated when the Board awarded it an 18% rent increase, rather than the 71% increase sought by the park. On June 14, 2007, the Ventura County Superior Court upheld the constitutionality of the ordinance and all of the major points of the decision, remanding the matter to the Board for further proceedings on two relatively minor issues.
- **Family Self Sufficiency Accomplishments** - The Housing Authority implemented a new Public Housing Family Self-Sufficiency program, with 25 families enrolled and worked with 34 families in the Section 8 Family Self Sufficiency Program. Also during the reporting period, 68 persons were placed in jobs through the efforts of the Housing Department's Family Investment Center; the job placements consisted of 23 homeless persons, 32 public housing residents, and 13 Section 8 Program participants. In addition, 15 families from Public Housing purchased homes.

HUMAN RESOURCES DEPARTMENT

Accomplishments for Fiscal Year 2006-2007 are outlined below:

- Promoted outreach efforts by participating in career fairs providing information on career path opportunities within the City.
- Focused on developing employment programs and apprenticeships to grow and foster the next generation of City employees; hired more than 25 student trainees.
- Attracted highly qualified employees through improved recruiting and advertising practices; explored utilization of latest technological advances, specifically "podcasting" for available positions.

- Retained highly qualified employees by conducting ongoing informational workshops on employee benefits and a variety of work-life topics which is reflected in our current turnover rate of 9.4%, which is the lowest in six years.
- Provided core human resource administrative support to all City departments and divisions to assist in addressing their workforce administration needs.

POLICE DEPARTMENT

Accomplishments for Fiscal Year 2006-2007 are outlined below:

- The Information Technology Unit completed implementation of a project that provides wireless, remote data to local, County, State and federal databases for field officers.
- The Training unit began implementation of the California P.O.S.T. learning portal which allows for all officers to receive internet-based training on State-mandated topics. In May, more than 200 officers received training via the internet on “Law Enforcement Response to Terrorism.”
- The Special Services Unit conducted an aggressive recruiting campaign that resulted in the selection of eight highly qualified and diverse applicants for Public Safety Trainee. These trainees will be starting the Basic Police Academy in July and have temporarily brought the police department to full staffing for the first time in several years.
- Obtained a civil injunction against a prominent criminal street gang. This civil injunction has aided in the department’s overall gang suppression efforts.
- During August 2006, the department coordinated and executed the largest known gang sweep in County history. This operation targeted the most violent members of the local criminal street gangs, as well as the most violent graffiti vandals in the City. The operation consisted of 154 law enforcement personnel from 8 agencies (local, County, State, and federal), targeting 116 people at 105 locations. It resulted in 33 arrests and one gun being recovered.
- During the fiscal year, the department’s “crime-free housing program” added eight new properties. This brings the total number of participating properties to 45. These 45 properties provide 2,145 housing units. Overall calls for police service at these properties have been reduced by an average of about 80%.
- Development of a crime-free business program is underway. This program is being designed to reduce crime and victimization at participating businesses. It is the first such program in the nation.

OXNARD PUBLIC LIBRARY

Accomplishments for Fiscal Year 2006-2007 are outlined below:

- The grand opening of the new 23,000 square-foot South Oxnard Branch Library was held on April 19, 2007. The state-of-the-art library has a second floor mezzanine, a computer center, homework center, study rooms, children's section, teen section, Spanish language section, and new services including computer classes, Internet access, homework assistance, and self check-in and check-out of books. The library's landscaping is a demonstration California low-water use garden provided by the City's Water Resources Division.
- The library kicked off its Centennial Celebration with the Grand Opening of the South Oxnard Branch Library on April 19, 2007. Weekly events at the Main Library and the Colonia Branch Library included: David Cousin's Juggling Program, Annie Banannie's Reading Adventure Balloon Show, a Young Adult Film Event featuring "Night at the Museum," an Ice Cream Social, and the finale on May 15, 2007, the actual 100th birthday. Attendance totaled over 1,250 for all the functions, with each attendee receiving birthday party "favors." Throughout the month of May 2007 at the Main Library, Centennial displays were available for public viewing. They included: Oxnard Public Library's "Shades of Oxnard," library patrons' "My Favorite Library Memory," library memorabilia, and children's collections of 100.
- Library Circulation Services accepted over 4,000 U.S. passport applications, an increase of 80% from FY 2005-2006. As of June 18, 2007, revenues from passport execution fees totaled \$138,307.60, an increase of over 100% from FY 2005-2006. In January 2007, Circulation Services took over passport photo service from the Oxnard Public Library Foundation. As of June 18, 2007, nearly \$14,000 (\$13,939.29) in revenue has been generated. Revenues generated from passport execution fees and photo service supported various library programs including the Literacy Outreach Program, the Grand Opening of the South Oxnard Branch Library, and the Library's Centennial Celebrations.
- One hundred volunteers contributed 8,544 hours at the library this fiscal year. Their accomplishments were recognized at a holiday celebration in December 2006 and during National Volunteer Week in April 2007.
- The Library Information/Reference Services applied for and received the following grants:
 - \$5,000 from the California State Library for Early Learning with Families which emphasizes learning activities for babies and pre-schooners
 - \$5,000 from the Scripps Howard Foundation, \$1,000 from Target, and \$1,000 from Sam's Club for the Literacy Outreach Program
- Nine hundred and three children read 6,258 hours in the library's Children Summer Reading Program 2006. In keeping with the pet-themed program, the library received donations for the Ventura County Humane Society consisting of pet food, toys, and care supplies. During the Young Adult Summer Reading Program, 108 teens read 428 books.
- During the "Food for Thought" reading program in Fall 2006 sponsored by In-N-Out Burger, 552 children read 2,445 books.

- Nine thousand four hundred children and their families attended 300 children’s events at the Main Library. Events included weekly story times, class visits, monthly family nights, summer activities, and special programs.
- “Forever Free: Abraham Lincoln’s Journey to Emancipation,” which displayed reproductions of historic documents from the Huntington Library and the Gilder Lehrman Institute of American History, was on display at the Main Library for six weeks. The seven programs presented as part of the federal traveling exhibit was attended by 297 people.
- The library’s Teen Council hosted a successful Poetry Slam for National Poetry Month for the third year. Forty-seven teens expressed themselves through their original poetry at this event, reading 60 poems.
- Two Literacy Outreach Program students passed their citizenship exam.
- The Library Support Services Division purchased and added 23,115 items to the library catalog, an increase of 9% over the previous year.
- A telephone notification system was implemented in January 2007. This system calls customers for items they have requested or are overdue.
- The library received \$20,954 from a federal program (E-rate) for telecommunications network costs.

CARNEGIE ART MUSEUM

Accomplishments for Fiscal Year 2006-2007 are outlined below:

- Served 20,000 students, residents, and visitors through education programs and major art exhibits
- Presented 45 community outreach programs including: major guest artist gallery talks for college classes of University of California Channel Islands and Oxnard College; Family Days; weekend art exploration classes for children and families; and the Arcade Poetry Series with nationally recognized guest poets Aram Saroyan, Mark Irwin, and Ali Liebegott
- Museum education programs served 80% of Oxnard schools plus schools in the Ventura, Hueneme, Rio, Oceanview, Conejo, Simi Valley, Moorpark, and Las Virgenes School Districts
- Presented national level exhibitions: “Latin Perspectives in Print” from the Tobey C. Moss Gallery Collection; “Susan Tibbles: Opinion” featuring an artist for the *Los Angeles Times*; “Devotion in the Shadows: Photography of Tibet” by Scott McClaine; “American Glass: John Gilbert Luebtow,” and “Regalos: Gifts of Latino Art”
- Received eight donations of significant artworks by artists of California and national repute for the permanent collection

- Exhibit excellence received increased publicity, raising public awareness of museum and growing downtown arts scene with promotions and articles appearing in Southern California and national publications: *ArtScene*, *ArtScene: 25*, the *Los Angeles Art Awards Program*, *Los Angeles Times*, *Los Angeles Times Weekend Section*, *Ventura County Star*, *Santa Barbara Independent*, *Ventura County Reporter*, *Santa Barbara News-Press*, *Artltd. Magazine*, and online publications of *YourHub.com* and *American Fine Arts Legacy*

PUBLIC WORKS DEPARTMENT

Accomplishments for Fiscal Year 2006-2007 are outlined below:

Design & Construction Services

- Completion of the South Oxnard Branch Library Project.
- Nearing completion of the Headworks at the Wastewater Treatment Plant.
- Design of \$30 million in street resurfacing projects. These projects were included in the approximate \$85 million in street repair and resurfacing projects presented to the City Council several months ago.
- Completion of the Pleasant Valley Road widening project from Bard Road to Highway 1.
- Completion of the street overlay projects on Gonzales Road, Ventura Road, and “J” Street.
- The Survey Division maintains between 95 and 98% track record for response times on survey requests, staking requests and other services of the division.

Environmental Resources Division

- Serviced approximately 6,000 customer calls per month ranging from bin rentals, resolving collection service challenges, logging illegal dumping reports, and answering a variety of questions on recycling and household hazardous waste management programs.
- The California Integrated Waste Management Board (CIWMB) approved Oxnard’s current diversion rate in October 2006 at 69% (biennial review of Annual Reports 2003 and 2004). This diversion rate is the highest approved number in the County and one of the highest in the State of California. Oxnard is in compliance with the State mandate Assembly Bill 939 (The Waste Management Act of 1989) that requires every city and county in California to reduce waste taken to the landfill by 50% or face up to \$10,000 fines per day.

- A compliance specialist focused on working with customers who were excessively leaving their containers out beyond the City-mandated 12-hour period. The compliance specialist logged over 164 resolved customer outreach issues regarding this neighborhood challenge thus improving street beautification and reducing possible safety challenges.
- Sponsored 40 neighborhood cleanup events that enabled residents to dispose of large bulky items such as old furniture, inoperable appliances, and yard debris.
- In summer 2006, a successful special event recycling program was hosted during the Dallas Cowboys Training Camp. The program recovered 1.11 tons of mixed recyclables during the training period.
- Sustained a “Clean Sweep Partnership” with the Police Department. This partnership assigns Environmental Resources Division compliance specialists and field crews in monitoring districts for combating illegal waste dumping on a daily basis.

Facilities Maintenance

- **Wilson Senior Center Painting Project** - This included painting the complete interior and exterior of all buildings at the Wilson Senior Center Complex. Work was completed through the use of contractors and in-house staff.
- **Oxnard Shores Walkway Lighting Project** - Work is progressing on the project which includes replacement of 66 walkway light fixtures; replacement of 30 deteriorating light poles; and five electric service panels.
- **Community Center West and Driffill Ballfield Light Pole Painting Project** - This project included cleaning and painting a total of 20 ballfield lighting poles at the two parks.
- **Driffill Ballfield Electrical Service Replacement Project** - This project consisted of removing the outdated electrical service and ballfield lighting control equipment and replacing them with a new service cabinet and new lighting controllers. This project also included undergrounding the electrical service to the ballfield and eliminating the overhead service. All work on this project was performed by Facilities Maintenance staff.

Fleet Services Division

- Accepted the Police Department motorcycle fleet for maintenance, saving the department frequent trips to Hollywood for commercial service. This has improved repair times by 50% or better and also led to a 20% maintenance cost reduction.
- Aggressively reduced the overdue Preventive Maintenance (PM) rate. These inspections are critical to safe and economic operation of the City’s 900-vehicle fleet. An extensive effort with departmental vehicle liaisons resulted in a significant reduction, from over 230 vehicles to zero across the entire fleet.

- Initiated a swing-shift crew to perform maintenance on the Environmental Resources refuse truck fleet, ensuring maximum availability of their vehicles during working hours. A workforce of five highly trained technicians provide PM service and repairs for this fleet of 90+ heavy refuse haulers from 3 p.m. to 1:30 a.m.
- Implemented a \$1.4 million fuel contract for the City’s vehicle and equipment fleet. This first-ever City contract ensures fair pricing, improves data reporting and analysis and incorporates guaranteed support in the event of a contingency affecting the local area.
- Initiated a \$950,000 contract to outsource repair parts management. This contract establishes an on-site parts store operated by NAPA, located within the Fleet Services shop complex. Benefits include elimination of City inventory, faster service, bulk discounts, and the release of technicians from parts management duties – a net gain of three mechanics.
- Started an outreach program to City departments and vehicle liaisons. Periodic meetings, quarterly newsletters and working groups with customers provide feedback and enhance information sharing – leading to better use and management of the fleet.
- Focused on workforce development by initiating regular advanced training for all technicians and emphasizing the Automotive Service Excellence (ASE) society’s “Blue Seal of Excellence” program, hallmarking technician certification. This year, the shop gained ASE Blue Seal recognition; it is only the second municipal operation in the County to do so.
- Initiated two separate survey programs to validate customers’ vehicle needs and obtain their assessment of the division’s service. Current year results show 89% of customers rating service as “very good” or better.
- Completed the 2006 diesel particulate matter control measures for Environmental Resources vehicles, a diesel exhaust modification program. Recent California law requires modification to exhaust systems of refuse trucks to reduce these particulate emissions, a known carcinogen. The modification program is extensive, averaging eight hours per truck, with a cost between \$12,000 and \$17,000, depending on application. The reduction in particulate emissions is substantial, approximately 90%.

Graffiti Action Program (GAP)

- Response time in the GAP has been reduced. Schedules and routes have been regularly adjusted to improve efficiency. As a result, the ultimate goal of a 24-hour response time will be attained in the foreseeable future.
- Continued emphasis on community outreach. This program has invited the participation of the public in graffiti reporting and removal.
- Updated training programs in driving safety, equipment use and maintenance are being developed and initiated.
- GAP resolved over 7,000 calls for graffiti removal.

- GAP obtained equipment to remove etchings and scratches on windows, reducing window replacement costs for affected residents and businesses.

Landscape Maintenance District (LMD)

- This year, the LMD saw the addition of the Orbella District, bringing the total number of districts to 58.
- The LMD has continued to upgrade crew training and development. Half of the “in-house” crew personnel are now capable of operating and maintaining newly acquired mowing equipment. In general, equipment training has been enhanced.
- Worn and outdated irrigation systems have been identified and scheduled for upgrade.
- Continued focus has been given to pesticide application and driving safety.
- Accepted the maintenance of the exterior of the Joint-use Fire Station in the RiverPark community.
- Accepted the maintenance of approximately 9 acres of joint-use community playfields/playgrounds located at Rio del Mar Elementary School.
- Performed landscape inspections, as needed, for the Community Facilities District (CFD) areas currently being built: Gateway Park (2.5 acres), East Park (4.5 acres), Vineyards Park (7 acres), Village Green (1.25 acres) and the community playfields/playgrounds at Rio Vista Intermediate School (16.5 acres).

Parks and Public Grounds

- Completed upgrades to the softball field fencing at Beck Park.
- Completed upgrades to the softball fields at Eastwood Park.
- Replaced all security lights with new lamp heads at Del Sol Park.
- Installed three new security lights at Community Center East.
- The kitchen and restrooms at College Park were painted.
- Lighting at Plaza Park upgraded.

Streets Division

- Resolved 42 requests for sand removal at Oxnard Shores.
- Resolved 341 work orders for asphalt repair, placing 2,723 tons of asphaltic concrete and 3,115 bags of cold patch material.
- Resolved 112 work orders for curb and/or sidewalk repairs, placing 263 cubic yards of concrete.
- Resolved 126 work orders for repairs to signs and markings.
- Resolved 76 work orders for weed abatement and illegal dumping.

Trees and Medians

- Repopulation of the City's urban forest: The City has lost numerous trees, both young and mature, to weather, vehicle accidents, or vandalism over the past 10 to 15 years. Crews have been hard at work identifying all missing trees, possible planting locations for new trees and severe hardscape damage caused by large trees so that replacement trees can be planted in their stead. More than 7 City streets have been reestablished with trees. Notable locations are: Patricia Street, Ginger Street, Aster Street, Olga Street, Arlene Street, Isle Way, and Napoleon Drive. These streets alone have had a total of 280 trees planted.
- Installation of new station solar clocks in many areas, including Channel Islands Boulevard, Harbor Boulevard, Rose Avenue, Oxnard Boulevard, North Vineyard Avenue, Second Street, Ventura Road, Fifth Street, Oxnard Boulevard, Wooley Road, and Hill Street.
- Removed and replaced the old trees along Channel Islands Boulevard.
- New backflows installed on Rose Avenue, Ventura Road, and Fifth Street.
- Planted 30 trees on Rose Avenue as well as some new trees and shrubs on Second Street.
- Old (many diseased and dying) plants were removed and replaced on Ventura Road and Hill Street.

Water Resources Division, Water Section

- **Blending Station No. 5** - Located at 980 East Pleasant Valley Road, the new facility provides up to 15 million gallons per day of blended water directly to the South Oxnard water distribution piping, greatly improving the fire suppression capability of the water system in the South Oxnard area. The addition of this fifth blending station also improves the water system redundancy, and therefore its reliability. Finally, the new Blending Station

No. 5 helps to maintain a consistent mineral water quality blend throughout the City, by blending the low dissolved mineral imported water with the higher dissolved mineral regional water.

- **Materials Storage Facility** - Located onsite at Blending Station No. 1, the Materials Storage Facility serves as the primary location for stockpiling the bulk materials used in the maintenance of the City’s water distribution system. The facility incorporates stormwater quality best management practices into its design by providing a permanent roof over the stored materials, preventing rainfall from carrying the materials to the storm drain system.
- **Blending Station No. 3 Relocation** - Located at 1700 Wankel Way, the Blending Station No. 3 Relocation Project was a result of MTBE (Methyl Tertiary Butyl Ether, a fuel additive) contamination adjacent to the prior Blending Station No. 3, and a subsequent out-of-court settlement with Shell Corporation. The project included the purchase of a new property, drilling of replacement wells, relocation of conveyance piping, and construction of the new facility. The project replaces lost groundwater pumping capacity and improves blending station redundancy, and, therefore, system reliability.
- **South Oxnard Branch Library California Friendly Demonstration Garden** - The garden features a water wise California Friendly® demonstration garden, funded in part by a \$20,000 City Makeover grant from the Metropolitan Water District of Southern California. The garden serves as a learning tool to educate residents on water wise landscaping design principles to conserve water.
- **Distribution System Mains Replacements** - With assistance from the Capital Projects Management Division, the Water Section replaced approximately 3,000 feet of aging cast iron distribution mains on Redwood Street, “J” Street, and Perkins Road. The work was done in conjunction with the replacement of wastewater collection trunk lines, in order to reduce inconvenience to residents and businesses. The project will greatly improve fire hydrant flows, reduce rusty water problems, and eliminate water outages due to leaks in the neighborhoods.
- **Automated Meter Reading (“AMR”) Conversion** - Water Section staff continued to replace existing conventional meters with AMR meters and installed AMR meters on all new water services. Currently, nearly 30,000 AMR meters are in service. Staff has replaced approximately 75 percent of existing meters over the past few years. The AMR meters improve reading accuracy and efficiency.

Water Resources Division, Wastewater Section

- **Redwood Trunk Sewer Project** - The Redwood Trunk Sewer Project included the construction of approximately 46,000 feet of new trunk sewer pipe, ranging in size from 20 to 60 inches, and extending from North Oxnard to the Wastewater Treatment Plant on Perkins Road. The project will provide conveyance capacity for the City, reduce energy costs by utilizing gravity flow, and reduce odors by improving flow rates.
- **Lift Station Projects** - The Redwood Trunk Sewer Project also included the expansion and refurbishment of Lift Station Number 29, located at Patterson Road and Hemlock Street, and the decommissioning of four (4) antiquated wastewater lift stations. The project will reduce energy costs for pumping and reduce maintenance costs on the old lift stations.

- **Wastewater Conveyance System Projects** - The Wastewater Section completed construction of the wastewater collection mains and laterals in three neighborhoods (El Rio West, McMillan Manor and Smith Tracts) as a part of the Septic System Conversion Project. Construction within the final neighborhood (College Park Tract) is scheduled to be completed in the near future. The project will help property owners to connect to the City's wastewater system and to abandon their private septic systems, and to assist the property owners in the El Rio West and College Park neighborhoods to comply with a state order banning discharges from septic systems.
- **Fresh Creek** - In partnership with Ventura County Watershed Protection District, the Wastewater Section installed a Fresh Creek Debris Retention Device in a storm drainage channel, which will minimize debris flows to the Mandalay Bay area of the Channel Islands Harbor.
- **Headworks Facility Project** - Construction of the new Headworks Facility at the Wastewater Treatment Plant is approximately 80% complete. The facility will include a new influent pump station, and grit and screenings removal equipment. It will improve efficiency and provides adequate capacity to meet the City's ultimate average dry-weather and peak-weather wastewater flows.

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 five-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 fund 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 2006-2007, supplemental budget appropriations approximating \$45,535,514 were made.

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 cashiering. 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 2006-2007 was \$186,817,656 which earned \$14,924,839, an average rate of 5.12 percent. At June 30, 2007, \$127,595,745 or 37.4 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 Treasurer’s Office.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental funds	\$ 6,653,231	\$ 4,860,461	\$ 3,911,106
Proprietary funds and internal service funds	8,271,608	5,304,356	4,403,755
Total	<u>\$ 14,924,839</u>	<u>\$ 10,164,817</u>	<u>\$ 8,314,861</u>
Average annual yield	5.12%	3.37%	2.76%

Interest income in Fiscal Year 2006-2007 increased 46.83 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 2006-2007 was \$988,017. The City paid \$152,048 for its excess workers' compensation insurance in Fiscal Year 2006-2007.

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 AND ACKNOWLEDGMENTS

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, 2006.

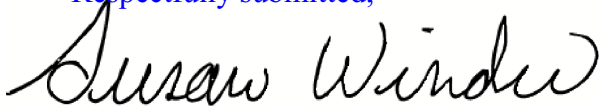
This was the eighteenth consecutive year the City has received this prestigious award from the Government Finance Officers Association (GFOA) of the United States and Canada and from the California Society of Municipal Finance Officers Association (CSMFO), which reflect the conforming accounting and 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.

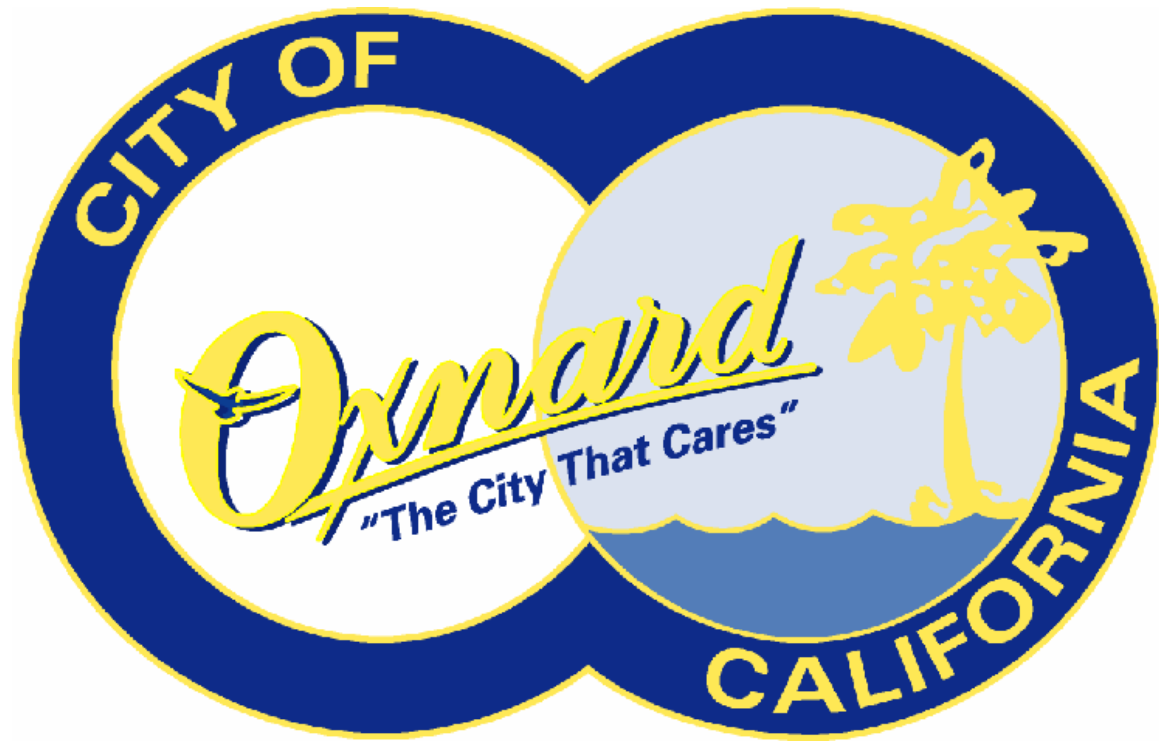
Acknowledgments

The preparation of this report would not have been accomplished 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. I wish to express my 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, Assistant City Manager, Deputy 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,

A handwritten signature in black ink that reads "Susan Winder". The signature is written in a cursive, flowing style.

Susan Winder
Interim Finance Director





EDMUND F. SOTELO
City Manager

City of Oxnard Organizational Chart

Residents		
City Treasurer Dale Belcher	City Council Dr. Thomas E. Holden, Mayor Dean Maulhardt, Mayor Pro Tem John C. Zaragoza, Councilmember Andres Herrera, Councilmember Timothy B. Flynn, Councilman	City Clerk Daniel Martinez Elections Information Resources
City Attorney Gary Gillig Debt Collection Legal Assistance Special Litigation	City Manager Edmund Sotelo	CDC Curtis Cannon Central Business Dist. Harbor District H.E.R.O Ormond Beach Southwinds Special Projects
Assistant City Manager Karen Burnham		



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	Susan Winder (Interim)	VACANT	Matt Winegar	Ken Ortega	Edmund Sotelo	Lino Corona (Interim)	Barbara Murray
Administrative Services (Scott Whitney) Emergency Communications Professional Standards Support Services Field Operations (Mike Matlock) Code Enforcement Community Patrol Investigative Services (Jason Benites) Investigative Services Special Services	Disaster Preparedness (Deborah Shane) Emergency Services (Darwin Base) (Michael O'Malia) (Chris Donabedian) Fire Prevention (Gary Sugich) CUPA (Steve Mattern)	Administrative Services (Carrie Sabatini) Affordable Housing (Ernie Whitaker) Housing Assistance (Arturo Casillas) Modernization (Vacant) Property Services (Rick Shear)	Budget and Capital Improvement Budget Capital Improvement Projects Customer Service (Eden Alomeri) Business Licensing Utility Billing Financial Resources (Mike More) Debt & Property Management Liability Management General Accounting (Lettie De Dios) Accounting Payroll & Benefits Grants Management (Norma Owens) Grants Assistance Purchasing (Bruce Dandy) Mail Service 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 (Sue Martin) Planning & Environmental Services Transportation Transportation Planning & Services	Streets & Waterways (Daniel Rydberg) Inland Waterways Parking Lots Street Maintenance & Repair Traffic Signs & Markings Engineering Services (Rob Roshanian) Construction Services Design Fleet Services (Dan Berlenbach) Parks & Facilities (Michael Henderson) Facilities Maintenance Landscape Assessment & Graffiti Removal Park/Facility Development Parks Maintenance River Ridge Golf Course Street Lighting	Environmental Resources (Dennis Scala, Interim) Collection Planning Processing & Disposal Waste Reduction Transportation Traffic Engineering & Services Wastewater (Anthony Emmert) Flood Control Storm Water Quality Technical Services Treatment Services Water (Anthony Emmert) Distribution Procurement Production Water Services	Operations Budget Cable Television Community Relations Neighborhood Services Public Information Special Projects Legislative Affairs (Martin Erickson) 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 Services Branch Services Community Outreach Public Services Support Services

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

City of Oxnard, California

CITY COUNCIL



DEAN MAULHARDT
Mayor Pro Tem



JOHN C. ZARAGOZA
Councilmember



DR. THOMAS E. HOLDEN
Mayor



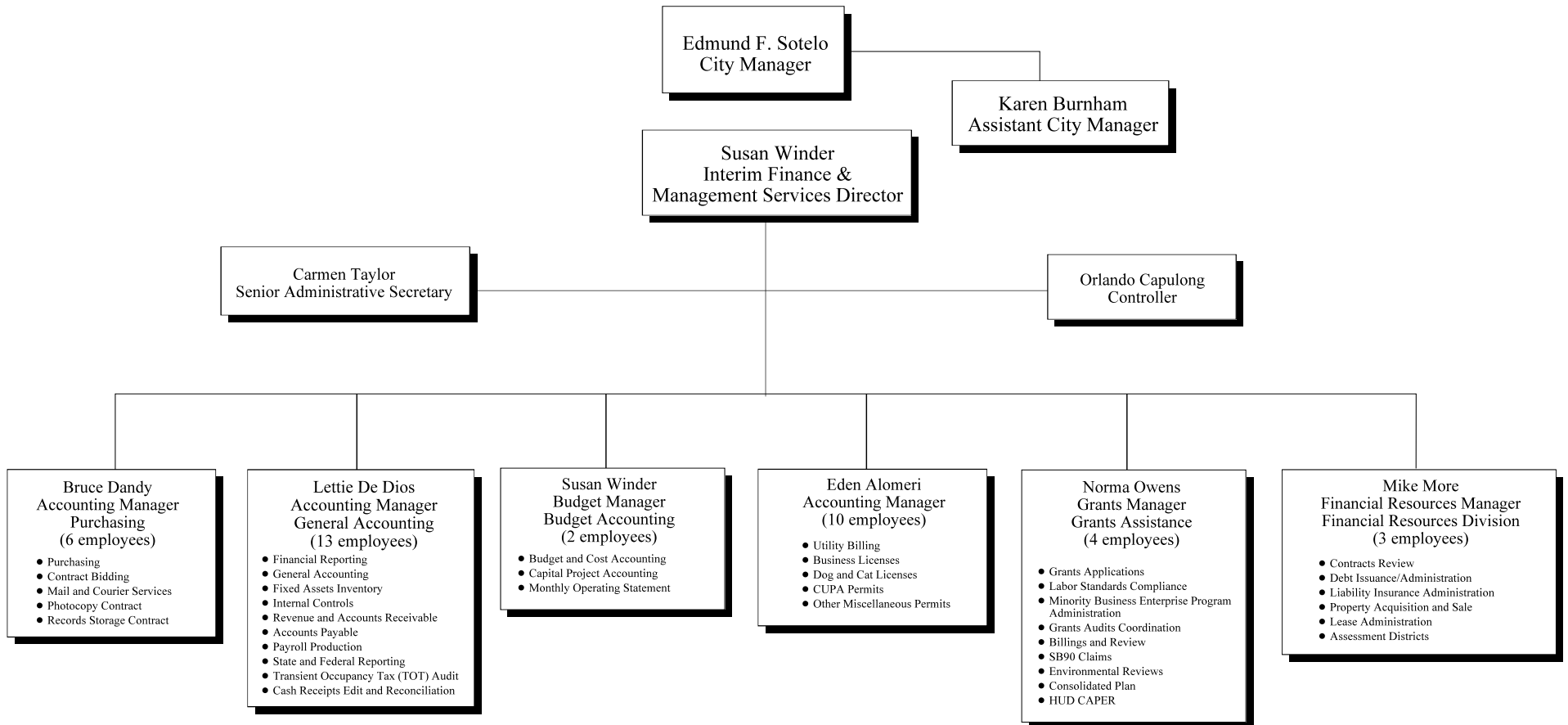
ANDRES HERRERA
Councilmember



TIMOTHY B. FLYNN
Councilman

CITY OF OXNARD, CALIFORNIA

FINANCE DEPARTMENT



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, 2007, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2007, and the respective changes in financial position, and, where applicable, cash flows 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 November 16, 2007, on our consideration of the City of Oxnard, 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 assessing the results of our audit.

Southern California Locations

11601 Wilshire Blvd. Suite 2300 • Los Angeles, CA 90025 • PH 310.268.2000 • FX 310.268.2001
5060 California Ave. Suite 800 • Bakersfield, CA 93309 • PH 661.325.7500 • FX 661.325.7004
300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220
2 Venture Suite 455 • Irvine, CA 92618 • PH 949.450.4400 • FX 949.450.0694

The management's discussion and analysis and required supplementary information on pages 3 through 16 and 85 through 92, 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 nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor funds financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections 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.

Mayer Hoffman McCann P.C.

Bakersfield, California
November 16, 2007

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, 2007. Please read this discussion and analysis in conjunction with the accompanying transmittal letter (page i), the basic financial statements (page 17), 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, environmental 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, 2007, were:

Net Assets	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>
Invested in capital assets, net of related debt	\$ 1,554,335,479	\$ 1,467,938,634	\$ 86,396,845
Restricted	46,282,730	29,307,344	16,975,386
Unrestricted	141,802,875	179,244,817	(37,441,942)
Total net assets	<u><u>\$ 1,742,421,084</u></u>	<u><u>\$ 1,676,490,795</u></u>	<u><u>\$ 65,930,289</u></u>

The total net assets of the City increased 3.93 percent from \$1.68 billion at June 30, 2006, to \$1.74 billion at June 30, 2007. The increase of \$65.9 million derives from increase in construction in progress, and capital assets such as streets/roadways network, waterways/seawalls network, storm drain system, and land and buildings, and 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, 2007:

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>
Current assets	\$ 201,368,088	\$ 172,581,179	\$ 28,786,909
Capital assets (net of accumulated depreciation)	1,397,619,550	1,359,794,668	37,824,882
Properties held for resale	4,646,071	4,646,071	—
Other assets	1,782,621	122,222	1,660,399
Total assets	<u>1,605,416,330</u>	<u>1,537,144,140</u>	<u>68,272,190</u>
Current liabilities	31,492,401	36,117,415	(4,625,014)
Non-current liabilities	116,277,347	76,274,305	40,003,042
Total liabilities	<u>147,769,748</u>	<u>112,391,720</u>	<u>35,378,028</u>
Net assets:			
Invested in capital assets, net of related debt	1,329,023,654	1,313,161,486	15,862,168
Restricted	33,774,265	15,902,180	17,872,085
Unrestricted	94,848,663	95,688,754	(840,091)
Total net assets	<u><u>\$ 1,457,646,582</u></u>	<u><u>\$ 1,424,752,420</u></u>	<u><u>\$ 32,894,162</u></u>

At the end of Fiscal Year 2006-2007, the current assets are 12.54 percent of the total assets with the remaining 87.46 percent representing capital

Management's Discussion and Analysis (continued)

assets, net of accumulated depreciation, properties held for resale and other assets. The current liabilities are 21.31 percent of the total liabilities. The current ratio for governmental activities at the end of the year is \$6.39 of current assets for every \$1.00 of current liabilities. Of the total net assets, 90.24 percent was invested in capital assets, 2.32 percent was restricted, and the remaining 7.44 percent represented unrestricted which is available for future operations.

