



Comprehensive Annual Financial Report FY 2007-2008



Fiscal Year Ending June 30, 2008



**COMPREHENSIVE ANNUAL FINANCIAL
REPORT
Fiscal Year Ended June 30, 2008**

Prepared by
Finance Department
James Cameron
Chief Financial Officer

City of Oxnard, California

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008
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JAMES CAMERON
Chief Financial Officer

Finance Department
300 West Third Street • Oxnard, CA 93030 • (805) 385-7475 • Fax (805) 385-7466

December 11, 2008

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Oxnard, California (City) for the fiscal year ended June 30, 2008. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal control should not outweigh their benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Mayer Hoffman McCann PC, a firm of licensed certified public accountants, has issued an unqualified opinion on the City's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The result of the single audit is presented under separate cover.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The Financial Section consists of the independent auditor's report, the management's discussion and analysis (MD&A), basic financial statements, and individual fund statements and schedules. The Statistical Section provides financial trends, revenue and debt capacity, demographic and economic data, and operating indicators.

The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

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.

Profile of the City of Oxnard

The City, incorporated in 1903, is located in western Ventura County (County) on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles. Oxnard is the financial hub and the largest city in the County, with a population of 194,905 in 2008, representing over 23 percent of the County's population.

The City operates under the Council-Manager form of government. The City Council, elected at large on a non-partisan basis, consists of the mayor, directly elected for a two-year term and four other council members, elected for four-year staggered terms. The City Treasurer and City Clerk are also elected for four-year terms. The City Manager is appointed by the City Council for the administration of City affairs, including appointment of the heads of various departments, day-to-day operations, and implementation of the City Council policies. The City Attorney is also appointed by and reports directly to the City Council. Additionally, the City Council members, in separate session, serve as the governing boards of the City of Oxnard Financing Authority, Oxnard Community Development Commission (Redevelopment Agency), and with two tenant members as the Oxnard Housing Authority.

The City provides a full range of municipal services, including police and fire protection, construction and maintenance of streets and infrastructure and the administration of park facilities, libraries, recreational activities and cultural events. The City operates municipal water and wastewater treatment systems, refuse collection and a solid waste management 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 annual budget adopted by resolution of the City Council, serves as the foundation for the City's financial planning and control. The City Council approves operating and capital appropriations at the fund and department levels. Budgetary control is maintained at the department level and the department head may transfer resources within a department. While the City Manager may approve the transfer of funds between departments, special approval by the Council is required for adjustments to fund budgets. While the budget must be adopted annually,

the Council approves a balanced two-year budget and five-year capital improvement plan. As part of the annual budget resolution, the Council reauthorizes appropriations for continuing projects and activities.

Local Economy

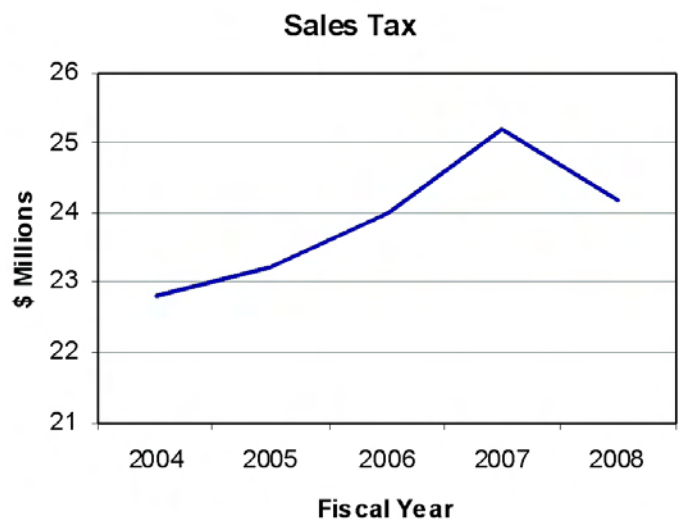
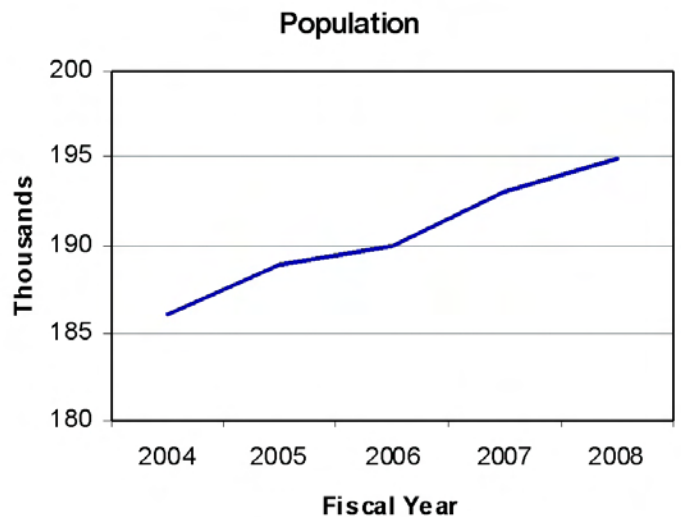
The City of Oxnard enjoys a diversified economic base composed of agriculture and related business, retail, financial and other services, and governmental agencies. Financial and other services represent 24% of Oxnard Metro area employment, with agriculture at 21%, retail trade at 18% and public sector at 12%. The population of Oxnard continued to grow as a result of employment opportunities and low housing costs relative to other regions of the State.

At the same time the City has been impacted by the housing and credit crisis and the resulting economic slow down experienced throughout the State of California. Unemployment has jumped to just over 6% from a low of 4% just two years ago. Much of the employment decline has been in housing related industries such as construction. Although per capita income continued to grow, the City experienced a reduction in sales tax revenue in 2008.

Over the last five years, public safety has been a focus of the City. During that period of time, public safety expenditures increased by 56% while other governmental programs only increased 24%. Revenues funding all governmental programs grew 43% in this time period. At the same time the City has invested redevelopment funds in infrastructure downtown and other areas of the community. Significant investments continue to be made to improve local streets and freeway interchanges as well as water and wastewater systems to ensure a long-term supply of water for Oxnard’s residents.

Long-term Financial Planning

The City has various long-term planning initiatives to support the financial management of City resources. As part of the annual budget process, the City prepares a five-year financial forecast and presents a five-year capital program for Council approval. The City is in the process of updating its general plan through 2030 and the Community Development Commission is operating under a five-year development plan. In addition, the Water, Wastewater, and Environmental Resource enterprises are developing long term master plans and rate recommendations. All these activities help the City anticipate and plan for future financial trends.



Because it is difficult to fully anticipate dramatic changes in the national and local economies the Council has set a general fund unreserved, undesignated fund balance goal of 18%. The City ended the fiscal year at 15% or \$18.9 million. As the economy improves in the coming years, it is anticipated that the 18% goal will be achieved.

Cash Management Policies and Practices

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, 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 maturities of the investments range from one day to five years. The average earned interest yield on investments was 4.674%.

Risk Management

The risk management functions identify, evaluate, mitigate, and monitor the City's exposure to operational risks like 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, transfer risks 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.

Other information. 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 Management and Budget (OMB) Circular A-133. This included tests of compliance with federal laws and regulations. The results of the single audit performed is presented under separate cover.

Awards and Acknowledgments

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 (CAFR) for the fiscal year ended June 30, 2007. This was the nineteenth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR, whose content conforms to program standards. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes the current CAFR continues to conform to Certificate of Achievement Program's requirement and is submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to Marichu Maramba and to all members of the department as well as staff from other departments who assisted and contributed to the preparation of this annual financial report. I would also like to acknowledge the Mayor and Council Members, the City Manager and his staff,

and department directors for their constant support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,


James Cameron
Chief Financial Officer



City of Oxnard, California

CITY COUNCIL



DEAN MAULHARDT
Mayor Pro Tem



JOHN C. ZARAGOZA
Councilmember



DR. THOMAS E. HOLDEN
Mayor



ANDRES HERRERA
Councilmember

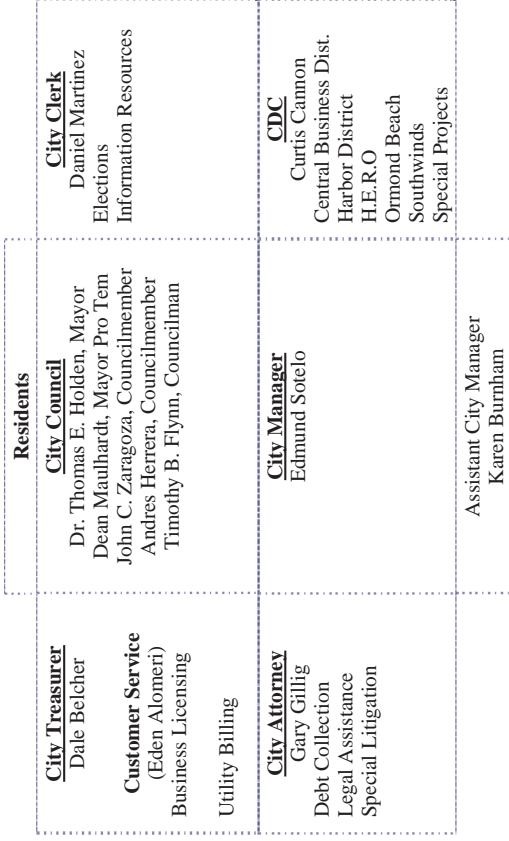


TIMOTHY B. FLYNN
Councilman



EDMUND F. SOTELO
City Manager

**City of Oxnard
Organizational Chart**

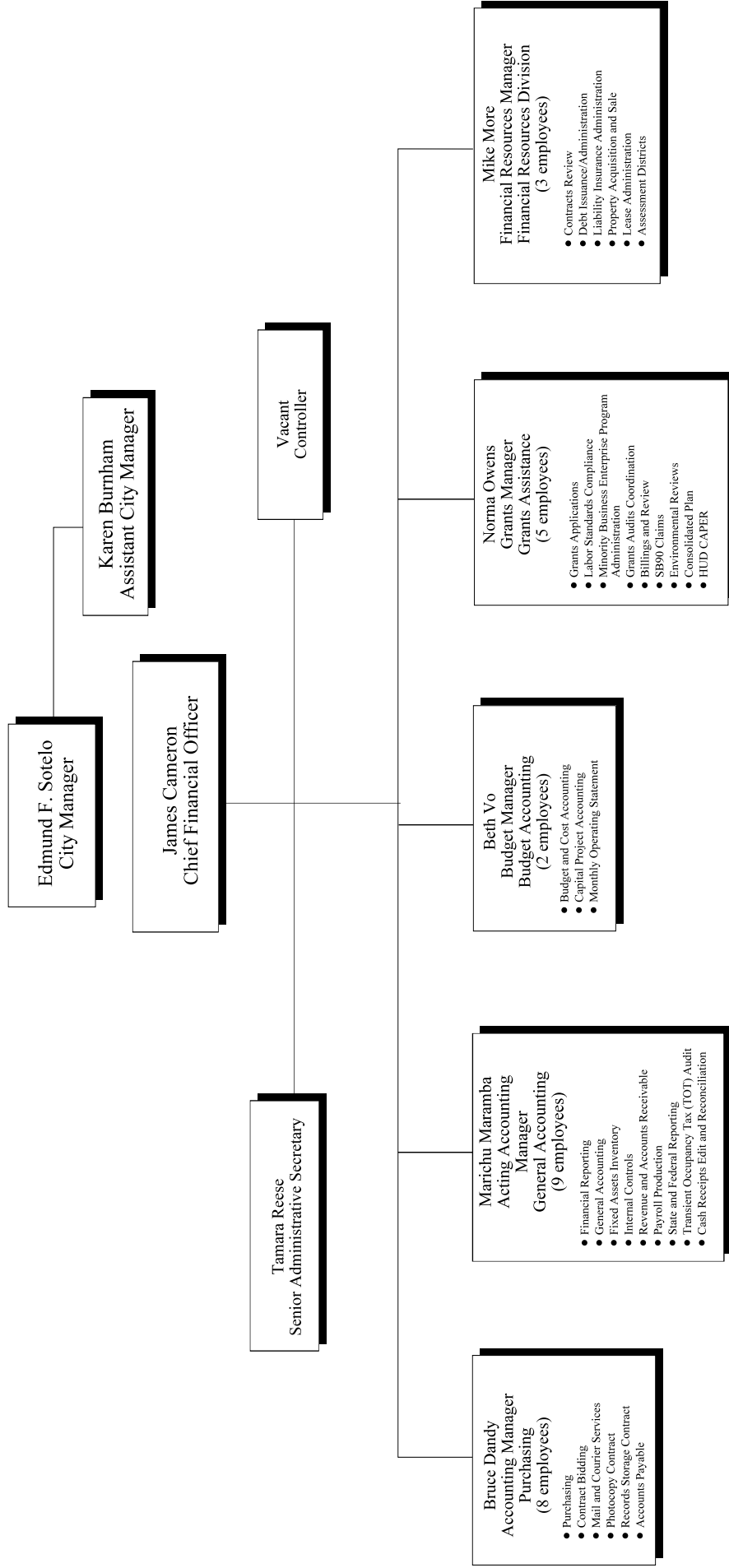


KAREN BURNHAM
Assistant City Manager

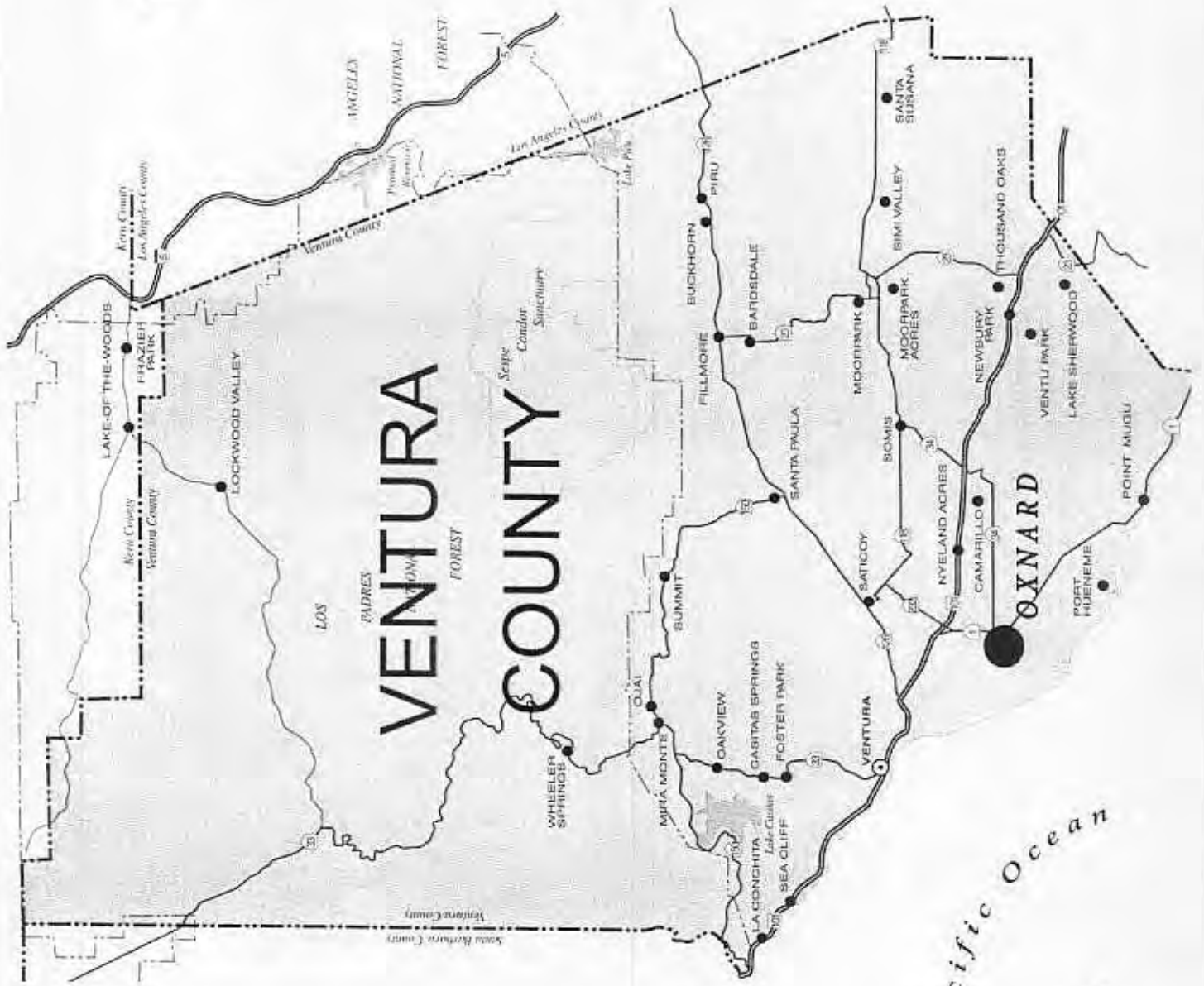
| Police | Fire | Housing | Finance | Recreation and Community Services | Development Services | Public Works | City Manager | Human Resources | Library |
|---|--|--|--|--|--|---|---|---|---|
| John Crombach | Joe Milligan | Sal Gonzalez | Jim Cameron | VACANT | Matt Winegar | Ken Ortega | Edmund Sotelo | Michelle Tellez | Barbara Murray |
| Administrative Services (Scott Whitney) Emergency Communications Professional Standards Support Services | Disaster Preparedness (Deborah Shane) Emergency Services (Darwin Base) (Michael O'Malia) (Chris Donabedian) Fire Prevention (Gary Sugich) CUFA (Steve Mattem) | Administrative Services (Carrie Sabatini) Affordable Housing (Ernie Whitaker) Housing Assistance (Aururo Casillas) Capital Fund Asset Management (Rick Shear) | Budget and Capital Improvement (Vacant) Budget Capital Improvement Projects Financial Resources (Mike More) Debt & Property Management Liability Management General Accounting (Marichu Maramba) 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 Transportation Planning & Services Building and Engineering (Rob Roshanian) Building and Engineering Planning (Sue Martin) Environmental Services | Administration (Michelle Romney) Construction and Design Services (Lou Balderrama) Construction Services Design Street Maintenance & Repair Traffic Signs & Markings Utilities Services (Mark Norris) Water Wastewater Environmental Resources | Operations Budget Cable Television Community Relations Neighborhood Services Public Information Special Projects Legislative Affairs (Martin Erickson) | 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 |
| Investigative Services (Jason Benites) Investigative Services Special Services | | | | | | | Information Systems (Grace Hoffman) Citywide Network Support Document Publishing Services Geographic Information Systems Help Desk Municipal Software Support Telecommunications Support General Services (Michael Henderson) Facilities Maintenance Landscape Assessment & Graffiti Removal Park/Facility Development Parks Maintenance River Ridge Golf Course Street Lighting Fleet Services | | |

CITY OF OXNARD, CALIFORNIA

FINANCE DEPARTMENT



VICINITY MAP





Mayer Hoffman McCann P.C.
An Independent CPA Firm

5060 California Avenue, Suite 800
Bakersfield, CA 93309
PH 661.325.7500
FAX 661.325.7004

INDEPENDENT AUDITORS' REPORT

To the 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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 the 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, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2008, 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 important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 73 through 77, 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

Southern California Locations

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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 450 • Irvine, CA 92618 • PH 949.450.4400 • FX 949.450.0694

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 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.

Mary Hoffman McClann P.C.

Bakersfield, California
December 8, 2008

Management's Discussion and Analysis

This section of the City of Oxnard's annual financial report presents management's discussion and analysis of the financial performance of the City for the fiscal year ended June 30, 2008. Please read this in conjunction with the transmittal letter, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded its liabilities by \$1.77 billion (net assets) at the close of the fiscal year. In the previous year, net assets were \$1.74 billion.
- The City's total net assets increased by \$27.9 million primarily from investments in capital assets.
- As of the close of the fiscal year, the City's governmental activities reported combined ending net assets of \$1.48 billion, an increase of \$26.8 million from the prior year. The unrestricted fund balance of \$79 million reflects a decrease of \$15.8 million from the prior year.
- At the end of the fiscal year, the unreserved/undesignated fund balance of the General Fund was \$18.3 million, which is 16% of the general fund's operating expenditures.
- The City's total debt increased by \$23.4 million during the current fiscal year. The key factor in this increase is the issuance of \$27.7 million in Gas Tax Revenue Certificates of Participation.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition this report contains other supplementary and statistical information.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector business. The statement of net assets includes all of the City's assets and liabilities with the difference reported as net assets. Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial health of the City is improving or deteriorating. Fiscal year revenues and expenses are reported in the statement of activities regardless of when cash is received or paid. The statement of activities summarizes the basis for the changes in net assets.

The two government-wide financial statements distinguish between activities that are primarily supported by taxes and intergovernmental revenues (governmental activities) and business type activities that are intended to recover all or a significant part of their costs.

- *Governmental activities* include most of the City's basic services such as general government, public safety, public works, community development, parks, recreation, and library services. Property and sales taxes, franchise fees, user fees, interest income, and State and Federal grants finance these activities.

Management's Discussion and Analysis (continued)

- *Business-type activities* consist of the City's water and wastewater systems, environmental resources, housing services, and the operations of the Performing Arts and Convention Center and River Ridge Golf Course. The City charges fees to customers to recover the cost of these services.

Fund financial statements. A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used by state and local governments to meet legal requirements and enhance management of financial resources. The City's funds have been divided into three categories:

- *Governmental funds.* As with the governmental activities reported in the government wide financial statements, most of the City's basic services are reported in governmental funds. Governmental fund statements use the modified accrual basis of accounting and focus on the flow of financial resources to and from those funds and the balances of spendable resources that are available at year-end. As a result, governmental funds provide a short-term view that can be used to evaluate near-term requirements for financial resources. Because governmental fund statements do not encompass the long-term focus of the government-wide statements, a reconciliation of these statements is included following the governmental funds statements.
- *Proprietary funds.* The City maintains two types of proprietary funds to report services for which customer fees are intended to finance the costs of operations. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds report activities that provide supplies and services for the City's internal programs and services. Internal service funds include the City's self-insurance, utility customer services, information services, facilities maintenance and equipment maintenance services. While these internal service funds are combined into a single presentation for the proprietary funds financial statements, they are allocated to the appropriate function in the government-wide financial statements. The major funds of the enterprise funds are presented separately in the proprietary funds financial statements. Proprietary funds financial statements use similar accounting methods and focus, both long-term and short-term, as the government-wide statements.
- *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 method of accounting for these funds is similar to that of proprietary funds. 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 they do not support the City's own programs and operations.

Notes to the financial statements. The notes provide additional information to the government-wide and fund financial statements that are important in fully understanding the data presented in the financial statements.

Financial Analysis of the City as a Whole

A city's net assets may serve over time as a useful indicator of a government's financial position. As shown in the following table, the City of Oxnard's assets exceeded liabilities by \$1.77 billion at the close of the fiscal year, an increase of \$27.9 million.

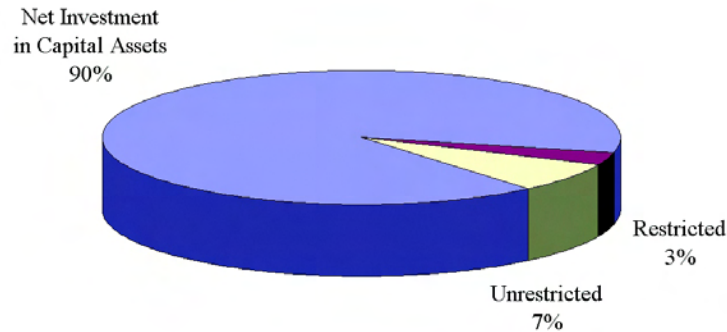
Management's Discussion and Analysis (continued)

**Summary of Net Assets
(\$ thousands)**

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|---|--------------------------------|-------------------------|---------------------------------|-----------------------|-------------------------|-------------------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| Current assets | 237,455 | 201,368 | 100,804 | 137,185 | 338,259 | 338,553 |
| Capital assets (net of accumulated depreciation) | 1,429,705 | 1,397,619 | 490,413 | 451,576 | 1,920,118 | 1,849,196 |
| Properties held for resale | 4,034 | 4,646 | | | 4,034 | 4,646 |
| Other assets | 1,248 | 1,783 | 3,401 | 2,012 | 4,649 | 3,795 |
| Total assets | <u>1,672,442</u> | <u>1,605,416</u> | <u>594,618</u> | <u>590,773</u> | <u>2,267,060</u> | <u>2,196,190</u> |
| Current liabilities | 45,163 | 31,492 | 16,270 | 10,335 | 61,433 | 41,828 |
| Non-current liabilities | 142,876 | 116,277 | 292,468 | 295,664 | 435,344 | 411,941 |
| Total liabilities | <u>188,039</u> | <u>147,769</u> | <u>308,738</u> | <u>305,999</u> | <u>496,777</u> | <u>453,769</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 1,357,203 | 1,329,024 | 229,469 | 225,312 | 1,586,672 | 1,554,335 |
| Restricted | 48,175 | 33,774 | 8,782 | 12,508 | 56,957 | 46,283 |
| Unrestricted | 79,025 | 94,849 | 47,629 | 46,954 | 126,654 | 141,803 |
| Total net assets | <u>1,484,403</u> | <u>1,457,647</u> | <u>285,880</u> | <u>284,774</u> | <u>1,770,283</u> | <u>1,742,421</u> |

A significant portion of the City's net assets (90%) reflects its investment in capital assets net of accumulated depreciation, less any related debt outstanding used to acquire those assets. The net investment in capital assets increased \$32.3 million as the City continued to invest in infrastructure. Because these assets are tied up in land, buildings, equipment, and other infrastructure that support the services provided to citizens, these amounts are not available for future spending.

Net Assets



Management's Discussion and Analysis (continued)

The remainder of net assets is divided between restricted and unrestricted categories. Restricted net assets that are subject to external limitations on how they may be used make up 3% of the total. The remaining balance of \$126.7 million (7%) consists of unrestricted net assets of the City which may be used to meet future needs of the community.

As in the prior fiscal year, the City reported positive balances for both governmental and business-type activities, as well as the government as a whole. Net assets of governmental activities increased \$26.8 million while business activities increased a more modest \$1.1 million.

The following page presents a summary of the changes in the City's net assets for the year ended June 30, 2008.