Net assets of the City's governmental activities as of June 30, 2007, and 2006 are comprised of the following:

	2007	2006	Increase (Decrease)
Invested in capital assets, net of related debt	\$ 1,329,023,654	\$ 1,313,161,486	\$ 15,862,168
Restricted	33,774,265	15,902,180	17,872,085
Unrestricted	94,848,663	95,688,754	(840,091)
Total net assets	\$ 1,457,646,582	\$ 1,424,752,420	\$ 32,894,162

The net assets of the City from governmental activities increased 2.31 percent from \$1.4 billion at June 30, 2006, to \$1.5 billion at June 30, 2007. The increase of \$32,894,612 is due an increase in capital assets such as streets and roadways, waterways, land and buildings, and storm drain system.

The cost of all governmental activities during Fiscal Year 2006-2007 was \$153,278,567. The amount that the City's taxpayers ultimately financed, however, was only \$78,557,622. Some of the cost of governmental activities was paid by those who directly benefitted from the programs (\$42,890,271) or by other government agencies and organizations that subsidized certain programs with operating grants and contributions (\$25,025,965) and capital grants and contributions (\$6,804,709).

Overall, the City generated program revenues from governmental activities amounting to \$74,720,945. The remaining cost of governmental

activities (\$78,557,622) 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.

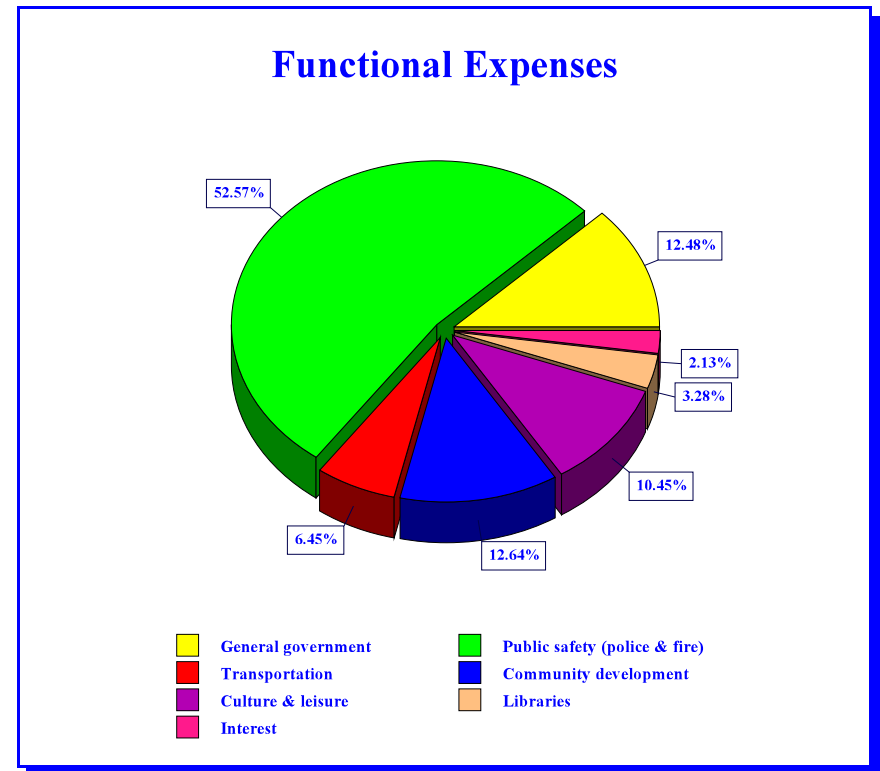
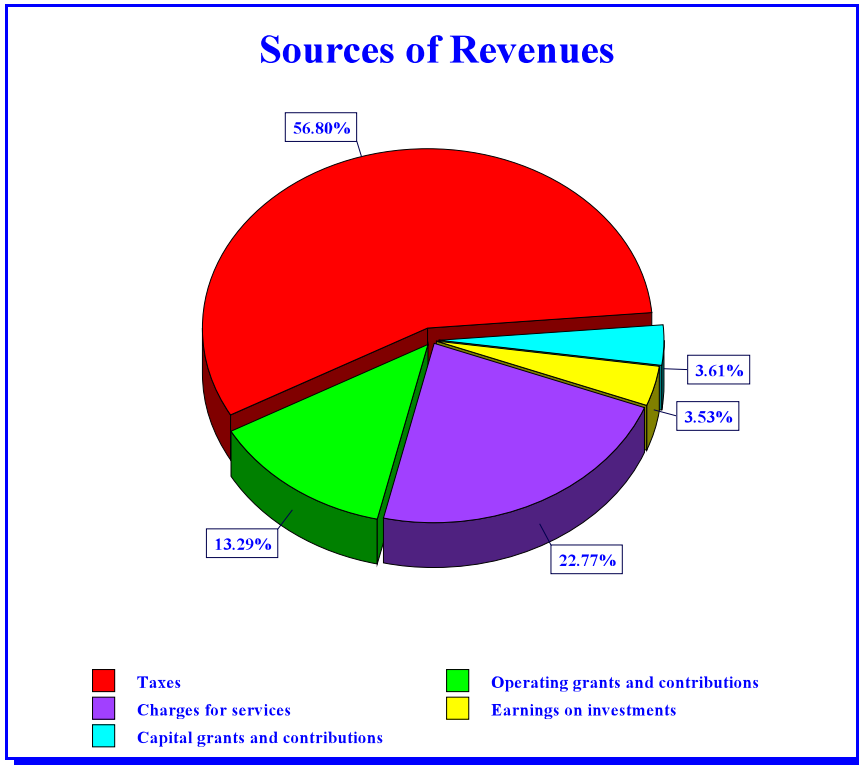
The following table presents the changes in net assets for governmental activities for the year ended June 30, 2007:

	2007	2006	Increase (Decrease)
Program revenues:			
Charges for services	\$ 42,890,271	\$ 44,294,478	\$ (1,404,207)
Operating grants and contributions	25,025,965	30,436,511	(5,410,546)
Capital grants and contributions	6,804,709	16,758,901	(9,954,192)
General revenues:			
Taxes	106,964,959	95,580,997	11,383,962
Interest on investments	6,653,231	4,860,461	1,792,770
Sale of capital assets	—	7,146,270	(7,146,270)
Total revenues	<u>188,339,135</u>	<u>199,077,618</u>	<u>(10,738,483)</u>
Expenses:			
General government	19,130,468	18,360,819	769,649
Public safety	80,579,263	75,789,982	4,789,281
Transportation	9,893,618	10,341,829	(448,211)
Community development	19,369,860	22,614,813	(3,244,953)
Culture and leisure	16,015,957	15,345,765	670,192
Libraries	5,025,580	4,654,234	371,346
Interest on long-term debt	3,263,821	1,904,516	1,359,305
Total expenses	<u>153,278,567</u>	<u>149,011,958</u>	<u>4,266,609</u>
Change in net assets	35,060,568	50,065,660	(15,005,092)
Transfers	(2,166,406)	(2,280,393)	113,987
Changes in net assets - governmental activities	\$ 32,894,162	\$ 47,785,267	\$ (14,891,105)
Net assets - July 1	1,424,752,420	228,800,318	1,195,952,102
GASB 34 infrastructure implementation adjustment	—	1,148,166,835	(1,148,166,835)
Net assets - June 30	<u>\$ 1,457,646,582</u>	<u>\$ 1,424,752,420</u>	<u>\$ 32,894,162</u>

Management's Discussion and Analysis (continued)

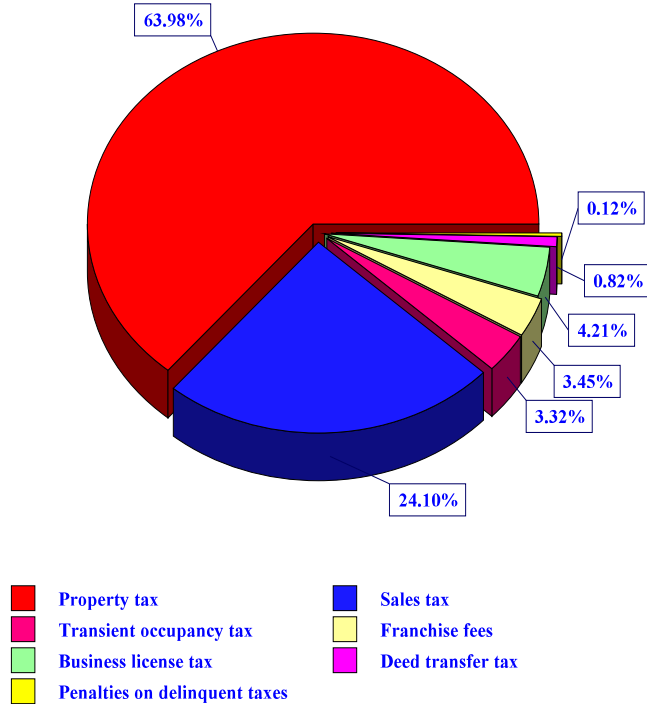
Governmental activities Sources of revenues:	2007	2006	Increase (Decrease)
Taxes	\$ 106,964,959	\$ 95,580,997	\$ 11,383,962
Operating grants and contributions	25,025,965	30,436,511	(5,410,546)
Capital grants and contributions	6,804,709	16,758,901	(9,954,192)
Charges for services	42,890,271	44,294,478	(1,404,207)
Earnings on investments	6,653,231	4,860,461	1,792,770
Other program revenues	—	7,146,270	(7,146,270)
Total	\$ 188,339,135	\$ 199,077,618	\$ (10,738,483)

Governmental activities Functional expenses:	2007	2006	Increase (Decrease)
General government	\$ 19,130,468	\$ 18,360,819	\$ 769,649
Public safety (police and fire)	80,579,263	75,789,982	4,789,281
Transportation	9,893,618	10,341,829	(448,211)
Community development	19,369,860	22,614,813	(3,244,953)
Culture and leisure	16,015,957	15,345,765	670,192
Libraries	5,025,580	4,654,234	371,346
Interest	3,263,821	1,904,516	1,359,305
Total	\$ 153,278,567	\$ 149,011,958	\$ 4,266,609



Management's Discussion and Analysis (continued)

Sources of Tax Revenues



Taxes, which are the largest source of revenue for the City, increased by \$11,383,962 or 11.91 percent, which is due to an increase in property tax (\$9,891,347), sales tax (\$1,798,626), transient occupancy tax (\$241,187), and business license tax (\$33,614), however, a decrease in deed transfer tax (\$350,398), penalties on delinquent taxes (\$2,724), and franchise tax (\$227,690). The continued construction and sale of new residential houses contributed to the increase in property taxes. Franchise occupancy tax increased by 7.29 percent or \$241,187 due to the addition of the new Hampton Inn and Suites. The increases in investment earnings of \$1,792,770 attributed to higher investment yields.

Sources of tax revenues for the fiscal years ended June 30, 2007, and 2006 are as follows:

Sources of tax:	2007	2006	Increase (Decrease)
Property tax	\$ 68,429,117	\$ 58,537,770	\$ 9,891,347
Sales tax	25,783,808	23,985,182	1,798,626
Transient occupancy tax	3,550,903	3,309,716	241,187
Franchise fees	3,686,627	3,914,317	(227,690)
Business license tax	4,504,455	4,470,841	33,614
Deed transfer tax	880,370	1,230,768	(350,398)
Penalties on delinquent taxes	129,679	132,403	(2,724)
Total	\$ 106,964,959	\$ 95,580,997	\$ 11,383,962

The City's total sources of revenue showed a decrease of \$10,738,483 as compared to last fiscal year. The major decrease in sources of revenue in Fiscal Year 2006-2007 came from capital grants and contributions (\$9,954,192), followed by operating grants and contributions (\$5,410,546), charges for services (\$1,404,207), and other program revenues (\$7,146,270).

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, 2007:

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>
Current assets	\$ 137,184,850	\$ 177,080,674	\$ (39,895,824)
Capital assets (net of accumulated depreciation)	451,576,412	392,728,005	58,848,407
Other assets	2,012,120	613,607	1,398,513
Total assets	<u>590,773,382</u>	<u>570,422,286</u>	<u>20,351,096</u>
Current liabilities	10,335,137	16,739,895	(6,404,758)
Non-current liabilities	295,663,743	301,944,016	(6,280,273)
Total liabilities	<u>305,998,880</u>	<u>318,683,911</u>	<u>(12,685,031)</u>
Net assets:			
Invested in capital assets (net of related debt)	225,311,825	154,777,148	70,534,677
Restricted	12,508,465	13,405,164	(896,699)
Unrestricted	46,954,212	83,556,063	(36,601,851)
Total net assets	<u>\$ 284,774,502</u>	<u>\$ 251,738,375</u>	<u>\$ 33,036,127</u>

The business-type activities showed a positive current ratio at June 30, 2007 - \$13.27 of current assets for every \$1.00 of current liabilities. Of the total net assets, 79.12 percent was invested in capital assets, 4.39 percent represented restricted net assets, and 16.49 percent was unrestricted which is available for future operations.

Net assets of the City's business-type activities as of June 30, 2007, and 2006 are as follows:

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>
Invested in capital assets, net of related debt	\$ 225,311,825	\$ 154,777,148	\$ 70,534,677
Restricted for:			
Debt service	12,508,465	13,405,164	(896,699)
Unrestricted	46,954,212	83,556,063	(36,601,851)
Total net assets	<u>\$ 284,774,502</u>	<u>\$ 251,738,375</u>	<u>\$ 33,036,127</u>

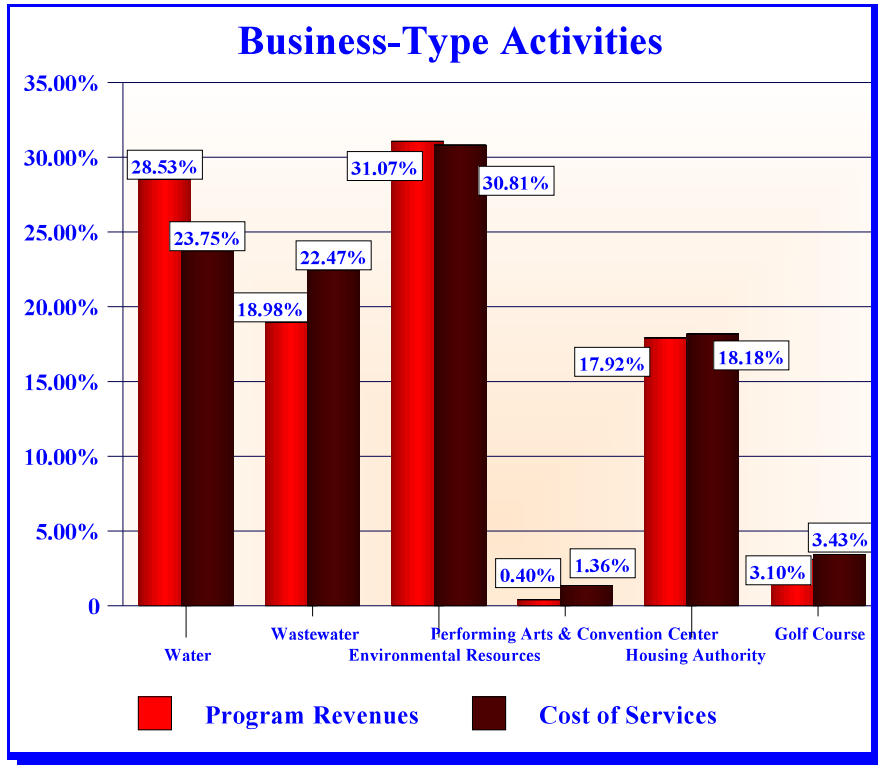
The net assets of the City's business-type activities increased 13.12 percent from \$251.74 million at June 30, 2006, to \$284.77 million at June 30, 2007. The increase of \$33,036,127 is primarily due to an increase in invested in capital assets net of related debt.

Total expenses for business-type activities for the year ended June 30, 2007, was \$129,222,847. Program revenues are primarily comprised of charges for services in the amount of \$129,135,113.

General revenues consist of earnings on investments \$7,480,785 and sale of capital assets (\$23,476,670). Transfers from governmental activities amounted to \$2,166,406.

The City's business-type activities include: Water, Wastewater, Environmental Resources, 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, 2007:

	2007	2006	Increase (Decrease)
Program revenues:			
Charges for services	\$ 129,135,113	\$ 122,575,274	\$ 6,559,839
Capital grants and contributions	—	1,306,910	(1,306,910)
General revenues:			
Earnings on investments	7,480,785	4,753,913	2,726,872
Sale of capital assets	23,476,670	—	23,476,670
Total revenues	<u>160,092,568</u>	<u>128,636,097</u>	<u>31,456,471</u>
Expenses:			
Water	30,683,509	26,636,150	4,047,359
Wastewater	29,033,021	27,939,236	1,093,785
Environmental resources	39,817,351	38,535,592	1,281,759
Performing arts and convention center	1,761,156	1,590,321	170,835
Oxnard housing authority	23,494,108	24,724,889	(1,230,781)
Municipal golf course	4,433,702	3,983,695	450,007
Total expenses	<u>129,222,847</u>	<u>123,409,883</u>	<u>5,812,964</u>
Changes in net assets before transfers	30,869,721	5,226,214	25,643,507
Transfers in	<u>2,166,406</u>	<u>2,280,393</u>	<u>(113,987)</u>
Changes in net assets - business-type activities	<u>\$ 33,036,127</u>	<u>\$ 7,506,607</u>	<u>\$ 25,529,520</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

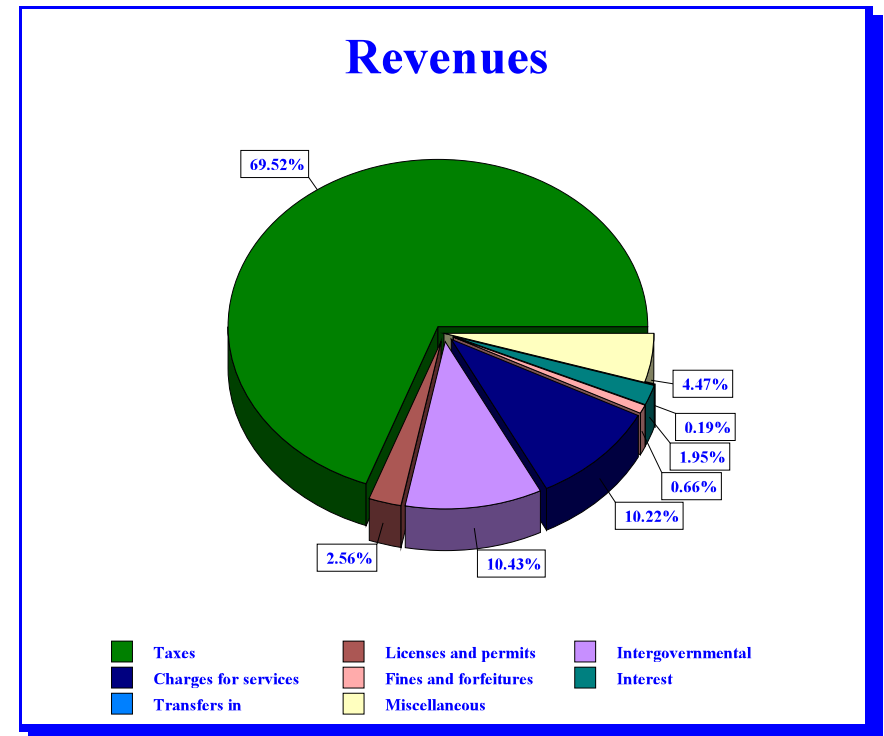
The General Fund accounts for all financial resources traditionally associated with government activities that are not required legally to be accounted for in another fund.

The General Fund ended the year with a fund balance of \$24,997,651, which is a decrease of \$2,184,654 as compared to the prior fiscal year. The fund balance is designated into categories for legally reserved or restricted (\$3,573,245) and unreserved, undesignated fund balance available for future operations (\$21,424,406). 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, 2007, were \$111,063,095. The revenues increased by \$1,182,942 (1.08 percent). This increase is due primarily to an increase in taxes (\$7,300,400), intergovernmental (\$362,852), and interest (\$242,521) offset by a decrease in licenses and permits (\$2,542,139), charges for services (\$3,064,453), fines and forfeitures (\$7,145) and miscellaneous (\$1,109,094).

General Fund expenditures, including transfers out, for the year ended June 30, 2007, reported an increase of \$4,933,049 from \$108,526,266 in Fiscal Year 2005-2006 to \$113,459,315 in Fiscal Year 2006-2007. Major increases were in public safety (\$3,589,358), culture and leisure (\$196,691), community development (\$277,321), and library (\$182,807).

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.

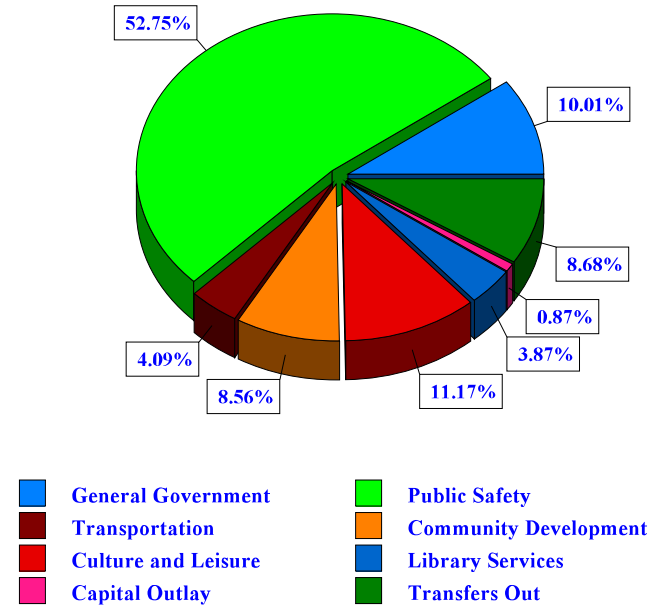


Management's Discussion and Analysis (continued)

General fund revenues:	2007	2006	Increase (Decrease)
Taxes	\$ 77,363,790	\$ 70,063,390	\$ 7,300,400
Licenses and permits	2,848,615	5,390,754	(2,542,139)
Intergovernmental	11,604,719	11,241,867	362,852
Charges for services	11,371,419	14,435,872	(3,064,453)
Fines and forfeitures	729,547	736,692	(7,145)
Interest	2,166,964	1,924,443	242,521
Miscellaneous	4,978,041	6,087,135	(1,109,094)
Transfers in	211,566	2,430,023	(2,218,457)
Total	<u>\$ 111,274,661</u>	<u>\$ 112,310,176</u>	<u>\$ (1,035,515)</u>

General fund expenditures:	2007	2006	Increase (Decrease)
General government	\$ 11,356,372	\$ 11,746,494	\$ (390,122)
Public safety	59,851,144	56,261,786	3,589,358
Transportation	4,645,899	4,686,554	(40,655)
Community development	9,708,648	9,431,327	277,321
Culture and leisure	12,669,266	12,472,575	196,691
Library services	4,396,845	4,214,038	182,807
Capital outlay	983,869	1,598,348	(614,479)
Transfers out	9,847,272	8,115,144	1,732,128
Total	<u>\$ 113,459,315</u>	<u>\$ 108,526,266</u>	<u>\$ 4,933,049</u>

Expenditures



Major Special Revenue Funds

Development Fees Fund:

Growth and development fees revenue for the year was \$7,826,944, which is 4.16 percent of the City's total revenues, as compared to 3.27 percent for prior year. Expenditures and transfers out totaled \$20,950,273 as compared to \$8,351,742 for prior year. The increase of 151 percent is due to capital outlay, civic center expansion, Phase II, accommodating the one-stop permit processing customer services, City Treasurer, building permits and fire department in one building.

Management's Discussion and Analysis (continued)

HUD and CDBG Grants Fund:

Grant revenue for this fund totaled \$4,139,244, as compared to \$4,316,996 for prior fiscal year. The decrease of \$177,752 is due to a decrease in grant funding in the HUD and CDBG grants program. Expenditures for the Fiscal Year 2006-2007 totaled \$4,139,244 and \$4,316,996 for prior fiscal year. The decrease of \$177,752 is due to community development and capital outlay expenditures.

State and Federal Grants Fund:

During Fiscal Year 2006-2007, this fund generated a total revenue of \$21,758,929, consisting of 56.34 percent of voter-approved property tax for public safety supplemental retirement; 37.63 percent of grant revenues (related primarily to transportation and public safety grants) and the remaining 6.03 percent representing miscellaneous revenues. For the fiscal year, the fund showed an excess of revenues over expenditures (\$1,744,203), increasing the fund balance to \$11,937,174.

Capital Outlay Fund and Community Development Commission Fund:

The Capital Outlay Fund showed an increase in fund balance of \$13,832,057, the Community Development Commission Fund showed an increase of \$25,900,432, and the Debt Service Fund an increase in balance of \$105,810. 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 Environmental Resources. 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.

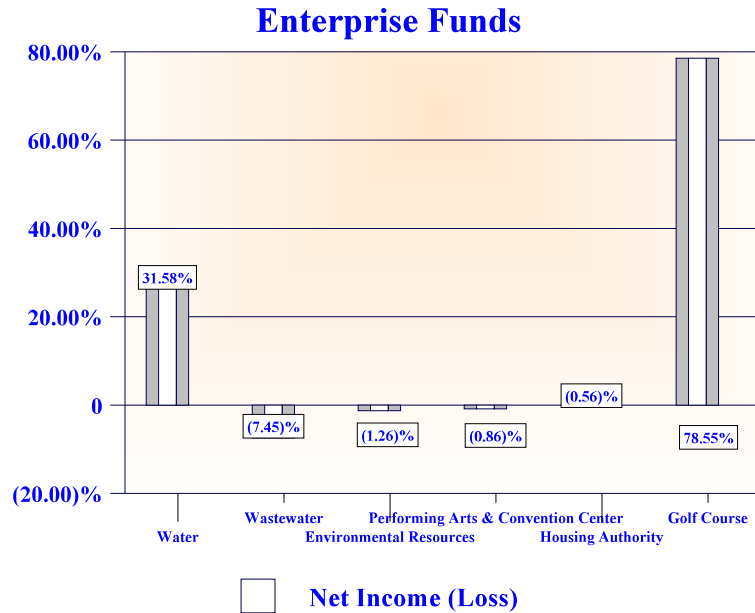
The enterprise operations showed an increase in revenues amounting to \$38,763,474 as compared to the prior fiscal year. Expenses indicated an increase totaling \$14,853,723 in Fiscal Year 2007. Total net income for the year ended June 30, 2007, was \$30,560,186, which increased net assets to \$284,774,502 (after allocating Internal Services Funds income) from \$251,738,375 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, 2007, and 2006:

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Water	\$ 9,650,593	\$ 7,411,409	\$ 2,239,184
Wastewater	(2,277,108)	330,983	(2,608,091)
Environmental resources	(384,180)	(1,951,922)	1,567,742
Performing arts and convention center	(261,529)	469,021	(730,550)
Oxnard housing authority	(171,185)	(189,829)	18,644
Municipal golf course	24,003,595	580,773	23,422,822
Total	<u>\$ 30,560,186</u>	<u>\$ 6,650,435</u>	<u>\$ 23,909,751</u>

Management's Discussion and Analysis (continued)

Overall, the enterprise funds continue to exhibit a positive financial position at June 30, 2007, maintaining a high percentage of contingency reserve in comparison to the City's established reserve requirement for each fund.



construction in progress and infrastructure. The City's investments in capital assets increased by 5.52 percent from the prior year. The majority of this increase related to governmental activities (\$37,824,882) and business-type activities (\$58,848,407).

Major capital assets additions during Fiscal Year 2006-2007 included the following:

- Acquisitions of equipment, solid waste trucks, police vehicles and computer equipment
- Construction in progress for water, wastewater, solid waste and golf course 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, 2007:

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 988,330,868	\$ 977,520,331	\$ 24,101,995	\$ 24,101,995	\$ 1,012,432,863	\$ 1,001,622,326
Construction in progress	75,806,709	54,474,235	230,087,441	164,686,693	305,894,150	219,160,928
Buildings	24,987,292	18,046,021	31,071,241	33,672,995	56,058,533	51,719,016
Other improvements	52,829,266	51,085,329	160,175,068	163,214,307	213,004,334	214,299,636
Machinery and equipment	9,094,799	10,028,928	6,140,667	7,052,015	15,235,466	17,080,943
Infrastructure	<u>246,570,616</u>	<u>248,639,824</u>	—	—	<u>246,570,616</u>	<u>248,639,824</u>
Total	<u>\$ 1,397,619,550</u>	<u>\$ 1,359,794,668</u>	<u>\$ 451,576,412</u>	<u>\$ 392,728,005</u>	<u>\$ 1,849,195,962</u>	<u>\$ 1,752,522,673</u>

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounts to \$1,849,195,962 (net of accumulated depreciation). The City's capital assets include land, buildings, other improvements, machinery and equipment, and

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, 2007, the City's long-term debt outstanding, including compensated absences was \$398,788,691. Of this total, \$103,124,948 was in governmental activities and \$295,663,743 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, 2007:

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Tax allocation bonds	\$ 37,457,700	\$ 17,951,413	\$ —	\$ —	\$ 37,457,700	\$ 17,951,413
Revenue bonds	43,109,750	19,975,756	291,614,926	297,508,475	334,724,676	317,484,231
Capital leases	749,911	1,086,013	1,536,788	2,010,676	2,286,699	3,096,689
Certificate of participation	7,395,000	7,620,000	—	—	7,395,000	7,620,000
Total	<u>\$ 88,712,361</u>	<u>\$ 46,633,182</u>	<u>\$ 293,151,714</u>	<u>\$ 299,519,151</u>	<u>\$ 381,864,075</u>	<u>\$ 346,152,333</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, 2007, amounted to \$2,286,699.

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, 2007, this limit was \$2,191,850,614.

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 87 through 98. 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 12.75 percent. The components of this increase are briefly summarized as follows: \$82,135 increase is for planning, engineering and public services administration; \$997,927 for Fire Department increase in operations; \$14,594 for the Carnegie Art Museum increase in utilities; \$3,190,506 for

Police Community Patrol increase in operations and capital outlay; \$1,649,039 for Parks and Facilities services-program contract; \$57,874 for general government; \$146,418 for Recreation Services City Corps operations; \$60,239 for Citywide equipment maintenance costs; \$415,745 for Library Circulation Services; \$75,000 for youth/senior services; \$75,000 for tree pruning; and \$50,000 for special litigation; \$200,000 for Oxnard Convention and Visitors Bureau; \$50,000 for a new air conditioner system.

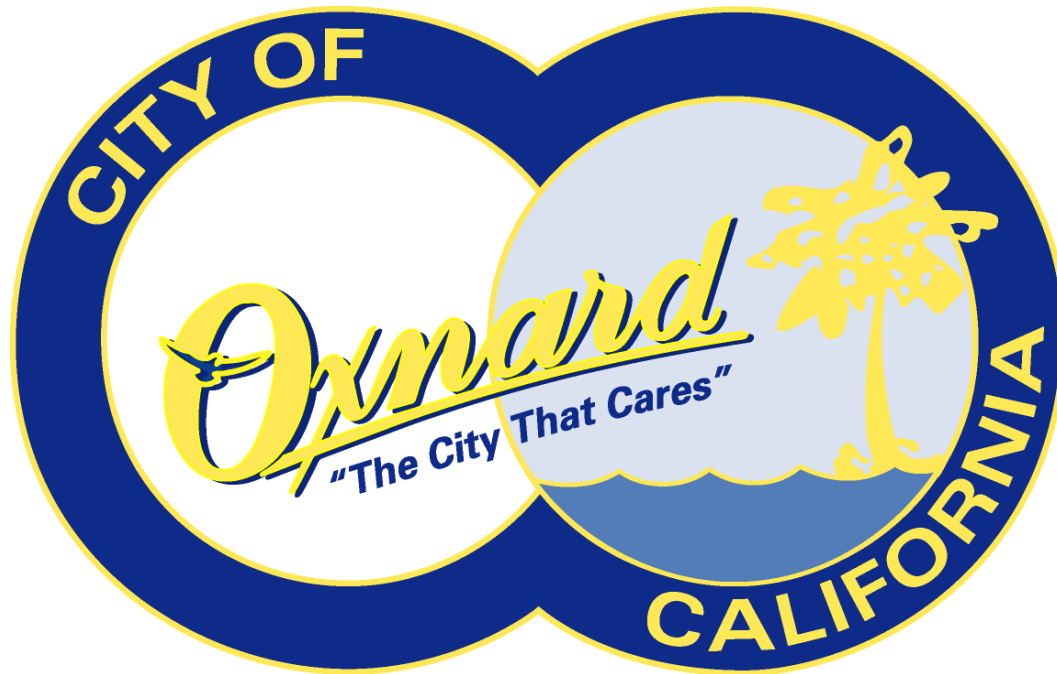
During the year, General Fund revenues met budgetary estimates while expenditures were less than budgetary estimates. Actual revenues were less than actual expenditures (net of transfers in and out) by \$2,184,654 for Fiscal Year 2006-2007.

The General Fund budget to actual statements can be found on page 87 through 89 of this report.

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, 2007**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 139,137,474	\$ 48,303,203	\$ 187,440,677
Investments with fiscal agents	39,912,999	74,935,805	114,848,804
Accounts and other receivables (net of allowance for uncollectible)	15,264,623	14,157,768	29,422,391
Notes receivable	1,265,469	56,870	1,322,339
Internal balances	275,544	(275,544)	—
Due from other governments	5,511,979	—	5,511,979
Property held for resale	4,646,071	—	4,646,071
Other assets	1,782,621	2,012,120	3,794,741
Restricted assets:			
Investments with fiscal agents	—	6,748	6,748
Capital assets not being depreciated:			
Land	988,330,868	24,101,995	1,012,432,863
Construction in progress	75,806,709	230,087,441	305,894,150
Capital assets, net of accumulated depreciation:			
Buildings	24,987,292	31,071,241	56,058,533
Other improvements	52,829,266	160,175,068	213,004,334
Machinery and equipment	9,094,799	6,140,667	15,235,466
Infrastructure	246,570,616	—	246,570,616
Total assets	<u>1,605,416,330</u>	<u>590,773,382</u>	<u>2,196,189,712</u>
LIABILITIES			
Accounts payable	7,160,553	7,994,296	15,154,849
Other liabilities	13,712,261	2,340,841	16,053,102
Unearned revenues	9,823,352	—	9,823,352
Due to other agencies	796,235	—	796,235
Non-current liabilities:			
Due within one year			
Self-insurance claims liabilities	5,538,756	—	5,538,756
Compensated absences payable	5,160,500	1,370,000	6,530,500
Bonds and capital leases	2,754,823	6,573,450	9,328,273
Due in more than one year			
Self-insurance claims liabilities	7,613,643	—	7,613,643
Compensated absences payable	9,252,087	1,142,029	10,394,116
Bonds and capital leases	85,957,538	286,578,264	372,535,802
Total liabilities	<u>147,769,748</u>	<u>305,998,880</u>	<u>453,768,628</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,329,023,654	225,311,825	1,554,335,479
Restricted for:			
Debt service	2,533,881	12,508,465	15,042,346
Capital projects	29,631,993	—	29,631,993
Community development	1,265,469	—	1,265,469
Public safety	294,887	—	294,887
Culture and leisure	48,035	—	48,035
Unrestricted	94,848,663	46,954,212	141,802,875
Total net assets	<u>\$ 1,457,646,582</u>	<u>\$ 284,774,502</u>	<u>\$ 1,742,421,084</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, 2007**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-Type Activities		
FUNCTIONS/PROGRAMS							
Primary government:							
Governmental activities:							
General government	\$ 19,130,468	\$ 17,237,868	\$ 13,730,102	\$ 670,850	\$ 12,508,352	\$ —	\$ 12,508,352
Public safety	80,579,263	6,114,255	3,141,272	—	(71,323,736)	—	(71,323,736)
Transportation	9,893,618	4,217,846	5,568,542	3,300,261	3,193,031	—	3,193,031
Community development	19,369,860	11,095,658	2,442,535	1,105,765	(4,725,902)	—	(4,725,902)
Culture and leisure	16,015,957	3,903,705	132,060	56,472	(11,923,720)	—	(11,923,720)
Libraries	5,025,580	320,939	11,454	1,671,361	(3,021,826)	—	(3,021,826)
Interest on long-term debt	3,263,821	—	—	—	(3,263,821)	—	(3,263,821)
Total governmental activities	<u>153,278,567</u>	<u>42,890,271</u>	<u>25,025,965</u>	<u>6,804,709</u>	<u>(78,557,622)</u>	<u>—</u>	<u>(78,557,622)</u>
Business-type activities:							
Water	30,683,509	36,855,486	—	—	—	6,171,977	6,171,977
Wastewater	29,033,021	24,503,133	—	—	—	(4,529,888)	(4,529,888)
Environmental resources	39,817,351	40,122,057	—	—	—	304,706	304,706
Performing arts and convention center	1,761,156	517,766	—	—	—	(1,243,390)	(1,243,390)
Oxnard housing authority	23,494,108	23,137,523	—	—	—	(356,585)	(356,585)
Municipal golf course	4,433,702	3,999,148	—	—	—	(434,554)	(434,554)
Total business-type activities	<u>129,222,847</u>	<u>129,135,113</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(87,734)</u>	<u>(87,734)</u>
Total primary government	<u>\$ 282,501,414</u>	<u>\$ 172,025,384</u>	<u>\$ 25,025,965</u>	<u>\$ 6,804,709</u>	<u>\$ (78,557,622)</u>	<u>\$ (87,734)</u>	<u>\$ (78,645,356)</u>
General revenues:							
Taxes:							
Property tax					68,429,117	—	68,429,117
Sales tax					25,783,808	—	25,783,808
Transient occupancy tax					3,550,903	—	3,550,903
Franchise tax					3,686,627	—	3,686,627
Deed transfer tax					880,370	—	880,370
Business license tax					4,504,455	—	4,504,455
Penalties and interest					129,679	—	129,679
Interest on investments					6,653,231	7,480,785	14,134,016
Sale of capital assets					—	23,476,670	23,476,670
Transfers					(2,166,406)	2,166,406	—
Total general revenues and transfers					<u>111,451,784</u>	<u>33,123,861</u>	<u>144,575,645</u>
Change in net assets					32,894,162	33,036,127	65,930,289
Net assets - July 1					<u>1,424,752,420</u>	<u>251,738,375</u>	<u>1,676,490,795</u>
Net assets - June 30					<u>\$ 1,457,646,582</u>	<u>\$ 284,774,502</u>	<u>\$ 1,742,421,084</u>

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

City of Oxnard, California

*Balance Sheet
Governmental Funds
June 30, 2007*

	<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	\$ 26,971,607	\$ 29,138,251	\$ —	\$ 8,849,051	\$ 506,143	\$ 7,945,670	\$ 28,306,530	\$ 12,742,846	\$ 114,460,098
Investments with fiscal agents	—	—	—	—	797,497	15,889,536	23,225,966	—	39,912,999
Accounts and other receivables (net of allowance for uncollectibles)	3,305,717	44,981	5,282,303	6,509,288	—	—	29,061	3,502	15,174,852
Notes receivable	—	—	—	—	—	—	1,265,469	—	1,265,469
Due from other funds	2,356,735	—	—	292,889	—	—	—	—	2,649,624
Due from other governments	4,807,968	—	704,011	—	—	—	—	—	5,511,979
Properties held for resale	—	—	—	—	—	—	4,646,071	—	4,646,071
Advances to other funds	48,035	—	—	—	—	—	—	—	48,035
Other assets	—	—	399,555	—	—	—	—	—	399,555
Total assets	<u>\$ 37,490,062</u>	<u>\$ 29,183,232</u>	<u>\$ 6,385,869</u>	<u>\$ 15,651,228</u>	<u>\$ 1,303,640</u>	<u>\$ 23,835,206</u>	<u>\$ 57,473,097</u>	<u>\$ 12,746,348</u>	<u>\$ 184,068,682</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$ 2,234,961	\$ 395,890	\$ 282,038	\$ 513,405	\$ —	\$ 872,277	\$ 645,578	\$ 1,587,192	\$ 6,531,341
Other liabilities	9,747,110	45,547	20,201	—	—	1,300	260	—	9,814,418
Due to other funds	—	—	292,889	—	—	129,226	2,000,000	—	2,422,115
Due to other agencies	—	—	—	—	—	—	796,235	—	796,235
Unearned revenues	510,340	149,192	5,790,741	3,200,649	—	—	—	172,430	9,823,352
Total liabilities	<u>12,492,411</u>	<u>590,629</u>	<u>6,385,869</u>	<u>3,714,054</u>	<u>—</u>	<u>1,002,803</u>	<u>3,442,073</u>	<u>1,759,622</u>	<u>29,387,461</u>
Fund balances									
Reserved for:									
Encumbrances	3,230,323	—	—	—	—	—	—	—	3,230,323
Receivables	—	—	—	—	—	—	1,265,469	—	1,265,469
Repayment of debt	—	—	—	—	1,303,640	—	1,230,241	—	2,533,881
Advances	48,035	—	—	—	—	—	—	—	48,035
Restricted revenue	117,389	—	—	—	—	—	—	—	117,389
Carryover savings	177,498	—	—	—	—	—	—	—	177,498
Capital project funds	—	—	—	—	—	—	26,401,670	—	26,401,670
Unreserved									
General fund	21,424,406	—	—	—	—	—	—	—	21,424,406
Special revenue funds	—	28,592,603	—	11,937,174	—	—	—	10,986,726	51,516,503
Capital project funds	—	—	—	—	—	22,832,403	25,133,644	—	47,966,047
Total fund balances	<u>24,997,651</u>	<u>28,592,603</u>	<u>—</u>	<u>11,937,174</u>	<u>1,303,640</u>	<u>22,832,403</u>	<u>54,031,024</u>	<u>10,986,726</u>	<u>154,681,221</u>
Total liabilities and fund balances	<u>\$ 37,490,062</u>	<u>\$ 29,183,232</u>	<u>\$ 6,385,869</u>	<u>\$ 15,651,228</u>	<u>\$ 1,303,640</u>	<u>\$ 23,835,206</u>	<u>\$ 57,473,097</u>	<u>\$ 12,746,348</u>	<u>\$ 184,068,682</u>

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

City of Oxnard, California

*Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2007*

Fund balances of governmental funds	\$ 154,681,221
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in the governmental fund activity	1,396,238,871
Long-term liabilities, claims and compensated absences have not been included in the governmental fund activity	
Long-term liabilities and claims	(87,329,295)
Compensated absences	(13,660,354)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds	(565,730)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, facilities and equipment maintenance. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	11,613,982
Internal service fund income allocated to business-type activities	(3,332,113)
Net assets of governmental activities	<u><u>\$ 1,457,646,582</u></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, 2007

	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	\$ 77,363,790	\$ —	\$ —	\$ 12,258,532	\$ 1,514,801	\$ —	\$ 15,827,836	\$ —	\$ 106,964,959
Licenses and permits	2,848,615	586,112	—	—	—	—	—	—	3,434,727
Intergovernmental	11,604,719	814,035	4,139,244	8,188,771	—	109,681	—	6,974,224	31,830,674
Growth and development fees	—	4,968,544	—	—	—	—	15,923	—	4,984,467
Charges for services	11,371,419	—	—	—	—	14,089	—	33,491	11,418,999
Fines and forfeitures	729,547	—	—	129,263	—	—	—	524,970	1,383,780
Interest	2,166,964	1,423,154	—	323,101	461,246	330,549	1,607,842	340,375	6,653,231
Special assessments	—	—	—	—	—	7,269,996	1,851	7,696,146	14,967,993
Miscellaneous	4,978,041	35,099	—	859,262	—	55,038	405,063	367,802	6,700,305
Total revenues	<u>111,063,095</u>	<u>7,826,944</u>	<u>4,139,244</u>	<u>21,758,929</u>	<u>1,976,047</u>	<u>7,779,353</u>	<u>17,858,515</u>	<u>15,937,008</u>	<u>188,339,135</u>
EXPENDITURES									
Current:									
General government	11,356,372	18,798	261,262	—	—	429	—	646,291	12,283,152
Public safety	59,851,144	716,493	201,042	13,194,015	—	—	—	1,852,884	75,815,578
Transportation	4,645,899	—	—	159,505	—	—	—	5,330,817	10,136,221
Community development	9,708,648	1,854	1,829,482	844,049	—	—	6,578,139	—	18,962,172
Culture and leisure	12,669,266	—	49,860	182,888	—	114,285	—	2,125,212	15,141,511
Library services	4,396,845	—	—	162,019	—	—	—	—	4,558,864
Capital outlay	983,869	18,792,519	1,797,598	5,484,850	—	22,981,343	4,345,483	1,923,783	56,309,445
Debt service:									
Principal	—	—	—	—	2,251,795	—	—	—	2,251,795
Interest and fiscal charges	—	—	—	—	2,411,174	—	—	—	2,411,174
Total expenditures	<u>103,612,043</u>	<u>19,529,664</u>	<u>4,139,244</u>	<u>20,027,326</u>	<u>4,662,969</u>	<u>23,096,057</u>	<u>10,923,622</u>	<u>11,878,987</u>	<u>197,869,912</u>
Excess (deficiency) of revenues over expenditures	<u>7,451,052</u>	<u>(11,702,720)</u>	<u>—</u>	<u>1,731,603</u>	<u>(2,686,922)</u>	<u>(15,316,704)</u>	<u>6,934,893</u>	<u>4,058,021</u>	<u>(9,530,777)</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from sale of bonds	—	—	—	—	—	23,494,184	18,965,539	—	42,459,723
Transfers in	211,566	—	—	92,600	3,138,504	5,654,577	3,468,527	593,862	13,159,636
Transfers out	(9,847,272)	(1,420,609)	—	(80,000)	(345,772)	—	(3,468,527)	(163,862)	(15,326,042)
Total other financing sources (uses)	<u>(9,635,706)</u>	<u>(1,420,609)</u>	<u>—</u>	<u>12,600</u>	<u>2,792,732</u>	<u>29,148,761</u>	<u>18,965,539</u>	<u>430,000</u>	<u>40,293,317</u>
Net change in fund balances	<u>(2,184,654)</u>	<u>(13,123,329)</u>	<u>—</u>	<u>1,744,203</u>	<u>105,810</u>	<u>13,832,057</u>	<u>25,900,432</u>	<u>4,488,021</u>	<u>30,762,540</u>
Fund balances, July 1	27,182,305	41,715,932	—	10,192,971	1,197,830	9,000,346	28,130,592	6,498,705	123,918,681
Fund balances, June 30	<u>\$ 24,997,651</u>	<u>\$ 28,592,603</u>	<u>\$ —</u>	<u>\$ 11,937,174</u>	<u>\$ 1,303,640</u>	<u>\$ 22,832,403</u>	<u>\$ 54,031,024</u>	<u>\$ 10,986,726</u>	<u>\$ 154,681,221</u>

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

City of Oxnard, California

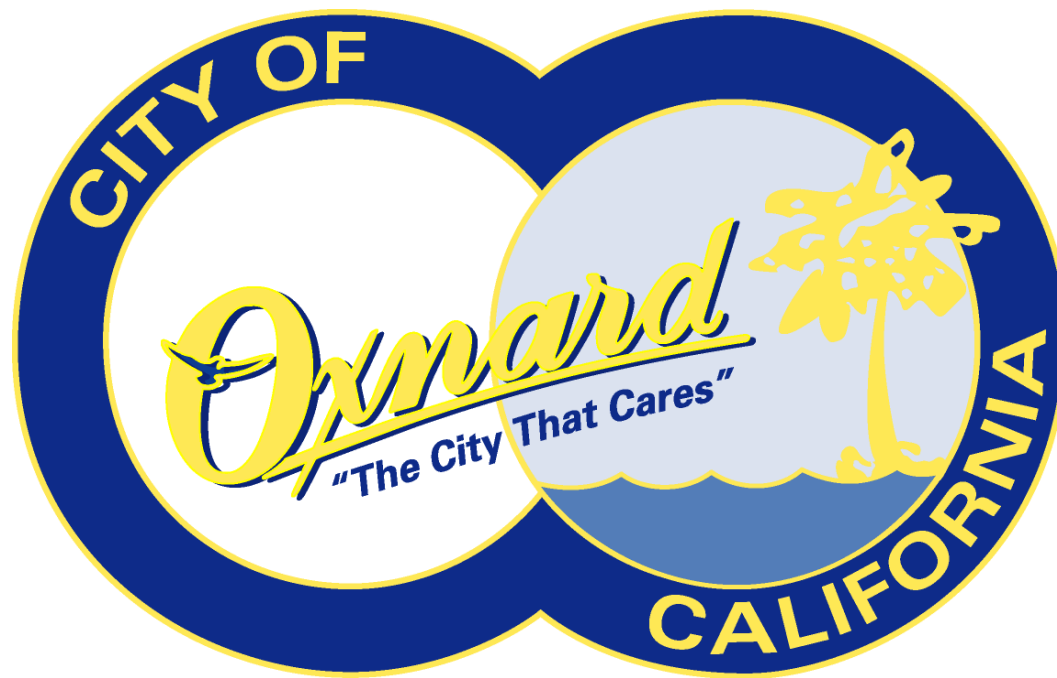
*Reconciliation of the Change in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2007*

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 30,762,540
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense.	37,762,246
Change in compensated absences accrual. This does not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.	(1,371,780)
Interest expense accrual does not require the use of current financial resources therefore, are not reported as expenditures in governmental funds.	(364,457)
The issuance of long-term debt and the repayment of the principal of long-term debt has an affect on the governmental funds; however, neither transaction has any affect on the net assets. Also, governmental funds report the effect of issuance cost and discounts, when debt was issued, these amounts are deferred and amortized in the statement of activities.	(40,696,113)
A portion of internal service funds net revenue is reported with governmental activities.	<u>6,801,726</u>
Change in net assets of governmental activities (page 18)	<u><u>\$ 32,894,162</u></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, 2007**

	Business-Type Activities - Enterprise Funds						Totals Current Year	Governmental Activities - Internal Service Funds
	Water	Wastewater	Environmental Resources	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course		
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 16,746,733	\$ 18,880,765	\$ —	\$ —	\$ 623,021	\$ 12,052,684	\$ 48,303,203	\$ 24,677,376
Cash with fiscal agents	51,681,201	15,863,996	2,972,519	35,000	3,321,252	1,061,837	74,935,805	—
Accounts and other receivables (net of allowance for uncollectible)	4,630,161	3,127,927	4,908,895	5,024	1,267,175	218,586	14,157,768	89,771
Notes receivable	—	—	—	—	56,870	—	56,870	—
Due from other funds	74,057	4,912,302	55,169	—	901,108	—	5,942,636	—
Other assets	61,316	1,241,027	398,648	—	311,129	—	2,012,120	—
Total current assets	73,193,468	44,026,017	8,335,231	40,024	6,480,555	13,333,107	145,408,402	24,767,147
Noncurrent assets:								
Investments with fiscal agent	—	—	—	—	6,748	—	6,748	—
Capital assets:								
Land	2,814,394	4,273,655	3,811,166	—	8,920,208	4,282,572	24,101,995	595,500
Buildings	4,707,026	6,380,938	22,859,740	—	37,134,866	3,247,033	74,329,603	—
Improvements	—	—	—	—	—	5,803,242	5,803,242	—
Machinery and equipment	2,795,146	17,797,717	20,483,497	8,728	1,935,268	—	43,020,356	2,369,033
Construction in progress	85,599,800	121,975,543	5,191,651	—	7,008	17,313,439	230,087,441	141,640
Infrastructure	85,342,473	168,801,917	866,026	42,615	—	—	255,053,031	—
Less accumulated depreciation	(42,140,635)	(83,624,147)	(21,759,036)	(6,718)	(30,607,652)	(2,681,068)	(180,819,256)	(1,725,494)
Total capital assets (net of accumulated depreciation)	139,118,204	235,605,623	31,453,044	44,625	17,389,698	27,965,218	451,576,412	1,380,679
Total noncurrent assets	139,118,204	235,605,623	31,453,044	44,625	17,396,446	27,965,218	451,583,160	1,380,679
Total assets	212,311,672	279,631,640	39,788,275	84,649	23,877,001	41,298,325	596,991,562	26,147,826
LIABILITIES								
Current liabilities:								
Accounts payable	4,248,367	2,816,391	2,218,902	70,668	770,986	878,660	11,003,974	629,212
Other liabilities	882,453	619,070	156,014	—	647,163	36,141	2,340,841	—
Due to other funds	—	—	4,912,302	356,735	901,108	—	6,170,145	—
Compensated absences payable - current	175,000	425,000	375,000	40,000	355,000	—	1,370,000	660,500
Self-insurance claims - due within one year	—	—	—	—	—	—	—	5,538,756
Capital leases payable - current	—	—	376,832	—	—	—	376,832	—
Revenue bonds payable - current	1,235,000	2,260,000	1,715,000	—	220,000	766,618	6,196,618	—
Total current liabilities	6,540,820	6,120,461	9,754,050	467,403	2,894,257	1,681,419	27,458,410	6,828,468
Noncurrent liabilities:								
Revenue bonds payable (net of current portion and discount)	108,133,005	148,203,521	16,743,139	—	4,975,000	7,363,642	285,418,307	—
Compensated absences payable	292,516	223,327	261,791	34,230	330,165	—	1,142,029	91,733
Self-insurance claims	—	—	—	—	—	—	—	7,613,643
Capital leases payable	—	—	1,159,957	—	—	—	1,159,957	—
Advances from other funds	—	—	—	—	—	48,035	48,035	—
Total noncurrent liabilities	108,425,521	148,426,848	18,164,887	34,230	5,305,165	7,411,677	287,768,328	7,705,376
Total liabilities	114,966,341	154,547,309	27,918,937	501,633	8,199,422	9,093,096	315,226,738	14,533,844
NET ASSETS								
Invested in capital assets, net of related debt	74,761,389	100,075,752	15,307,485	44,625	15,287,616	19,834,958	225,311,825	1,388,494
Restricted for debt service	8,521,465	—	2,130,600	—	—	1,856,400	12,508,465	—
Unrestricted	14,062,477	25,008,579	(5,568,747)	(461,609)	389,963	10,513,871	43,944,534	10,225,488
Total net assets	\$ 97,345,331	\$ 125,084,331	\$ 11,869,338	\$ (416,984)	\$ 15,677,579	\$ 32,205,229	\$ 281,764,824	\$ 11,613,982
							Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	3,009,678
							Net assets of business-type activities	<u>\$ 284,774,502</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, 2007**

	Business-Type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Water	Wastewater	Environmental Resources	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Totals	
Operating revenues:								
Charges for services	\$ 32,936,665	\$ 21,215,953	\$ 39,074,682	\$ 455,066	\$ 22,318,890	\$ 3,520,151	\$ 119,521,407	\$ 27,332,677
Connection fees	3,665,610	1,816,796	159,160	—	—	—	5,641,566	—
Miscellaneous and reimbursements	48,068	1,078,205	524,576	6,813	111,781	475,961	2,245,404	1,099,438
Total operating revenues	<u>36,650,343</u>	<u>24,110,954</u>	<u>39,758,418</u>	<u>461,879</u>	<u>22,430,671</u>	<u>3,996,112</u>	<u>127,408,377</u>	<u>28,432,115</u>
Operating expenses:								
Salaries and wages	4,210,571	6,329,734	6,869,989	1,255,569	2,431,479	45,200	21,142,542	7,757,665
Contractual services	1,284,374	1,185,699	15,399,241	68,317	37,104	3,390,522	21,365,257	912,160
Operating supplies	13,553,448	2,209,373	870,227	145	16,088,639	25	32,721,857	3,743,987
Utilities	437,612	4,364,942	7,338,864	170,463	663,508	1,886	12,977,275	1,728,226
Depreciation	2,262,555	4,630,981	1,703,149	2,446	1,756,025	82,122	10,437,278	217,703
General and administrative	2,915,789	2,645,293	3,835,964	223,531	2,275,559	130,678	12,026,814	1,446,800
Repairs and maintenance	272,286	221,440	3,856,243	40,685	—	328	4,390,982	1,488,045
Claims expenses	—	—	—	—	—	—	—	3,137,185
Total operating expenses	<u>24,936,635</u>	<u>21,587,462</u>	<u>39,873,677</u>	<u>1,761,156</u>	<u>23,252,314</u>	<u>3,650,761</u>	<u>115,062,005</u>	<u>20,431,771</u>
Operating income (loss)	<u>11,713,708</u>	<u>2,523,492</u>	<u>(115,259)</u>	<u>(1,299,277)</u>	<u>(821,643)</u>	<u>345,351</u>	<u>12,346,372</u>	<u>8,000,344</u>
Nonoperating revenues (expenses):								
Sale of donated property	—	—	—	—	—	23,476,670	23,476,670	—
Intergovernmental	205,143	392,179	363,639	55,887	—	3,036	1,019,884	—
Interest income	3,863,669	2,818,931	200,427	—	185,400	412,358	7,480,785	790,823
Interest expense	(6,131,927)	(8,011,710)	(981,032)	—	(241,794)	(783,820)	(16,150,283)	—
Total nonoperating revenues (expenses)	<u>(2,063,115)</u>	<u>(4,800,600)</u>	<u>(416,966)</u>	<u>55,887</u>	<u>(56,394)</u>	<u>23,108,244</u>	<u>15,827,056</u>	<u>790,823</u>
Income (loss) before contributions and transfers	<u>9,650,593</u>	<u>(2,277,108)</u>	<u>(532,225)</u>	<u>(1,243,390)</u>	<u>(878,037)</u>	<u>23,453,595</u>	<u>28,173,428</u>	<u>8,791,167</u>
Capital contributions	—	—	—	—	706,852	—	706,852	—
Transfers in	—	7,901,009	210,104	981,861	—	550,000	9,642,974	486,500
Transfers out	—	(7,901,009)	(62,059)	—	—	—	(7,963,068)	—
Change in net assets	<u>9,650,593</u>	<u>(2,277,108)</u>	<u>(384,180)</u>	<u>(261,529)</u>	<u>(171,185)</u>	<u>24,003,595</u>	<u>30,560,186</u>	<u>9,277,667</u>
Total net assets - July 1	<u>87,694,738</u>	<u>127,361,439</u>	<u>12,253,518</u>	<u>(155,455)</u>	<u>15,848,764</u>	<u>8,201,634</u>	<u>2,336,315</u>	<u>2,336,315</u>
Total net assets - June 30	<u>\$ 97,345,331</u>	<u>\$ 125,084,331</u>	<u>\$ 11,869,338</u>	<u>\$ (416,984)</u>	<u>\$ 15,677,579</u>	<u>\$ 32,205,229</u>	<u>\$ 33,036,127</u>	<u>\$ 11,613,982</u>
							Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	
								2,475,941
							Change in net assets of business-type activities	<u>\$ 33,036,127</u>

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, 2007**

	Business-Type Activities - Enterprise Funds							Governmental Activities- Internal Service Funds
	Water	Wastewater	Environmental Resources	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$ 35,596,400	\$ 23,870,298	\$ 38,395,004	\$ 459,632	\$ 22,025,720	\$ 4,107,765	\$ 124,454,819	\$ 28,429,973
Payments to suppliers	(18,446,026)	(12,216,994)	(33,449,099)	(606,956)	(19,103,353)	(3,652,240)	(87,474,668)	(9,253,220)
Payments to employees	(4,181,257)	(6,337,042)	(6,840,285)	(1,247,159)	(2,404,435)	(45,200)	(21,055,378)	(7,757,975)
Cash paid to claimants	—	—	—	—	—	—	—	(6,584,792)
Net cash provided by operating activities	12,969,117	5,316,262	(1,894,380)	(1,394,483)	517,932	410,325	15,924,773	4,833,986
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Due from other funds	—	4,587,698	—	—	—	(25,000)	4,562,698	—
Due to other funds	—	—	4,912,302	356,735	—	(9,500,000)	(4,230,963)	—
Sale of donated property	—	—	—	—	—	23,476,670	23,476,670	—
Transfer from other funds	205,143	392,179	573,743	1,037,748	—	553,036	2,761,849	486,500
Transfer to other funds	—	—	(62,059)	—	—	—	(62,059)	—
Net cash provided (used) by capital and related financing activities	205,143	4,979,877	5,423,986	1,394,483	—	14,504,706	26,508,195	486,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchases of capital assets	(27,214,879)	(36,248,310)	(425,042)	—	(679,598)	(4,707,926)	(69,275,755)	(280,340)
Received from grants	—	—	—	—	706,852	—	706,852	—
Principal paid on long-term debt	(1,204,116)	(2,135,000)	(2,118,888)	—	(215,000)	(734,307)	(6,407,311)	—
Interest and issuance cost paid on long-term debt	(6,070,395)	(7,942,927)	(1,021,593)	—	(243,407)	(783,820)	(16,062,142)	—
Net cash used in capital and related financing activities	(34,489,390)	(46,326,237)	(3,565,523)	—	(431,153)	(6,226,053)	(91,038,356)	(280,340)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest on investments	3,864,023	2,818,931	200,428	—	190,204	412,359	7,485,945	790,823
Net cash provided by investing activities	3,864,023	2,818,931	200,428	—	190,204	412,359	7,485,945	790,823
Net increase (decrease) in cash and cash equivalents	(17,451,107)	(33,211,167)	164,511	—	276,983	9,101,337	(41,119,443)	5,830,969
Cash and cash equivalents, July 1	85,879,041	67,955,928	2,808,008	35,000	3,667,290	4,013,184	164,358,451	18,846,407
Cash and cash equivalents, June 30	<u>\$ 68,427,934</u>	<u>\$ 34,744,761</u>	<u>\$ 2,972,519</u>	<u>\$ 35,000</u>	<u>\$ 3,944,273</u>	<u>\$ 13,114,521</u>	<u>\$ 123,239,008</u>	<u>\$ 24,677,376</u>

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

Continued -

City of Oxnard, California

Statement of Cash Flows (Continued)

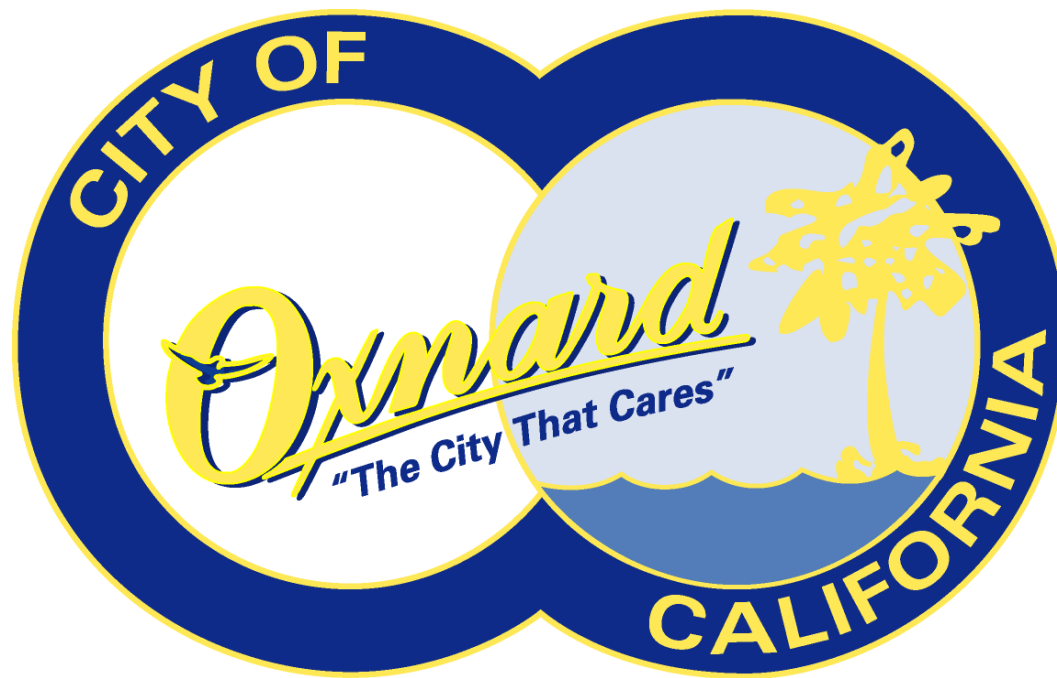
Proprietary Funds

For the Year Ended June 30, 2007

	Business-Type Activities - Enterprise Funds							Governmental Activities- Internal Service Funds
	Water	Wastewater	Environmental Resources	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)	\$ 11,713,708	\$ 2,523,492	\$ (115,259)	\$ (1,299,277)	\$ (821,643)	\$ 345,351	\$ 12,346,372	\$ 8,000,344
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Depreciation and amortization	2,262,555	4,630,981	1,703,149	2,445	1,756,025	82,121	10,437,276	217,703
Changes in assets and liabilities:								
Increase (decrease) in accounts receivable and due from other funds	(1,053,943)	(240,656)	(1,363,414)	(2,247)	(295,473)	111,653	(2,844,080)	(2,142)
Decrease (increase) in other assets	—	—	—	—	(30,523)	—	(30,523)	—
Decrease (increase) in accounts payable	(194,948)	(1,615,790)	(2,134,882)	(103,814)	81,333	(127,068)	(4,095,169)	65,997
Increase (decrease) in other liabilities	212,431	25,543	(13,678)	—	(198,831)	(1,732)	23,733	—
Increase (decrease) in compensated absences	29,314	(7,308)	29,704	8,410	27,044	—	87,164	(310)
Increase (decrease) in self-insurance liabilities	—	—	—	—	—	—	—	(3,447,606)
Net cash provided by (used in) operating activities	<u>\$ 12,969,117</u>	<u>\$ 5,316,262</u>	<u>\$ (1,894,380)</u>	<u>\$ (1,394,483)</u>	<u>\$ 517,932</u>	<u>\$ 410,325</u>	<u>\$ 15,924,773</u>	<u>\$ 4,833,986</u>

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

FIDUCIARY FUNDS



City of Oxnard, California

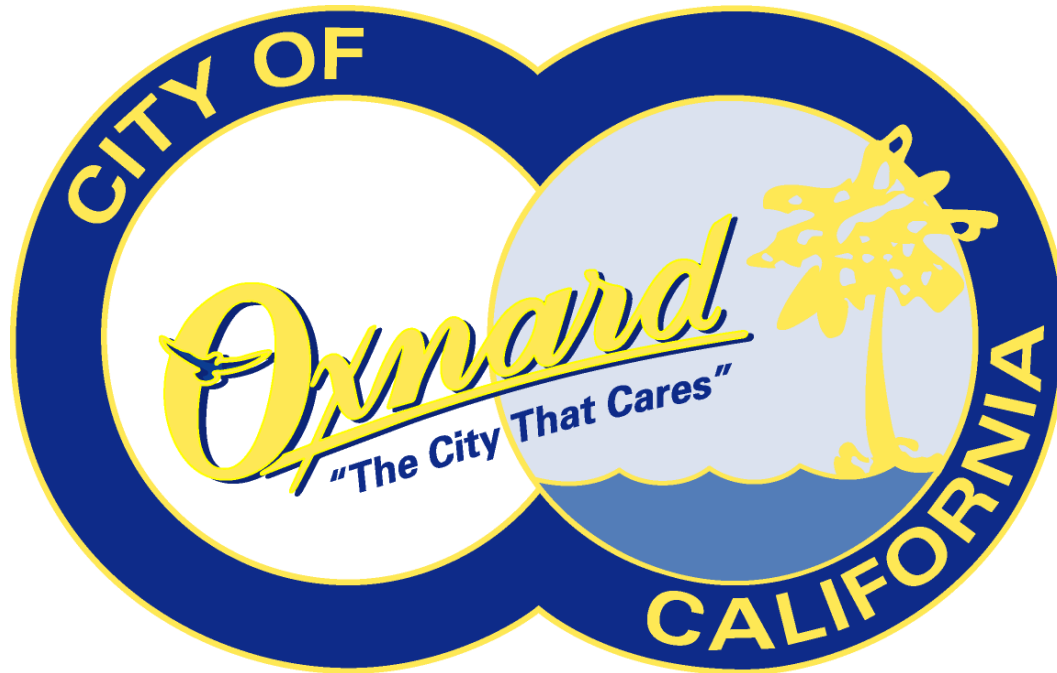
Statement of Fiduciary Assets and Liabilities

Fiduciary Funds

June 30, 2007

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 10,020,321
Investments with fiscal agents	28,703,069
Total Assets	<u>\$ 38,723,390</u>
LIABILITIES	
Trust and agency payables	38,723,390
Total liabilities	<u>\$ 38,723,390</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 debt 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

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. The City does not expect GASB Statement No. 43 to have any significant affect on the City's financial statement.