**Summary of Changes in Net Assets
(\$ thousands)**

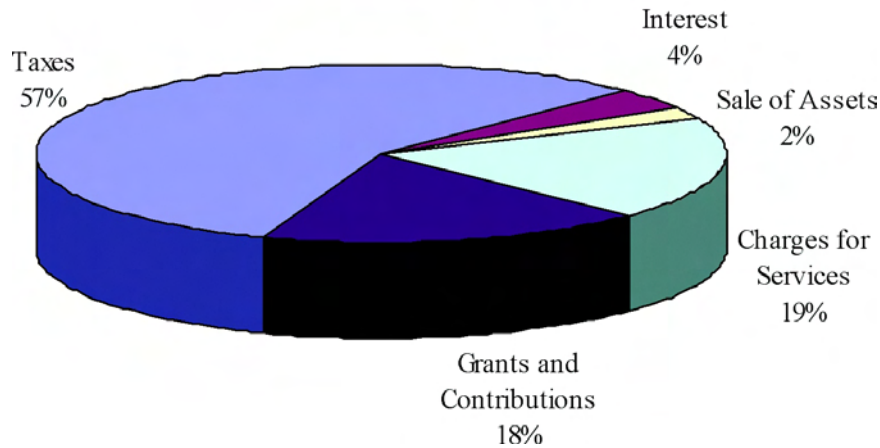
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--|--------------------------------|------------------|---------------------------------|----------------|------------------|------------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| Program revenues: | | | | | | |
| Charges for services | 37,165 | 42,890 | 133,300 | 129,135 | 170,465 | 172,025 |
| Operating grants and contributions | 23,208 | 25,026 | — | — | 23,208 | 25,026 |
| Capital grants and contributions | 12,903 | 6,805 | — | — | 12,903 | 6,805 |
| General revenues: | | | | | | |
| Taxes | 113,184 | 106,965 | — | — | 113,184 | 106,965 |
| Interest on investments | 7,562 | 6,653 | 5,126 | 7,481 | 12,688 | 14,134 |
| Sale of capital assets | 4,352 | — | — | 23,477 | 4,352 | 23,477 |
| Total revenues | 198,374 | 188,339 | 138,426 | 160,093 | 336,800 | 348,432 |
| Expenses: | | | | | | |
| General government | 21,899 | 19,130 | — | — | 21,899 | 19,130 |
| Public safety | 88,548 | 80,579 | — | — | 88,548 | 80,579 |
| Transportation | 10,848 | 9,894 | — | — | 10,848 | 9,894 |
| Community development | 27,123 | 19,370 | — | — | 27,123 | 19,370 |
| Culture and leisure | 18,162 | 16,016 | — | — | 18,162 | 16,016 |
| Libraries | 5,518 | 5,026 | — | — | 5,518 | 5,026 |
| Interest on long-term debt | 4,701 | 3,264 | — | — | 4,701 | 3,264 |
| Water | — | — | 33,417 | 30,684 | 33,417 | 30,684 |
| Wastewater | — | — | 24,009 | 29,033 | 24,009 | 29,033 |
| Environmental resources | — | — | 45,330 | 39,817 | 45,330 | 39,817 |
| Performing arts and convention center | — | — | 1,830 | 1,761 | 1,830 | 1,761 |
| Oxnard housing authority | — | — | 23,759 | 23,494 | 23,759 | 23,494 |
| Municipal golf course | — | — | 3,794 | 4,434 | 3,794 | 4,434 |
| Total expenses | 176,799 | 153,279 | 132,139 | 129,223 | 308,938 | 282,502 |
| Change in net assets before transfers: | 21,575 | 35,060 | 6,287 | 30,870 | 27,862 | 65,930 |
| Transfers | 5,181 | (2,166) | (5,181) | 2,166 | — | — |
| Change in net assets | 26,756 | 32,894 | 1,106 | 33,036 | 27,862 | 65,930 |
| Net assets - July 1 | 1,457,647 | 1,424,753 | 284,774 | 251,738 | 1,742,421 | 1,676,491 |
| Net assets - June 30 | 1,484,403 | 1,457,647 | 285,880 | 284,774 | 1,770,283 | 1,742,421 |

Management's Discussion and Analysis (continued)

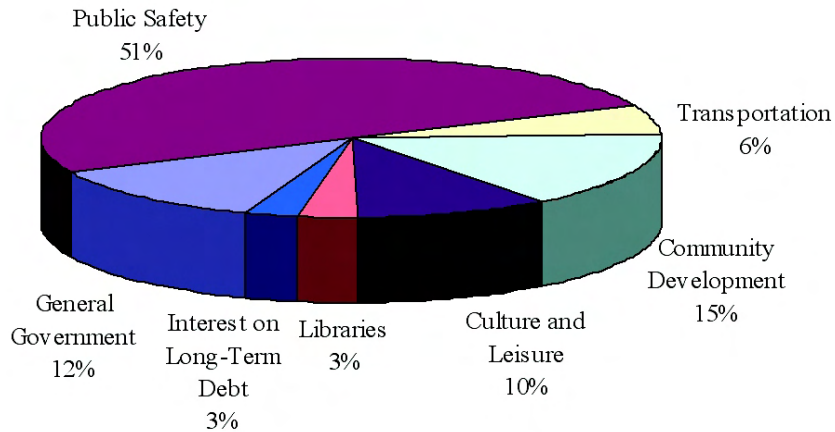
Governmental Activities. The net assets of governmental activities increased by \$26.8 million during the fiscal year. The largest source of governmental revenues is taxes at 57% consisting of property taxes, sales tax, and other taxes such as franchise taxes. Revenues from taxes increased \$6.2 million. Charges for services, which include various building permits and other development related fees as well as other user fees, make up 19% of governmental revenues. The \$5.7 million decrease in charges for services is due to a reduction in developer fees. Grants and contributions for both capital and operating purposes make up 18% of revenues with the remaining 6% from interest on investments and sale of assets.

Governmental Activities

Revenues by Source



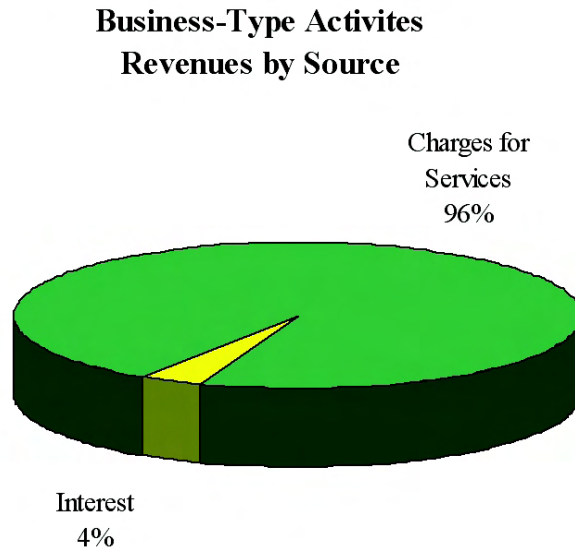
Expenses by Source



Management's Discussion and Analysis (continued)

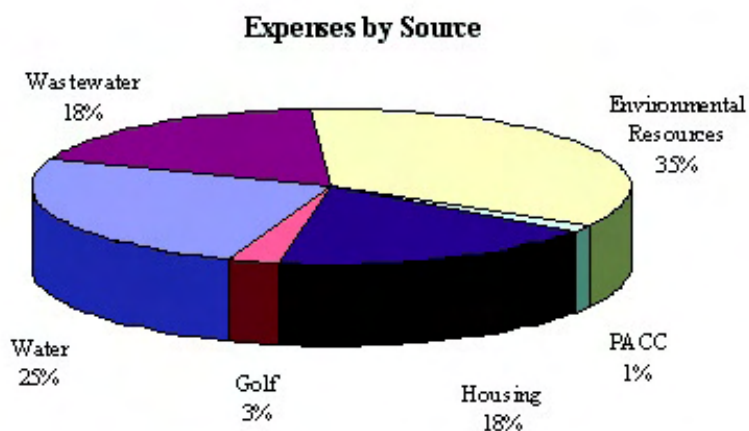
Of the \$177.0 million in total governmental expenses, 85% supports programs that provide direct services to the community. At 51%, Public Safety, which includes Police and Fire, receives the largest share of governmental revenues. Other service programs include Community Development at 15%, Culture and Leisure at 10%, Transportation at 6%, Library at 3%. General Government and Interest expenses make up 15% in support of the other programs. Total expenses increased \$23.5 million.

Business-type Activities. Business-type activities increased the City's net assets by \$1.1 million. The majority of this resulted from increases in water, wastewater, and environmental resource rates charged to customers. Charges for services, which make up 96% of business-type revenues, increased \$4.2 million. Interest earnings decreased \$2.4 million and one-time asset sales decreased \$23.5 million. Expenses increased \$2.9 million primarily due to negotiated salary and benefit increases and well as the higher cost of fuel and charges from water providers.



While business-type revenues exceeded expenses in total, several programs either required subsidies from the general fund or used accumulated reserves. Water and wastewater revenues exceeded expenses by \$4.8 million each as rate increases offset inflationary impacts on costs. Environmental Resource expenses exceeded operating revenues due to the acquisition of refuse containers (\$3.4 million) financed through a line of credit, but is reflected in operating accounts. The Performing Arts Convention Center is subsidized by the General Fund.

Management's Discussion and Analysis (continued)



Financial Analysis of the Government's Funds

As discussed earlier, the City uses fund accounting to comply with finance-related legal requirements; however, governmental funds use a modified accrual basis of accounting while proprietary funds generally follow full accrual. Major funds are reported separately.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$174.6 million, an increase of \$19.9 million over the prior year. Of this year-end total, approximately \$126.4 million is unreserved and available for funding continuing city service requirements. Reserved fund balances include:

- \$4.3 million committed for noncurrent notes receivable,
- \$2.9 million committed for repayment of debt,
- \$40.7 million committed for capital projects, and
- \$0.3 million committed for advances to other funds and carryover.

The major governmental funds are the General Fund, Capital Outlay Fund, and Community Development Commission (CDC) Fund.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, unreserved balance of the General Fund was \$20.1 million, while the total fund balance reached \$20.5 million. The unreserved/undesignated fund balance of the General Fund was \$18.3 million, which is 16% of general fund operating expenditures.

While operating revenues exceeded operating expenditures, the growth in expenditures exceeded the growth in revenues. This along with transfers to other funds such as the capital outlay and debt service funds resulted in a decrease to the fund balance of \$4.5 million. Operating revenues increased \$2.6 million compared to a \$7.7 million increase in operating expenditures.

Management's Discussion and Analysis (continued)

The Capital Outlay and CDC fund balances both increased. The sale of \$24.9 million in bonds and transfers from other funds supported a \$3.8 million increase in the capital outlay fund balance. Capital expenditures increased \$8.7 million to \$31.8 million. CDC fund balance increased \$10.7 million on \$22.3 million in revenues, primarily property taxes.

Proprietary Funds. The City's proprietary funds use the same focus and basis of accounting as the government-wide financial statements. Proprietary fund statements provide additional detail not found in the government-wide statements. The City's enterprise operations consist of Water, Wastewater, and Environmental Resources. Cultural and recreation activities include the River Ridge Golf Course and the Performing Arts and Convention Center. The Oxnard Housing Authority is also included in this category.

The enterprise operations ended the fiscal year with combined unrestricted net assets of \$43.6 million. Revenues increased \$5.8 million to \$133.0 million while operating expenses increased \$11.0 million to \$126.0 million. The change in net assets for this fiscal year is a \$5.3 million after interest income and expense.

General Fund Budgetary Highlights

The General Fund final budget was increased \$8.9 million from the original budget of \$115.4 million. The primary adjustments are briefly summarized as follows:

- \$3.2 million re-appropriation for encumbrances,
- \$2.8 million appropriation of land sale proceeds for park improvements,
- \$2.1 million mid-year adjustments for negotiated salary and benefit increases, public safety requirements, legal fees, and parks equipment and services,
- \$0.8 million for miscellaneous increases based on program revenues and service needs.

General Fund actual revenue were \$3.8 million less than the final budgetary estimates and the expenditures and transfers out were \$6 million less than the final budgetary estimates. The revenue shortfall was primarily driven by the slowing economy which impacted sales tax, \$2.8 million lower, and franchise fees, \$0.3 million lower. In addition, intergovernmental shared revenues were \$0.8 million lower than budgeted. Expenditure savings were achieved through holding positions vacant and deferring major acquisitions.

Capital Assets and Debt Administration

Capital assets. The City's investments in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2008, were \$1.43 billion and \$490 million respectively. The total increase for this investment was 23 percent for governmental and 8.6 percent for business-type activities.

Major capital asset additions during Fiscal Year 2008 included the following:

- Acquisition of equipment, refuse trucks, police vehicles, and parks maintenance trucks.

Management's Discussion and Analysis (continued)

- Acquisition of a computer based file storage and backup system and a disaster recovery network for public safety.
- Construction in progress for water and wastewater projects.
- A variety of street and storm drain projects.

**Capital Assets
Net of Accumulated Depreciation
(\$ thousands)**

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Land | \$ 988,044 | \$ 988,331 | \$ 25,168 | \$ 24,102 | \$ 1,013,212 | \$ 1,012,433 |
| Construction in progress | 105,537 | 75,807 | 258,380 | 230,087 | 363,917 | 305,894 |
| Buildings | 24,064 | 24,987 | 30,872 | 31,552 | 54,936 | 56,539 |
| Other improvements | 63,729 | 52,829 | 171,347 | 160,132 | 235,076 | 212,961 |
| Machinery and equipment | 8,426 | 9,095 | 4,646 | 5,703 | 13,072 | 14,798 |
| Infrastructure | 239,905 | 246,571 | — | — | 239,905 | 246,571 |
| Total | \$ 1,429,705 | \$ 1,397,620 | \$ 490,413 | \$ 451,576 | \$ 1,920,118 | \$ 1,849,196 |

Long-term debt. The City uses a variety of tax increment, revenue and lease indebtedness to finance various capital acquisitions. As of June 30, 2008, the City's long-term debt outstanding was \$403 million. Of this total, \$113 million was in governmental activities and \$290 million was in business-type activities. More detailed information about the City's long-term liabilities is presented in Note 7 to the financial statements. The following provides a breakdown of the City's outstanding indebtedness as of June 30, 2008:

**Outstanding Debt
(\$ thousands)**

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------------|----------------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Tax allocation bonds | \$ 36,613 | \$ 37,458 | \$ — | \$ — | \$ 36,613 | \$ 37,458 |
| Revenue bonds | 41,746 | 43,110 | 285,443 | 291,615 | 327,189 | 334,725 |
| Capital leases | 494 | 750 | 4,604 | 1,537 | 5,098 | 2,287 |
| Certificate of participation | 34,327 | 7,395 | — | — | 34,327 | 7,395 |
| Total | \$ 113,180 | \$ 88,713 | \$ 290,047 | \$ 293,152 | \$ 403,227 | \$ 381,865 |

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 (CDC). CDC debt is rated A by Standard and Poor's (S&P).

Management's Discussion and Analysis (continued)

Revenue bonds are used to finance projects for public parking, civic center, water, wastewater, environmental resources, and public housing. Debt service on these issues is paid from the revenues of the appropriate enterprise funds and the General Fund. Water and Wastewater revenue bonds are rated "A+" by S&P while the other revenue bonds are "A" rated.

During the fiscal year, the City issued \$27.7 million Gas tax revenue certificates of participation (COP) to finance various streets improvements and a \$3.4 million lease purchase for environmental resource trash containers. COPs and environmental resources debt are rated "A" by S&P.

The total outstanding debt is limited by statute to 15% of assessed valuation, or \$2.4 billion.