In July 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. The City has an actuarial valuation of post-employment medical program prepared by a private consulting agency and the City's unfunded actuarial accrued liability as of July 1, 2007, is \$21,810,777. This statement is effective for the City's fiscal year ending June 30, 2008.

In September 2006, GASB issued Statement No. 48, Sales and Pledges of Receivable and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. This Statement establishes accounting and financial reporting standards for transactions in which government receives or is entitled to, resources in exchange for future cash flow generated by collecting specific receivables or specific future revenues. This statement also includes disclosure requirements for future revenues that are pledged or sold. The requirements of the new statement become effective for fiscal periods beginning after December 15, 2006. This statement is effective for the City's fiscal year ending June 30, 2008.

In November 2006, GASB issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The requirement of the new statement became effective for fiscal periods beginning after December 15, 2007. This statement is effective for the City's fiscal year ending June 30, 2009.

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, environmental resources, 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. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operations. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal Service Funds

Internal service funds account for the financing of workers' compensation, public liability and property damage, utility customer services, information systems, facilities maintenance and equipment maintenance services to other departments on a cost-recovery basis.

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. Cash and Investments

Investment Policy

The City Council'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.

C. 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.

D. 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, 2007, properties held for resale amounted to \$4,646,071.

E. 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
Infrastructure Assets:	
Roadway network	25-100 years
Waterways/seawalls	75 years
Storm drain system	50-100 years

In accordance with GASB 34, requires that states, local governments and other public agencies annually report the net value of all capital assets, including infrastructure assets, in order to achieve generally accepted accounting principles. GASB 34 defines infrastructure assets as “long lived capital assets that are stationary in nature and normally can be preserved for a significant greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.” In addition, land to be valued at original cost without depreciation. Infrastructure Assets (assets) have been included in compliance with GASB 34 using the basic approach methodology.

F. Risk Management

The City provides workers’ compensation benefits under a self-insurance program with a self-insured retention of \$1,000,000 and purchase of excess insurance of \$200 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 2006-2007. The City contracts with outside service agencies to assist in administration of 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 \$25 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.

G. 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 Statement 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, 2007:

	Governmental Activities	Business Type	Total
Beginning Balance	\$ 13,041,117	\$ 2,424,865	\$ 15,465,982
Additions	5,836,602	1,523,745	7,360,347
Payments	(4,465,132)	(1,436,581)	(5,901,713)
Ending Balance	14,412,587	2,512,029	16,924,616
Current Portions	<u>\$ 5,160,500</u>	<u>\$ 1,370,000</u>	<u>\$ 6,530,500</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.

H. 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, 2007, the City has recorded property taxes receivable of \$989,141, 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.

I. 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, 2007:

Deposits	\$ (2,017,123)
Investments	<u>199,478,121</u>
Cash and cash equivalents	197,460,998
Investments with Fiscal Agents	<u>143,551,873</u>
Total	<u><u>\$ 341,012,871</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	\$ 114,460,098	\$ 48,303,203	\$ 24,677,376	\$ 10,020,321	\$ 197,460,998
Cash with fiscal agents:	<u>39,912,999</u>	<u>74,935,805</u>	—	<u>28,703,069</u>	<u>143,551,873</u>
Total	<u><u>\$ 154,373,097</u></u>	<u><u>\$ 123,239,008</u></u>	<u><u>\$ 24,677,376</u></u>	<u><u>\$ 38,723,390</u></u>	<u><u>\$ 341,012,871</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, 2007, the City has a bank balance of \$11,784,471 (carrying amount of \$3,583,290); of the bank balance, \$100,000 was insured and the balance was secured by collateral held by the City’s agent in the agent’s name. Deposits held by the Oxnard Housing Authority are also insured or secured by collateral held by the Authority’s agent in the agent’s name.

Authorized Investments

The City’s investments 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.

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

City Treasurer	\$ 199,478,121
Fiscal Agents (Bond trustees for the City and its component units)	140,233,589
Oxnard Housing Authority (includes fiscal agents)	3,318,284
	<u>\$ 343,029,994</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. Allowable investments are detailed as follows:

<u>Investment Types Authorized by Section 53601</u>	<u>Authorized by Investment Policy</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	None	None	None
Other Bonds, Notes or Evidences of Indebtedness	Yes	N/A	15%	None	None
Bankers acceptances	Yes	180 days	40%	30%	None
Commercial Paper	Yes	270 days	15%	10%	P1/A1
Negotiable CDs	Yes	N/A	30%	None	Aa/AA-
Certificate of Deposits (CDs)	Yes	N/A	40%	15%	A
Repurchase Agreements	Yes	90 days	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, 2007 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 on behalf of the City or its component units. 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. Several of the major differences are as follows:

- Allowance of investments in guaranteed investment contracts
- Allowance of investment maturities in excess of five 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. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations or debt service requirements.

Information about the sensitivity of the fair values of the City's investment (including investments held by bond trustees) to market interest rate fluctuation is provided by the following table above that shows the distribution of the City's investments by maturity.

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	<u>Investment Maturities (In Years)</u>			<u>Total</u>
	<u>Less Than 1</u>	<u>1-5</u>	<u>More than 5</u>	
Federal Agency Securities	\$ 45,984,636	\$ 77,616,323	\$ —	\$ 123,600,959
U.S. Treasury Notes	7,969,964	—	—	7,969,964
Deposit Notes	—	5,949,462	—	5,949,462
California Local Agency Investment Fund	64,725,049	—	—	64,725,049
Held by Trustee:				
Investment Agreement	19,824,203	44,029,960	9,459,497	73,313,660
California Local Agency Investment Fund	—	—	34,151,161	34,151,161
Money Market Fund	33,362,004	—	—	33,362,004
Total Investments	<u>\$171,865,856</u>	<u>\$127,595,745</u>	<u>\$ 43,610,658</u>	343,072,259
Accrued discount				(42,265)
Total investments (net of accrued discount)				343,029,994
Cash in Banks and on hand				(2,017,123)
Total Cash and Investments				<u>\$ 341,012,871</u>

The investment agreements listed on the previous page are guaranteed investment contracts (GIC) held by fiscal agents (bond trustees) and are restricted for construction projects and debt service requirements. The maturities of a GIC are normally pegged to the maturities of the related debt; however, the City may incur a loss if the debt is paid prior to its normal maturity.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investments that are not rated include California Local Agency Investment Fund, which an external investment pool managed by the California State Treasurer in accordance with the California Government Code and Guaranteed Investment Contracts (GIC) which are contracts that guarantee repayment of principal and a fixed or floating interest rate for a predetermined period of time. Although GIC's are not rated, the City has only entered into GIC's with institutions that carry a high credit rating. Presented below are the actual ratings for each investment type as of June 30, 2007:

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

<u>Investment Type</u>	<u>AAA</u>	<u>Total</u>
Federal agency securities	\$ 123,600,959	\$ 123,600,959
Money Market Fund	33,362,004	33,362,004
Totals	<u>\$ 156,962,963</u>	156,962,963
Not rated:		
California Local Agency Investment Fund		98,876,210
Guaranteed investment contracts		79,263,122
Exempt from credit rating disclosure:		
U.S. Treasury Notes		7,969,964
Less accrued deposit		<u>(42,265)</u>
Total Investments		343,029,994
Cash in Banks and on hand		<u>(2,017,123)</u>
Total Cash and Investments		<u>\$ 341,012,871</u>

Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment funds that represent 5-percent or more of total entity-wide investments are as follows at June 30, 2007:

<u>Issuer</u>	<u>Type of Investments</u>	<u>Amounts</u>
Federal Home Loan Bank	Federal Agency Securities	53,584,011
FSA Capital Management Services, LLC	Investment Agreement	46,956,187
Federal Farm Credit Bank	Federal Agency Securities	45,972,015
Wells Fargo Bank, N.A. South Dakota	Money Market Fund	33,362,004
Federal Home Loan Mortgage Corporation	Federal Agency Securities	20,033,272

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, certain U.S. agency bonds and Local Agency Investment Funds in the amount of \$579,685 held by the City 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. To minimize its custodial credit risk with respect to investments with fiscal agents, the City and its component units require that they meet certain credit ratings from either Standard & Poor’s or Moody’s Investor Service.

3. INTERFUND RECEIVABLES AND PAYABLES

Total interfund receivables and payables at June 30, 2007, 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>	<u>Interfund Balance</u>
Governmental Funds:			
General fund	\$ 2,404,770	\$ —	\$ 2,404,770
HUD & CDBG funds	—	292,889	(292,889)
Capital outlay	—	129,226	(129,226)
State and federal grant funds	292,889	—	292,889
Community development commission fund	—	2,000,000	(2,000,000)
Total governmental funds	<u>2,697,659</u>	<u>2,422,115</u>	<u>275,544</u>
Business type activities:			
Water	74,057	—	74,057
Wastewater	4,912,302	—	4,912,302
Environmental resources	55,169	4,912,302	(4,857,133)
Golf course	—	48,035	(48,035)
Performing arts and convention center	—	356,735	(356,735)
Total business type activities	<u>5,041,528</u>	<u>5,317,072</u>	<u>(275,544)</u>
Total	<u>\$ 7,739,187</u>	<u>\$ 7,739,187</u>	<u>\$ —</u>

The interfund balances at June 30, 2007, are loans to cover temporary cash deficits in various funds. All interfund balances outstanding at June 30, 2007, 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 \$48,035, which will be paid in future annual installments of \$25,000.

4. RECEIVABLES AND PAYABLES

Accounts and other receivables as of June 30, 2007, 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	\$ 2,114,155	\$ —
Utilities receivables	12,162	8,825,642
Grants receivable	6,430,910	282,853
Accounts receivable billed and accrued	1,181,913	4,911,855
Other receivables	6,166,524	368,085
Subtotal	<u>15,905,664</u>	<u>14,388,435</u>
Allowance for uncollectible receivables	(641,041)	(230,667)
Total	<u>\$ 15,264,623</u>	<u>\$ 14,157,768</u>

Accounts payable and other liabilities as of June 30, 2007, 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)	\$ 7,160,553	\$ 7,994,296
Other liabilities:		
Accrued payroll	—	—
Other accrued expenses	1,383,313	1,268,095
Other payables	12,328,948	1,072,746
Total other liabilities	<u>13,712,261</u>	<u>2,340,841</u>
Total	<u>\$ 20,872,814</u>	<u>\$ 10,335,137</u>

Governmental activities record deferred revenue for revenues that are not yet earned as of year end. At June 30, 2007, unearned revenues are comprised of the following:

Governmental funds:		
Community development charges for services	\$	510,340
Development and traffic impact fees		149,192
Federal grant drawdowns prior to meeting all eligibility requirements		5,790,741
State grants		3,200,649
Transportation development act		172,430
Total	\$	<u>9,823,352</u>

5. INTERFUND TRANSFERS

The net transfers of \$2,166,406 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, 2007:

<u>Fund</u>	<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:			
General fund	Program support	\$ 211,566	\$ 2,085,777
General fund	For capital assets	—	5,308,805
General fund	For debt service	—	2,452,690
Development fees fund	For debt service	—	1,210,505
Development fees fund	Program support	—	210,104
State and federal grant funds	Program support	92,600	80,000
Debt service fund	For debt service	3,138,504	345,772
Capital outlay fund	For capital assets	5,308,805	—
Capital outlay fund	Program support	345,772	—
Non-major governmental funds	Program support	430,000	—
Internal service fund	Program support	486,500	—
Total governmental funds		<u>10,013,747</u>	<u>11,693,653</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

<u>Fund</u>	<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Business-type Activities:			
Environmental resources	Program support	210,104	36,750
Environmental resources	For debt service	—	25,309
Performing arts and convention center	Program support	981,861	—
Municipal golf course	For debt service	550,000	—
Total business-type activities		<u>1,741,965</u>	<u>62,059</u>
Total		<u>\$ 11,755,712</u>	<u>\$ 11,755,712</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 2006-2007 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, 2007, consisted of the following:

	<u>Balance July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
GOVERNMENTAL ACTIVITIES				
Capital assets, not being depreciated:				
Land	\$ 977,520,331	\$ 10,810,537	\$ —	\$ 988,330,868
Construction in progress	54,474,235	35,449,987	(14,117,513)	75,806,709
Total capital assets, not being depreciated	<u>1,031,994,566</u>	<u>46,260,524</u>	<u>(14,117,513)</u>	<u>1,064,137,577</u>
Capital assets, being depreciated:				
Buildings	35,625,090	7,833,728	—	43,458,818
Other improvements	60,489,599	3,320,324	—	63,809,923
Equipment and machinery	34,984,541	2,518,153	(344,215)	37,158,479
Infrastructure	446,640,544	10,774,568	—	457,415,112
Total capital assets, being depreciated	<u>577,739,774</u>	<u>24,446,773</u>	<u>(344,215)</u>	<u>601,842,332</u>
Less accumulated depreciation for:				
Buildings	(17,579,069)	(892,457)	—	(18,471,526)
Other improvements	(9,404,270)	(1,576,387)	—	(10,980,657)
Equipment and machinery	(24,955,613)	(3,435,069)	327,002	(28,063,680)
Infrastructure	(198,000,720)	(12,843,776)	—	(210,844,496)
Total accumulated depreciation	<u>(249,939,672)</u>	<u>(18,747,689)</u>	<u>327,002</u>	<u>(268,360,359)</u>
Total capital assets, being depreciated, net	327,800,102	5,699,084	(17,213)	333,481,973
Governmental activities capital assets, net	<u>\$ 1,359,794,668</u>	<u>\$ 51,959,608</u>	<u>\$ (14,134,726)</u>	<u>\$ 1,397,619,550</u>

City of Oxnard, California

**Notes to the Basic Financial Statements
June 30, 2007**

	<u>Balance July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
BUSINESS-TYPE ACTIVITIES				
Capital assets, not being depreciated:				
Land	\$ 24,101,995	\$ —	\$ —	\$ 24,101,995
Construction in progress	164,686,693	68,042,331	(2,641,583)	230,087,441
Total capital assets, not being depreciated	<u>188,788,688</u>	<u>68,042,331</u>	<u>(2,641,583)</u>	<u>254,189,436</u>
Capital assets, being depreciated:				
Buildings	73,970,335	443,332	(84,064)	74,329,603
Other improvements	252,368,832	2,684,199	—	255,053,031
Municipal golf course improvements	5,803,242	—	—	5,803,242
Equipment and machinery	42,293,216	820,180	(93,040)	43,020,356
Total capital assets, being depreciated	<u>374,435,625</u>	<u>3,947,711</u>	<u>(177,104)</u>	<u>378,206,232</u>
Less accumulated depreciation for:				
Buildings	(40,297,340)	(2,523,046)	—	(42,820,386)
Other improvements	(93,533,910)	(5,713,472)	—	(99,247,382)
Municipal golf course improvements	(1,423,857)	(9,966)	—	(1,433,823)
Equipment and machinery	(35,241,203)	(2,190,794)	114,332	(37,317,665)
Total accumulated depreciation	<u>(170,496,310)</u>	<u>(10,437,278)</u>	<u>114,332</u>	<u>(180,819,256)</u>
Total capital assets, being depreciated, net	<u>203,939,315</u>	<u>(6,489,567)</u>	<u>(62,772)</u>	<u>197,386,976</u>
Business-type activities capital assets, net	392,728,003	61,552,764	(2,704,355)	451,576,412
Total	<u>\$ 1,752,522,671</u>	<u>\$ 113,512,372</u>	<u>\$ (16,839,081)</u>	<u>\$ 1,849,195,962</u>

For the year ended June 30, 2007, depreciation expense on capital assets was charged to the governmental functions as follows:

Governmental Activities:	
Legislative	\$ 187,477
Administration and support services	5,061,875
Public safety	8,781,187
Transportation (highways and streets)	374,954
Community development	562,431
Culture and leisure	1,312,338
Libraries	374,954
Capital improvement projects, including depreciation of general infrastructure assets	1,874,769
Capital assets held by the city's internal service fund	217,704
Total governmental activities depreciation expense	<u>\$ 18,747,689</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

For the year ended June 30, 2007, depreciation expense on capital assets was charged to the business-type functions as follows:

Business-type Activities:	
Water	\$ 2,262,555
Wastewater	4,630,981
Environmental resources	1,703,149
Performing arts and convention center	2,446
Oxnard housing authority	1,756,025
Municipal golf course	82,122
Total business-type activities depreciation expense	\$ 10,437,278

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

	<u>Balance July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
Internal service funds:				
Capital assets, not being depreciated				
Land	\$ 595,500	\$ —	\$ —	\$ 595,500
Construction in progress	—	141,640	—	141,640
Total capital assets, not being depreciated	<u>\$ 595,500</u>	<u>\$ 141,640</u>	<u>\$ —</u>	<u>\$ 737,140</u>
Capital assets, being depreciated:				
Equipment and machinery	2,246,570	138,700	(16,237)	2,369,033
Total capital assets, being depreciated	<u>2,246,570</u>	<u>138,700</u>	<u>(16,237)</u>	<u>2,369,033</u>
Less accumulated depreciation for:				
Equipment and machinery	(1,524,027)	(217,704)	16,237	(1,725,494)
Total accumulated depreciation	<u>(1,524,027)</u>	<u>(217,704)</u>	<u>16,237</u>	<u>(1,725,494)</u>
Total capital assets, being depreciated, net	<u>\$ 722,543</u>	<u>\$ (79,004)</u>	<u>\$ —</u>	<u>\$ 643,539</u>
Total	<u>\$ 1,318,043</u>	<u>\$ 62,636</u>	<u>\$ —</u>	<u>\$ 1,380,679</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

The following is a summary of changes in capital assets for each major enterprise fund for the year ended June 30, 2007:

	<u>Balance July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
Water fund				
Capital assets, not being depreciated:				
Land	\$ 2,814,394	\$ —	\$ —	\$ 2,814,394
Construction in progress	60,918,386	27,142,661	(2,461,247)	85,599,800
Total capital assets, not being depreciated	<u>63,732,780</u>	<u>27,142,661</u>	<u>(2,461,247)</u>	<u>88,414,194</u>
Capital assets, being depreciated:				
Buildings	4,707,026	—	—	4,707,026
Other improvements	82,881,226	2,461,247	—	85,342,473
Equipment and machinery	2,722,928	72,218	—	2,795,146
Total capital assets being depreciated	<u>90,311,180</u>	<u>2,533,465</u>	<u>—</u>	<u>92,844,645</u>
Less accumulated depreciation for:				
Buildings	(1,675,098)	(104,601)	—	(1,779,699)
Other improvements	(36,259,043)	(1,849,058)	—	(38,108,101)
Equipment and machinery	(1,943,939)	(308,896)	—	(2,252,835)
Total accumulated depreciation	<u>(39,878,080)</u>	<u>(2,262,555)</u>	<u>—</u>	<u>(42,140,635)</u>
Total capital assets, being depreciated, net	<u>\$ 50,433,100</u>	<u>\$ 270,910</u>	<u>\$ —</u>	<u>\$ 50,704,010</u>
Total	<u>\$ 114,165,880</u>	<u>\$ 27,413,571</u>	<u>\$ (2,461,247)</u>	<u>\$ 139,118,204</u>
Wastewater fund				
Capital assets, not being depreciated:				
Land	\$ 4,273,655	\$ —	\$ —	\$ 4,273,655
Construction in progress	86,341,053	35,814,827	(180,337)	121,975,543
Total capital assets, not being depreciated	<u>90,614,708</u>	<u>35,814,827</u>	<u>(180,337)</u>	<u>126,249,198</u>
Capital assets, being depreciated:				
Buildings	6,380,938	—	—	6,380,938
Other improvements	168,621,581	180,336	—	168,801,917
Equipment and machinery	17,384,184	433,484	(19,951)	17,797,717
Total capital assets being depreciated	<u>192,386,703</u>	<u>613,820</u>	<u>(19,951)</u>	<u>192,980,572</u>
Less accumulated depreciation for:				
Buildings	(4,158,933)	(141,799)	—	(4,300,732)
Other improvements	(57,253,217)	(3,840,632)	—	(61,093,849)
Equipment and machinery	(17,600,967)	(648,550)	19,951	(18,229,566)
Total accumulated depreciation	<u>(79,013,117)</u>	<u>(4,630,981)</u>	<u>19,951</u>	<u>(83,624,147)</u>
Total capital assets, being depreciated, net	<u>\$ 113,373,586</u>	<u>\$ (4,017,161)</u>	<u>\$ 0</u>	<u>\$ 109,356,425</u>
Total	<u>\$ 203,988,294</u>	<u>\$ 31,797,666</u>	<u>\$ (180,337)</u>	<u>\$ 235,605,623</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	<u>Balance July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
Environmental resources				
Capital assets, not being depreciated:				
Land	\$ 3,811,166	\$ —	\$ —	\$ 3,811,166
Construction in progress	4,814,734	376,917	—	5,191,651
Total capital assets, not being depreciated	<u>8,625,900</u>	<u>376,917</u>	<u>—</u>	<u>9,002,817</u>
Capital assets, being depreciated:				
Buildings	22,859,740	—	—	22,859,740
Other improvements	866,026	—	—	866,026
Equipment and machinery	20,452,527	48,125	(17,155)	20,483,497
Total capital assets being depreciated	<u>44,178,293</u>	<u>48,125</u>	<u>(17,155)</u>	<u>44,209,263</u>
Less accumulated depreciation for:				
Buildings	(5,925,528)	(507,994)	—	(6,433,522)
Other improvements	(21,650)	(21,651)	—	(43,301)
Equipment and machinery	(14,125,864)	(1,173,504)	17,155	(15,282,213)
Total accumulated depreciation	<u>(20,073,042)</u>	<u>(1,703,149)</u>	<u>17,155</u>	<u>(21,759,036)</u>
Total capital assets, being depreciated, net	<u>\$ 24,105,251</u>	<u>\$ (1,655,024)</u>	<u>\$ —</u>	<u>\$ 22,450,227</u>
Total	<u>\$ 32,731,151</u>	<u>\$ (1,278,107)</u>	<u>\$ —</u>	<u>\$ 31,453,044</u>
Performing arts and convention center fund				
Capital assets, not being depreciated:				
Construction in progress	\$ —	\$ —	\$ —	\$ —
Total capital assets, not being depreciated	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Capital assets, being depreciated:				
Buildings	42,615	—	—	42,615
Equipment and machinery	8,728	—	—	8,728
Total capital assets being depreciated	<u>51,343</u>	<u>—</u>	<u>—</u>	<u>51,343</u>
Less accumulated depreciation for:				
Other improvements	—	(2,131)	—	(2,131)
Equipment and machinery	(4,272)	(315)	—	(4,587)
Total accumulated depreciation	<u>(4,272)</u>	<u>(2,446)</u>	<u>—</u>	<u>(6,718)</u>
Total capital assets, being depreciated, net	<u>\$ 47,071</u>	<u>\$ (2,446)</u>	<u>\$ —</u>	<u>\$ 44,625</u>
Total	<u>\$ 47,071</u>	<u>\$ (2,446)</u>	<u>\$ —</u>	<u>\$ 44,625</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	<u>Balance July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2007</u>
Oxnard housing authority fund				
Capital assets, not being depreciated:				
Land	\$ 8,920,208	\$ —	\$ —	\$ 8,920,208
Construction in progress	7,008	—	—	7,008
Total capital assets, not being depreciated	<u>8,927,216</u>	<u>—</u>	<u>—</u>	<u>8,927,216</u>
Capital assets, being depreciated:				
Buildings	36,732,983	656,993	(255,110)	37,134,866
Equipment and machinery	1,724,849	210,419	—	1,935,268
Total capital assets being depreciated	<u>38,457,832</u>	<u>867,412</u>	<u>(255,110)</u>	<u>39,070,134</u>
Less accumulated depreciation for:				
Buildings	(27,362,692)	(1,696,496)	—	(29,059,188)
Equipment and machinery	(1,566,161)	(59,529)	77,226	(1,548,464)
Total accumulated depreciation	<u>(28,928,853)</u>	<u>(1,756,025)</u>	<u>77,226</u>	<u>(30,607,652)</u>
Total capital assets, being depreciated, net	<u>\$ 9,528,979</u>	<u>\$ (888,613)</u>	<u>\$ (177,884)</u>	<u>\$ 8,462,482</u>
Total	<u>\$ 18,456,195</u>	<u>\$ (888,613)</u>	<u>\$ (177,884)</u>	<u>\$ 17,389,698</u>
Municipal golf course fund				
Capital assets, not being depreciated:				
Land	\$ 4,282,572	\$ —	\$ —	\$ 4,282,572
Construction in progress	12,605,513	4,707,926	—	17,313,439
Total capital assets, not being depreciated	<u>16,888,085</u>	<u>4,707,926</u>	<u>—</u>	<u>21,596,011</u>
Capital assets, being depreciated:				
Buildings	3,247,033	—	—	3,247,033
Golf course improvements	5,803,242	—	—	5,803,242
Total capital assets being depreciated	<u>9,050,275</u>	<u>—</u>	<u>—</u>	<u>9,050,275</u>
Less accumulated depreciation for:				
Buildings	(1,175,089)	(72,156)	—	(1,247,245)
Golf course improvements	(1,423,857)	(9,966)	—	(1,433,823)
Total accumulated depreciation	<u>(2,598,946)</u>	<u>(82,122)</u>	<u>—</u>	<u>(2,681,068)</u>
Total capital assets, being depreciated, net	<u>\$ 6,451,329</u>	<u>\$ (82,122)</u>	<u>\$ —</u>	<u>\$ 6,369,207</u>
Total	<u>\$ 23,339,414</u>	<u>\$ 4,625,804</u>	<u>\$ —</u>	<u>\$ 27,965,218</u>

7. LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities. Certain long-term liabilities provide financing to both governmental and business-type activities. Balances and activity are reported for the City's fiscal year ended June 30, 2007, and for the City of Oxnard Community Development Commission, Financing Authority and Housing Authority component units' fiscal years ended June 30, 2007.

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Revenue bonds:					
Lease revenue refunding bonds, series 2003	\$ 6,225,756	\$ —	\$ 516,006	\$ 5,709,750	\$ 538,383
Adjustable rate lease revenue bonds, series 2003B	13,750,000	—	340,000	13,410,000	350,000
Variable rate demand lease revenue bonds, series 2006	—	24,205,000	215,000	23,990,000	475,000
1999 certificates of participation	7,620,000	—	225,000	7,395,000	235,000
Tax allocation refunding bonds, series 2004A	18,030,000	—	620,000	17,410,000	640,000
2006 tax allocation bond financing	—	20,530,000	—	20,530,000	260,000
Capital lease:					
LaSalle national leasing	1,086,013	—	336,102	749,911	256,440
Compensated absences	13,041,117	5,836,602	4,465,132	14,412,587	5,160,500
Unamortized discounts	(78,587)	(459,485)	(55,772)	(482,300)	—
Total governmental activities	<u>\$ 59,674,299</u>	<u>\$ 50,112,117</u>	<u>\$ 6,661,468</u>	<u>\$ 103,124,948</u>	<u>\$ 7,915,323</u>
Business-type activities:					
Revenue bonds:					
Lease revenue refunding bonds, series 2003 - golf	\$ 8,864,567	\$ —	\$ 734,307	\$ 8,130,260	\$ 766,618
Water revenue refunding bonds, series 2001	11,160,000	—	265,000	10,895,000	275,000
Water revenue project bonds, series 2004	46,065,000	—	940,000	45,125,000	960,000
Water revenue project bonds, series 2006	54,600,000	—	—	54,600,000	—
Wastewater revenue refunding bonds, series 2003	36,530,000	—	1,950,000	34,580,000	2,035,000
Wastewater revenue bonds, series 2004A	80,000,000	—	—	80,000,000	—
Wastewater revenue bonds, series 2004B	23,975,000	—	—	23,975,000	—
Wastewater revenue bonds, series 2006	12,575,000	—	185,000	12,390,000	225,000
Solid waste revenue refunding bonds, series 2005	19,380,000	—	1,645,000	17,735,000	1,715,000
2004 capital fund revenue bonds - housing authority	5,410,000	—	215,000	5,195,000	220,000
Unamortized bond premium	2,930,813	—	179,525	2,751,288	—
Unamortized discounts	(838,123)	—	(89,292)	(748,831)	—
Unamortized gain or loss on refunding	(3,143,782)	—	(130,991)	(3,012,791)	—
Subtotal	<u>297,508,475</u>	<u>—</u>	<u>5,893,549</u>	<u>291,614,926</u>	<u>6,196,618</u>
Capital lease:					
Residential trash collection vehicles	367,636	—	241,812	125,824	125,824
Del Norte Blvd. Improvement	492,512	—	64,505	428,007	71,461
Fifth and Del Norte improvement	835,189	—	100,056	735,133	109,818
LaSalle national leasing - solid waste	315,339	—	67,515	247,824	69,729
Compensated absences	2,424,865	1,523,745	1,436,581	2,512,029	1,370,000
Total business-type activities	<u>301,944,016</u>	<u>1,523,745</u>	<u>7,804,018</u>	<u>295,663,743</u>	<u>7,943,450</u>
Total	<u>\$ 361,618,315</u>	<u>\$ 51,635,862</u>	<u>\$ 14,465,486</u>	<u>\$ 398,788,691</u>	<u>\$ 15,858,773</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

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, 2007, are as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>	<u>Amounts Due Within One Year</u>
Internal Service Funds:					
Compensated absences	\$ 752,543	\$ 661,943	\$ 662,253	\$ 752,233	\$ 660,500
Total	<u>\$ 752,543</u>	<u>\$ 661,943</u>	<u>\$ 662,253</u>	<u>\$ 752,233</u>	<u>\$ 660,500</u>

The following is a summary of changes in long-term obligations for each major enterprise fund for the year ended June 30, 2007:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>	<u>Amounts Due Within One Year</u>
Water fund					
Revenue refunding bonds, series 2001	\$ 11,160,000	\$ —	\$ 265,000	\$ 10,895,000	\$ 275,000
Water revenue refunding, series 2004	46,065,000	—	940,000	45,125,000	960,000
Water revenue project bonds, series 2006	54,600,000	—	—	54,600,000	—
Add: Unamortized bond premium	1,994,695	—	75,512	1,919,183	—
Less: Unamortized loss on refunding	(3,143,782)	—	(130,991)	(3,012,791)	—
Unamortized discounts	(165,275)	—	(6,888)	(158,387)	—
Subtotal	<u>110,510,638</u>	<u>—</u>	<u>1,142,633</u>	<u>109,368,005</u>	<u>1,235,000</u>
Compensated absences	438,202	204,848	175,534	467,516	175,000
Total	<u>\$ 110,948,840</u>	<u>\$ 204,848</u>	<u>\$ 1,318,167</u>	<u>\$ 109,835,521</u>	<u>\$ 1,410,000</u>
Wastewater fund					
Wastewater revenue refunding bonds, series 2003	\$ 36,530,000	\$ —	\$ 1,950,000	\$ 34,580,000	\$ 2,035,000
Wastewater revenue bonds, series 2004A	80,000,000	—	—	80,000,000	—
Wastewater revenue bonds, series 2004B	23,975,000	—	—	23,975,000	—
Wastewater revenue bonds, series 2006	12,575,000	—	185,000	12,390,000	225,000
Less: Unamortized discounts	(550,262)	—	(68,783)	(481,479)	—
Subtotal	<u>152,529,738</u>	<u>—</u>	<u>2,066,217</u>	<u>150,463,521</u>	<u>2,260,000</u>
Compensated absences	655,635	417,248	424,556	648,327	425,000
Total	<u>\$ 153,185,373</u>	<u>\$ 417,248</u>	<u>\$ 2,490,773</u>	<u>\$ 151,111,848</u>	<u>\$ 2,685,000</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007	Amounts Due Within One Year
Environmental resources fund					
Solid waste revenue refunding bonds, series 2005	\$ 19,380,000	\$ —	\$ 1,645,000	\$ 17,735,000	\$ 1,715,000
Less: Unamortized bond premium	936,118	—	104,013	832,105	—
Less: Unamortized discounts	(122,587)	—	(13,622)	(108,965)	—
Subtotal	<u>20,193,531</u>	<u>—</u>	<u>1,735,391</u>	<u>18,458,140</u>	<u>1,715,000</u>
Capital lease					
Residential trash collection vehicles	367,636	—	241,812	125,824	125,824
Del Norte Blvd. improvement	492,512	—	64,505	428,007	71,461
Fifth and Del Norte improvement	835,189	—	100,056	735,133	109,818
LaSalle national leasing	315,339	—	67,515	247,824	69,729
Compensated absences	607,087	406,327	376,623	636,791	375,000
Total	<u>\$ 22,811,294</u>	<u>\$ 406,327</u>	<u>\$ 2,585,902</u>	<u>\$ 20,631,719</u>	<u>\$ 2,466,832</u>
Performing arts and convention center fund					
Compensated absences	\$ 65,820	\$ 46,638	\$ 38,228	\$ 74,230	\$ 40,000
Total	<u>\$ 65,820</u>	<u>\$ 46,638</u>	<u>\$ 38,228</u>	<u>\$ 74,230</u>	<u>\$ 40,000</u>
Oxnard housing authority fund					
2004 capital fund revenue bonds	\$ 5,410,000	\$ —	\$ 215,000	\$ 5,195,000	\$ 220,000
Compensated absences	658,121	448,684	421,640	685,165	355,000
Total	<u>\$ 6,068,121</u>	<u>\$ 448,684</u>	<u>\$ 636,640</u>	<u>\$ 5,880,165</u>	<u>\$ 575,000</u>
Municipal golf course					
Lease revenue refunding bonds, series 2003	\$ 8,864,567	\$ —	\$ 734,307	\$ 8,130,260	\$ 766,618
Total	<u>\$ 8,864,567</u>	<u>\$ —</u>	<u>\$ 734,307</u>	<u>\$ 8,130,260</u>	<u>\$ 766,618</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 Zions 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, 2007, is \$13,840,000, of which \$5,709,750 is recorded within governmental activities and \$8,130,260 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, 2007, is \$13,410,000.

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, 2007, is \$7,395,000.

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, 2007, is \$17,410,000.

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, 2007, is \$10,895,000.

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, 2007, is \$45,125,000.

Water Revenue Project Bonds, Series 2006

On April 20, 2006, the Oxnard Financing Authority issued \$54,600,000 of Water Revenue Project Bonds, Series 2006 with an interest rate of 1 through 5 percent, maturing on June 1, 2036. The proceeds from the sale of the bonds were used to pay for the costs of reconstruction, repair or replacement to the water system, including SCADA system improvement, industrial lateral reconnection, aquifer storage and recovery wells, Blending Station No. 3 expansion project, downtown cast iron replacement, hydraulic deficiencies and GREAT Program. The balance outstanding as of June 30, 2007, is \$54,600,000.

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, 2007, is \$34,580,000. 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, 2007, 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, 2007, is \$23,975,000.

Wastewater Revenue Bonds, Series 2006

On April 27, 2006, the Oxnard Financing Authority issued \$12,575,000 of Wastewater Revenue Bonds (Headworks Project), Series 2006, with an interest rate of 4.25 to 5 percent, maturing on June 1, 2036. The proceeds from the sale of the bonds were used to finance the cost of certain capital improvements to the City's wastewater system (the "Headworks Project"), which is being implemented to address master-planned increases in sewer capacity needs in the north and northwest portions of the City, and to correct existing wastewater system deficiencies. The balance outstanding as of June 30, 2007, is \$12,390,000.

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, 2007, is \$17,735,000.

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, 2007, is \$5,195,000.

2006 Tax Allocation Bond Financings

On December 1, 2006, the City of Oxnard Financing Authority issued Local Obligation Revenue Bonds (2006 Tax Allocation Bond Financings) in the amount of \$20,530,000 to purchase the following obligations being issued simultaneously by the Oxnard Community Development Commission: i) the Oxnard Community Development Commission Ormond Beach Project Area Tax Allocation Bonds, Series 2006 in the amount of \$5,750,000, ii) the Oxnard Community Development Commission Southwinds Project Area Tax Allocation Bonds, Series 2006 in the amount of \$3,290,000, iii) the Oxnard Community Development Commission Historic Enhancement and Revitalization of Oxnard (HERO) Project Area Tax Allocation Bonds, Series 2006 in the amount of \$11,490,000. The bonds were issued to finance redevelopment activities (street improvement projects) in the Ormond Beach Project Area, Southwinds Project Area and the Historic Enhancement and Revitalization of Oxnard Redevelopment Project Areas. The interest rates of the bonds vary from 3.25 percent to 4.375 percent, maturing on September 1, 2036. The outstanding balance as of June 30, 2007, is \$20,530,000.

Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006

On December 1, 2006, the City of Oxnard Financing Authority issued Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 in the amount of \$24,205,000 to finance the acquisition, construction, and improvement of certain public facilities constituting the Civic Center Phase 2 Project. The City entered into an interest rate exchange agreement with respect to the Bonds with Royal Bank of Canada (the "Swap Provider") consisting of an International Swap Dealers Association, Inc. (ISDA) Master Agreement, dated December 1, 2006, including related schedule, Credit Support Annex, and Confirmation pertaining to the "Swap Agreement." The Swap Agreement terminates by its term on June 1, 2036. As of March 3, 2007, the swap rate was 3.53 percent. The outstanding balance as of June 30, 2007, is \$23,990,000.

Interest Rate Swaps

The City of Oxnard entered into three interest rate swaps in Fiscal Year 2006-2007. Specifics for each interest rate swap are discussed below.

1. City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance in December 2006, the City entered into an interest rate swap in connection with its \$24,205,000 City of Oxnard Financing Authority Variable Rate

Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006. The intention of the swap was to effectively change the City's variable interest rate on the bonds to a synthetic fixed rate of 3.53 percent.

Terms. The bonds and the related swap agreement mature on June 1, 2036, and the swap's notional amount of \$24,205,000 matches the \$24,205,000 variable-rate bonds. The swap was entered at the same time the bonds were issued (December 2006). Starting in Fiscal Year 2007, the notional value of the swap and the principal amount of the associated debt decline. Under the swap, the City pays the counterparty a fixed payment of 3.53 percent and receives a variable payment computed as 68 percent of the London Interbank Offered Rate. Conversely, the bond's variable rate coupons track The Bond Market Association Municipal Swap Index (BMA).

Fair Value. Because interest rates have increased since execution of the swap, the swap had a positive fair value of \$714,788 as of June 30, 2007. However, the goal of the swap is to effectively fix the cost of debt over the term of the bonds, not for speculative purposes such as capturing the positive fair value at any point in time. Because the coupons on the City's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit Risk. As of June 30, 2007, the City's exposure to credit risk was \$714,788, the fair value of the swap. The swap counterparty carries a senior debt rating of "Aaa" by Moody's and "AA-" by Standard and Poor's as of June 30, 2007. To mitigate the potential for credit risk, if the counterparty's credit falls below "AA-" by Standard and Poor's or "Aa" by Moody's, then the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Basis Risk. The swap exposes the City to basis risk should the relationship between LIBOR and BMA converge, potentially changing the synthetic rate on the bonds. If a change occurs in which 68 percent of LIBOR is greater than BMA, the expected cost savings may be reduced. As of June 30, 2007, the BMA rate was 3.73 percent, whereas 68 percent of LIBOR was 3.62 percent.

Termination Risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City in the event that the swap counterparty's credit rating falls below investment grade (e.g., "BBB" by Standard & Poor's or "Baa" by Moody's). If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, are included in the debt service requirement schedules shown on page 69. As rates vary, variable-rate bond interest payments and net swap payments will vary.

2. City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Program), 2004 Series B

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rated bonds at the time of execution of the swap in June 2007, the City entered into an interest rate swap in connection with its \$23,975,000 City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Program), 2004 Series B. The intention of the swap was to effectively change the City's variable interest rate on the bonds to a synthetic fixed rate of 4.017 percent.

Terms. The bonds and the related swap agreement mature on June 1, 2034, and the swap's notional amount of \$23,975,000 matches the \$23,975,000 variable-rate bonds. The swap was entered into on June 21, 2007, after the bonds were issued in November 2004. Starting in Fiscal Year 2009, the notional value of the swap and the principal amount of the associated debt decline. Under the swap, the City pays the counterparty a fixed payment of 4.017 percent and receives a variable payment computed as 68 percent of the London Interbank Offered Rate. Conversely, the bond's variable rate coupons track The Bond Market Association Municipal Swap Index (BMA).

Fair Value. The swap had a negative fair value of \$469,869 as of June 30, 2007. However the goal of the swap is to effectively fix the cost of debt over the term of the bonds, not for speculative purposes such as capturing the positive fair value at any point in time. Because the coupons on the City's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit Risk. As of June 30, 2007, the City had no exposure to credit risk since the fair value of the swap was negative. The swap counterparty carries a senior debt rating of "Aaa" by Moody's and "AA" by Standard & Poor's as of June 30, 2007. To mitigate the potential for credit risk, if the counterparty's credit quality falls below "AA-" by Standard & Poor's or "Aa" by Moody's, then the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Basis Risk. The swap exposes the City to basis risk should the relationship between LIBOR and BMA converge, potentially changing the synthetic rate on the bonds. If a change occurs in which 68 percent of LIBOR is greater than BMA, the expected cost savings may be reduced. As of June 30, 2007, the BMA rate was 3.73 percent, whereas 68 percent of LIBOR was 3.62 percent.

Termination Risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City in the event that the swap counterparty's credit rating falls below investment grade (e.g., "BBB" by Standard & Poor's or "13aa" by Moody's). If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap payments and associated debt. Using rates as of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, are included in the debt service requirement schedules shown on page 68. As rates vary, variable-rate bond interest payments and net swap payments will vary.

3. City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds 2003 Series B

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rated bonds at the time of execution of the swap in June 2007, the City entered into an interest rate swap in connection with its \$13,750,000 City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds 2003 Series B. The intention of the swap was to effectively change the City's variable interest rate on the bonds to a synthetic fixed rate of 4.037 percent.

Terms. The bonds and the related swap agreement mature on June 1, 2033, and the swap's notional amount of \$13,410,000 matches the \$13,410,000 variable-rate bonds. The swap was entered into on June 21, 2007, after the bonds were originally issued in December 2003. The notional value of the swap and the principal amount of the associated debt decline every year, which commenced in 2004. Under the swap, the City pays the counterparty a fixed payment of 4.037 percent and receives a variable payment computed as 68 percent of the London Interbank Offered Rate. Conversely, the bond's variable rate coupons track The Bond Market Association Municipal Swap Index (BMA).

Fair Value. Because interest rates have increased since execution of the swap, the swap had a negative fair value of \$285,334 as of June 30, 2007. However, the goal of the swap is to effectively fix the cost of debt over the term of the bonds, not for speculative purposes such as capturing the positive fair value at any point in time. Because the coupons on the City's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot

interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit Risk. As of June 30, 2007, the City had no exposure to credit risk since the fair value of the swap was negative. The swap counterparty carries a senior debt rating of “Aaa” by Moody’s and “AA-” by Standard & Poor’s as of June 30, 2007. To mitigate the potential for credit risk, if the counterparty’s credit quality falls below “AA-” by Standard & Poor’s or “Aa” by Moody’s, then the fair value of the swap will be collateralized by the counterparty with U.S. government securities. Collateral would be posted with a third-party custodian.

Basis Risk. The swap exposes the City to basis risk should the relationship between LIBOR and BMA converge, potentially changing the synthetic rate on the bonds. If a change occurs in which 68 percent of LIBOR is greater than BMA, the expected cost savings may be reduced. As of June 30, 2007, the BMA rate was 3.73 percent, whereas 68 percent of LIBOR was 3.62 percent.

Termination Risk. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City in the event that the swap counterparty’s credit rating falls below investment grade (e.g., “BBB” by Standard & Poor’s or “Baa” by Moody’s). If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap’s fair value.

Swap payments and associated debt. Using rates as of June 30, 2007, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, are included in the debt service requirement schedules shown on page 70. As rates vary, variable-rate bond interest payments and net swap payments will vary.

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 and rebate payments were made as appropriate.

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

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

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 2,754,882	\$ 3,422,992	\$ 6,573,389	\$ 14,157,888
2009	2,928,613	3,321,266	8,259,907	13,930,569
2010	3,030,785	3,222,307	8,562,505	13,608,356
2011	3,016,435	3,550,195	8,837,003	13,458,265
2012	3,032,467	3,007,245	9,192,657	13,022,975
2013-2017	16,126,469	13,334,768	46,758,719	57,537,716
2018-2022	15,625,000	10,355,023	42,659,999	47,206,088
2023-2027	18,410,000	7,043,337	52,325,000	36,039,758
2028-2032	13,605,000	3,874,075	65,180,000	21,871,162
2033-2036	10,665,000	1,316,716	45,812,869	5,010,480
Totals	<u>\$ 89,194,651</u>	<u>\$ 52,447,924</u>	<u>\$ 294,162,048</u>	<u>\$ 235,843,257</u>

Fiscal Year	Wastewater Revenue Refunding Bonds, Series 2003		Wastewater Revenue Bonds, Series 2004A		Wastewater Revenue Bonds, Series 2004B			Total
	Principal	Interest	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	
2008	\$ 2,035,000	\$ 1,631,613	\$ —	\$ 4,087,725	\$ —	\$ 1,138,813	\$ 87,248	\$ 1,226,061
2009	2,100,000	1,565,563	—	4,087,725	820,000	1,138,813	87,248	2,046,061
2010	2,175,000	1,492,063	—	4,087,725	840,000	1,099,863	84,264	2,024,127
2011	2,240,000	1,426,813	—	4,087,725	865,000	1,059,963	81,208	2,006,171
2012	2,355,000	1,314,813	—	4,087,725	885,000	1,018,875	78,060	1,981,935
2013-2017	13,685,000	4,652,200	—	20,438,625	4,840,000	4,437,450	339,968	9,617,418
2018-2022	9,990,000	1,015,250	8,350,000	20,234,875	4,740,000	3,240,213	248,240	8,228,453
2023-2027	—	—	24,815,000	15,990,875	4,130,000	2,227,275	170,636	6,527,911
2028-2032	—	—	31,715,000	9,086,400	4,760,000	1,188,450	91,052	6,039,502
2033-2036	—	—	15,120,000	1,201,118	2,095,000	149,863	11,480	2,256,343
Totals	<u>\$ 34,580,000</u>	<u>\$ 13,098,315</u>	<u>\$ 80,000,000</u>	<u>\$ 87,390,518</u>	<u>\$ 23,975,000</u>	<u>\$ 16,699,578</u>	<u>\$ 1,279,404</u>	<u>\$ 41,953,982</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

Fiscal Year	Wastewater Revenue Bonds, Series 2006		Water Revenue Refunding Bonds, Series 2001		Tax Allocation Bonds, Series 2006	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 225,000	\$ 571,313	\$ 275,000	\$ 531,196	\$ 260,000	\$ 922,620
2009	235,000	563,325	285,000	520,196	410,000	911,283
2010	240,000	554,865	300,000	508,796	420,000	897,233
2011	250,000	546,105	310,000	496,496	435,000	882,508
2012	260,000	536,730	325,000	483,321	450,000	867,020
2013-2017	1,465,000	2,519,050	1,855,000	2,180,628	2,495,000	4,080,314
2018-2022	1,800,000	2,184,563	2,350,000	1,680,563	3,000,000	3,569,926
2023-2027	2,245,000	1,744,373	3,005,000	1,030,563	3,635,000	2,904,510
2028-2032	2,840,000	1,147,250	2,190,000	228,062	4,475,000	2,050,978
2033-2036	2,830,000	362,500	—	—	4,950,000	849,815
Totals	<u>\$ 12,390,000</u>	<u>\$ 10,730,074</u>	<u>\$ 10,895,000</u>	<u>\$ 7,659,821</u>	<u>\$ 20,530,000</u>	<u>\$ 17,936,207</u>

Fiscal Year	Water Revenue Refunding Bonds, Series 2006		Solid Waste Revenue Refunding Bonds, Series 2005		Variable Rate Demand Lease Revenue Bonds, Series 2006			
	Principal	Interest	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	Total
2008	\$ —	\$ 2,656,385	\$ 1,715,000	\$ 869,600	\$ 475,000	\$ 846,847	\$ (77,296)	\$ 1,244,551
2009	775,000	2,656,385	1,785,000	801,000	490,000	830,080	(75,764)	1,244,316
2010	800,000	2,625,385	1,875,000	711,750	510,000	812,783	(74,188)	1,248,595
2011	840,000	2,593,385	1,965,000	618,000	525,000	794,780	(72,544)	1,247,236
2012	875,000	2,551,385	2,065,000	519,750	545,000	776,247	(70,852)	1,250,395
2013-2017	5,065,000	12,075,450	8,330,000	994,250	3,060,000	3,576,596	(326,456)	6,310,140
2018-2022	6,350,000	10,796,830	—	—	3,670,000	2,995,558	(273,416)	6,392,142
2023-2027	7,980,000	9,164,513	—	—	4,415,000	2,296,971	(209,656)	6,502,315
2028-2032	11,790,000	6,974,000	—	—	5,305,000	1,457,184	(133,008)	6,629,176
2033-2036	20,125,000	2,871,750	—	—	4,995,000	449,016	(40,980)	5,403,036
Totals	<u>\$ 54,600,000</u>	<u>\$ 54,965,468</u>	<u>\$ 17,735,000</u>	<u>\$ 4,514,350</u>	<u>\$ 23,990,000</u>	<u>\$ 14,836,062</u>	<u>\$ (1,354,160)</u>	<u>\$ 37,471,902</u>

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

Fiscal Year	Lease Revenue Refunding Bonds, Series 2003A		Water Revenue Project Bonds, Series 2004		Adjustable Lease Revenue Bonds, Series 2003B			
	Principal	Interest	Principal	Interest	Principal	Interest	Interest Rate Swaps, Net	Total
2008	\$ 1,305,000	\$ 549,960	\$ 960,000	\$ 2,065,133	\$ 350,000	\$ 334,021	\$ 51,484	\$ 735,505
2009	1,355,000	497,760	980,000	2,043,534	360,000	324,414	50,140	734,554
2010	1,405,000	450,335	1,005,000	2,020,014	370,000	315,472	48,756	734,228
2011	1,475,000	380,085	1,030,000	1,993,884	385,000	306,281	47,336	738,617
2012	1,545,000	306,335	1,065,000	1,962,984	395,000	297,530	45,860	738,390
2013-2017	6,755,000	659,580	5,955,000	9,169,779	2,150,000	1,331,394	205,664	3,687,058
2018-2022	—	—	7,310,000	7,822,400	2,485,000	1,047,965	161,876	3,694,841
2023-2027	—	—	9,310,000	5,819,500	2,875,000	720,678	111,316	3,706,994
2028-2032	—	—	11,885,000	3,247,000	3,320,000	341,925	52,788	3,714,713
2033-2036	—	—	5,625,000	425,250	720,000	17,885	2,764	740,649
Totals	<u>\$ 13,840,000</u>	<u>\$ 2,844,055</u>	<u>\$ 45,125,000</u>	<u>\$ 36,569,478</u>	<u>\$ 13,410,000</u>	<u>\$ 5,037,565</u>	<u>\$ 777,984</u>	<u>\$ 19,225,549</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
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	265,000	313,585	710,000	660,509	240,000	386,450
2012	275,000	302,058	730,000	637,996	250,000	351,290
2013-2017	1,580,000	1,308,870	4,055,000	2,765,451	1,415,000	677,020
2018-2022	1,835,000	904,638	4,635,000	1,836,937	1,770,000	231,395
2023-2027	2,200,000	442,938	5,285,000	678,241	840,000	62,660
2028-2032	505,000	23,988	—	—	—	—
Totals	<u>\$ 7,395,000</u>	<u>\$ 4,299,561</u>	<u>\$ 17,410,000</u>	<u>\$ 8,690,161</u>	<u>\$ 5,195,000</u>	<u>\$ 2,343,562</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, 2007, is \$125,824.

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, 2007, is \$428,007.

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, 2007, is \$735,133.

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, 2007, is \$997,735.

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

Fiscal Year	Residential Trash Collection Vehicles		Fifth Street/Del Norte Land Boulevard Purchase		Del Norte Boulevard Improvement		Equipment Lease Purchase LaSalle National Leasing - Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 125,824	\$ 3,397	\$ 109,818	\$ 34,152	\$ 71,461	\$ 20,303	\$ 326,168	\$ 26,722
2009	—	—	113,109	28,620	73,857	16,700	271,555	17,695
2010	—	—	116,500	22,923	76,332	12,976	280,457	9,049
2011	—	—	119,991	17,055	78,892	9,128	119,555	711
2012	—	—	123,587	11,010	81,537	5,151	—	—
2013	—	—	152,128	4,785	45,928	1,042	—	—
Totals	<u>\$ 125,824</u>	<u>\$ 3,397</u>	<u>\$ 735,133</u>	<u>\$ 118,545</u>	<u>\$ 428,007</u>	<u>\$ 65,300</u>	<u>\$ 997,735</u>	<u>\$ 54,177</u>

Management believes the City complies with all significant covenants related to its debt issues as of June 30, 2007.

Compensated Absences

The long-term portion of the liability was \$9,252,087 for governmental activities and \$1,142,029 for business-type activities at June 30, 2007, 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 Districts, within the City, which have issued special assessment or special tax debt. The debt is secured by liens of special assessments 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, 2007, is as follows:

Mandalay Bay Assessment District:	
1915 Act Improvement Bonds issued April 24, 1987; original amount \$6,250,000; maximum rate 7.4%; due 2007	\$ 1,235,000
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	5,460,000
City of Oxnard Community Facilities District I (Westport):	9,620,000
City of Oxnard Community Facilities District 88-1:	1,375,000
Oxnard Boulevard Interchange Community Facilities District 2000-03:	9,770,000
Oxnard Boulevard/Highway 101 Interchange Assessment District 2000-01:	
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	2,230,000
Community Facilities District No. 3 - Seabridge/Mandalay Bay	32,275,000
	<u>\$ 66,585,000</u>
Total	

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, 2007, was \$82,253,167; the City's total payroll was \$87,549,380. 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 2006-2007, the City's annual pension cost (APC) of \$21,118,764 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, 2006, 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, 2007, 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	2005	6/30/05	7,493,998	100%	\$ —
Police	2006	6/30/06	9,051,159	100%	—
Police	2007	6/30/07	8,395,608	100%	—
Fire	2005	6/30/05	2,452,730	100%	\$ —
Fire	2006	6/30/06	2,913,733	100%	—
Fire	2007	6/30/07	3,099,184	100%	—
Miscellaneous	2005	6/30/05	6,015,206	100%	\$ —
Miscellaneous	2006	6/30/06	9,778,224	100%	—
Miscellaneous	2007	6/30/07	9,623,972	100%	—

Contributions to PERS for the Fiscal Year ended June 30, 2007, are shown below:

	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Total</u>
Safety employees:			
Police	\$ 6,484,240	\$ 1,911,368	\$ 8,395,608
Fire	2,321,685	777,499	3,099,184
Total safety employees	8,805,925	2,688,867	11,494,792
Miscellaneous employees	5,957,592	3,666,380	9,623,972
Total	\$ 14,763,517	\$ 6,355,247	\$ 21,118,764

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 plus any military service purchased through CalPERS (prior to July 1, 2003) while an employee of the City of Oxnard. 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 – Employees and the City contribute a total of 8 percent of eligible employees’ gross wages. Current employee/city contributions by employee groups are as follows: IUOE 6.65%/City 1.35%; SEIU 5%/City 3%; management and confidential employees 5%/City 3%. In addition, the City is required to contribute the remaining amounts necessary to fund the benefit to its members using the actuarial basis recommended by PARS actuarial consultants. This contribution for the fiscal year ended June 30, 2007, was 3.44 percent of eligible employee gross wages. The City’s payroll for employees covered by PARS for the year ended June 30, 2007, was \$40,094,230. PARS issues a separate

comprehensive annual financial report. Copies of PARS annual financial report may be obtained from 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.

Trend Information by Plan

	Fiscal Year Ending June 30	Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Miscellaneous	2005	6/30/05	3,545,825	100%	\$ —
Miscellaneous	2006	6/30/05	4,002,936	100%	—
Miscellaneous	2007	6/30/05	4,264,587	100%	—

Annual Pension Costs

For Fiscal Year 2006-2007, the City’s annual pension cost (APC) of \$4,264,587, for Public Agency Retirement System was equal to the City’s required actual contribution. The required contribution was determined as part of the June 30, 2005, actuarial assumptions and retain the entry age actuarial cost method.

Contributions to PARS for the fiscal year ended June 30, 2007, are shown below:

	City Contributions	Employee Contributions	Total
Miscellaneous employees	<u>\$ 1,055,114</u>	<u>\$ 3,209,473</u>	<u>\$ 4,264,587</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 \$48.40 increased in January 2007 to \$80.80 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, 2007, totaled \$181,347. Currently, 209 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, 2007, 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.

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, RESERVES AND DESIGNATIONS - GOVERNMENTAL FUNDS

The following is a summary of reserved and unreserved fund balances. Reserved fund balances are not available for spending for the subsequent year's budget. The unreserved fund balances are further categorized into designated and undesignated. Designated fund balances represent amounts set aside for authorized projects and for management intended future use of resources. Undesignated fund balance amounts are available for current spending.

The restricted revenues of \$21,755,599 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, 2007:

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	General Fund	Development Fees Fund	HUD and CDBG Fund	State and Federal Grants Fund	Debt Services Fund	Capital Outlay Fund	Community Development Commission Fund	Non-Major Governmental Funds	Total
Reserved fund balance:									
Encumbrances	\$ 3,520,840	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,520,840
Receivables	—	—	—	—	—	—	1,265,469	—	\$ 1,265,469
Repayment of debt	—	—	—	—	1,303,640	—	1,230,241	—	2,533,881
Advances	48,035	—	—	—	—	—	—	—	48,035
Restricted revenue	117,389	—	—	—	—	—	21,755,599	—	21,872,988
Carryover savings	177,498	—	—	—	—	—	—	—	177,498
Properties held for resale	—	—	—	—	—	—	4,646,071	—	4,646,071
Total reserved	3,863,762	---	---	---	1,303,640	---	28,897,380	---	34,064,782
Unreserved fund balance:									
Designated for authorized projects	—	16,316,533	—	11,961,199	—	27,158,528	24,298,236	4,148,961	83,883,457
Designated for community development	2,242,700	—	—	—	—	—	—	—	2,242,700
Undesignated and available for future operation	18,891,189	12,276,070	—	(24,025)	—	(4,326,125)	835,408	6,837,765	34,490,282
Total unreserved	21,133,889	28,592,603	—	11,937,174	—	22,832,403	25,133,644	10,986,726	120,616,439
Fund balances - unreserved:									
Designated for existing council-authorized projects	\$ —	\$ 16,316,533	\$ —	\$ 11,961,199	\$ —	\$ 27,158,528	\$ 24,298,236	\$ 4,148,961	\$ 83,883,457
Undesignated but restricted as to purpose:									
General fund:									
Administration, public safety, parks and street maintenance, recreation, and transportation services and community development	2,242,700	—	—	—	—	—	—	—	2,242,700
Operating reserves and economic contingencies	18,891,189	—	—	—	—	—	—	—	18,891,189
Undesignated and available for future operations	—	—	—	—	—	—	—	—	—
Development fees funds:									
Quimby fees restricted solely for acquisition and development of parks	—	326,734	—	—	—	—	—	—	326,734
Parks acquisition fees restricted to acquire land and improve parks	—	83,149	—	—	—	—	—	—	83,149

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	<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>
Storm drain facilities fees restricted for storm drain constructions	—	4,369,952	—	—	—	—	—	—	4,369,952
Impact fees solely for traffic signals and synchronization systems	—	1,603,170	—	—	—	—	—	—	1,603,170
Capital growth fees restricted to each residential/commercial neighborhoods	—	13,843	—	—	—	—	—	—	13,843
Capital growth fees restricted to each nonresidential/noncommercial neighborhoods	—	(219,405)	—	—	—	—	—	—	(219,405)
Utilities undergrounding fees solely for construction of underground lines	—	711,560	—	—	—	—	—	—	711,560
CUPA permit fees solely to manage hazardous materials disposal	—	(41,504)	—	—	—	—	—	—	(41,504)
Housing in-lieu fees and affordable housing fees solely for low-cost housing	—	5,428,571	—	—	—	—	—	—	5,428,571
State and Federal Grants Fund:									
State grants:									
Air pollution buy-down solely for transit projects, bicycle lanes and paths	—	—	—	1,037,628	—	—	—	—	1,037,628
Traffic congestion relief fund for improving traffic congestion in the freeway and City streets	—	—	—	(93,249)	—	—	—	—	(93,249)
Public safety retirement restricted for uniformed police and fire department	—	—	—	7,013,565	—	—	—	—	7,013,565
State assets seizure restricted to police activities	—	—	—	53,656	—	—	—	—	53,656
Library grants fund for library building	—	—	—	79,690	—	—	—	—	79,690
Parks and recreation for parks improvement	—	—	—	(5,162,788)	—	—	—	—	(5,162,788)
Water resources grant for GREAT recycled water	—	—	—	(3,087,000)	—	—	—	—	(3,087,000)

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2007*

	<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>
Federal grants:									
Federal assets seizure restricted to police activities	—	—	—	134,473	—	—	—	—	134,473
Capital outlay fund:									
This fund is solely for the acquisition and construction of street projects, civic center improvements	—	—	—	—	—	(4,326,125)	—	—	(4,326,125)
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	—	—	—	—	—	—	835,408	—	835,408
Non-major governmental funds:									
State gas tax restricted for street improvements and maintenance	—	—	—	—	—	—	—	216,944	216,944
Traffic safety fund restricted to maintenance of traffic signals, equipment and devices	—	—	—	—	—	—	—	85,380	85,380
Transportation development (TDA) restricted for street maintenance and improvements	—	—	—	—	—	—	—	258,622	258,622
Landscape maintenance districts restricted to waterways and landscape maintenance to various assessment districts	—	—	—	—	—	—	—	6,276,819	6,276,819
Subtotals	<u>\$ 21,133,889</u>	<u>\$ 28,592,603</u>	<u>\$ —</u>	<u>\$ 11,937,174</u>	<u>\$ —</u>	<u>\$ 22,832,403</u>	<u>\$ 25,133,644</u>	<u>\$ 10,986,726</u>	<u>\$ 120,616,439</u>
Total fund balances	<u><u>\$ 24,997,651</u></u>	<u><u>\$ 28,592,603</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 11,937,174</u></u>	<u><u>\$ 1,303,640</u></u>	<u><u>\$ 22,832,403</u></u>	<u><u>\$ 54,031,024</u></u>	<u><u>\$ 10,986,726</u></u>	<u><u>\$ 154,681,221</u></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, 2007:

	Enterprise Funds						Governmental Activities - Internal Service Funds	
	Water	Wastewater	Environmental Resources	Performing Arts and Convention Center	Housing Authority	Municipal Golf Course		Total
Invested in capital assets (net of related debt)	\$ 74,761,389	\$ 100,075,752	\$ 15,307,485	\$ 44,625	\$ 15,287,616	\$ 19,834,958	\$ 225,311,825	\$ 1,388,494
Restricted:								
Repayment of debt	8,521,465	—	2,130,600	—	—	1,856,400	12,508,465	—
Total restricted	8,521,465	—	2,130,600	—	—	1,856,400	12,508,465	—
Unrestricted:								
Capital assets replacements	—	—	—	—	—	—	—	—
Authorized projects	41,745,856	26,101,114	2,921,047	—	—	—	70,768,017	2,287,339
Undesignated	(27,683,379)	(1,092,535)	(8,489,794)	(461,609)	389,963	10,513,871	(26,823,483)	7,938,149
Total unrestricted	14,062,477	25,008,579	(5,568,747)	(461,609)	389,963	10,513,871	43,944,534	10,225,488
Total net assets	\$ 97,345,331	\$ 125,084,331	\$ 11,869,338	\$ (416,984)	\$ 15,677,579	\$ 32,205,229	\$ 281,764,824	\$ 11,613,982

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 2006-2007 was \$949,558 which includes a pure premium adjustment of \$47,064. Information concerning a pooled liability insurance program for medium to large cities can be obtained at 801 South Figueroa Street, Suite 1050, Los Angeles, CA 90017, telephone number (213) 896-8900.