Economic Factors and Next Year's Budgets and Rates

Although the Oxnard metro area has a diverse economy and growing population, City revenues have been impacted by the economic slow down experienced throughout the State of California and the nation. Unemployment has increased to just over 6.1% from 4.7% the prior year.

The fiscal year 2009 budget was developed based on a slow economy. Property and sales taxes were budgeted below 2008 budgeted amounts. Only moderate increases were programmed for user charges, including 3% rate adjustments previously approved for water and wastewater. These rate increases were required to cover ongoing costs to provide services as well as finance capital improvements.

On November 4, 2008, the voters approved a ½ cent sales tax increase to be used to expand services.

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 additional financial information, contact the Office of the Chief Financial Officer at 300 West Third Street, Oxnard, California, 93030.

BASIC FINANCIAL STATEMENTS



City of Oxnard, California

*Statement of Net Assets
June 30, 2008*

| | Primary Government | | |
|---|------------------------------------|-------------------------------------|--------------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 163,213,429 | \$ 43,705,526 | \$ 206,918,955 |
| Investments with fiscal agents | 46,763,013 | 42,375,066 | 89,138,079 |
| Accounts and other receivables (net of allowance for uncollectible) | 16,401,492 | 15,813,106 | 32,214,598 |
| Notes receivable | 4,260,202 | 51,745 | 4,311,947 |
| Internal balances | 570,528 | (570,528) | — |
| Due from other governments | 6,245,842 | — | 6,245,842 |
| Property held for resale | 4,034,159 | — | 4,034,159 |
| Other assets | 1,248,500 | 1,865,831 | 3,114,331 |
| Restricted assets: | | | |
| Investments with fiscal agents | — | 6,748 | 6,748 |
| Notes receivable | — | 958,300 | 958,300 |
| Capital assets not being depreciated: | | | |
| Land | 988,043,659 | 25,168,033 | 1,013,211,692 |
| Construction in progress | 105,536,981 | 258,379,979 | 363,916,960 |
| Capital assets, net of accumulated depreciation: | | | |
| Buildings | 24,063,747 | 30,655,511 | 54,719,258 |
| Other improvements | 63,729,571 | 171,347,142 | 235,076,713 |
| Machinery and equipment | 8,425,972 | 4,862,173 | 13,288,145 |
| Infrastructure | 239,904,667 | — | 239,904,667 |
| Total assets | <u>1,672,441,762</u> | <u>594,618,632</u> | <u>2,267,060,394</u> |
| LIABILITIES | | | |
| Accounts payable | 13,314,766 | 9,581,177 | 22,895,943 |
| Other liabilities | 21,164,616 | 6,689,110 | 27,853,726 |
| Unearned revenues | 9,689,114 | — | 9,689,114 |
| Due to other agencies | 994,319 | — | 994,319 |
| Non-current liabilities: | | | |
| Due within one year | | | |
| Self-insurance claims liabilities | 5,987,972 | — | 5,987,972 |
| Compensated absences payable | 5,955,000 | 1,065,231 | 7,020,231 |
| Bonds and capital leases | 3,168,551 | 8,543,899 | 11,712,450 |
| Due in more than one year | | | |
| Self-insurance claims liabilities | 7,612,668 | — | 7,612,668 |
| Compensated absences payable | 10,139,816 | 1,356,279 | 11,496,095 |
| Bonds and capital leases | 110,011,814 | 281,502,678 | 391,514,492 |
| Total liabilities | <u>188,038,636</u> | <u>308,738,374</u> | <u>496,777,010</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 1,357,202,580 | 229,468,962 | 1,586,671,542 |
| Restricted for: | | | |
| Debt service | 2,853,767 | 7,824,253 | 10,678,020 |
| Capital projects | 40,716,260 | — | 40,716,260 |
| Other purposes | 4,605,189 | 958,300 | 5,563,489 |
| Unrestricted | 79,025,330 | 47,628,743 | 126,654,073 |
| Total net assets | <u>\$ 1,484,403,126</u> | <u>\$ 285,880,258</u> | <u>\$ 1,770,283,384</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, 2008*

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|-----------------------|----------------------------|--|--|--|-----------------------------|-------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total |
| | | | | | Governmental Activities | Business-Type Activities | |
| FUNCTIONS/PROGRAMS | | | | | | | |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 21,898,728 | \$ 8,515,014 | \$ 12,154,992 | \$ 127,876 | \$ (1,100,846) | \$ — | \$ (1,100,846) |
| Public safety | 88,547,777 | 4,921,670 | 2,570,174 | — | (81,055,933) | — | (81,055,933) |
| Transportation | 10,847,730 | 4,050,457 | 5,093,904 | 5,624,925 | 3,921,556 | — | 3,921,556 |
| Community development | 27,123,076 | 15,030,222 | 3,337,588 | 4,439,680 | (4,315,586) | — | (4,315,586) |
| Culture and leisure | 18,162,564 | 4,401,090 | 3,665 | 2,710,324 | (11,047,485) | — | (11,047,485) |
| Libraries | 5,517,965 | 246,576 | 47,596 | — | (5,223,793) | — | (5,223,793) |
| Interest on long-term debt | 4,701,143 | — | — | — | (4,701,143) | — | (4,701,143) |
| Total governmental activities | 176,798,983 | 37,165,029 | 23,207,919 | 12,902,805 | (103,523,230) | — | (103,523,230) |
| Business-type activities: | | | | | | | |
| Water | 33,417,143 | 35,378,947 | — | — | — | 1,961,804 | 1,961,804 |
| Wastewater | 24,009,381 | 27,621,114 | — | — | — | 3,611,733 | 3,611,733 |
| Environmental resources | 45,329,486 | 42,795,069 | — | — | — | (2,534,417) | (2,534,417) |
| Performing arts and convention center | 1,829,853 | 485,548 | — | — | — | (1,344,305) | (1,344,305) |
| Oxnard housing authority | 23,758,739 | 23,785,335 | — | — | — | 26,596 | 26,596 |
| Municipal golf course | 3,794,080 | 3,234,074 | — | — | — | (560,006) | (560,006) |
| Total business-type activities | 132,138,682 | 133,300,087 | — | — | — | 1,161,405 | 1,161,405 |
| Total primary government | \$ 308,937,665 | \$ 170,465,116 | \$ 23,207,919 | \$ 12,902,805 | \$ (103,523,230) | \$ 1,161,405 | \$ (102,361,825) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property tax | | | | | 75,726,666 | — | 75,726,666 |
| Sales tax | | | | | 24,205,622 | — | 24,205,622 |
| Transient occupancy tax | | | | | 3,618,611 | — | 3,618,611 |
| Franchise tax | | | | | 3,986,567 | — | 3,986,567 |
| Deed transfer tax | | | | | 860,378 | — | 860,378 |
| Business license tax | | | | | 4,662,658 | — | 4,662,658 |
| Penalties and interest | | | | | 123,956 | — | 123,956 |
| Interest on investments | | | | | 7,561,978 | 5,125,917 | 12,687,895 |
| Sale of capital assets | | | | | 4,351,772 | — | 4,351,772 |
| Transfers | | | | | 5,181,566 | (5,181,566) | — |
| Total general revenues and transfers | | | | | 130,279,774 | (55,649) | 130,224,125 |
| Change in net assets | | | | | 26,756,544 | 1,105,756 | 27,862,300 |
| Net assets - July 1 | | | | | 1,457,646,582 | 284,774,502 | 1,742,421,084 |
| Net assets - June 30 | | | | | \$ 1,484,403,126 | \$ 285,880,258 | \$ 1,770,283,384 |

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

City of Oxnard, California

*Balance Sheet
Governmental Funds
June 30, 2008*

| | <u>General 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 | \$ 24,160,573 | \$ 7,422,931 | \$ 41,506,169 | \$ 60,561,179 | \$ 133,650,852 |
| Investments with fiscal agents | — | 24,560,228 | 21,331,125 | 871,660 | 46,763,013 |
| Accounts and other receivables (net of allowance for uncollectibles) | 3,604,748 | — | 66,308 | 12,721,766 | 16,392,822 |
| Notes receivable | — | — | 4,260,202 | — | 4,260,202 |
| Due from other funds | 3,924,521 | — | — | 179,595 | 4,104,116 |
| Due from other governments | 4,968,140 | — | — | 1,277,702 | 6,245,842 |
| Properties held for resale | — | — | 4,034,159 | — | 4,034,159 |
| Advances to other funds | 23,035 | — | — | — | 23,035 |
| Other assets | — | — | — | \$ 73,079 | 73,079 |
| Total assets | <u>\$ 36,681,017</u> | <u>\$ 31,983,159</u> | <u>\$ 71,197,963</u> | <u>\$ 75,684,981</u> | <u>\$ 215,547,120</u> |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 2,997,445 | \$ 3,961,418 | \$ 3,423,596 | \$ 1,745,557 | \$ 12,128,016 |
| Other liabilities | 12,330,876 | 1,259,615 | 10,807 | 1,001,993 | 14,603,291 |
| Due to other funds | 9,263 | 129,226 | 2,000,000 | 1,418,134 | 3,556,623 |
| Due to other agencies | — | — | 994,319 | — | 994,319 |
| Unearned revenues | 890,329 | — | — | 8,798,785 | 9,689,114 |
| Total liabilities | <u>16,227,913</u> | <u>5,350,259</u> | <u>6,428,722</u> | <u>12,964,469</u> | <u>40,971,363</u> |
| Fund balances | | | | | |
| Reserved for: | | | | | |
| Receivables | — | — | 4,260,202 | — | 4,260,202 |
| Repayment of debt | — | — | 1,230,241 | 1,623,526 | 2,853,767 |
| Advances | 23,035 | — | — | — | 23,035 |
| Restricted revenue | 159,573 | — | — | — | 159,573 |
| Carryover savings | 162,379 | — | — | — | 162,379 |
| Capital project funds | — | — | 40,716,260 | — | 40,716,260 |
| Unreserved: | | | | | |
| Undesignated | 18,334,756 | — | — | — | 18,334,756 |
| Designated | 1,773,361 | — | — | — | 1,773,361 |
| Unreserved reported in: | | | | | |
| Special revenue funds | — | — | — | 61,096,986 | 61,096,986 |
| Capital project funds | — | 26,632,900 | 18,562,538 | — | 45,195,438 |
| Total fund balances | <u>20,453,104</u> | <u>26,632,900</u> | <u>64,769,241</u> | <u>62,720,512</u> | <u>174,575,757</u> |
| Total liabilities and fund balances | <u>\$ 36,681,017</u> | <u>\$ 31,983,159</u> | <u>\$ 71,197,963</u> | <u>\$ 75,684,981</u> | <u>\$ 215,547,120</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, 2008**

| | |
|--|---------------------------------------|
| Fund balances of governmental funds | \$ 174,575,757 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets of \$1,713,911,972 net of accumulated depreciation of (\$284,207,375) are not financial resources and, therefore, are not reported in the funds. | 1,429,704,597 |
| Long-term liabilities, claims and compensated absences have not been included in the governmental fund activity | |
| Long-term liabilities of \$113,180,365, net of unamortized discount (\$934,473) | (113,180,365) |
| Self insurance claims | (13,600,640) |
| Compensated absences | (16,094,816) |
| Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds | (660,182) |
| Unamortized issuance cost, Other assets, not available to pay current-period expenditures | 1,175,421 |
| Other post employment liability, other long term liability, not due and payable in the current period | (1,401,245) |
| 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. | 23,884,599 |
| Net assets of governmental activities | <u><u>\$ 1,484,403,126</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, 2008**

| | <u>General Fund</u> | <u>Capital Outlay Fund</u> | <u>Community Development Commission Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Totals</u> |
|---|-----------------------------|------------------------------------|--|---|------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 78,964,931 | \$ — | \$ 18,258,672 | \$ 15,960,855 | \$ 113,184,458 |
| Licenses and permits | 2,186,370 | — | — | 605,821 | 2,792,191 |
| Intergovernmental | 10,532,975 | 74,148 | — | 25,503,601 | 36,110,724 |
| Growth and development fees | — | — | 49,005 | 5,675,935 | 5,724,940 |
| Charges for services | 12,830,700 | 21,394 | — | 25,659 | 12,877,753 |
| Fines and forfeitures | 678,327 | — | — | 672,301 | 1,350,628 |
| Interest | 2,029,700 | 139,121 | 2,486,004 | 2,907,153 | 7,561,978 |
| Special assessments | — | 948,316 | — | 8,065,774 | 9,014,090 |
| Contributions from property owners | — | — | — | — | — |
| Miscellaneous | 6,511,667 | 1,300 | 1,526,366 | 1,717,866 | 9,757,199 |
| Total revenues | <u>113,734,670</u> | <u>1,184,279</u> | <u>22,320,047</u> | <u>61,134,965</u> | <u>198,373,961</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 11,939,662 | — | — | 450,727 | 12,390,389 |
| Public safety | 63,395,592 | — | — | 17,014,292 | 80,409,884 |
| Transportation | 4,774,839 | — | — | 5,867,751 | 10,642,590 |
| Community development | 11,256,637 | 194,324 | 8,584,583 | 6,123,028 | 26,158,572 |
| Culture and leisure | 13,665,624 | 13,771 | — | 3,215,395 | 16,894,790 |
| Library services | 4,856,332 | — | — | 93,961 | 4,950,293 |
| Capital outlay | 1,379,294 | 31,641,888 | 2,997,247 | 16,265,007 | 52,283,436 |
| Debt service: | | | | | |
| Principal | — | — | — | 2,754,823 | 2,754,823 |
| Interest and fiscal charges | — | — | — | 3,810,737 | 3,810,737 |
| Total expenditures | <u>111,267,980</u> | <u>31,849,983</u> | <u>11,581,830</u> | <u>55,595,721</u> | <u>210,295,514</u> |
| Excess (deficiency) of revenues over expenditures | 2,466,690 | (30,665,704) | 10,738,217 | 5,539,244 | (11,921,553) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of bonds | — | 24,901,556 | — | 1,732,967 | 26,634,523 |
| Transfers in | 131,566 | 9,564,645 | — | 4,411,755 | 14,107,966 |
| Transfers out | (7,142,803) | — | — | (1,783,597) | (8,926,400) |
| Total other financing sources (uses) | <u>(7,011,237)</u> | <u>34,466,201</u> | <u>—</u> | <u>4,361,125</u> | <u>31,816,089</u> |
| Net change in fund balances | (4,544,547) | 3,800,497 | 10,738,217 | 9,900,369 | 19,894,536 |
| Fund balances, July 1 | <u>24,997,651</u> | <u>22,832,403</u> | <u>54,031,024</u> | <u>52,820,143</u> | <u>154,681,221</u> |
| Fund balances, June 30 | <u>\$ 20,453,104</u> | <u>\$ 26,632,900</u> | <u>\$ 64,769,241</u> | <u>\$ 62,720,512</u> | <u>\$ 174,575,757</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, 2008**

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

| | |
|---|-----------------------------|
| Net change in fund balances - total governmental funds | \$ 19,894,536 |
| 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 \$52,283,436 exceeded depreciation expense (\$19,086,667) in the current period. | 33,196,769 |
| In the statement of activities, the gain on disposal of assets is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by the cost of the assets disposed \$5,525,672, net of accumulated depreciation (\$3,526,938) | (1,998,734) |
| Some expenses reported in the statement of activities do not require the use of financial resources and are not reported as expenditures in governmental funds. These include the increase in accrued interest (\$94,452) net increase in compensated absences (\$1,616,214) and other post-employment benefits (\$1,401,245). | (3,111,911) |
| The proceeds of debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt proceeds of (\$26,634,523) plus amortization of premium (\$398,599), cost of issuance (\$341,578), and bond discount (\$55,772), exceeded repayments of \$2,754,823. | (24,675,649) |
| Net revenue of internal service funds of \$7,799,687 is reported with governmental activities, less \$4,348,154 allocated to business-type activities. | 3,451,533 |
| Change in net assets of governmental activities (page 14) | <u>\$ 26,756,544</u> |

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

PROPRIETARY FUNDS



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City of Oxnard, California

*Statement of Net Assets
Proprietary Funds
June 30, 2008*

| | Business-Type Activities - Enterprise Funds | | | |
|---|--|-----------------------|------------------------------------|--|
| | Water | Wastewater | Environmental Resources | Performing Arts and Convention Center |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 25,262,550 | \$ 14,583,364 | \$ — | \$ — |
| Cash with fiscal agents | 28,516,586 | 2,915,925 | 5,000,151 | 35,000 |
| Accounts and other receivables (net of allowance for uncollectible) | 4,583,961 | 4,912,250 | 5,080,130 | 4,681 |
| Notes receivable | — | — | — | — |
| Due from other funds | 74,057 | 5,596,914 | 55,169 | — |
| Other assets | — | 1,241,027 | 348,817 | — |
| Total current assets | 58,437,154 | 29,249,480 | 10,484,267 | 39,681 |
| Noncurrent assets: | | | | |
| Investments with fiscal agent | — | — | — | — |
| Notes receivable | — | 958,300 | — | — |
| Capital assets: | | | | |
| Land | 3,880,432 | 4,273,655 | 3,811,166 | — |
| Buildings | 5,795,000 | 6,380,938 | 22,859,740 | — |
| Improvements | — | — | — | — |
| Machinery and equipment | 2,646,156 | 17,588,516 | 20,534,494 | 6,900 |
| Construction in progress | 89,505,067 | 144,644,151 | 5,471,989 | — |
| Infrastructure | 102,330,163 | 169,061,310 | 866,026 | 42,615 |
| Less accumulated depreciation | (44,575,198) | (87,473,704) | (22,573,430) | (7,336) |
| Total capital assets (net of accumulated depreciation) | 159,581,620 | 254,474,866 | 30,969,985 | 42,179 |
| Total noncurrent assets | 159,581,620 | 255,433,166 | 30,969,985 | 42,179 |
| Total assets | 218,018,774 | 284,682,646 | 41,454,252 | 81,860 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 5,541,966 | 2,537,141 | 4,283,587 | 90,922 |
| Other liabilities | 1,748,563 | 3,381,629 | 697,892 | 15,306 |
| Due to other funds | — | — | 5,596,914 | 676,719 |
| Compensated absences payable - current | 230,000 | 450,000 | 310,000 | 45,000 |
| Self-insurance claims - due within one year | — | — | — | — |
| Revenue bonds payable - current | 2,040,000 | 3,155,000 | 2,327,908 | — |
| Total current liabilities | 9,560,529 | 9,523,770 | 13,216,301 | 827,947 |
| Noncurrent liabilities: | | | | |
| Revenue bonds payable (net of current portion and discount) | 106,139,008 | 145,117,304 | 14,867,747 | — |
| Compensated absences payable | 216,559 | 199,269 | 371,764 | 33,341 |
| Self-insurance claims | — | — | — | — |
| Capital leases payable | — | — | 4,060,967 | — |
| Advances from other funds | — | — | — | — |
| Total noncurrent liabilities | 106,355,567 | 145,316,573 | 19,300,478 | 33,341 |
| Total liabilities | 115,916,096 | 154,840,343 | 32,516,779 | 861,288 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 73,639,485 | 104,308,052 | 13,498,701 | 42,179 |
| Restricted for receivable | — | 958,300 | — | — |
| Restricted for debt service | 3,837,253 | — | 2,130,600 | — |
| Unrestricted | 24,625,940 | 24,575,951 | (6,691,828) | (821,607) |
| Total net assets | \$ 102,102,678 | \$ 129,842,303 | \$ 8,937,473 | \$ (779,428) |

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

City of Oxnard, California

**Statement of Net Assets
Proprietary Funds
June 30, 2008**

| Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds | |
|--|------------------------------|----------------------------|---|---|
| Oxnard Housing Authority | Municipal Golf Course | Totals Current Year | | |
| \$ 941,917 | \$ 2,917,695 | \$ 43,705,526 | \$ 29,562,577 | ASSETS |
| 4,845,854 | 1,061,550 | 42,375,066 | — | Current assets: |
| 1,139,287 | 92,797 | 15,813,106 | 8,670 | Cash and cash equivalents |
| 51,745 | — | 51,745 | — | Cash with fiscal agents |
| 988,440 | — | 6,714,580 | — | Accounts and other receivables (net of allowance for uncollectible) |
| 275,987 | — | 1,865,831 | — | Notes receivable |
| 8,243,230 | 4,072,042 | 110,525,854 | 29,571,247 | Due from other funds |
| | | | | Other assets |
| | | | | Total current assets |
| 6,748 | — | 6,748 | — | Noncurrent assets: |
| — | — | 958,300 | — | Investments with fiscal agent |
| | | | | Notes receivable |
| 8,920,208 | 4,282,572 | 25,168,033 | 595,500 | Capital assets: |
| 37,813,127 | 3,247,033 | 76,095,838 | — | Land |
| — | 5,803,242 | 5,803,242 | — | Buildings |
| 1,493,259 | — | 42,269,325 | 2,665,775 | Improvements |
| 20,255 | 18,738,517 | 258,379,979 | 810,483 | Machinery and equipment |
| — | — | 272,300,114 | — | Construction in progress |
| (32,210,931) | (2,763,094) | (189,603,693) | (1,804,067) | Infrastructure |
| 16,035,918 | 29,308,270 | 490,412,838 | 2,267,691 | Less accumulated depreciation |
| 16,042,666 | 29,308,270 | 491,377,886 | 2,267,691 | Total capital assets (net of accumulated depreciation) |
| 24,285,896 | 33,380,312 | 601,903,740 | 31,838,938 | Total noncurrent assets |
| | | | | Total assets |
| | | | | LIABILITIES |
| 1,095,483 | 57,797 | 13,606,896 | 1,186,750 | Current liabilities: |
| 785,663 | 60,057 | 6,689,110 | 151,744 | Accounts payable |
| 988,440 | — | 7,262,073 | — | Other liabilities |
| 30,231 | — | 1,065,231 | 505,000 | Due to other funds |
| — | — | — | 5,987,972 | Compensated absences payable - current |
| 225,000 | 795,991 | 8,543,899 | — | Self-insurance claims - due within one year |
| 3,124,817 | 913,845 | 37,167,209 | 7,831,466 | Revenue bonds payable - current |
| | | | | Total current liabilities |
| 4,750,000 | 6,567,652 | 277,441,711 | — | Noncurrent liabilities: |
| 535,346 | — | 1,356,279 | 313,248 | Revenue bonds payable (net of current portion and discount) |
| — | — | — | 7,612,668 | Compensated absences payable |
| — | — | 4,060,967 | — | Self-insurance claims |
| — | 23,035 | 23,035 | — | Capital leases payable |
| 5,285,346 | 6,590,687 | 282,881,992 | 7,925,916 | Advances from other funds |
| 8,410,163 | 7,504,532 | 320,049,201 | 15,757,382 | Total noncurrent liabilities |
| | | | | Total liabilities |
| | | | | NET ASSETS |
| 16,035,918 | 21,944,627 | 229,468,962 | 2,267,691 | Invested in capital assets, net of related debt |
| — | — | 958,300 | — | Restricted for receivable |
| — | 1,856,400 | 7,824,253 | — | Restricted for debt service |
| (160,185) | 2,074,753 | 43,603,024 | 13,813,865 | Unrestricted |
| \$ 15,875,733 | \$ 25,875,780 | \$ 281,854,539 | \$ 16,081,556 | Total net assets |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | 4,025,719 | | |
| Net assets of business-type activities | | \$ 285,880,258 | | |

City of Oxnard, California

*Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008*

| | Business-Type Activities - Enterprise Funds | | | |
|--|--|-----------------------|--------------------------------|--|
| | Water | Wastewater | Environmental Resources | Performing Arts and Convention Center |
| Operating revenues: | | | | |
| Charges for services | \$ 33,449,586 | \$ 22,001,003 | \$ 42,247,879 | \$ 471,509 |
| Connection fees | 1,897,437 | 4,846,108 | 116,459 | — |
| Miscellaneous and reimbursements | 31,924 | 774,003 | 333,046 | 14,039 |
| Total operating revenues | 35,378,947 | 27,621,114 | 42,697,384 | 485,548 |
| Operating expenses: | | | | |
| Salaries and wages | 4,499,030 | 6,902,053 | 6,861,494 | 1,300,712 |
| Contractual services | 1,547,279 | 1,243,628 | 17,421,046 | 62,928 |
| Operating supplies | 16,872,314 | 2,236,259 | 3,452,919 | — |
| Utilities | 305,832 | 4,302,862 | 7,324,361 | 199,453 |
| Depreciation | 2,608,763 | 4,110,778 | 1,710,908 | 2,446 |
| General and administrative | 4,148,686 | 2,690,129 | 3,778,306 | 249,803 |
| Repairs and maintenance | 359,475 | 187,628 | 4,275,029 | 14,511 |
| Claims expenses | — | — | — | — |
| Total operating expenses | 30,341,379 | 21,673,337 | 44,824,063 | 1,829,853 |
| Operating income (loss) | 5,037,568 | 5,947,777 | (2,126,679) | (1,344,305) |
| Nonoperating revenues (expenses): | | | | |
| Sale of donated property | — | — | — | — |
| Intergovernmental | — | — | 97,685 | — |
| Interest income | 2,990,938 | 1,433,532 | 191,086 | — |
| Interest expense | (3,271,159) | (2,623,337) | (1,031,830) | — |
| Total nonoperating revenues (expenses) | (280,221) | (1,189,805) | (743,059) | — |
| Income (loss) before contributions and transfers | 4,757,347 | 4,757,972 | (2,869,738) | (1,344,305) |
| Capital contributions | — | — | — | — |
| Transfers in | — | — | — | 981,861 |
| Transfers out | — | — | (62,127) | — |
| Change in net assets | 4,757,347 | 4,757,972 | (2,931,865) | (362,444) |
| Total net assets - July 1 | 97,345,331 | 125,084,331 | 11,869,338 | (416,984) |
| Total net assets - June 30 | \$ 102,102,678 | \$ 129,842,303 | \$ 8,937,473 | \$ (779,428) |

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, 2008*

| Business-Type Activities - Enterprise Funds | | | | |
|--|----------------------------------|---------------------|---|--|
| Oxnard Housing Authority | Municipal Golf Course | Totals | Governmental Activities - Internal Service Funds | |
| \$ 23,531,831 | \$ 3,224,008 | \$ 124,925,816 | \$ 29,330,044 | Operating revenues: |
| — | — | 6,860,004 | — | Charges for services |
| 253,504 | 10,066 | 1,416,582 | 583,437 | Connection fees |
| 23,785,335 | 3,234,074 | 133,202,402 | 29,913,481 | Miscellaneous and reimbursements |
| | | | | Total operating revenues |
| 3,310,895 | 47,257 | 22,921,441 | 8,574,754 | Operating expenses: |
| 39,100 | 3,181,892 | 23,495,873 | 1,059,854 | Salaries and wages |
| 14,621,258 | 1,160 | 37,183,910 | 4,661,620 | Contractual services |
| 728,004 | 1,778 | 12,862,290 | 1,833,268 | Operating supplies |
| 1,622,703 | 82,025 | 10,137,623 | 287,289 | Utilities |
| 1,441,018 | 133,282 | 12,441,224 | 1,763,655 | Depreciation |
| 1,775,998 | 403 | 6,613,044 | 1,288,160 | General and administrative |
| — | — | — | 7,024,999 | Repairs and maintenance |
| 23,538,976 | 3,447,797 | 125,655,405 | 26,493,599 | Claims expenses |
| 246,359 | (213,723) | 7,546,997 | 3,419,882 | Total operating expenses |
| | | | | Operating income (loss) |
| — | — | — | — | Nonoperating revenues (expenses): |
| — | — | 97,685 | — | Sale of donated property |
| 171,558 | 338,803 | 5,125,917 | 1,041,192 | Intergovernmental |
| (219,763) | (346,729) | (7,492,818) | — | Interest income |
| (48,205) | (7,926) | (2,269,216) | 1,041,192 | Interest expense |
| | | | | Total nonoperating revenues (expenses) |
| 198,154 | (221,649) | 5,277,781 | 4,461,074 | Income (loss) before contributions and transfers |
| — | — | — | — | Capital contributions |
| — | — | 981,861 | 6,500 | Transfers in |
| — | (6,107,800) | (6,169,927) | — | Transfers out |
| 198,154 | (6,329,449) | 89,715 | 4,467,574 | Change in net assets |
| 15,677,579 | 32,205,229 | | 11,613,982 | Total net assets - July 1 |
| \$ 15,875,733 | \$ 25,875,780 | | \$ 16,081,556 | Total net assets - June 30 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. | | 1,016,041 | | |
| Change in net assets of business-type activities | | \$ 1,105,756 | | |