Workers' Compensation

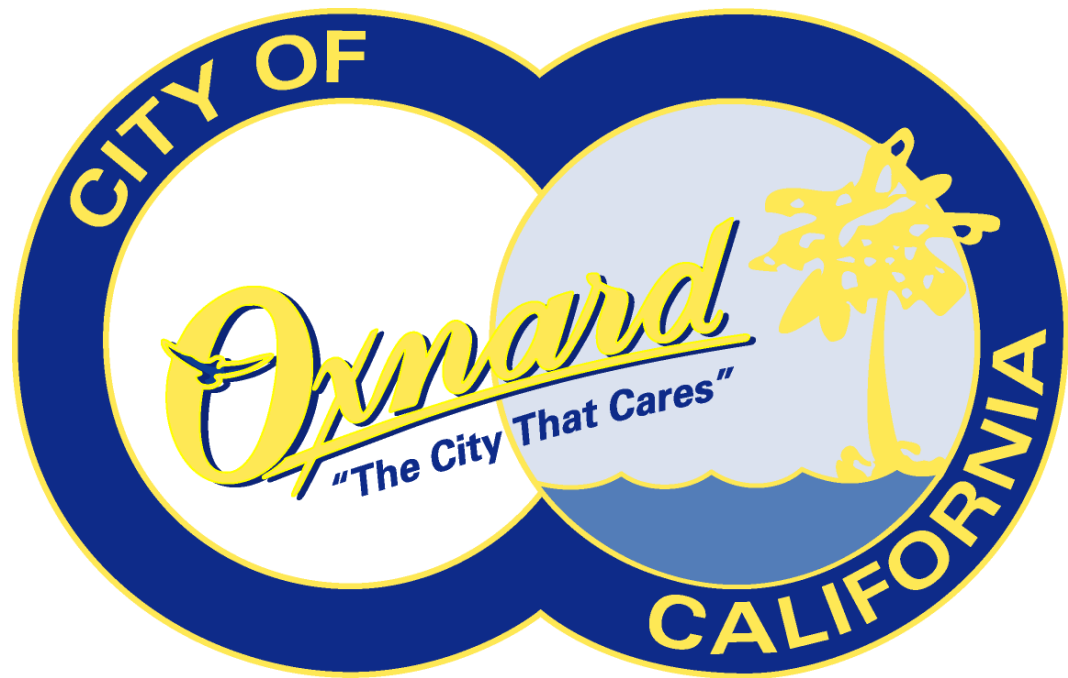
The City is self-insured for workers' compensation claims up to \$1,000,000. For claims over \$1,000,000, the City has purchased excess workers' compensation insurance through BICEP. The claims are processed by a third party administrator similar to general liability claims.

Within the City's self-insured program for workers' compensation, there has been an average of 291 claims per year filed for the past four years, with an average of approximately \$2,769,185 per year in total reported losses as of June 30, 2007 (at an average of \$9,516 per claim). During the same four-year period, the average claims filed each year for general liability amounted to 241 claims totaling \$1,407,825 per year (at an average of \$5,842 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.

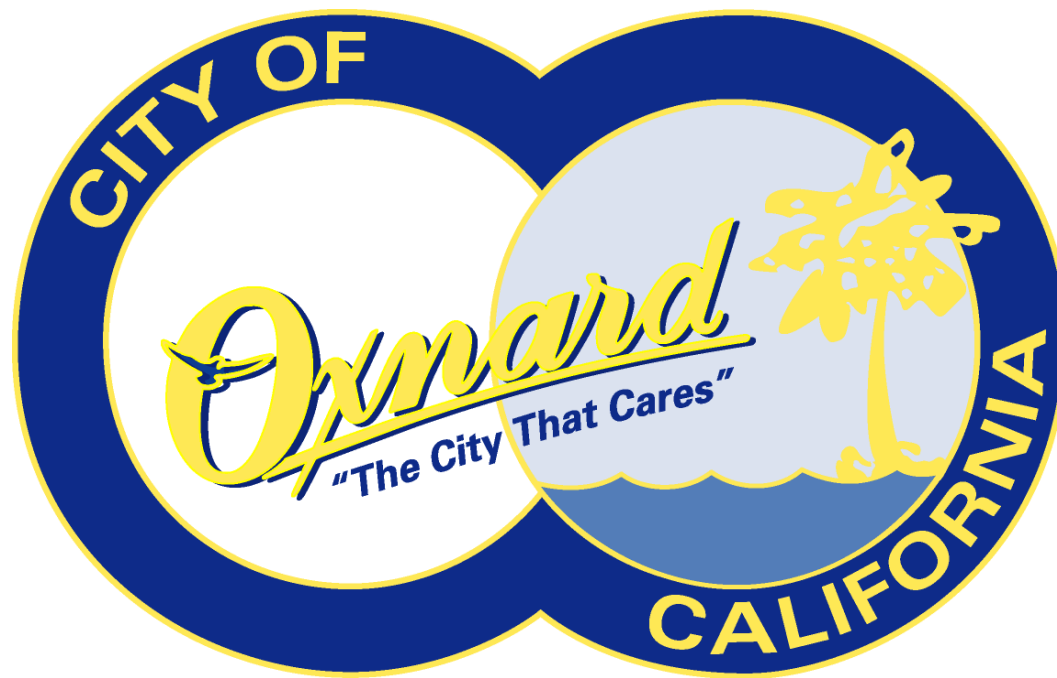
All funds of the City participate in the program and make payments to an internal service fund on the basis of loss experience and exposure. The total unpaid claims and claims adjustment expense liability (long-term obligations) of \$13,263,417 (Workers' Compensation-\$9,278,822 and Public Liability and Property Damage-\$3,984,595) recorded at June 30, 2007, 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 06-07	FY 05-06	FY 06-07	FY 05-06	FY 06-07	FY 05-06
Unpaid claims and claims adjustment expenses - July 1	\$ 11,809,973	\$ 12,381,899	\$ 4,790,033	\$ 4,044,440	\$ 16,600,006	\$ 16,426,339
Incurred claims and claims adjustment expenses:						
Increase/decrease in provision for insured events	(1,064,688)	(676,236)	(486,258)	(404,004)	(1,550,946)	(1,080,240)
Increase/Decrease in actuarially incurred but not reported claims (IBNR)	(1,466,355)	104,310	(430,306)	1,149,597	(1,896,661)	1,253,907
Total incurred claims and claims adjustment expenses	(2,531,043)	(571,926)	(916,564)	745,593	(3,447,607)	173,667
Unpaid claims and claims adjustment expenses - June 30	\$ 9,278,930	\$ 11,809,973	\$ 3,873,469	\$ 4,790,033	\$ 13,152,399	\$ 16,600,006
Claims and judgements due within one year	\$ 3,448,416	\$ 2,262,580	\$ 2,090,340	\$ 2,551,422	\$ 5,538,756	\$ 4,814,002



**REQUIRED SUPPLEMENTARY
INFORMATION**



City of Oxnard, California

*Required Supplementary Information
 Schedule of Funding Progress (Dollars in Thousands)
 For the Year Ended June 30, 2007*

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						
06/30/04	\$ 113,060	\$ 137,184	\$ 24,124	82.4%	\$ 16,902	142.7%
06/30/05	124,301	153,698	29,397	80.9%	18,959	155.1%
06/30/06	137,524	167,434	29,910	82.1%	20,296	147.4%
Fire						
06/30/04	4,424,587	5,383,922	959,335	82.2%	575,296	166.8%
06/30/05	5,295,150	6,367,049	1,071,899	83.2%	664,168	161.4%
06/30/06	6,102,616	7,278,050	1,175,434	83.9%	754,730	155.7%
Miscellaneous						
06/30/04	175,702	197,607	21,905	88.9%	42,957	51.0%
06/30/05	189,556	217,734	28,179	87.1%	46,873	60.1%
06/30/06	207,208	237,646	30,438	87.2%	52,304	58.2%

Budgets and Budgetary Accounting

The City develops a two-year budget with the City Council approving a one-year budget and capital improvement plan. Budgeted operating and capital improvement expenditures are adopted through the passage of a resolution. At mid-term, the City adopts the Operating and Capital Improvement budget on an annual basis. This resolution constitutes the authorized expenditures for the next year.

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. Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year end are reported as a reservation of fund balance. They represent the estimated amount of expenditure ultimately to result if unperformed contracts in process at year end are completed. They do not constitute expenditures or estimated liabilities.

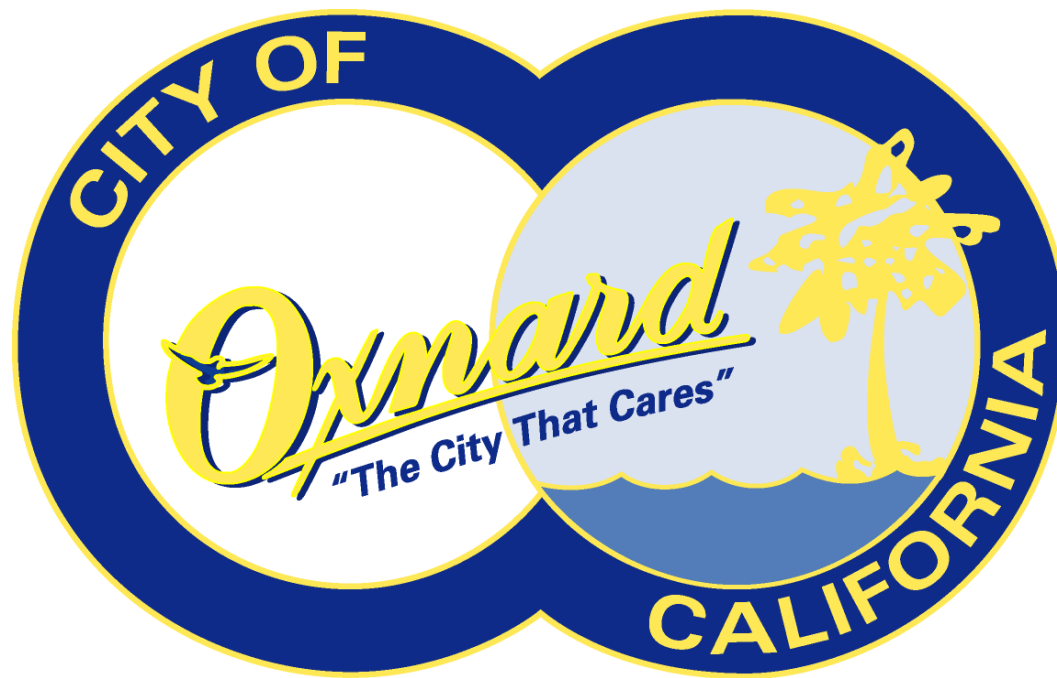
The City Council generally reauthorizes appropriations for continuing projects and activities. Project length budgets are adopted for the capital project funds. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund 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 2007, supplementary budget appropriations of approximately \$45,535,514 were made.

Budgets for governmental funds are adopted on a basis which conforms with the generally accepted accounting principles (GAAP). The Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual presents comparisons of the legally adopted budget and actual data on a GAAP basis. During the year, several supplementary appropriations were necessary. Individual amendments were not material in relation to the original appropriations.

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 87 through 98. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

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, 2007*

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Taxes:				
Property tax	\$ 36,292,900	\$ 36,292,900	\$ 38,827,948	\$ 2,535,048
Sales tax	26,535,000	26,535,000	25,783,808	(751,192)
Transient occupancy tax	3,000,000	3,022,500	3,550,903	528,403
Other taxes:				
Franchise tax	4,675,000	4,675,000	3,686,627	(988,373)
Business license (net of refund)	4,550,000	4,550,000	4,504,455	(45,545)
Deed transfer tax	1,210,000	1,210,000	880,370	(329,630)
Penalties/interest on delinquencies	190,000	190,000	129,679	(60,321)
Total taxes	<u>76,452,900</u>	<u>76,475,400</u>	<u>77,363,790</u>	<u>888,390</u>
Licenses and permits	<u>3,006,692</u>	<u>3,006,692</u>	<u>2,848,615</u>	<u>(158,077)</u>
Intergovernmental:				
State shared revenue	2,800,500	2,896,575	3,595,338	698,763
Local share revenue	7,858,390	7,858,390	8,009,381	150,991
Charges for services:				
General government	168,330	168,330	218,689	50,359
Public safety	2,212,467	2,212,467	2,124,241	(88,226)
Community development	2,385,562	2,643,116	2,844,249	201,133
Parks and recreation	552,313	612,313	678,461	66,148
Other current service charges	1,193,100	1,268,100	1,396,232	128,132
Miscellaneous service charges	513,450	588,450	579,393	(9,057)
Services to other programs	3,848,865	3,848,865	3,530,154	(318,711)
Fines and forfeitures	795,000	795,000	729,547	(65,453)
Investment earnings	2,004,990	2,004,990	2,166,964	161,974
Miscellaneous	6,174,131	6,675,381	4,978,041	(1,697,340)
Total revenues	<u>109,966,690</u>	<u>111,054,069</u>	<u>111,063,095</u>	<u>9,026</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, 2007

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
EXPENDITURES				
General government:				
Legislative				
City council	361,979	363,383	346,813	16,570
City treasurer	595,154	628,569	641,407	(12,838)
City clerk	489,039	512,094	478,227	33,867
Administrative and support services				
City manager	1,467,010	1,488,232	1,514,092	(25,860)
City attorney	1,629,268	1,889,123	1,632,272	256,851
Financial services	4,085,999	4,418,194	4,307,383	110,811
Human resources	1,107,888	1,132,797	1,121,114	11,683
Non-departmental	957,738	1,529,792	1,315,064	214,728
Public Safety:				
Police	42,585,011	45,775,517	46,235,541	(460,024)
Fire	12,304,641	13,302,568	13,615,603	(313,035)
Transportation:				
Transportation planning and engineering	2,036,771	2,065,109	2,127,485	(62,376)
Engineering services - design	1,092,847	1,137,923	1,094,699	43,224
Public services administration	408,692	417,416	417,416	—
Street lighting - SCE	1,293,726	1,293,820	1,006,299	287,521
Community development:				
Planning and environmental services	1,819,276	5,280,062	1,869,306	3,410,756
Economic development and tourism service	654,388	654,388	654,388	—
Development and construction services	3,577,384	3,675,564	3,365,399	310,165
Development support/public projects	479,364	529,625	465,038	64,587
Housing services	230,811	274,948	274,145	803
Neighborhood services	294,606	319,928	298,037	21,891
Human services	2,622,843	2,692,418	2,782,335	(89,917)

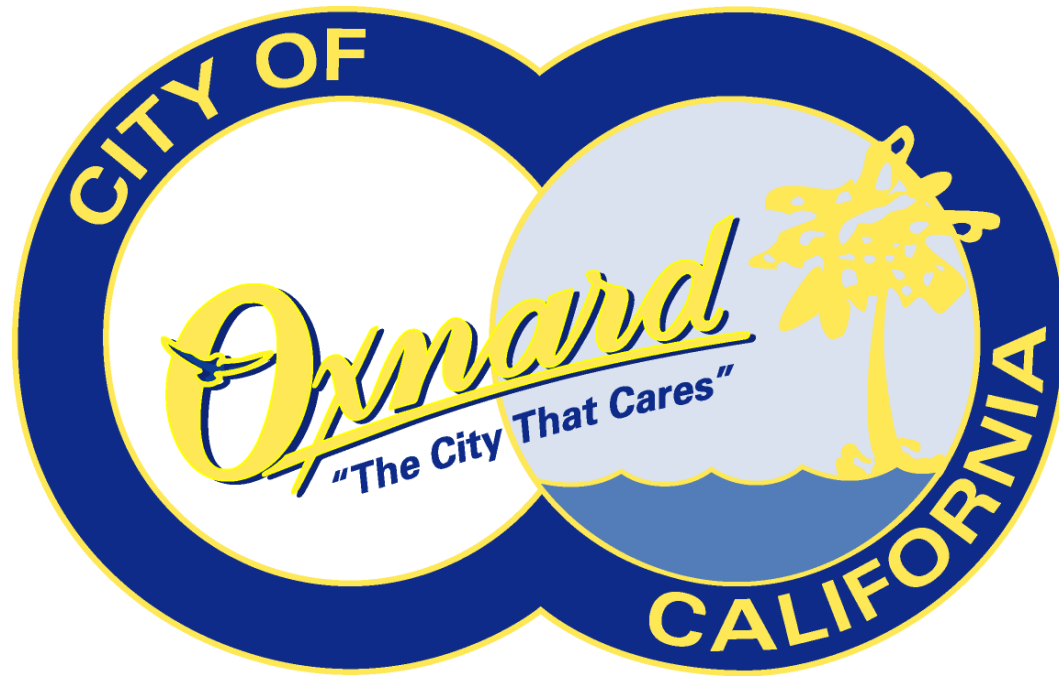
City of Oxnard, California

General Fund

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

For the Year Ended June 30, 2007

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Culture and leisure:				
Recreation services	2,621,260	2,767,678	2,965,562	(197,884)
Carnegie art museum	414,467	429,061	376,083	52,978
Parks and public grounds	7,059,935	8,708,974	9,327,621	(618,647)
Library services	4,183,762	4,599,507	4,396,845	202,662
Capital outlay	1,584,078	2,302,298	983,869	1,318,429
Total expenditures	<u>95,957,937</u>	<u>108,188,988</u>	<u>103,612,043</u>	<u>4,576,945</u>
Excess (deficiency) of revenues over expenditures and other financing uses	14,008,753	2,865,081	7,451,052	4,585,971
OTHER FINANCING SOURCES (USES):				
Transfers in	131,566	211,566	211,566	—
Transfers out	<u>(5,253,687)</u>	<u>(9,847,272)</u>	<u>(9,847,272)</u>	<u>—</u>
Total other financing sources (uses)	<u>(5,122,121)</u>	<u>(9,635,706)</u>	<u>(9,635,706)</u>	<u>—</u>
Net change in fund balances	8,886,632	(6,770,625)	(2,184,654)	4,585,971
Fund balances, July 1	<u>27,416,346</u>	<u>7,769,783</u>	<u>27,182,305</u>	<u>19,412,522</u>
Fund balances, budgetary basis, June 30	<u>\$ 36,302,978</u>	<u>\$ 999,158</u>	<u>\$ 24,997,651</u>	<u>\$ 23,998,493</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, 2007*

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Licenses and permits	\$ 665,908	\$ 746,908	\$ 586,112	\$ (160,796)
Intergovernmental	—	—	814,035	814,035
Growth and development fees	9,308,000	9,308,000	4,968,544	(4,339,456)
Interest	591,421	591,421	1,423,154	831,733
Miscellaneous	113,810	113,810	35,099	(78,711)
Total revenues	<u>10,679,139</u>	<u>10,760,139</u>	<u>7,826,944</u>	<u>(2,933,195)</u>
EXPENDITURES				
General government	2,520	2,520	18,798	(16,278)
Public safety	731,908	812,908	716,493	96,415
Community development	—	1,830	1,854	(24)
Capital outlay	5,081,108	36,994,252	18,792,519	18,201,733
Total expenditures	<u>5,815,536</u>	<u>37,811,510</u>	<u>19,529,664</u>	<u>18,281,846</u>
Excess (deficiency) of revenues over (under) expenditures	4,863,603	(27,051,371)	(11,702,720)	15,348,651
OTHER FINANCING SOURCES (USES):				
Transfers out	(670,609)	(1,420,609)	(1,420,609)	—
Total other financing sources (uses):	<u>(670,609)</u>	<u>(1,420,609)</u>	<u>(1,420,609)</u>	—
Net change in fund balances	4,192,994	(28,471,980)	(13,123,329)	15,348,651
Fund balances, July 1	<u>8,521,791</u>	<u>(65,363,460)</u>	<u>41,715,932</u>	<u>107,079,392</u>
Fund balances, June 30	<u><u>\$ 12,714,785</u></u>	<u><u>\$ (93,835,440)</u></u>	<u><u>\$ 28,592,603</u></u>	<u><u>\$ 122,428,043</u></u>

City of Oxnard, California

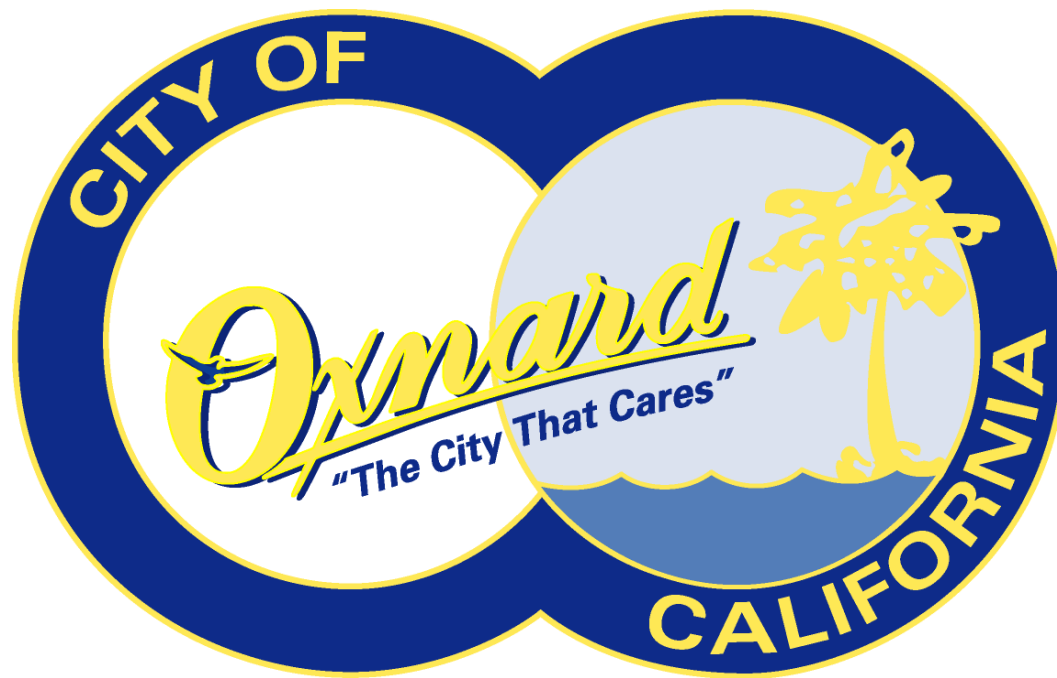
*HUD & CDBG Grants Special Revenue Funds
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2007*

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Intergovernmental	\$ 4,797,607	\$ 5,572,252	\$ 4,139,244	\$ (1,433,008)
Total revenues	<u>4,797,607</u>	<u>5,572,252</u>	<u>4,139,244</u>	<u>(1,433,008)</u>
EXPENDITURES				
General government	232,314	232,314	261,262	(28,948)
Public safety	243,118	243,118	201,042	42,076
Community development	2,014,434	2,593,702	1,829,482	764,220
Culture and leisure	42,854	42,854	49,860	(7,006)
Capital outlay	2,263,587	5,059,710	1,797,598	3,262,112
Total expenditures	<u>4,796,307</u>	<u>8,171,698</u>	<u>4,139,244</u>	<u>4,032,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,300</u>	<u>(2,599,446)</u>	<u>—</u>	<u>2,599,446</u>
Net change in fund balances	1,300	(2,599,446)	—	2,599,446
Fund balances, July 1	<u>481,255</u>	<u>(17,000,587)</u>	<u>—</u>	<u>17,000,587</u>
Fund balances, June 30	<u>\$ 482,555</u>	<u>\$ (19,600,033)</u>	<u>\$ —</u>	<u>\$ 19,600,033</u>

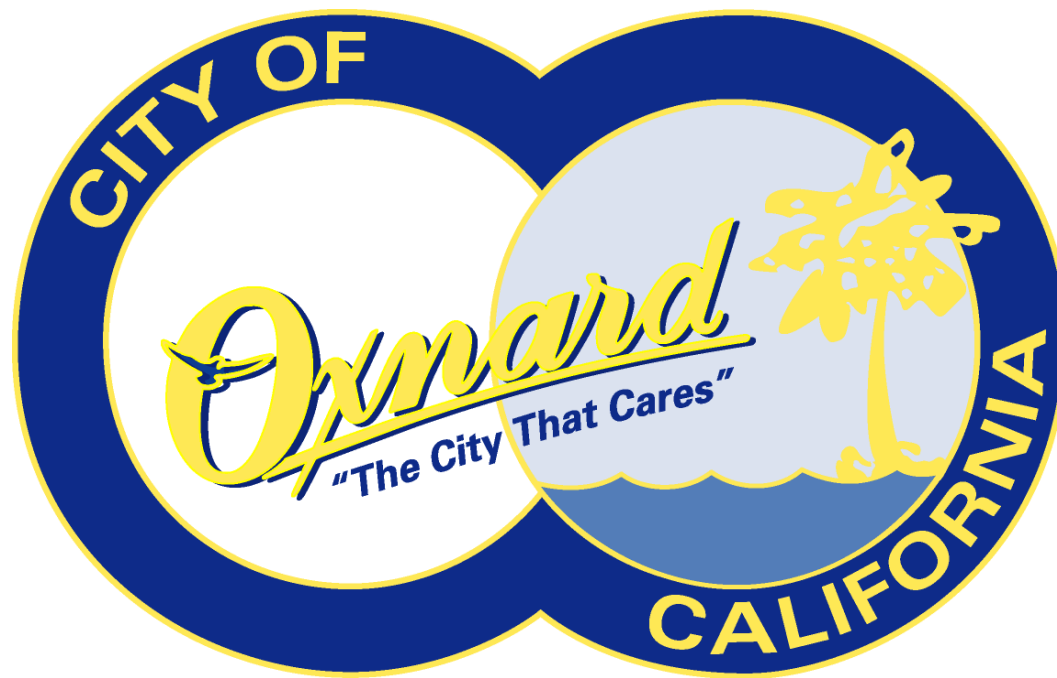
City of Oxnard, California

*State and Federal Grants Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2007*

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Taxes	\$ 11,178,979	\$ 11,178,979	\$ 12,258,532	\$ 1,079,553
Intergovernmental	241,406	12,294,300	8,188,771	(4,105,529)
Fines and forfeitures	—	—	129,263	129,263
Interest	—	—	323,101	323,101
Miscellaneous	119,404	168,743	859,262	690,519
Total revenues	<u>11,539,789</u>	<u>23,642,022</u>	<u>21,758,929</u>	<u>(1,883,093)</u>
EXPENDITURES				
Public safety	11,139,496	13,913,542	13,194,015	719,527
Transportation	148,050	400,481	159,505	240,976
Community development	301,683	760,932	844,049	(83,117)
Culture and leisure	39,483	1,068,402	182,888	885,514
Library services	80,600	165,070	162,019	3,051
Capital outlay	915,000	13,622,295	5,484,850	8,137,445
Total expenditures	<u>12,624,312</u>	<u>29,930,722</u>	<u>20,027,326</u>	<u>9,903,396</u>
Excess of revenues over (under) expenditures	(1,084,523)	(6,288,700)	1,731,603	(8,020,303)
OTHER FINANCING SOURCES (USES)				
Transfers in	80,600	92,600	92,600	—
Transfers out	—	(80,000)	(80,000)	—
Total other financing sources (uses)	<u>80,600</u>	<u>12,600</u>	<u>12,600</u>	<u>—</u>
Net change in fund balances	(1,003,923)	(6,276,100)	1,744,203	8,020,303
Fund balances, July 1	<u>(23,981,962)</u>	<u>(21,161,504)</u>	<u>10,192,971</u>	<u>31,354,475</u>
Fund balances, June 30	<u>\$ (24,985,885)</u>	<u>\$ (27,437,604)</u>	<u>\$ 11,937,174</u>	<u>\$ 39,374,778</u>



NON-MAJOR SPECIAL REVENUE FUNDS



City of Oxnard, California

*Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2007*

	<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	\$ 368,081	\$ 85,380	\$ 5,340,549	\$ 6,948,836	\$ 12,742,846
Accounts and other receivables	2,379	—	1,123	—	3,502
Total assets	<u>370,460</u>	<u>85,380</u>	<u>5,341,672</u>	<u>6,948,836</u>	<u>12,746,348</u>
LIABILITIES					
Accounts payable	134,000	—	782,684	672,017	1,588,701
Other liabilities	226	—	(1,735)	—	(1,509)
Unearned revenues	—	—	172,430	—	172,430
Total liabilities	<u>134,226</u>	<u>—</u>	<u>953,379</u>	<u>672,017</u>	<u>1,759,622</u>
FUND BALANCES					
Unreserved:					
Designated for authorized projects	19,290	—	4,129,671	—	4,148,961
Undesignated	216,944	85,380	258,622	6,276,819	6,837,765
Total fund balances	<u>236,234</u>	<u>85,380</u>	<u>4,388,293</u>	<u>6,276,819</u>	<u>10,986,726</u>
Total liabilities and fund balances	<u>\$ 370,460</u>	<u>\$ 85,380</u>	<u>\$ 5,341,672</u>	<u>\$ 6,948,836</u>	<u>\$ 12,746,348</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, 2007**

	State Gas Tax Fund	Traffic Safety Fund	Transportation Development Fund	Maintenance Assessment Districts Fund	Total
REVENUES					
Intergovernmental	\$ 3,477,995	\$ —	\$ 3,496,229	\$ —	\$ 6,974,224
Interest	17,346	—	141,354	181,675	340,375
Charges for services	—	13,458	20,033	—	33,491
Fines and forfeitures	—	524,970	—	—	524,970
Special assessments	—	—	—	7,696,146	7,696,146
Miscellaneous	227,543	—	134,885	5,374	367,802
Total revenues	3,722,884	538,428	3,792,501	7,883,195	15,937,008
EXPENDITURES					
General government	—	—	—	646,291	646,291
Public safety	—	332,352	—	1,520,532	1,852,884
Transportation	3,721,016	662,079	580,299	367,423	5,330,817
Culture and leisure	—	—	—	2,125,212	2,125,212
Capital outlay	427,504	—	1,496,279	—	1,923,783
Total expenditures	4,148,520	994,431	2,076,578	4,659,458	11,878,987
Excess (deficiency) of revenues over expenditures	(425,636)	(456,003)	1,715,923	3,223,737	4,058,021
OTHER FINANCING SOURCES (USES)					
Transfers in	—	430,000	163,862	—	593,862
Transfers out	—	—	(163,862)	—	(163,862)
Total other financing sources (uses)	—	430,000	—	—	430,000
Net change in fund balance	(425,636)	(26,003)	1,715,923	3,223,737	4,488,021
Fund balances, July 1	661,870	111,383	2,672,370	3,053,082	6,498,705
Fund balances, June 30	\$ 236,234	\$ 85,380	\$ 4,388,293	\$ 6,276,819	\$ 10,986,726

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, 2007**

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Intergovernmental	\$ 4,405,000	\$ 4,405,000	\$ 3,477,995	\$ (927,005)
Interest	61,244	61,244	17,346	(43,898)
Miscellaneous	301,000	301,000	227,543	(73,457)
Total revenues	<u>4,767,244</u>	<u>4,767,244</u>	<u>3,722,884</u>	<u>(1,044,360)</u>
EXPENDITURES				
Transportation	3,467,244	3,467,244	3,721,016	(253,772)
Capital outlay	1,300,000	1,818,829	427,504	1,391,325
Total expenditures	<u>4,767,244</u>	<u>5,286,073</u>	<u>4,148,520</u>	<u>1,137,553</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>(518,829)</u>	<u>(425,636)</u>	<u>93,193</u>
Net change in fund balances	<u>—</u>	<u>(518,829)</u>	<u>(425,636)</u>	<u>93,193</u>
Fund balance, July 1	<u>2,017,677</u>	<u>(11,024,684)</u>	<u>661,870</u>	<u>11,686,554</u>
Fund balance (deficit), June 30	<u>\$ 2,017,677</u>	<u>\$ (11,543,513)</u>	<u>\$ 236,234</u>	<u>\$ 11,779,747</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, 2007**

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Charges for services	\$ —	\$ —	\$ 13,458	\$ 13,458
Fines and forfeitures	550,000	550,000	524,970	(25,030)
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>538,428</u>	<u>(11,572)</u>
EXPENDITURES				
Public safety	371,212	371,212	332,352	38,860
Transportation	608,788	608,788	662,079	(53,291)
Total expenditures	<u>980,000</u>	<u>980,000</u>	<u>994,431</u>	<u>(14,431)</u>
Excess (deficiency) of revenues and expenditures	(430,000)	(430,000)	(456,003)	26,003
OTHER FINANCING SOURCES (USES)				
Transfers in	430,000	430,000	430,000	—
Total other financing sources (uses)	<u>430,000</u>	<u>430,000</u>	<u>430,000</u>	<u>—</u>
Net change in fund balances	—	—	(26,003)	(26,003)
Fund balances, July 1	<u>1,461,370</u>	<u>805,525</u>	<u>111,383</u>	<u>(694,142)</u>
Fund balances (deficit), June 30	<u>\$ 1,461,370</u>	<u>\$ 805,525</u>	<u>\$ 85,380</u>	<u>\$ (720,145)</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, 2007**

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Intergovernmental	\$ 2,704,066	\$ 3,567,263	\$ 3,496,229	\$ (71,034)
Charges for services	—	—	20,033	20,033
Interest	54,934	54,934	141,354	86,420
Miscellaneous	165,000	165,000	134,885	(30,115)
Total revenues	<u>2,924,000</u>	<u>3,787,197</u>	<u>3,792,501</u>	<u>5,304</u>
EXPENDITURES				
Transportation	543,387	603,387	580,299	23,088
Capital outlay	2,249,000	7,340,429	1,496,279	5,844,150
Total expenditures	<u>2,792,387</u>	<u>7,943,816</u>	<u>2,076,578</u>	<u>5,867,238</u>
Excess (deficiency) of revenues over expenditures	131,613	(4,156,619)	1,715,923	(5,872,542)
OTHER FINANCING SOURCES (USES)				
Transfers in	—	—	163,862	—
Transfers out	—	—	(163,862)	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	131,613	(4,156,619)	1,715,923	5,872,542
Fund balances, July 1	<u>(346,560)</u>	<u>(5,831,718)</u>	<u>2,672,370</u>	<u>8,504,088</u>
Fund balances (deficit), June 30	<u>\$ (214,947)</u>	<u>\$ (9,988,337)</u>	<u>\$ 4,388,293</u>	<u>\$ 14,376,630</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, 2007**

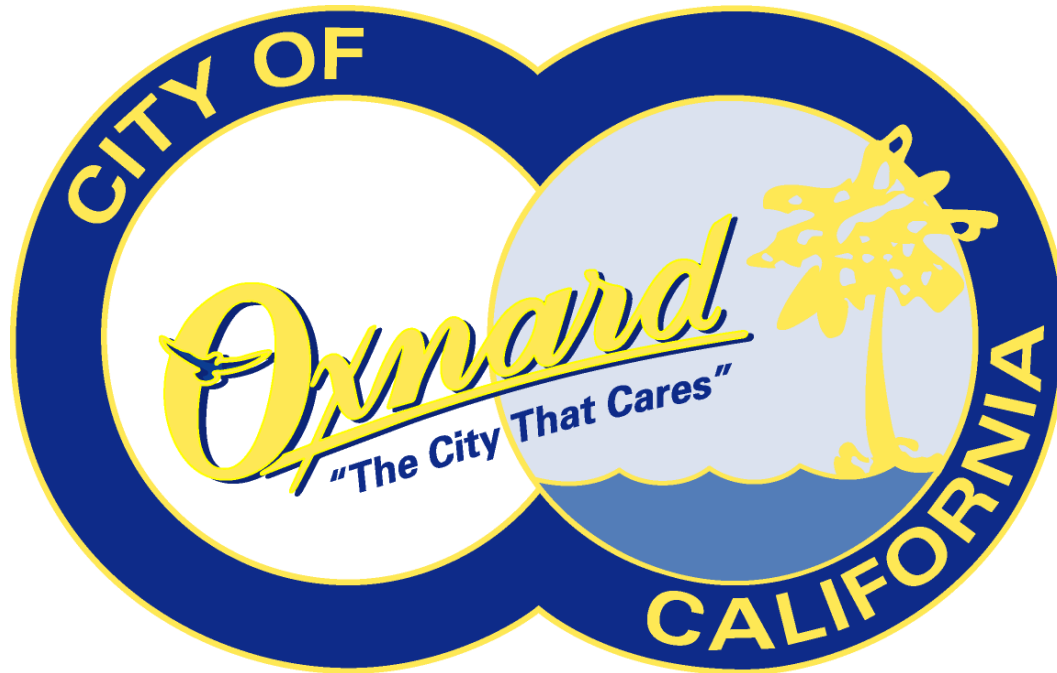
	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Interest	\$ 25,000	\$ 25,000	\$ 181,675	\$ 156,675
Special assessments	2,479,582	3,823,451	7,696,146	3,872,695
Miscellaneous	—	—	5,374	5,374
Total revenues	<u>2,504,582</u>	<u>3,848,451</u>	<u>7,883,195</u>	<u>5,378,613</u>
EXPENDITURES				
General government	—	79,342	646,291	(566,949)
Public safety	—	1,933,511	1,520,532	412,979
Transportation	442,344	935,983	367,423	568,560
Culture and leisure	2,226,508	3,416,791	2,125,212	1,291,579
Capital outlay	25,000	150,000	—	150,000
Total expenditures	<u>2,693,852</u>	<u>6,515,627</u>	<u>4,659,458</u>	<u>1,856,169</u>
Excess (deficiency) of revenues over expenditures	<u>(189,270)</u>	<u>(2,667,176)</u>	<u>3,223,737</u>	<u>5,890,913</u>
Net change in fund balances	(189,270)	(2,667,176)	3,223,737	5,890,913
Fund balances, July 1	<u>4,362,927</u>	<u>123,894</u>	<u>3,053,082</u>	<u>2,929,188</u>
Fund balances (deficit), June 30	<u>\$ 4,173,657</u>	<u>\$ (2,543,282)</u>	<u>\$ 6,276,819</u>	<u>\$ 8,820,101</u>

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources and payments of principal and interest of the City of Oxnard and related entities' general long-term debt.