City of Oxnard, California

*Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008*

| | Business-Type Activities - Enterprise Funds | | | |
|---|--|----------------------|--------------------------------|--|
| | Water | Wastewater | Environmental Resources | Performing Arts and Convention Center |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers and users | \$ 35,425,147 | \$ 24,193,879 | \$ 42,526,149 | \$ 485,891 |
| Payments to suppliers | (21,073,877) | (8,177,197) | (33,645,098) | (491,136) |
| Payments to employees | (4,519,987) | (6,901,111) | (6,816,521) | (1,296,601) |
| Cash paid to claimants | — | — | — | — |
| Net cash provided by operating activities | 9,831,283 | 9,115,571 | 2,064,530 | (1,301,846) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Advances from other funds | — | — | — | — |
| Due to other funds | — | — | 684,612 | 319,985 |
| Sale of donated property | — | — | — | — |
| Transfer from other funds | — | — | — | 981,861 |
| Transfer to other funds | — | — | (62,127) | — |
| Net cash provided (used) by capital and related financing activities | — | — | 622,485 | 1,301,846 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Purchases of capital assets | (23,072,179) | (22,980,021) | (1,227,850) | — |
| Received from grants | — | — | 97,685 | — |
| Principal paid on long-term debt | (1,190,734) | (2,260,000) | (2,084,187) | — |
| Interest paid on long-term debt | (3,202,239) | (2,554,554) | (1,072,391) | — |
| Proceeds from issuance of long-term debt | — | — | 3,436,273 | — |
| Net cash used in capital and related financing activities | (27,465,152) | (27,794,575) | (850,470) | — |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on investments | 2,985,071 | 1,433,532 | 191,087 | — |
| Net cash provided by investing activities | 2,985,071 | 1,433,532 | 191,087 | — |
| Net increase (decrease) in cash and cash equivalents | (14,648,798) | (17,245,472) | 2,027,632 | — |
| Cash and cash equivalents, July 1 | 68,427,934 | 34,744,761 | 2,972,519 | 35,000 |
| Cash and cash equivalents, June 30 | \$ 53,779,136 | \$ 17,499,289 | \$ 5,000,151 | \$ 35,000 |

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, 2008*

| Business-Type Activities - Enterprise Funds | | | | |
|--|------------------------------|----------------------|--|---|
| Oxnard Housing Authority | Municipal Golf Course | Totals | Governmental Activities- Internal Service Funds | |
| | | | | CASH FLOWS FROM OPERATING ACTIVITIES |
| \$ 23,831,014 | \$ 3,359,863 | \$ 129,821,943 | \$ 29,994,577 | Receipts from customers and users |
| (18,142,379) | (4,115,462) | (85,645,149) | (9,995,359) | Payments to suppliers |
| (3,430,483) | (47,257) | (23,011,960) | (8,410,651) | Payments to employees |
| — | — | — | (6,576,758) | Cash paid to claimants |
| 2,258,152 | (802,856) | 21,164,834 | 5,011,809 | Net cash provided by operating activities |
| | | | | CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES |
| — | (25,000) | (25,000) | — | Advances from other funds |
| — | — | 1,004,597 | — | Due to other funds |
| — | — | — | — | Sale of donated property |
| — | — | 981,861 | 6,500 | Transfer from other funds |
| — | (6,107,800) | (6,169,927) | — | Transfer to other funds |
| — | (6,132,800) | (4,208,469) | 6,500 | Net cash provided (used) by capital and related financing activities |
| | | | | CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES |
| (136,519) | (1,425,078) | (48,841,647) | (1,174,300) | Purchases of capital assets |
| — | — | 97,685 | — | Received from grants |
| (220,000) | (766,617) | (6,521,538) | — | Principal paid on long-term debt |
| (229,693) | (346,729) | (7,405,606) | — | Interest paid on long-term debt |
| — | — | 3,436,273 | — | Proceeds from issuance of long-term debt |
| (586,212) | (2,538,424) | (59,234,833) | (1,174,300) | Net cash used in capital and related financing activities |
| | | | | CASH FLOWS FROM INVESTING ACTIVITIES |
| 171,558 | 338,804 | 5,120,052 | 1,041,192 | Interest on investments |
| 171,558 | 338,804 | 5,120,052 | 1,041,192 | Net cash provided by investing activities |
| 1,843,498 | (9,135,276) | (37,158,416) | 4,885,201 | Net increase (decrease) in cash and cash equivalents |
| 3,944,273 | 13,114,521 | 123,239,008 | 24,677,376 | Cash and cash equivalents, July 1 |
| \$ 5,787,771 | \$ 3,979,245 | \$ 86,080,592 | \$ 29,562,577 | Cash and cash equivalents, June 30 |

City of Oxnard, California

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2008

| | Business-Type Activities - Enterprise Funds | | | |
|--|--|---------------------|--------------------------------|--|
| | Water | Wastewater | Environmental Resources | Performing Arts and Convention Center |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 5,037,568 | \$ 5,947,777 | \$ (2,126,679) | \$ (1,344,305) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 2,608,763 | 4,110,778 | 1,710,908 | 2,446 |
| Changes in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable, notes receivable, and due from other funds | 46,200 | (3,427,235) | (171,235) | 343 |
| (Increase) decrease in other assets | — | — | — | — |
| Increase (decrease) in accounts payable | 1,293,599 | (279,250) | 2,064,685 | 23,548 |
| Increase (decrease) in other liabilities | 866,110 | 2,762,559 | 541,878 | 12,011 |
| Increase (decrease) in compensated absences | (20,957) | 942 | 44,973 | 4,111 |
| Increase (decrease) in self-insurance liabilities | — | — | — | — |
| Net cash provided by (used in) operating activities | \$ 9,831,283 | \$ 9,115,571 | \$ 2,064,530 | \$ (1,301,846) |

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

City of Oxnard, California

Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2008

| Business-Type Activities - Enterprise Funds | | | Governmental | |
|--|------------------------------|----------------------|--|--|
| Oxnard Housing Authority | Municipal Golf Course | Total | Activities - Internal Service Funds | |
| \$ 246,359 | \$ (213,723) | \$ 7,546,997 | \$ 3,419,882 | Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: |
| | | | | Operating income (loss) |
| | | | | Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |
| 1,622,703 | 82,025 | 10,137,623 | 287,288 | Depreciation and amortization |
| | | | | Changes in assets and liabilities: |
| 45,679 | 125,789 | (3,380,459) | 81,101 | (Increase) decrease in accounts receivable, notes receivable, and due from other funds |
| — | — | — | — | (Increase) decrease in other assets |
| 324,497 | (820,604) | 2,606,475 | 611,197 | Increase (decrease) in accounts payable |
| 138,502 | 23,657 | 4,344,717 | 98,086 | Increase (decrease) in other liabilities |
| (119,588) | — | (90,519) | 66,014 | Increase (decrease) in compensated absences |
| — | — | — | 448,241 | Increase (decrease) in self-insurance liabilities |
| \$ 2,258,152 | \$ (802,856) | \$ 21,164,834 | \$ 5,011,809 | Net cash provided by (used in) operating activities |



FIDUCIARY FUNDS



City of Oxnard, California

Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

| | <u>Total</u> |
|--------------------------------|-----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 9,527,377 |
| Investments with fiscal agents | 27,970,843 |
| Total Assets | <u>\$ 37,498,220</u> |
| LIABILITIES | |
| Trust and agency payables | 37,498,220 |
| Total liabilities | <u>\$ 37,498,220</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 an elected Mayor and four Councilmembers. 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, Environmental Resources Enterprise Fund, Water Enterprise Fund, Wastewater 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 by ordinance of the City Council. 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 June 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, effective for periods beginning after December 15, 2006, provides guidance for state and local governments on the accounting and reporting for postemployment healthcare and other nonpension benefits and required disclosures. This statement requires the employer to recognize the cost of benefits in the periods when the related services are received and to provide certain plan information, such as the funding policy, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded. The City implemented this statement for its fiscal year 2007-2008 financial statements.

In September 2006, GASB issued Statement No. 48, Sales and Pledges of Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, effective for periods beginning after December 15, 2006. 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, it also includes disclosure requirements for future revenues that are pledged or sold. The City implemented this statement for its fiscal 2007-2008 financial statements.

In November 2006, GASB issued Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, effective for periods beginning after December 15, 2007. This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The City plans to implement this statement for its fiscal 2008-2009 financial statements.

In June 2007, GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets, effective for periods beginning after June 15, 2009. This Statement establishes standards of accounting and financial reporting for intangible assets for all state and local governments. The City plans to implement this statement for its fiscal 2009-2010 financial statements.

In November 2007, GASB issued Statement No. 52, Land and Other Real Estate Held by Endowments, effective for periods beginning after June 15, 2008. This Statement improves the quality of financial reporting by requiring endowments to report land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The City does not expect this statement to have any significant affect on its financial statements.

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 financial information for the City as a whole while distinguishing between governmental and business-type activities. Fiduciary activities of the City are not included in these statements.

Most 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, fees and charges financially support these activities.

The City's enterprise operations are classified as business-type activities. These operations consist of water, wastewater, environmental resources, housing, the River Ridge Golf Course and the Performing Arts and Convention Center. These activities generally recover the cost of providing services from customer fees and charges.

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.

Fund Financial Statements

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.

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.
- **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.

- Environmental Resources 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

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.

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.

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, 2008, properties held for resale amounted to \$4,034,159.

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 |

GASB 34 requires states, local governments and other public agencies to 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 2007-2008. 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, 2008:

| | Governmental Activities | Business Type | Total |
|-------------------------|------------------------------------|--------------------------|---------------------|
| Beginning Balance | \$ 14,412,587 | \$ 2,512,029 | \$ 16,924,616 |
| Additions | 7,631,519 | 1,462,789 | 9,094,308 |
| Payments | (5,949,290) | (1,553,308) | (7,502,598) |
| Ending Balance | 16,094,816 | 2,421,510 | 18,516,326 |
| Current Portions | \$ 5,955,000 | \$ 1,065,231 | \$ 7,020,231 |

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, 2008, the City has recorded property taxes receivable of \$1,216,153 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.

J. Budgets and Budgetary Accounting

The City develops and presents a two-year budget to the City Council with a one-year capital improvement plan. Annual operating and capital improvement expenditures are adopted through the passage of a resolution. This resolution constitutes the authorized expenditures for the next year. The second year of the two-year budget is updated and adopted for that 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).

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. Budgeted expenditures may be reallocated within a fund by the City Manager and within a department by the department director.

K. Encumbrances

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though unencumbered appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. As part of the budget adoption, the City Council approved the reappropriation of outstanding commitments in the new fiscal year. As of June 30, 2008, the following outstanding encumbrances were identified for reappropriation of funds:

| | |
|-------------------------|-----------------------------------|
| Nondepartmental | \$ 55,008 |
| City Clerk | 33,284 |
| City Attorney | 76,861 |
| Police | 93,572 |
| Public Works | 12,359 |
| Planning | 345,015 |
| Human Services | 15,000 |
| Library | 15,562 |
| Parks | 125,000 |
| Water | 511,975 |
| Wastewater | 126,592 |
| Environmental Resources | 168,186 |
| Internal Service Funds | 302,249 |
| Total | <u><u>\$ 1,880,663</u></u> |

2. CASH AND INVESTMENTS

The City's cash and cash equivalents and investments consist of the following at June 30, 2008:

| | |
|--------------------------------|-------------------------------------|
| Deposits | \$ 2,938,940 |
| Investments | <u>213,507,395</u> |
| Cash and cash equivalents | 216,446,335 |
| Investments with Fiscal Agents | <u>117,108,922</u> |
| Total | <u><u>\$ 333,555,257</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 | \$ 133,650,852 | \$ 43,705,526 | \$ 29,562,577 | \$ 9,527,380 | \$ 216,446,335 |
| Cash with fiscal agents: | 46,763,013 | 42,375,066 | — | 27,970,843 | 117,108,922 |
| Total | <u><u>\$ 180,413,865</u></u> | <u><u>\$ 86,080,592</u></u> | <u><u>\$ 29,562,577</u></u> | <u><u>\$ 37,498,223</u></u> | <u><u>\$ 333,555,257</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, 2008, the City has a bank balance of \$5,410,084 (carrying amount of \$5,062,897); 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 | \$ 213,507,395 |
| Fiscal Agents (Bond trustees for the City and its component units) | 112,263,068 |
| Oxnard Housing Authority (includes fiscal agents) | 4,845,854 |
| | <u><u>\$ 330,616,317</u></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 |

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2008*

The Oxnard Housing Authority investment policy and related disclosures regarding its investments at June 30, 2008, 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 that shows the distribution of the City's investments by maturity.

| | Investment Maturities (In Years) | | | Total |
|---|---|-----------------------------|-----------------------------|------------------------------|
| | Less Than 1 | 1-5 | More than 5 | |
| Federal Agency Securities | \$132,537,866 | \$ — | \$ — | \$ 132,537,866 |
| Corporate Bonds | — | 10,068,641 | — | 10,068,641 |
| California Local Agency Investment Fund | 71,239,788 | — | — | 71,239,788 |
| Negotiable Certificate of Deposit | 4,000,000 | — | — | 4,000,000 |
| Held by Trustee: | | | | |
| U.S. Treasury Notes | 2,972,699 | — | — | 2,972,699 |
| Investment Agreement | 24,961,019 | — | 8,312,740 | 33,273,759 |
| California Local Agency Investment Fund | — | — | 72,166,557 | 72,166,557 |
| Money Market Fund | 4,456,123 | — | — | 4,456,123 |
| Total Investments | <u>\$240,167,495</u> | <u>\$ 10,068,641</u> | <u>\$ 80,479,297</u> | <u>330,715,433</u> |
| Accrued discount | | | | (99,116) |
| Total investments (net of accrued discount) | | | | 330,616,317 |
| Cash in Banks and on hand | | | | 2,938,940 |
| Total Cash and Investments | | | | <u>\$ 333,555,257</u> |

The investment agreements listed above 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 is 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, 2008:

| <u>Investment Type</u> | <u>Total</u> |
|---|-----------------------|
| Rated AAA: | |
| Federal agency securities | \$ 132,537,866 |
| Corporate Bonds | 10,068,641 |
| Money Market Fund | 4,456,123 |
| Total AAA Rated | \$ 147,062,630 |
| Not rated: | |
| California Local Agency Investment Fund | 143,406,345 |
| Guaranteed investment contracts | 33,273,759 |
| Negotiable Certificates of Deposit | 4,000,000 |
| Exempt from credit rating disclosure: | |
| U.S. Treasury Notes | 2,972,699 |
| Total Investments | 330,715,433 |
| Less accrued deposit | (99,116) |
| Total investments (net of accrued discount) | 330,616,317 |
| Cash in Banks and on hand | 2,938,940 |
| Total Cash and Investments | \$ 333,555,257 |

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, 2008:

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2008*

| <u>Issuer</u> | <u>Type of Investments</u> | <u>Amounts</u> |
|--|----------------------------|----------------|
| FSA Capital Management Services, LLC | Investment Agreement | 24,151,916 |
| Federal Home Loan Bank | Federal Agency Securities | 42,603,848 |
| Federal Farm Credit Bank | Federal Agency Securities | 51,970,321 |
| Federal Home Loan Mortgage Corporation | Federal Agency Securities | 31,963,697 |

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 \$606,066 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. RECEIVABLES AND PAYABLES

Accounts and other receivables as of June 30, 2008, 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 | \$ 2,044,667 | \$ — |
| Utilities receivables | 15,159 | 9,747,648 |
| Grants receivable | 6,503,545 | 282,853 |
| Accounts receivable billed and accrued | 1,994,568 | 4,540,543 |
| Other receivables | 6,273,358 | 1,518,693 |
| Subtotal | <u>16,831,297</u> | <u>16,089,737</u> |
| Allowance for uncollectible receivables | (429,805) | (276,631) |
| Total | <u>\$ 16,401,492</u> | <u>\$ 15,813,106</u> |

Accounts payable and other liabilities as of June 30, 2008, 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) | \$ 13,314,766 | \$ 9,581,177 |
| Other liabilities: | | |
| Accrued payroll | 2,839,167 | 1,213,651 |
| Other accrued expenses | 1,259,615 | 3,670,460 |
| Other payables | 17,065,834 | 1,804,999 |
| Total other liabilities | <u>21,164,616</u> | <u>6,689,110</u> |
| Total | <u>\$ 34,479,382</u> | <u>\$ 16,270,287</u> |

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2008*

Governmental activities record deferred revenue for revenues that are not yet earned as of year end. At June 30, 2008, unearned revenues are comprised of the following:

| | | |
|---|-----------|------------------|
| Governmental funds: | | |
| Community development charges for services | \$ | 890,329 |
| Federal grant drawdowns prior to meeting all eligibility requirements | | 5,728,912 |
| State grants | | 2,858,732 |
| Transportation development act | | 211,141 |
| Total | \$ | 9,689,114 |

4. INTERFUND RECEIVABLES AND PAYABLES

Total interfund receivables and payables at June 30, 2008, 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 | \$ 3,947,556 | \$ 9,263 | \$ 3,938,293 |
| Capital outlay | — | 129,226 | (129,226) |
| Non-major governmental funds | 179,595 | 1,418,134 | (1,238,539) |
| Community development commission fund | — | 2,000,000 | (2,000,000) |
| Total governmental funds | 4,127,151 | 3,556,623 | 570,528 |
| Business type activities: | | | |
| Water | 74,057 | — | 74,057 |
| Wastewater | 5,596,914 | — | 5,596,914 |
| Environmental resources | 55,169 | 5,596,914 | (5,541,745) |
| Golf course | — | 23,035 | (23,035) |
| Performing arts and convention center | — | 676,719 | (676,719) |
| Total business type activities | 5,726,140 | 6,296,668 | (570,528) |
| Total | \$ 9,853,291 | \$ 9,853,291 | \$ — |

The interfund balances at June 30, 2008, are loans to cover temporary cash deficits in various funds. All interfund balances outstanding at June 30, 2008, are expected to be repaid within one year.

5. INTERFUND TRANSFERS

The net transfers of \$5,181,566 to governmental activities from business-type activities and internal services in the Statement of Activities primarily relates to transfer from golf course to capital outlay less operational subsidy from the General Fund to the Performing Arts and Convention Center Fund. Transfers are indicative of funding for capital projects, lease payments or debt service and subsidies of various City operations.

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2008*

The following Transfers In and Out are reflected in the Fund Financial Statements for the year ended June 30, 2008:

| <u>Fund</u> | <u>Description</u> | <u>Transfers In</u> | <u>Transfers Out</u> | <u>Net Transfers</u> |
|---------------------------------------|--------------------|----------------------|----------------------|----------------------|
| Governmental Funds: | | | | |
| General fund | Program support | \$ 131,566 | \$ 1,660,919 | \$ (1,529,353) |
| General fund | For capital assets | — | 3,456,845 | (3,456,845) |
| General fund | For debt service | — | 2,025,039 | (2,025,039) |
| Capital outlay fund | For capital assets | 9,564,645 | — | 9,564,645 |
| Non-major governmental funds | For debt service | 3,834,013 | 1,783,597 | 2,050,416 |
| Non-major governmental funds | Program support | 577,742 | — | 577,742 |
| Total governmental funds | | 14,107,966 | 8,926,400 | 5,181,566 |
| Business-type Activities: | | | | |
| Environmental resources | Program support | — | 36,750 | (36,750) |
| Environmental resources | For debt service | — | 25,377 | (25,377) |
| Performing arts and convention center | Program support | 981,861 | — | 981,861 |
| Municipal golf course | For capital assets | — | 6,107,800 | (6,107,800) |
| Internal service fund | Program support | 6,500 | — | 6,500 |
| Total business-type activities | | 988,361 | 6,169,927 | (5,181,566) |
| Total | | \$ 15,096,327 | \$ 15,096,327 | \$ — |

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 2007-2008 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer except for transfer from golf course to capital outlay.

6. CAPITAL ASSETS

Changes in the City's capital assets for the year ended June 30, 2008, consisted of the following:

| | <u>Balance July 1, 2007</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2008</u> |
|--|---------------------------------|-------------------|--------------------|----------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 988,330,868 | \$ 18,291 | \$ (305,500) | \$ 988,043,659 |
| Construction in progress | 75,806,709 | 31,320,660 | (1,590,388) | 105,536,981 |
| Total capital assets, not being depreciated | 1,064,137,577 | 31,338,951 | (1,895,888) | 1,093,580,640 |
| Capital assets, being depreciated: | | | | |
| Buildings | 43,458,818 | — | — | 43,458,818 |
| Other improvements | 63,809,923 | 12,791,197 | (17,307) | 76,583,813 |
| Equipment and machinery | 37,158,479 | 2,958,684 | (3,612,477) | 36,504,686 |
| Infrastructure | 457,415,112 | 6,368,905 | — | 463,784,017 |
| Total capital assets, being depreciated | 601,842,332 | 22,118,786 | (3,629,784) | 620,331,334 |

City of Oxnard, California

**Notes to the Basic Financial Statements
June 30, 2008**

| | Balance July 1, 2007 | Increases | Decreases | Balance June 30, 2008 |
|---|---------------------------------|----------------------|------------------------|----------------------------------|
| Less accumulated depreciation for: | | | | |
| Buildings | (18,471,526) | (923,545) | — | (19,395,071) |
| Other improvements | (10,980,657) | (1,890,892) | 17,307 | (12,854,242) |
| Equipment and machinery | (28,063,680) | (3,524,665) | 3,509,631 | (28,078,714) |
| Infrastructure | (210,844,496) | (13,034,854) | — | (223,879,350) |
| Total accumulated depreciation | (268,360,359) | (19,373,956) | 3,526,938 | (284,207,377) |
| Total capital assets, being depreciated, net | 333,481,973 | 2,744,830 | (102,846) | 336,123,957 |
| Governmental activities capital assets, net | \$ 1,397,619,550 | \$ 34,083,781 | \$ (1,998,734) | \$ 1,429,704,597 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 24,101,995 | \$ 1,066,038 | \$ — | \$ 25,168,033 |
| Construction in progress | 230,087,441 | 48,185,515 | (19,892,977) | 258,379,979 |
| Total capital assets, not being depreciated | 254,189,436 | 49,251,553 | (19,892,977) | 283,548,012 |
| Capital assets, being depreciated: | | | | |
| Buildings | 74,329,603 | 1,766,235 | — | 76,095,838 |
| Other improvements | 255,053,031 | 17,269,421 | (22,338) | 272,300,114 |
| Municipal golf course improvements | 5,803,242 | — | — | 5,803,242 |
| Equipment and machinery | 43,020,356 | 571,355 | (1,322,386) | 42,269,325 |
| Total capital assets, being depreciated | 378,206,232 | 19,607,011 | (1,344,724) | 396,468,519 |
| Less accumulated depreciation for: | | | | |
| Buildings | (42,820,386) | (2,619,941) | — | (45,440,327) |
| Other improvements | (99,247,382) | (6,087,478) | 22,338 | (105,312,522) |
| Municipal golf course improvements | (1,433,823) | (9,869) | — | (1,443,692) |
| Equipment and machinery | (37,317,665) | (1,420,335) | 1,330,848 | (37,407,152) |
| Total accumulated depreciation | (180,819,256) | (10,137,623) | 1,353,186 | (189,603,693) |
| Total capital assets, being depreciated, net | 197,386,976 | 9,469,388 | 8,462 | 206,864,826 |
| Business-type activities capital assets, net | 451,576,412 | 58,720,941 | (19,884,515) | 490,412,838 |
| Total | \$ 1,849,195,962 | \$ 92,804,722 | \$ (21,883,249) | \$ 1,920,117,435 |

For the year ended June 30, 2008, depreciation expense on capital assets was charged to as follows:

| | |
|--|----------------------|
| Governmental Activities: | |
| Legislative | \$ 57,967 |
| Administration and support services | 5,406,699 |
| Public safety | 8,909,503 |
| Transportation (highways and streets) | 384,348 |
| Community development | 681,070 |
| Culture and leisure | 1,274,092 |
| Libraries | 498,219 |
| Capital improvement projects, including depreciation of general infrastructure assets | 1,874,769 |
| Capital assets held by the city's internal service fund | 287,289 |
| Total governmental activities depreciation expense | \$ 19,373,956 |

City of Oxnard, California

**Notes to the Basic Financial Statements
June 30, 2008**

| | |
|--|----------------------|
| Business-type Activities: | |
| Water | \$ 2,608,763 |
| Wastewater | 4,110,778 |
| Environmental resources | 1,710,908 |
| Performing arts and convention center | 2,446 |
| Oxnard housing authority | 1,622,703 |
| Municipal golf course | 82,025 |
| Total business-type activities depreciation expense | \$ 10,137,623 |

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

| | <u>Balance July 1, 2007</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2008</u> |
|--|---------------------------------|----------------------------|----------------------------|----------------------------------|
| Internal service funds: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 595,500 | \$ — | \$ — | \$ 595,500 |
| Construction in progress | 141,640 | 858,265 | (189,422) | 810,483 |
| Total capital assets, not being depreciated | <u>\$ 737,140</u> | <u>\$ 858,265</u> | <u>\$ (189,422)</u> | <u>\$ 1,405,983</u> |
| Capital assets, being depreciated: | | | | |
| Equipment and machinery | 2,369,033 | 505,458 | (208,716) | 2,665,775 |
| Total capital assets, being depreciated | <u>2,369,033</u> | <u>505,458</u> | <u>(208,716)</u> | <u>2,665,775</u> |
| Less accumulated depreciation for: | | | | |
| Equipment and machinery | (1,725,494) | (287,289) | 208,716 | (1,804,067) |
| Total accumulated depreciation | <u>(1,725,494)</u> | <u>(287,289)</u> | <u>208,716</u> | <u>(1,804,067)</u> |
| Total capital assets, being depreciated, net | <u>\$ 643,539</u> | <u>\$ 218,169</u> | <u>\$ —</u> | <u>\$ 861,708</u> |
| Total | <u>\$ 1,380,679</u> | <u>\$ 1,076,434</u> | <u>\$ (189,422)</u> | <u>\$ 2,267,691</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 governmental and business-type activities.

| | <u>Balance July 1, 2007</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2008</u> | <u>Amounts Due Within One Year</u> |
|---|---------------------------------|-----------------------------|----------------------------|----------------------------------|--|
| Governmental activities: | | | | | |
| Revenue bonds: | | | | | |
| Lease revenue refunding bonds, series 2003 | \$ 5,709,750 | \$ — | \$ 538,383 | \$ 5,171,367 | \$ 559,011 |
| Adjustable rate lease revenue bonds, series 2003B | 13,410,000 | — | 350,000 | 13,060,000 | 360,000 |
| Variable rate demand lease revenue bonds, series 2006 | 23,990,000 | — | 475,000 | 23,515,000 | 490,000 |
| 1999 certificates of participation | 7,395,000 | — | 235,000 | 7,160,000 | 245,000 |
| Tax allocation refunding bonds, series 2004A | 17,410,000 | — | 640,000 | 16,770,000 | 665,000 |
| 2006 tax allocation bond financing | 20,530,000 | — | 260,000 | 20,270,000 | 410,000 |
| Capital lease: | | | | | |
| LaSalle national leasing | 749,911 | — | 256,440 | 493,471 | 199,540 |
| Gas tax revenue certificate of participation | — | 27,675,000 | — | 27,675,000 | 240,000 |
| Compensated absences | 14,412,587 | 7,631,519 | 5,949,290 | 16,094,816 | 5,955,000 |
| Unamortized discounts | (482,300) | (507,945) | (55,772) | (934,473) | — |
| Total governmental activities | <u>\$ 103,124,948</u> | <u>\$ 34,798,574</u> | <u>\$ 8,648,341</u> | <u>\$ 129,275,181</u> | <u>\$ 9,123,551</u> |