Community Development Commission—Used to account for the payment of principal and interest on tax allocation bonds. Revenue is derived from the tax levies on properties within the redevelopment area.

COFA Debt Service—Used to account for the payment of principal and interest on certain certificate of participation bonds other than those accounted for in various enterprise funds (a blended Component Unit of the City of Oxnard).



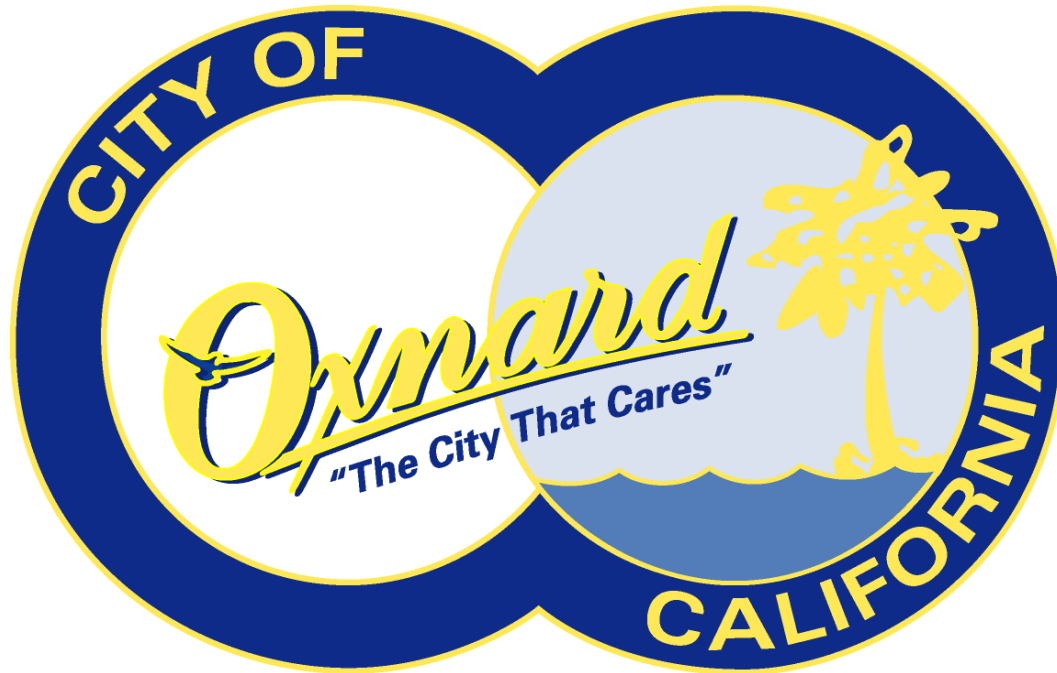
City of Oxnard, California

Debt Service Fund

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

For the Year Ended June 30, 2007

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Taxes increments	\$ —	\$ —	\$ 1,514,801	\$ 1,514,801
Interest	—	345,772	461,246	115,474
Total revenues	—	345,772	1,976,047	1,630,275
EXPENDITURES				
Debt service:				
Principal	2,216,796	1,641,796	2,251,795	(609,999)
Interest	1,021,708	1,701,708	2,411,174	(709,466)
Total expenditures	3,238,504	3,343,504	4,662,969	(1,319,465)
Excess (deficiency) of revenues over expenditures	(3,238,504)	(2,997,732)	(2,686,922)	(310,810)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,388,504	3,343,504	3,138,504	(205,000)
Transfers out	—	(345,772)	(345,772)	—
Total other financing sources (uses)	2,388,504	2,997,732	2,792,732	(205,000)
Net change in fund balances	(850,000)	—	105,810	105,810
Fund balances, July 1	(36,581)	1,135,360	1,197,830	62,470
Fund balances (deficit), June 30	\$ (886,581)	\$ 1,135,360	\$ 1,303,640	\$ 168,280



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.

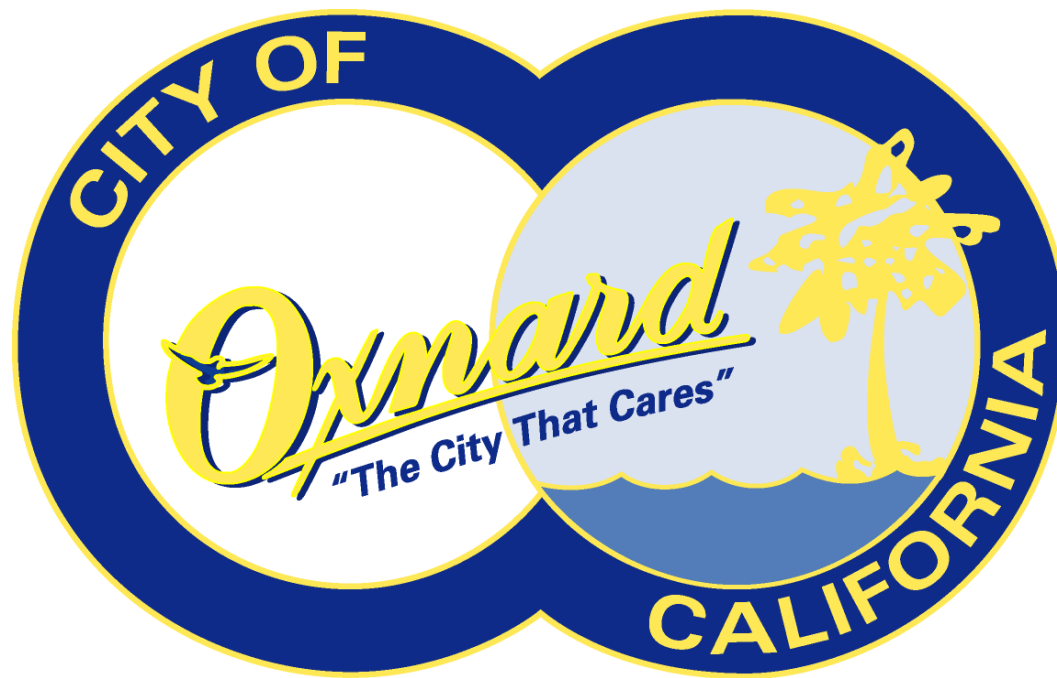
Public Liability and Property Damage—This fund is used to account for the City's self-insurance program of providing public liability and property damage insurance coverage and claims adjustment services to the City's operating funds.

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, 2007**

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
ASSETS							
Cash and cash equivalents	\$ 12,944,000	\$ 7,567,841	\$ 638,244	\$ 1,729,167	\$ 1,161,913	\$ 636,211	\$ 24,677,376
Accounts and other receivables (net of allowance for uncollectibles)	60,000	10,795	—	—	18,976	—	89,771
Capital assets:							
Land	—	595,500	—	—	—	—	595,500
Machinery and equipment	64,460	56,414	48,632	1,019,266	565,690	614,571	2,369,033
Construction in progress	—	32,557	—	70,383	—	38,700	141,640
Total capital assets	64,460	684,471	48,632	1,089,649	565,690	653,271	3,106,173
Less: accumulated depreciation	(47,434)	(27,394)	(42,031)	(760,589)	(386,613)	(461,433)	(1,725,494)
Net capital assets	17,026	657,077	6,601	329,060	179,077	191,838	1,380,679
Total assets	13,021,026	8,235,713	644,845	2,058,227	1,359,966	828,049	26,147,826
LIABILITIES							
Current liabilities:							
Accounts payable	16,957	225,808	20,147	88,976	29,495	247,829	629,212
Compensated absences payable - current	3,500	—	181,000	145,000	151,000	180,000	660,500
Self-insurance claims - due within one year	3,448,416	2,090,340	—	—	—	—	5,538,756
Total current liabilities	3,468,873	2,316,148	201,147	233,976	180,495	427,829	6,828,468
Non-current liabilities:							
Compensated absences	14,982	—	(161,478)	62,538	100,429	75,262	91,733
Self-insurance claims	5,830,514	1,783,129	—	—	—	—	7,613,643
Total noncurrent liabilities	5,845,496	1,783,129	(161,478)	62,538	100,429	75,262	7,705,376
Total liabilities	9,314,369	4,099,277	39,669	296,514	280,924	503,091	14,533,844
NET ASSETS							
Invested in capital assets, net of related debt	17,026	657,077	6,601	331,060	182,817	193,913	1,388,494
Restricted, for authorized projects	—	967,935	—	1,099,126	12,478	207,800	2,287,339
Unrestricted	3,689,631	2,511,424	598,575	331,527	883,747	(76,755)	7,938,149
Total net assets	\$ 3,706,657	\$ 4,136,436	\$ 605,176	\$ 1,761,713	\$ 1,079,042	\$ 324,958	\$ 11,613,982

City of Oxnard, California

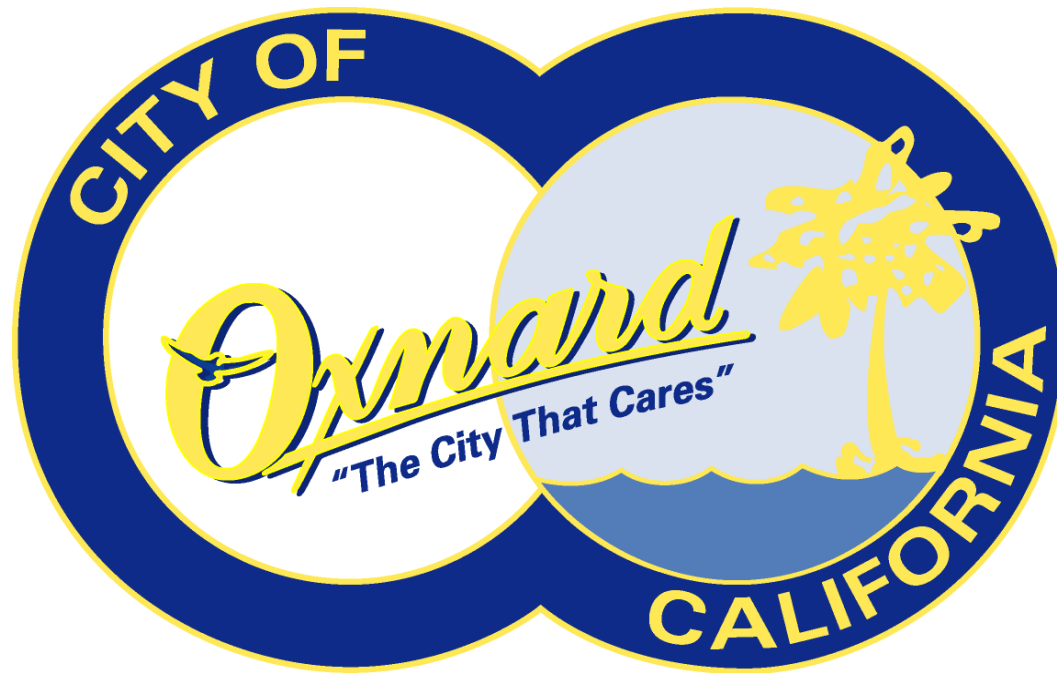
**Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the Year June 30, 2007**

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
OPERATING REVENUES							
Charges for services	\$ 8,157,207	\$ 4,725,988	\$ 1,282,590	\$ 3,678,818	\$ 3,328,626	\$ 7,258,886	\$ 28,432,115
OPERATING EXPENSES							
Salaries and wages	422,011	39,947	532,936	1,681,774	2,022,913	3,058,084	7,757,665
Contractual services	388,533	189,216	51,189	176,371	69,768	37,083	912,160
Operating supplies	—	—	220,297	123,482	348,233	3,051,975	3,743,987
Utilities	4,657	3,882	15,566	1,116,601	569,200	18,320	1,728,226
Depreciation and amortization	7,670	14,258	1,152	110,353	39,588	44,682	217,703
General and administrative	474,199	187,256	401,375	169,750	86,332	127,888	1,446,800
Repairs and maintenance	18,556	—	20,716	332,007	139,308	977,458	1,488,045
Claims expenses	866,919	2,270,266	—	—	—	—	3,137,185
Total operating expenses	2,182,545	2,704,825	1,243,231	3,710,338	3,275,342	7,315,490	20,431,771
Net operating income (loss)	5,974,662	2,021,163	39,359	(31,520)	53,284	(56,604)	8,000,344
NONOPERATING REVENUES (EXPENSES)							
Interest income	428,349	261,531	27,071	—	48,821	25,051	—
Total nonoperating revenues (expenses)	428,349	261,531	27,071	—	48,821	25,051	790,823
Income (loss) before contributions and transfers	6,403,011	2,282,694	66,430	(31,520)	102,105	(31,553)	8,791,167
Transfers in	—	—	—	240,000	—	246,500	486,500
Net transfers	—	—	—	240,000	—	246,500	486,500
Change in net assets	6,403,011	2,282,694	66,430	208,480	102,105	214,947	9,277,667
Net assets - July 1	(2,696,354)	1,853,742	538,746	1,553,233	976,937	110,011	2,336,315
Net assets - June 30	\$ 3,706,657	\$ 4,136,436	\$ 605,176	\$ 1,761,713	\$ 1,079,042	\$ 324,958	\$ 11,613,982

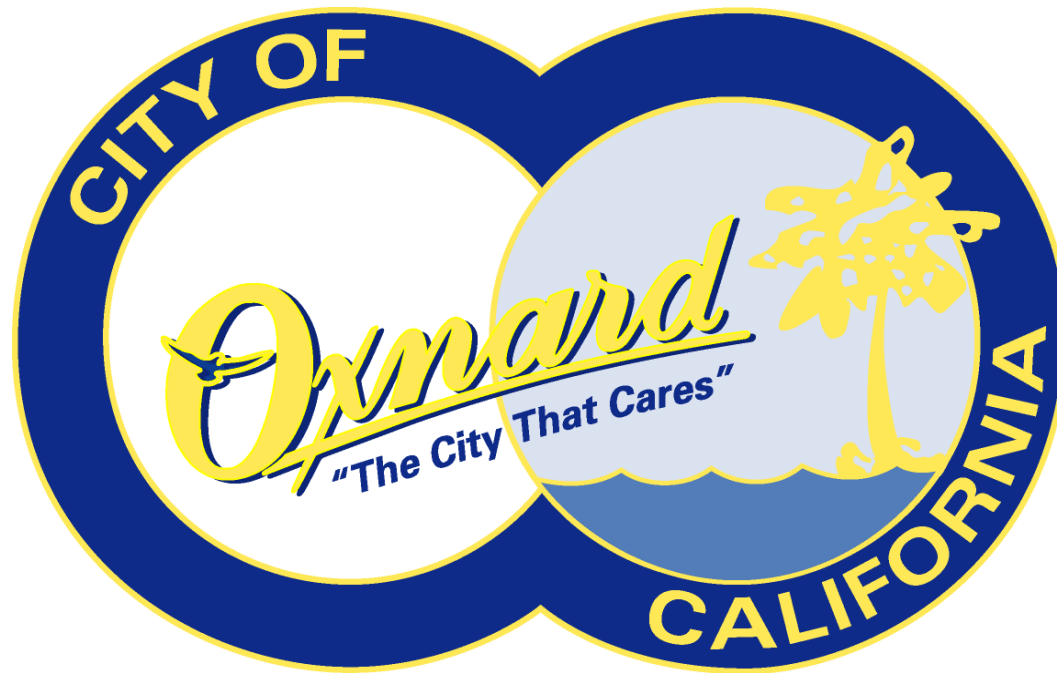
City of Oxnard, California

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2007**

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
Cash flows from operating activities:							
Receipts from customers	\$ 8,157,207	\$ 4,715,994	\$ 1,282,590	\$ 3,678,818	\$ 3,327,902	\$ 7,267,463	\$ 28,429,974
Payments to suppliers	(1,049,303)	(190,886)	(708,230)	(1,852,644)	(1,229,028)	(4,223,130)	(9,253,221)
Payments to employees	(418,641)	(39,947)	(622,028)	(1,649,405)	(2,001,152)	(3,026,802)	(7,757,975)
Claims paid	(3,397,962)	(3,186,830)	—	—	—	—	(6,584,792)
Net cash flows from operating activities	3,291,301	1,298,331	(47,668)	176,769	97,722	17,531	4,833,986
Cash flows from noncapital financing activities:							
Transfers in	—	—	—	240,000	—	246,500	486,500
Transfers out	—	—	—	—	—	—	—
Net cash flows from noncapital financing activities	—	—	—	240,000	—	246,500	486,500
Cash flows from capital and related financing activities:							
Acquisition (disposal) of capital assets	—	(32,558)	—	(96,557)	(56,030)	(95,195)	(280,340)
Net cash flows from capital and related financing activities	—	(32,558)	—	(96,557)	(56,030)	(95,195)	(280,340)
Cash flows from investing activities:							
Interest on investments	428,349	261,531	27,071	—	48,821	25,051	790,823
Cash flows from investing activities	428,349	261,531	27,071	—	48,821	25,051	790,823
Net increase(decrease) in cash and cash equivalents	3,719,650	1,527,304	(20,597)	320,212	90,513	193,887	5,830,969
Cash and cash equivalents - July 1	9,224,350	6,040,537	658,841	1,408,955	1,071,400	442,324	18,846,407
Cash and investments at end of period	\$ 12,944,000	\$ 7,567,841	\$ 638,244	\$ 1,729,167	\$ 1,161,913	\$ 636,211	\$ 24,677,376
Reconciliation of operating income (loss) to net cash flows from operating activities:							
Operating income (loss)	\$ 5,974,662	\$ 2,021,163	\$ 39,359	\$ (31,520)	\$ 53,284	\$ (56,604)	\$ 8,000,344
Adjustments to reconcile operating income to net cash flows from operating activities:							
Depreciation	7,670	14,258	1,152	110,353	39,588	44,682	217,703
Change in assets and liabilities:							
Decrease (increase) in accounts receivable	—	(9,995)	—	—	(724)	8,577	(2,142)
Increase (decrease) in accounts payable	(163,358)	189,468	913	65,567	(16,187)	(10,406)	65,997
Increase (decrease) in self-insured claims liabilities	(2,531,043)	(916,563)	—	—	—	—	(3,447,606)
Increase (decrease) in compensated absences	3,370	—	(89,092)	32,369	21,761	31,282	(310)
Cash flows from operating activities	\$ 3,291,301	\$ 1,298,331	\$ (47,668)	\$ 176,769	\$ 97,722	\$ 17,531	\$ 4,833,986



FIDUCIARY FUNDS



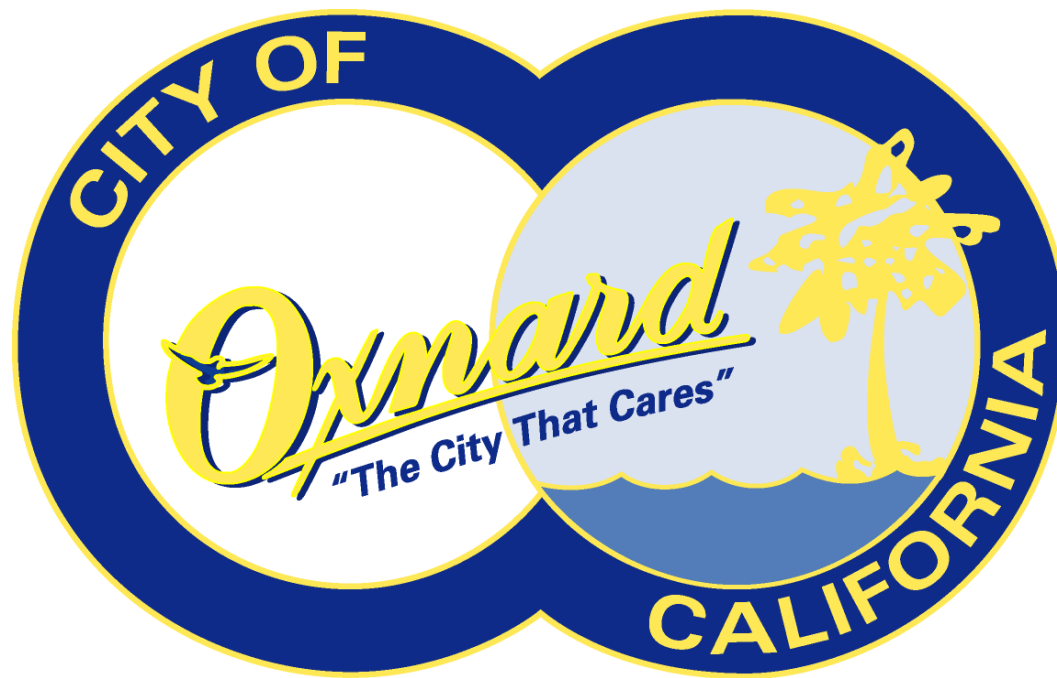
City of Oxnard, California

Fiduciary Funds

Combined Statement of Changes in Assets and Liabilities

For the Fiscal Year ended June 30, 2007

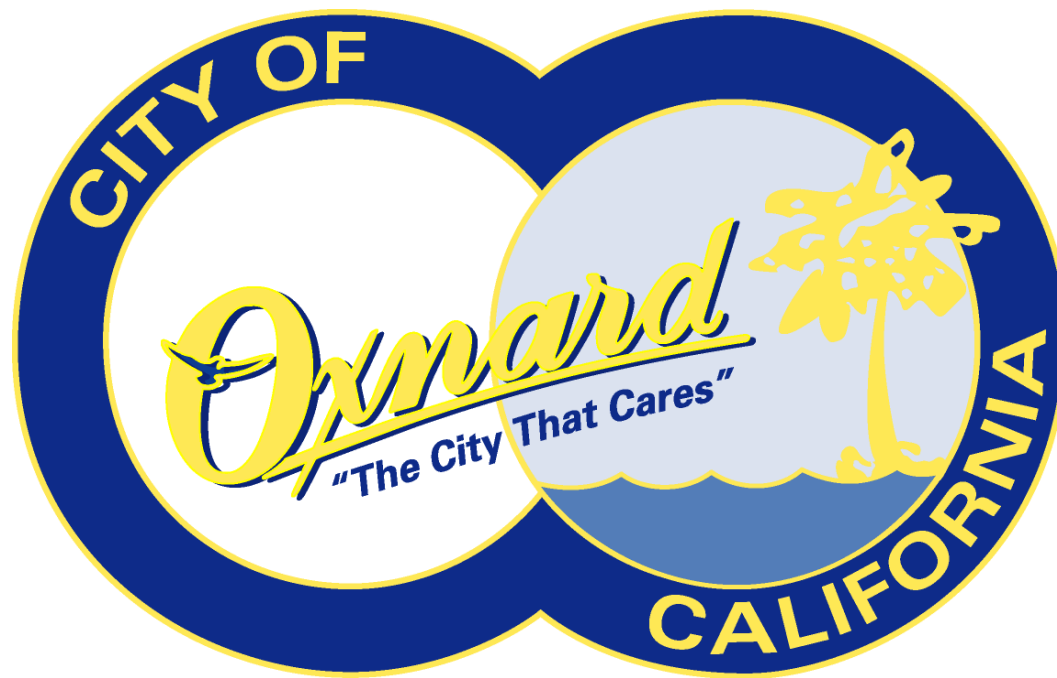
	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
ARTWORKS FUND				
ASSETS				
Cash and cash equivalents	\$ 48,403	\$ 1,853	\$ 3,002	\$ 47,254
Total assets	<u>\$ 48,403</u>	<u>\$ 1,853</u>	<u>\$ 3,002</u>	<u>\$ 47,254</u>
LIABILITIES				
Trust and agency payables	\$ 48,403	\$ 1,853	\$ 3,002	\$ 47,254
Total liabilities	<u>\$ 48,403</u>	<u>\$ 1,853</u>	<u>\$ 3,002</u>	<u>\$ 47,254</u>
IMPROVEMENT DISTRICTS FUND				
ASSETS				
Cash and cash equivalents	\$ 10,927,330	\$ 11,157,361	\$ 12,111,624	\$ 9,973,067
Investments with fiscal agents	39,023,649	6,250,636	16,571,216	28,703,069
Total assets	<u>\$ 49,950,979</u>	<u>\$ 17,407,997</u>	<u>\$ 28,682,840</u>	<u>\$ 38,676,136</u>
LIABILITIES				
Trust and agency payables	\$ 49,950,979	\$ 17,407,997	\$ 28,682,840	\$ 38,676,136
Total liabilities	<u>\$ 49,950,979</u>	<u>\$ 17,407,997</u>	<u>\$ 28,682,840</u>	<u>\$ 38,676,136</u>
TOTAL - ALL FIDUCIARY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 10,975,733	\$ 11,159,214	\$ 12,114,626	\$ 10,020,321
Investments with fiscal agents	39,023,649	6,250,636	16,571,216	28,703,069
Total assets	<u>\$ 49,999,382</u>	<u>\$ 17,409,850</u>	<u>\$ 28,685,842</u>	<u>\$ 38,723,390</u>
LIABILITIES				
Trust and agency payables	\$ 49,999,382	\$ 17,409,850	\$ 28,685,842	\$ 38,723,390
Total liabilities	<u>\$ 49,999,382</u>	<u>\$ 17,409,850</u>	<u>\$ 28,685,842</u>	<u>\$ 38,723,390</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.



STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Schedule I	–	Net Assets by Component
Schedule II	–	Changes in Net Assets
Schedule III	–	Fund Balances of Governmental Funds
Schedule IV	–	Changes in Fund Balances of Governmental Funds
Schedule V	–	Governmental Activities Tax Revenues by Source

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Schedule VI	–	Assessed Value and Estimated Value of Taxable Property
Schedule VII	–	Direct and Overlapping Property Tax Rates
Schedule VIII	–	Principal Property Taxpayers
Schedule IX	–	Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Schedule X	–	Ratios of Outstanding Debt by Type
Schedule XI	–	Direct and Overlapping Governmental Activities Debt
Schedule XII	–	Legal Debt Margin Information
Schedule XIII	–	Pledged Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Schedule XIV	–	Demographic and Economic Statistics
Schedule XV	–	Principal Employers

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and activities it performs.

Schedule XVI	–	Full-Time Equivalent City Government Employees by Function
Schedule XVII	–	Operating Indicators by Function
Schedule XVIII	–	Capital Assets by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year. The City implemented Statement 34 in 2001. Schedules presenting government-wide information include information beginning in that year.

City of Oxnard, California

*Schedule I
Net Assets by Component
Last Seven Fiscal Years
(Accrual Basis of Accounting)*

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
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	\$ 1,313,161,486	\$ 1,315,371,114
Restricted	15,555,288	18,239,533	59,123,684	12,510,935	16,183,475	15,902,180	33,774,265
Unrestricted	48,584,003	71,775,592	16,356,191	91,002,589	80,742,442	95,688,754	108,501,203
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>	<u>\$ 1,424,752,420</u>	<u>\$ 1,457,646,582</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	\$ 154,777,148	\$ 225,311,825
Restricted	5,841,492	2,931,639	2,714,603	7,380,620	7,696,523	13,405,164	12,508,465
Unrestricted	41,672,083	42,906,594	38,624,788	159,369,013	138,793,254	83,556,063	46,954,212
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>	<u>\$ 251,738,375</u>	<u>\$ 284,774,502</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	\$ 1,467,938,634	\$ 1,540,682,939
Restricted	21,396,780	21,171,172	61,838,287	19,891,555	23,879,998	29,307,344	46,282,730
Unrestricted	90,256,086	114,682,186	54,980,979	250,371,602	219,535,696	179,244,817	155,455,415
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>	<u>\$ 1,676,490,795</u>	<u>\$ 1,742,421,084</u>

The City of Oxnard implemented GASB 34 for the fiscal year ended June 30, 2001. Information prior to the implementation of GASB 34 is not available.

Source: Finance Department, City of Oxnard

City of Oxnard, California

**Schedule II
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
EXPENSES							
Governmental activities:							
General government	\$ 8,962,823	\$ 11,561,786	\$ 11,089,303	\$ 12,911,930	\$ 13,646,432	\$ 18,360,819	\$ 19,130,468
Public safety	43,221,741	47,675,795	51,798,458	58,758,103	68,542,046	75,789,982	80,579,263
Transportation	5,529,190	4,900,486	8,576,565	8,595,630	9,912,068	10,341,829	9,893,618
Community development	13,613,463	17,583,882	25,632,688	18,590,562	18,937,934	22,614,813	19,369,860
Culture and leisure	5,613,563	7,917,645	8,194,868	11,177,403	12,018,761	15,345,765	16,015,957
Libraries	2,629,171	2,908,754	3,115,118	3,940,974	3,919,671	4,654,234	5,025,580
Interest on long-term debt	2,542,778	1,811,687	2,076,882	2,305,762	2,299,356	1,904,516	3,263,821
Total governmental activities expenses	82,112,729	94,360,035	110,483,882	116,280,364	129,276,268	149,011,958	153,278,567
Business-type activities:							
Water	17,335,671	20,660,212	19,281,560	23,636,082	23,152,648	26,636,150	30,683,509
Wastewater	19,406,873	18,321,799	22,141,678	18,960,096	25,482,133	27,939,236	29,033,021
Environmental resources	30,287,398	29,770,148	28,693,531	35,070,009	37,117,879	38,535,592	39,817,351
Performing arts and convention center	1,113,265	1,250,372	1,284,733	1,402,812	1,565,920	1,590,321	1,761,156
Oxnard housing authority	17,685,407	20,103,955	22,800,927	24,462,843	25,507,125	24,724,889	23,494,108
Municipal golf course	4,318,642	3,901,301	2,052,025	3,130,165	4,028,435	3,983,695	4,433,702
Total business-type activities expenses	90,147,256	94,007,787	96,254,454	106,662,007	116,854,140	123,409,883	129,222,847
Total primary government expenses	\$ 172,259,985	\$ 188,367,822	\$ 206,738,336	\$ 222,942,371	\$ 246,130,408	\$ 272,421,841	\$ 282,501,414
PROGRAM REVENUES							
Governmental activities:							
Charges for services:							
General government	8,279,046	8,609,967	12,172,573	8,044,319	8,516,015	7,864,784	17,237,868
Public safety	1,054,655	2,412,682	5,066,751	3,654,740	5,306,818	6,513,674	6,114,255
Transportation	21,323	204,005	2,079,319	1,455,304	2,468,510	4,369,882	4,217,846
Community development	13,502,510	12,780,422	16,018,715	16,712,568	23,822,460	24,448,745	11,095,658
Culture and leisure	1,216,114	1,337,193	2,343,267	1,772,109	2,725,055	928,054	3,903,705
Libraries	86,064	103,356	196,900	214,559	209,622	169,339	320,939
Operating grants and contributions	25,907,496	36,071,980	32,793,458	39,370,445	20,254,587	30,436,511	25,025,965
Capital grants and contributions	—	—	—	—	—	16,758,901	6,804,709
Total governmental activities program revenues	50,067,208	61,519,605	70,670,983	71,224,044	63,303,067	91,489,890	74,720,945

City of Oxnard, California

**Schedule II
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
Business-type activities:							
Charges for services:							
Water	16,226,461	17,206,345	20,465,812	28,401,190	34,334,436	32,150,667	36,855,486
Wastewater	18,254,171	20,495,040	22,130,759	23,532,305	33,709,319	26,139,278	24,503,133
Environmental resources	29,697,676	28,432,860	29,811,773	32,965,746	36,071,999	36,704,264	40,122,057
Performing arts and convention center	422,078	296,295	364,053	371,553	468,732	483,475	517,766
Oxnard housing authority	18,292,175	18,040,124	20,342,572	23,024,813	21,411,579	23,197,945	23,137,523
Municipal golf course	3,351,431	3,207,541	2,687,299	7,487,215	3,119,621	3,899,645	3,999,148
Operating grants and contributions	4,777,822	3,881,547	3,422,902	—	—	—	—
Capital grants and contributions	—	—	—	—	—	1,306,910	—
Total business-type activities program revenues	<u>91,021,814</u>	<u>91,559,752</u>	<u>99,225,170</u>	<u>115,782,822</u>	<u>129,115,686</u>	<u>123,882,184</u>	<u>129,135,113</u>
Total primary government program revenues	<u>\$ 141,089,022</u>	<u>\$ 153,079,357</u>	<u>\$ 169,896,153</u>	<u>\$ 187,006,866</u>	<u>\$ 192,418,753</u>	<u>\$ 215,372,074</u>	<u>\$ 203,856,058</u>
Net expense (revenue):							
Governmental activities	(32,045,521)	(32,840,430)	(39,812,899)	(45,056,320)	(65,973,201)	(57,522,068)	(78,557,622)
Business-type activities	874,558	(2,448,035)	2,970,716	9,120,815	12,261,546	472,301	(87,734)
Total primary government net expense	<u>\$ (31,170,963)</u>	<u>\$ (35,288,465)</u>	<u>\$ (36,842,183)</u>	<u>\$ (35,935,505)</u>	<u>\$ (53,711,655)</u>	<u>\$ (57,049,767)</u>	<u>\$ (78,645,356)</u>
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	58,537,770	68,429,117
Sales taxes	18,140,143	19,846,352	20,775,896	22,772,358	23,212,641	23,985,182	25,783,808
Transient occupancy taxes	2,328,218	2,321,758	2,247,831	2,222,553	2,445,468	3,309,716	3,550,903
Franchise taxes	4,807,104	7,085,201	2,830,462	3,718,917	4,572,206	3,914,317	3,686,627
Deed transfer taxes	583,617	555,249	573,234	1,159,215	1,196,393	1,230,768	880,370
Business license taxes	2,203,188	3,194,683	—	4,386,245	3,967,972	4,470,841	4,504,455
Penalties on delinquent taxes	90,164	182,230	190,546	181,655	126,250	132,403	129,679
Investment earnings	4,389,201	4,588,082	3,858,978	4,547,276	3,911,106	4,860,461	6,653,231
Sale of capital assets	—	—	—	—	—	7,146,270	—
Transfers	(1,463,398)	(1,672,830)	(1,236,947)	(1,778,579)	(1,882,942)	(2,280,393)	(2,166,406)
Total governmental activities	<u>54,562,804</u>	<u>61,974,131</u>	<u>59,355,989</u>	<u>72,455,072</u>	<u>86,646,014</u>	<u>105,307,335</u>	<u>111,451,784</u>

City of Oxnard, California

**Schedule II
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
Business-type activities:							
Investment earnings	—	2,331,298	1,927,516	2,080,206	4,486,577	4,753,913	7,480,785
	—	—	—	—	—	—	23,476,670
Transfers	1,463,398	1,672,830	1,236,947	1,488,793	1,481,242	2,280,393	2,166,406
Total business-type activities	<u>1,463,398</u>	<u>4,004,128</u>	<u>3,164,463</u>	<u>3,568,999</u>	<u>5,967,819</u>	<u>7,034,306</u>	<u>33,123,861</u>
Total primary program	<u>\$ 56,026,202</u>	<u>\$ 65,978,259</u>	<u>\$ 62,520,452</u>	<u>\$ 76,024,071</u>	<u>\$ 92,613,833</u>	<u>\$ 112,341,641</u>	<u>\$ 144,575,645</u>
Change in net assets:							
Governmental activities	22,517,283	29,133,701	19,543,090	27,398,752	20,672,813	47,785,267	32,894,162
Business-type activities	<u>2,337,956</u>	<u>1,556,093</u>	<u>6,135,179</u>	<u>12,689,814</u>	<u>18,229,365</u>	<u>7,506,607</u>	<u>33,036,127</u>
Total primary government program	<u>\$ 24,855,239</u>	<u>\$ 30,689,794</u>	<u>\$ 25,678,269</u>	<u>\$ 40,088,566</u>	<u>\$ 38,902,178</u>	<u>\$ 55,291,874</u>	<u>\$ 65,930,289</u>

The City of Oxnard implemented GASB 34 for the fiscal year ended June 30, 2001. Information prior to the implementation of GASB 34 is not available.

Source: Finance Department, City of Oxnard

City of Oxnard, California

*Schedule III
Fund Balances of Governmental Funds
Last Six Fiscal Years
(Accrual Basis of Accounting)*

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
General fund							
Reserved	\$ 1,631,586	\$ 1,870,298	\$ 3,211,597	\$ 1,180,342	\$ 4,201,060	\$ 3,658,849	\$ 3,573,245
Unreserved	19,864,559	25,526,320	24,597,396	25,398,644	19,197,335	23,523,456	21,424,406
Total general fund	<u>21,496,145</u>	<u>27,396,618</u>	<u>27,808,993</u>	<u>26,578,986</u>	<u>23,398,395</u>	<u>27,182,305</u>	<u>24,997,651</u>
All other governmental funds							
Reserved	13,838,262	13,887,599	8,486,307	11,330,593	11,982,415	12,243,331	30,201,020
Unreserved, reported in:							
Special revenue funds	32,000,890	37,036,381	45,814,074	55,595,303	53,104,087	58,172,246	51,516,503
Capital projects funds	12,487,381	12,639,137	12,974,002	21,790,919	22,103,670	26,320,799	47,966,047
Total all other governmental funds	<u>\$ 58,326,533</u>	<u>\$ 63,563,117</u>	<u>\$ 67,274,383</u>	<u>\$ 88,716,815</u>	<u>\$ 87,190,172</u>	<u>\$ 96,736,376</u>	<u>\$ 129,683,570</u>

The City of Oxnard implemented GASB 34 for the fiscal year ended June 30, 2001. Information prior to the implementation of GASB 34 is not available.

Source: Finance Department, City of Oxnard

City of Oxnard, California

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

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
REVENUES							
Taxes	\$ 51,637,001	\$ 59,058,879	\$ 59,303,485	\$ 69,686,376	\$ 84,617,850	\$ 95,580,997	\$ 106,964,959
Licenses and permits	2,211,303	1,987,392	2,862,476	2,182,715	2,116,934	5,937,172	3,434,727
Intergovernmental	27,714,568	37,691,308	38,508,559	40,834,560	27,036,948	31,543,392	31,830,674
Growth and development fees	8,049,376	7,432,528	8,796,590	9,004,335	10,061,956	9,616,234	4,984,467
Charges for services	6,070,045	7,908,643	12,022,652	11,105,208	15,358,432	14,721,778	11,418,999
Fines and forfeitures	1,284,259	1,411,837	853,188	1,198,456	1,248,242	1,320,782	1,383,780
Interest	4,389,201	4,588,082	3,858,978	4,547,276	3,911,106	4,860,461	6,653,231
Special assessments	1,250,930	1,515,592	1,727,674	2,089,097	2,240,492	2,346,088	14,967,993
Contributions from property owners	—	—	—	—	—	1,085,000	—
Miscellaneous	3,486,727	3,572,305	3,055,944	4,809,675	5,240,064	10,352,424	6,700,305
Total revenues	<u>106,093,410</u>	<u>125,166,566</u>	<u>130,989,546</u>	<u>145,457,698</u>	<u>151,832,024</u>	<u>177,364,328</u>	<u>188,339,135</u>
EXPENDITURES							
General government	7,713,044	9,786,593	9,781,192	11,444,213	11,788,754	11,994,048	12,283,152
Public safety	40,353,308	44,560,812	48,494,541	55,856,590	64,312,956	69,405,713	75,815,578
Transportation	5,384,755	4,743,755	8,409,737	8,108,305	9,709,306	10,254,324	10,136,221
Community development	13,031,954	17,413,069	20,454,657	17,912,245	18,597,956	22,100,626	18,962,172
Culture and leisure	7,799,434	10,362,084	7,811,085	10,824,801	11,520,103	14,366,317	15,141,511
Library services	—	—	2,991,509	3,818,769	3,731,437	4,214,038	4,558,864
Capital outlay	16,294,274	23,794,668	22,199,380	31,640,247	29,924,300	41,227,891	56,309,445
Debt service:							
Principal	2,370,096	2,412,335	4,525,483	2,908,600	2,999,393	7,983,492	2,251,795
Interest	2,250,368	1,988,947	2,178,355	2,102,073	2,072,111	1,920,662	2,411,174
Total expenditures	<u>95,197,233</u>	<u>115,062,263</u>	<u>126,845,939</u>	<u>144,615,843</u>	<u>154,656,316</u>	<u>183,467,111</u>	<u>197,869,912</u>
Excess (deficiency) of revenues over expenditures	<u>10,896,177</u>	<u>10,104,303</u>	<u>4,143,607</u>	<u>841,855</u>	<u>(2,824,292)</u>	<u>(6,102,783)</u>	<u>(9,530,777)</u>
OTHER FINANCING SOURCES (USES)							
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)	—	14,567,020	—
Proceeds from sale of property	—	—	—	—	—	1,885,649	—
Proceeds from sale of bonds	—	—	—	—	—	—	42,459,723
Transfers in	5,177,295	6,374,102	6,989,190	6,475,027	10,770,253	13,659,615	13,159,636
Transfers out	(6,640,693)	(8,046,932)	(8,064,156)	(8,253,606)	(12,653,195)	(10,679,387)	(15,326,042)
Total other financing sources (uses)	<u>(1,463,398)</u>	<u>1,032,754</u>	<u>(19,966)</u>	<u>19,370,570</u>	<u>(1,882,942)</u>	<u>19,432,897</u>	<u>40,293,317</u>
Net change in fund balances	<u>\$ 9,432,779</u>	<u>\$ 11,137,057</u>	<u>\$ 4,123,641</u>	<u>\$ 20,212,425</u>	<u>\$ (4,707,234)</u>	<u>\$ 13,330,114</u>	<u>\$ 30,762,540</u>
Debt service as a percentage of noncapital expenditures	5.86%	4.82%	6.41%	4.44%	4.07%	6.96%	3.29%

Source: Finance Department, City of Oxnard

City of Oxnard, California

*Schedule V
Governmental Activities Tax Revenue by Source
Last Seven Fiscal Years
(Modified Accrual Basis of Accounting)*

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Transient Occupancy Tax</u>	<u>Franchise Tax</u>	<u>Deed Transfer Tax</u>	<u>Business License Tax</u>	<u>Penalties and Interest</u>	<u>Total</u>
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	849,413	3,366,003	190,546	60,376,140
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
2006	58,537,770	23,985,182	3,309,716	3,914,317	1,230,768	4,470,841	132,403	95,580,997
2007	68,429,117	25,783,808	3,550,903	3,686,627	880,370	4,504,455	129,679	106,964,959

The City of Oxnard implemented GASB 34 for the fiscal year ended June 30, 2001. Information prior to the implementation of GASB 34 is not available.

Source: Finance Department, City of Oxnard

City of Oxnard, California

*Schedule VI
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					
1998	\$ 4,594,240,080	\$ 1,878,967,522	\$ 94,844,935	\$ 722,494,121	\$ 5,845,558,416	1.14647%	\$ 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	1.14497%	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	1.18067%	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	1.17277%	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	1.20417%	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	1.21447%	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	1.20384%	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	1.19624%	10,086,642,499	100.00%
2006	9,405,951,581	3,814,788,282	120,544,440	1,835,609,239	11,505,675,064	1.17614%	11,505,675,064	100.00%
2007	10,689,026,776	4,312,067,166	147,705,238	2,126,175,049	13,022,624,131	1.16564%	13,022,624,131	100.00%

Source: County of Ventura, Office of the Auditor-Controller
Finance Department, City of Oxnard

City of Oxnard, California

*Schedule VII
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years*

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates
	Basic	Debt Service	Total Direct	School Districts	Water Districts	Total Overlapping	
1998	1.00000%	0.14647%	1.14647%	0.02620%	0.06694%	0.09314%	1.23961%
1999	1.00000%	0.14497%	1.14497%	0.10040%	0.08362%	0.18402%	1.32899%
2000	1.00000%	0.18067%	1.18067%	0.14920%	0.06067%	0.20987%	1.39054%
2001	1.00000%	0.17277%	1.17277%	0.11070%	0.06399%	0.17469%	1.34746%
2002	1.00000%	0.20417%	1.20417%	0.10420%	0.05690%	0.16110%	1.36527%
2003	1.00000%	0.21447%	1.21447%	0.10790%	0.05120%	0.15910%	1.37357%
2004	1.00000%	0.20384%	1.20384%	0.09770%	0.04476%	0.14246%	1.34630%
2005	1.00000%	0.19624%	1.19624%	0.08410%	0.04224%	0.12634%	1.32258%
2006	1.00000%	0.17614%	1.17614%	0.09850%	0.03691%	0.13541%	1.31155%
2007	1.00000%	0.16564%	1.16564%	0.08220%	0.03272%	0.11492%	1.28056%

NOTE: (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 1982, assessed valuation was stated at 25% of market value or \$4.00 per \$100 of assessed value.

Source: County of Ventura, Office of the Auditor-Controller

City of Oxnard, California

*Schedule VIII
Principal Property Taxpayers
Current Year and Six Years Ago*

Taxpayer	2007			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Proctor & Gamble Paper Products Company	\$ 270,310,165	1	1.785%	\$ 285,208,162	1	4.153%
St. John's Regional Medical Center	203,332,361	2	1.343%	146,803,106	2	2.138%
710 Del Norte LLC	94,600,000	3	0.063%			
Essex Tierra Vista Limited Partnership	78,010,211	4	0.515%			
SI VIII LLC	77,910,667	5	0.514%			
EF Oxnard LLC	75,276,100	6	0.497%			
DR Horton LA Holding Company	74,605,839	7	0.493%			
Standard Pacific Corporation	74,017,134	8	0.489%			
Fred Kavli	63,613,687	9	0.420%			
Duesenberg Investment Company	62,725,278	10	0.414%			
RiverPark A & B LLC	60,178,658	11	0.397%			
Haas Automation Inc.	57,975,700	12	0.383%			
Weyerhaeuser Company	51,828,300	13	0.342%			
Centro Watt Properties Owner 1 LLC	49,090,231	14	0.324%			
BMW of North America, Inc.	42,070,446	15	0.278%			
Willamette Industries Inc.				68,998,598	3	1.005%
CHW Central Coast				56,821,100	4	0.827%
Tiger Ventura County				51,687,562	5	0.753%
Channel Islands Harbor Investment Company				46,501,245	6	0.677%
AT&T Credit Corp Trust				43,778,328	7	0.638%
Ormond Beach Power				39,712,544	8	0.578%
Donwen Corporation				36,659,711	9	0.534%
Seminis Vegetable Seeds Inc.				32,215,842	10	0.469%
Other Taxpayers	13,808,289,724		91.181%	6,058,680,229		88.228%
Totals	<u>\$ 15,143,834,501</u>		<u>100.000%</u>	<u>\$ 6,867,066,427</u>		<u>100.000%</u>

Source: HDL Coren and Cone, Ventura County Assessor 2006-07 Combined Tax Rolls

City of Oxnard, California

*Schedule IX
Property Tax Levies and Collections
Last Ten Fiscal Years*

Year Ended June 30	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
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	100.45%	90,164	23,574,731	100.83%
2002	25,900,000	25,718,029	99.30%	284,711	26,002,740	100.40%
2003	30,040,000	29,892,747	99.51%	190,546	30,083,293	97.32%
2004	35,432,169	35,281,916	99.58%	344,390	35,626,306	99.99%
2005	44,743,658	49,223,170	110.01%	126,250	49,349,420	110.29%
2006	54,511,910	58,537,770	107.39%	132,403	58,670,173	107.63%
2007	59,401,879	68,429,117	115.20%	129,679	68,558,796	115.42%

Source: Finance Department, City of Oxnard

City of Oxnard, California

*Schedule X
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years*

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	(1) Percentage of Personal Income	(1) Per Capita
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Revenue Bonds	Capital Leases			
1998	\$ 16,193,000	\$ —	\$ 16,630,000	\$ 1,693,752	\$ 96,662,129	\$ —	\$ 131,178,881	5.478%	841
1999	14,541,000	8,980,000	16,140,000	1,425,696	93,118,592	—	134,205,288	5.126%	848
2000	12,285,000	8,805,000	15,620,000	1,163,893	89,448,949	—	127,322,842	4.133%	794
2001	10,705,000	8,625,000	15,065,000	891,305	85,646,884	1,401,008	122,334,197	3.507%	688
2002	9,080,000	8,440,000	14,475,000	604,201	88,945,000	1,215,752	122,759,953	3.410%	674
2003	9,535,000	8,245,000	13,850,000	307,187	84,030,000	2,824,171	118,791,358	2.985%	653
2004	22,874,301	8,045,000	19,185,000	1,729,354	214,035,699	2,916,139	268,785,493	6.389%	1,444
2005	21,607,009	7,835,000	18,635,000	1,412,398	236,943,314	2,469,070	288,901,791	6.553%	1,530
2006	19,975,756	7,620,000	18,030,000	1,086,013	298,559,567	2,010,676	347,282,012	7.464%	1,828
2007	43,109,750	7,395,000	37,940,000	749,911	292,625,260	1,536,788	383,356,709	7.890%	1,986

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

1. See the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: Finance Department, City of Oxnard

City of Oxnard, California

**Schedule XI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2006**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Debt:			
Metropolitan Water District	\$ 2,880,102	0.802%	\$ 23,098
Ventura County Community College District	20,300,468	14.951%	3,035,123
Ventura County Superintendent of Schools - Certificates of Participation	1,988,831	14.948%	297,290
Ventura County General Fund Obligations	12,147,492	14.948%	1,815,807
Ventura County Pension Obligations	1,840,099	14.948%	275,058
Oxnard Union High School District	22,361,342	46.144%	10,318,418
Oxnard Union High School District - Certificates of Participation	10,447,002	46.144%	4,820,665
Oxnard School District	94,751,347	91.644%	86,833,924
Oxnard School District - Certificates of Participation	5,691,092	91.644%	5,215,544
Rio School District	15,115,318	83.852%	12,674,496
Rio School District - Certificates of Participation	6,989,064	83.852%	5,860,470
Hueneme School District	9,466,343	49.732%	4,707,802
Ocean View School District	3,623,842	41.534%	1,505,127
Ocean View School District - Certificates of Participation	855,600	41.534%	355,365
Subtotal - Overlapping Debt	208,457,942		137,738,188
City of Oxnard Direct Debt:			
City of Oxnard Financing Authority			58,635,000
City of Oxnard Pooled Insurance Obligations			389,719
Rio School District - Community Facilities District 1			30,725,000
City of Oxnard - Mandalay Bay Assessment District 85-5R			1,235,000
City of Oxnard - Rose Avenue/Hwy 101 Assessment District 96-1			5,460,000
City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1			14,390,000
City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1			2,230,000
City of Oxnard Community Facilities District 1			9,725,000
City of Oxnard Community Facilities District 3			32,275,000
City of Oxnard Community Facilities District 88-1			2,855,000
Oxnard Boulevard Interchange Community District			9,770,000
Subtotal - Direct Debt			167,689,719
Total direct and overlapping debt			\$ 305,427,907

Source: California Municipal Statistics, Inc.

City of Oxnard, California

**Schedule XII
Legal Debt Margin Information in Thousands
Last Ten Fiscal Years**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 985,208	\$ 1,005,116	\$ 1,040,381	\$ 1,161,562	\$ 1,269,477	\$ 1,382,688	\$ 1,534,332	\$ 1,726,418	\$ 1,983,111	\$ 2,250,164
Total net debt applicable to limit	2,060	2,216	—	—	—	—	—	—	—	—
Legal debt margin	\$ 983,148	\$ 1,002,900	\$ 1,040,381	\$ 1,161,562	\$ 1,269,477	\$ 1,382,688	\$ 1,534,332	\$ 1,726,418	\$ 1,983,111	\$ 2,250,164
Total net debt applicable to the limit as a percentage of debt limit	0.21%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 12,874,919
Add back: exempt real property	2,126,175
Total assessed value	<u>15,001,094</u>
Debt limit (15% of total assessed value)	2,250,164
Debt applicable to limit:	
General obligation bonds	381,070
Less: assets in debt service funds for principal payments:	
Revenue bonds - governmental activities	(43,110)
Revenue bonds - business-type activities	(292,625)
Tax allocation bond - community development commission	(37,940)
Certificates of participation	<u>(7,395)</u>
Total net debt applicable limit	<u>0</u>
Legal debt margin	<u>\$ 2,250,164</u>

Source: Finance Department

City of Oxnard, California

**Schedule XIII
Pledged Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Principal	Interest	Coverage	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Principal	Interest	Coverage
Water Revenue Bonds							Wastewater Revenue Bonds					
1998	\$ 13,508,174	\$ 13,364,858	\$ 143,316	\$ 551,127	\$ 157,283	0.20	\$ 17,180,389	\$ 9,964,354	\$ 7,216,035	\$ 1,615,000	\$ 3,158,218	1.51
1999	14,980,803	13,780,587	1,200,216	543,537	128,855	1.78	18,371,484	11,561,115	6,810,369	1,685,000	2,843,492	1.50
2000	16,529,128	15,057,247	1,471,881	534,642	230,776	1.92	17,749,682	11,315,240	6,434,442	1,760,000	2,653,560	1.46
2001	16,226,461	15,347,727	878,734	522,065	224,747	1.18	18,254,171	11,591,100	6,663,071	1,840,000	2,568,810	1.51
2002	17,856,094	18,141,656	(285,562)	794,388	709,225	(0.19)	22,005,625	11,978,948	10,026,677	1,925,000	2,484,277	2.27
2003	20,602,479	16,782,851	3,819,628	225,000	730,142	4.00	23,515,790	16,445,581	7,070,209	1,805,000	1,883,286	1.92
2004	28,898,906	19,899,216	8,999,690	235,000	1,315,783	5.80	23,182,456	12,958,128	10,224,328	1,750,000	1,924,826	2.78
2005	34,609,573	18,351,471	16,258,102	1,150,000	2,682,330	4.24	36,892,293	14,715,076	22,177,217	1,815,000	5,969,101	2.85
2006	34,212,012	21,865,005	12,347,007	1,202,083	2,699,580	3.16	28,512,017	16,185,708	12,326,309	1,885,000	6,682,905	1.44
2007	40,719,155	22,674,000	18,045,155	1,205,000	2,625,730	4.71	27,322,064	16,956,481	10,365,583	2,135,000	7,259,743	1.10
Environmental Resources Revenue Bonds							Oxnard Housing Authority Revenue Bonds					
1998	\$ 21,661,953	\$ 16,837,171	\$ 4,824,782	\$ 760,000	\$ 1,369,880	2.27						
1999	26,475,373	20,914,785	5,560,588	790,000	1,339,478	2.61						
2000	28,438,658	25,275,245	3,163,413	820,000	1,306,299	1.49						
2001	32,195,190	28,050,828	4,144,362	860,000	1,403,617	1.83						
2002	29,697,676	26,728,446	2,969,230	1,096,492	1,303,060	1.24						
2003	28,714,969	26,240,998	2,473,971	1,012,756	1,570,081	0.96						
2004	30,031,391	25,682,146	4,349,245	1,617,980	1,499,922	1.39						
2005	33,200,540	30,574,399	2,626,141	1,433,833	1,216,797	0.99	\$ 21,823,107	\$ 22,305,475	\$ (482,368)	\$ —	\$ 181,708	(2.65)
2006	36,529,711	34,228,035	2,301,676	19,001,588	1,155,331	0.11	21,515,845	23,235,370	(1,719,525)	205,000	231,660	(3.94)
2006	36,878,690	36,342,348	536,342	2,033,392	1,117,677	0.17	23,321,917	22,699,304	622,613	205,000	227,758	1.44
2007	40,322,484	38,170,528	2,151,956	2,142,556	1,036,405	0.68	22,616,071	21,496,289	1,119,782	215,000	243,407	2.44

NOTE: The above operating expense figures do not include depreciation and debt service expenses.

SOURCE: Finance Department, City of Oxnard

City of Oxnard, California

*Schedule XIV
Demographic and Economic Statistics
Last Ten Fiscal Years*

Fiscal Year	(1) Population	(2) Personal Income (in thousands)	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
1998	156,000	\$ 2,394,444	\$ 15,349	34	38,073	7.00%
1999	158,300	2,617,965	16,538	34	38,793	6.40%
2000	160,300	3,080,485	19,217	32	40,238	6.38%
2001	177,700	3,488,251	19,630	30	39,865	4.90%
2002	182,027	3,599,948	19,777	30	42,106	5.20%
2003	181,800	3,979,057	21,887	30	41,936	7.40%
2004	186,122	4,207,288	22,605	30	42,276	5.60%
2005	188,941	4,408,869	23,346	30	38,372	4.90%
2006	189,990	4,652,855	24,490	28	37,196	4.00%
2007	192,997	4,858,838	25,176	31	37,956	4.70%

SOURCES:

- (1) California Department of Finance, Demographic Research Unit
- (2) Consumer Price 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

*Schedule XV
Principal Employers
Current Year*

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
St. John's Regional Medical Center	1,994	1	2.441%
Oxnard High School District	1,500	2	1.836%
Waterway Plastics	1,300	3	1.591%
City of Oxnard	1,186	4	1.428%
Haas Automation	996	5	1.219%
Aluminum Precision	700	6	0.857%
Total	<u>7,676</u>		<u>9.372%</u>

Source: Economic Development Corporation of Oxnard

City of Oxnard, California

*Schedule XVI
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years*

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	174	176	178	196	197	200	207	211	217	214
Public safety										
Police										
Officers	195	196	198	200	202	208	220	229	235	236
Civilians	115	119	119	127	128	131	134	138	152	151
Fire										
Firefighters & officers	76	83	83	85	86	87	89	91	100	102
Civilians	3	2	3	2	2	4	5	4	4	5
Transportation	34	34	34	36	36	36	36	36	45	56
Community development	48	49	55	47	50	53	56	57	57	59
Culture and recreation	68	71	69	70	72	78	79	79	74	83
Utilities										
Water	29	35	34	34	41	45	44	44	48	47
Wastewater	70	70	71	67	67	67	67	72	72	72
Solid Waste	71	76	77	76	76	80	80	80	81	81
Housing	66	67	74	76	77	80	80	80	80	81
Total	949	978	995	1,016	1,034	1,069	1,097	1,121	1,165	1,187

Source: Finance Department, City of Oxnard

City of Oxnard, California

*Schedule XVII
Operating Indicators by Function
Last Three Fiscal Years*

Function	2005	2006	2007
Police			
Physical arrests	6,492	8,162	8,835
Parking violations	36,240	28,533	31,462
Traffic violations	30,985	19,590	20,525
Fire			
Numbers of calls answered	11,117	10,631	11,212
Inspections	2,829	3,109	3,693
Highways and streets			
Potholes repaired	18,333	10,545	12,200
Sanitation			
Total number of customers	43,617	44,941	45,731
Refuse collected (tons/day)	632	650	681
Recyclables collected (tons/day)	67	70	64
Culture and recreation			
Community center admissions	48,800	43,849	42,831
Water			
Total number of customers	37,276	38,053	38,816
Average daily consumption	29,000,000	29,000,000	29,000,000
Wastewater			
Total number of customers	34,694	35,188	35,646
Average daily sewerage treatment	23,000,000	23,000,000	23,000,000

Note: The City of Oxnard did not prepare the above schedule prior to implementation of GASB 44; therefore, information prior to that year is not available.

Source: Various departments, City of Oxnard

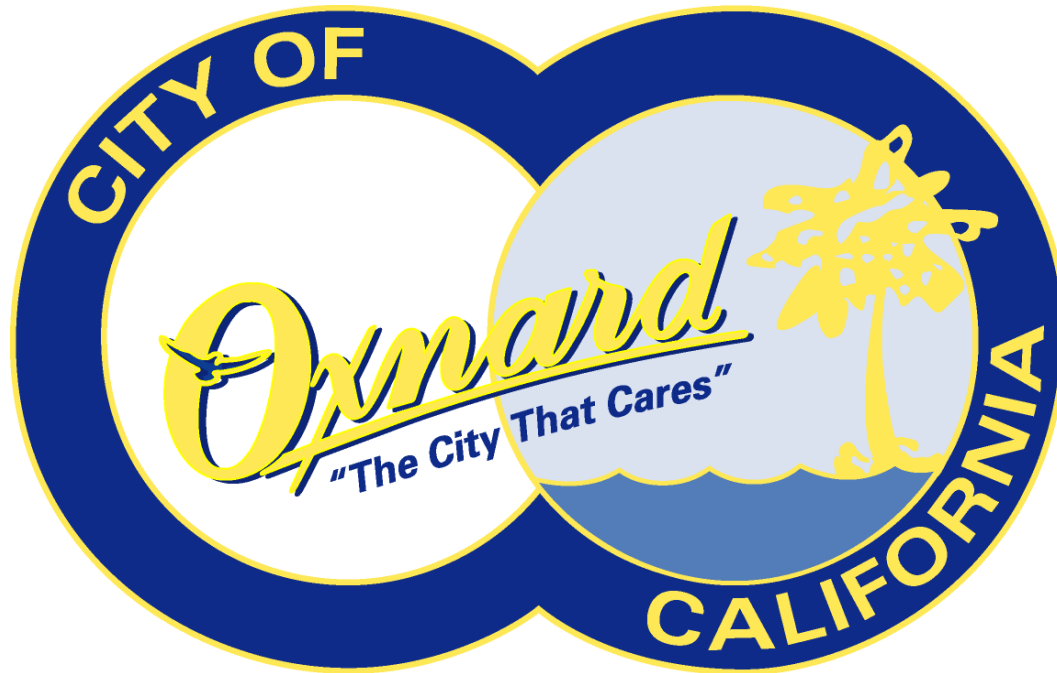
City of Oxnard, California

*Schedule XVIII
Capital Assets by Function
Last Two Fiscal Years*

Function	2005	2006	2007
Public safety			
Police			
Stations	1	1	1
Police vehicles	223	261	345
Fire			
Stations	6	7	7
Hydrants	4,180	5,200	5,000
Sanitation			
Collection trucks	48	48	57
Highways and streets			
Streets (miles)	403	400	400
Streetlights	650	650	650
Traffic signals	9,120	9,120	9,258
Culture and recreation			
Parks acreage	449	469	469
Parks	45	49	49
Ball diamonds	31	30	30
Basketball courts	20	19	19
Craft/Activity buildings	9	8	8
Gymnasium	2	3	3
Swimming pools	1	1	1
Tennis courts	33	31	31
Community centers	3	3	3
Library			
Number of books	336,518	361,713	433,008
Number of microfilms	8,299	8,394	8,473
Number of audiotapes	14,537	18,200	20,284
Number of videotapes	9,377	12,917	14,709
Number of CD-ROMS (data disk)	609	708	808
Water			
Water mains (miles)	500	525	600
Maximum daily treatment capacity	18,000,000	18,000,000	18,000,000
Sewer			
Miles of sewer lines	425	435	440

Note: The City of Oxnard did not prepare the above schedule prior to implementation of GASB 44; therefore, information prior to that year is not available.

Sources: Various City departments



**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH THE PROPOSITION 111
2006-2007 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, 2007. 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 2006-2007 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 2006-2007 Appropriations Limit to be \$155,966,709 by multiplying the 2005-2006 Prior Year Appropriations Limit by the annual adjustment factors. The City calculated a 2006-2007 appropriations limit of \$155,966,438.
- 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.

Mayer Hoffman McCann P.C.

September 26, 2007
Oxnard, CA

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