City of Oxnard, California

**Notes to the Basic Financial Statements
June 30, 2008**

| | <u>Balance July 1, 2007</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2008</u> | <u>Amounts Due Within One Year</u> |
|---|---------------------------------|-----------------------------|-----------------------------|----------------------------------|--|
| Business-type activities: | | | | | |
| Revenue bonds: | | | | | |
| Lease revenue refunding bonds, series 2003 - golf | \$ 8,130,260 | \$ — | \$ 766,617 | \$ 7,363,643 | \$ 795,991 |
| Water revenue refunding bonds, series 2001 | 10,895,000 | — | 275,000 | 10,620,000 | 285,000 |
| Water revenue project bonds, series 2004 | 45,125,000 | — | 960,000 | 44,165,000 | 980,000 |
| Water revenue project bonds, series 2006 | 54,600,000 | — | — | 54,600,000 | 775,000 |
| Wastewater revenue refunding bonds, series 2003 | 34,580,000 | — | 2,035,000 | 32,545,000 | 2,100,000 |
| Wastewater revenue bonds, series 2004A | 80,000,000 | — | — | 80,000,000 | — |
| Wastewater revenue bonds, series 2004B | 23,975,000 | — | — | 23,975,000 | 820,000 |
| Wastewater revenue bonds, series 2006 | 12,390,000 | — | 225,000 | 12,165,000 | 235,000 |
| Solid waste revenue refunding bonds, series 2005 | 17,735,000 | — | 1,715,000 | 16,020,000 | 1,785,000 |
| 2004 capital fund revenue bonds - housing authority | 5,195,000 | — | 220,000 | 4,975,000 | 225,000 |
| Unamortized bond premium | 2,751,288 | — | 195,889 | 2,555,399 | — |
| Unamortized discounts | (748,831) | — | (89,292) | (659,539) | — |
| Unamortized gain or loss on refunding | (3,012,791) | — | (130,991) | (2,881,800) | — |
| Subtotal | <u>291,614,926</u> | <u>—</u> | <u>6,172,223</u> | <u>285,442,703</u> | <u>8,000,991</u> |
| Capital lease: | | | | | |
| Residential trash collection vehicles | 125,824 | — | 125,824 | — | — |
| Lease purchase trash containers | — | 3,436,273 | — | 3,436,273 | 283,927 |
| Del Norte Blvd. Improvement | 428,007 | — | 68,073 | 359,934 | 73,857 |
| Fifth and Del Norte improvement | 735,133 | — | 105,561 | 629,572 | 113,109 |
| LaSalle national leasing - environmental resources | 247,824 | — | 69,729 | 178,095 | 72,015 |
| Compensated absences | 2,512,029 | 1,462,789 | 1,553,308 | 2,421,510 | 1,065,231 |
| Total business-type activities | <u>295,663,743</u> | <u>4,899,062</u> | <u>8,094,718</u> | <u>292,468,087</u> | <u>9,609,130</u> |
| Total | <u>\$ 398,788,691</u> | <u>\$ 39,697,636</u> | <u>\$ 16,743,059</u> | <u>\$ 421,743,268</u> | <u>\$ 18,732,681</u> |

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, 2008, are as follows:

| | <u>Balance July 1, 2007</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2008</u> | <u>Amounts Due Within One Year</u> |
|-------------------------|---------------------------------|--------------------------|--------------------------|----------------------------------|--|
| Internal Service Funds: | | | | | |
| Compensated absences | \$ 752,233 | \$ 581,367 | \$ 515,352 | \$ 818,248 | \$ 505,000 |
| Total | <u>\$ 752,233</u> | <u>\$ 581,367</u> | <u>\$ 515,352</u> | <u>\$ 818,248</u> | <u>\$ 505,000</u> |

City of Oxnard, California

**Notes to the Basic Financial Statements
June 30, 2008**

The following is a summary of changes in long-term obligations for each major enterprise fund for the year ended June 30, 2008:

| | Balance July 1, 2007 | Additions | Reductions | Balance June 30, 2008 | Amounts Due Within One Year |
|---|------------------------------|----------------------------|----------------------------|------------------------------|-----------------------------------|
| Water fund | | | | | |
| Revenue refunding bonds, series 2001 | \$ 10,895,000 | \$ — | \$ 275,000 | \$ 10,620,000 | \$ 285,000 |
| Water revenue refunding, series 2004 | 45,125,000 | — | 960,000 | 44,165,000 | 980,000 |
| Water revenue project bonds, series 2006 | 54,600,000 | — | — | 54,600,000 | 775,000 |
| Add: Unamortized bond premium | 1,919,183 | — | 91,875 | 1,827,308 | — |
| Less: Unamortized loss on refunding | (3,012,791) | — | (130,991) | (2,881,800) | — |
| Unamortized discounts | (158,387) | — | (6,887) | (151,500) | — |
| Subtotal | <u>109,368,005</u> | <u>—</u> | <u>1,188,997</u> | <u>108,179,008</u> | <u>2,040,000</u> |
| Compensated absences | 467,516 | 209,458 | 230,415 | 446,559 | 230,000 |
| Total | <u>\$ 109,835,521</u> | <u>\$ 209,458</u> | <u>\$ 1,419,412</u> | <u>\$ 108,625,567</u> | <u>\$ 2,270,000</u> |
| Wastewater fund | | | | | |
| | | \$ — | | | |
| Wastewater revenue refunding bonds, series 2003 | \$ 34,580,000 | — | \$ 2,035,000 | \$ 32,545,000 | \$ 2,100,000 |
| Wastewater revenue bonds, series 2004A | 80,000,000 | — | — | 80,000,000 | — |
| Wastewater revenue bonds, series 2004B | 23,975,000 | — | — | 23,975,000 | 820,000 |
| Wastewater revenue bonds, series 2006 | 12,390,000 | — | 225,000 | 12,165,000 | 235,000 |
| Less: Unamortized discounts | (481,479) | — | (68,783) | (412,696) | — |
| Subtotal | <u>150,463,521</u> | <u>—</u> | <u>2,191,217</u> | <u>148,272,304</u> | <u>3,155,000</u> |
| Compensated absences | 648,327 | 445,201 | 444,259 | 649,269 | 450,000 |
| Total | <u>\$ 151,111,848</u> | <u>\$ 445,201</u> | <u>\$ 2,635,476</u> | <u>\$ 148,921,573</u> | <u>\$ 3,605,000</u> |
| Environmental resources fund | | | | | |
| Solid waste revenue refunding bonds, series 2005 | \$ 17,735,000 | \$ — | \$ 1,715,000 | \$ 16,020,000 | \$ 1,785,000 |
| Less: Unamortized bond premium | 832,105 | — | 104,014 | 728,091 | — |
| Less: Unamortized discounts | (108,965) | — | (13,621) | (95,344) | — |
| Subtotal | <u>18,458,140</u> | <u>—</u> | <u>1,805,393</u> | <u>16,652,747</u> | <u>1,785,000</u> |
| Capital lease | | | | | |
| Residential trash collection vehicles | 125,824 | — | 125,824 | — | — |
| Del Norte Blvd. improvement | 428,007 | — | 68,073 | 359,934 | 73,857 |
| Fifth and Del Norte improvement | 735,133 | — | 105,561 | 629,572 | 113,109 |
| LaSalle national leasing | 247,824 | — | 69,728 | 178,096 | 72,015 |
| Lease purchase trash containers | — | 3,436,273 | — | 3,436,273 | 283,927 |
| Compensated absences | 636,791 | 354,976 | 310,003 | 681,764 | 310,000 |
| Total | <u>\$ 20,631,719</u> | <u>\$ 3,791,249</u> | <u>\$ 2,484,582</u> | <u>\$ 21,938,386</u> | <u>\$ 2,637,908</u> |
| Performing arts and convention center fund | | | | | |
| Compensated absences | \$ 74,230 | \$ 49,393 | \$ 45,282 | \$ 78,341 | \$ 45,000 |
| Total | <u>\$ 74,230</u> | <u>\$ 49,393</u> | <u>\$ 45,282</u> | <u>\$ 78,341</u> | <u>\$ 45,000</u> |
| Oxnard housing authority fund | | | | | |
| 2004 capital fund revenue bonds | \$ 5,195,000 | \$ — | \$ 220,000 | \$ 4,975,000 | \$ 225,000 |
| Compensated absences | 685,165 | 403,761 | 523,349 | 565,577 | 30,231 |
| Total | <u>\$ 5,880,165</u> | <u>\$ 403,761</u> | <u>\$ 743,349</u> | <u>\$ 5,540,577</u> | <u>\$ 255,231</u> |
| Municipal golf course | | | | | |
| Lease revenue refunding bonds, series 2003 | \$ 8,130,260 | \$ — | \$ 766,617 | \$ 7,363,643 | \$ 795,991 |
| Total | <u>\$ 8,130,260</u> | <u>\$ —</u> | <u>\$ 766,617</u> | <u>\$ 7,363,643</u> | <u>\$ 795,991</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, 2008, is \$12,535,010, of which \$5,171,367 is recorded within governmental activities and \$7,363,643 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, 2008, is \$13,060,000.

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, 2008, is \$7,160,000.

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, 2008, is \$16,770,000.

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, 2008, is \$10,620,000.

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, 2008, is \$44,165,000.

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, 2008, 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, 2008, is \$32,545,000. 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, 2008, 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, 2008, 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, 2008, is \$12,165,000.

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 trucks 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, 2008, is \$16,020,000.

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, 2008, is \$4,975,000.

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, 2008, is \$20,270,000.

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, 2008, is \$23,515,000.

Oxnard Gas Tax Revenue Certificates of Participation (2007 Street Improvement Program)

On December 18, 2007, the City of Oxnard issued its \$27,675,000 Gas Tax Revenue Certificates of Participation (2007 Street Improvement Program). Proceeds from the sale of the certificates are to be used to reconstruct various streets throughout the City. The certificates are secured solely by gas tax revenues received from the State of California. Yields on the certificates range from 2.97 percent to 4.87 percent, with a final maturity of September 1, 2037.

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 \$23,515,000 matches the \$23,515,000 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 (LIBOR) of 2.1212 percent. Conversely, the bond's variable rate coupons track the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index.

Fair Value. Because interest rates have decreased since execution of the swap, the swap had a negative fair value of \$837,693 as of June 30, 2008. 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, 2008, the City's exposure to credit risk was zero 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 and Poor's as of June 30, 2008. 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 SIFMA converge, potentially changing the synthetic rate on the bonds. If a change occurs in which 68 percent of LIBOR is greater than SIFMA, the expected cost savings may be reduced.

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.

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 in 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, both the notional value of the swap and the principal amount of the associated debt will 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 of 1.8554 percent. Conversely, the bond's variable rate coupons track the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index.

Fair Value. The swap had a negative fair value of \$1,891,207 as of June 30, 2008. 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, 2008, 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, 2008. 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 SIFMA converge, potentially changing the synthetic rate on the bonds. If a change occurs in which 68 percent of LIBOR is greater than SIFMA, the expected cost savings may be reduced.

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.

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 \$13,060,000 matches the \$13,060,000 in 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, commencing 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 (LIBOR) of 1.8554 percent. Conversely, the bond's variable rate coupons track the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index.

Fair Value. Because interest rates have decreased since execution of the swap, the swap had a negative fair value of \$1,091,707 as of June 30, 2008. 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, 2008, 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, 2008. 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 SIFMA converge, potentially changing the synthetic rate on the bonds. If a change occurs in which 68 percent of LIBOR is greater than SIFMA, the expected cost savings may be reduced.

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.

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

City of Oxnard, California

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June 30, 2008

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.

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 |
| 2009 | \$ 3,168,551 | \$ 5,012,895 | \$ 8,543,896 | \$ 14,412,116 |
| 2010 | 3,525,720 | 5,250,204 | 8,858,343 | 14,066,338 |
| 2011 | 3,531,367 | 5,102,292 | 9,145,186 | 13,702,698 |
| 2012 | 3,567,396 | 4,951,157 | 9,513,700 | 13,269,312 |
| 2013 | 3,700,087 | 4,704,874 | 9,914,979 | 12,827,844 |
| 2014-2018 | 19,116,721 | 21,014,977 | 46,876,408 | 56,972,375 |
| 2019-2023 | 19,930,000 | 16,606,364 | 44,650,000 | 46,273,569 |
| 2024-2028 | 22,755,000 | 11,486,731 | 54,380,000 | 34,070,257 |
| 2029-2033 | 19,560,000 | 6,430,290 | 68,385,000 | 18,860,833 |
| 2034-2037 | 15,260,000 | 1,801,804 | 30,765,000 | 2,703,311 |
| Totals | \$ 114,114,842 | \$ 82,361,588 | \$ 291,032,512 | \$ 227,158,653 |

| Fiscal Year | Wastewater Revenue Refunding Bonds, Series 2003 | | Wastewater Revenue Bonds, Series 2004A | |
|---------------|---|----------------------|--|----------------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 2,100,000 | \$ 1,565,563 | \$ — | \$ 4,087,725 |
| 2010 | 2,175,000 | 1,492,063 | — | 4,087,725 |
| 2011 | 2,240,000 | 1,426,813 | — | 4,087,725 |
| 2012 | 2,355,000 | 1,314,813 | — | 4,087,725 |
| 2013 | 2,470,000 | 1,197,063 | — | 4,087,725 |
| 2014-2018 | 14,385,000 | 3,954,638 | — | 20,438,625 |
| 2019-2023 | 6,820,000 | 515,750 | 12,840,000 | 19,817,375 |
| 2024-2028 | — | — | 26,055,000 | 14,750,125 |
| 2029-2033 | — | — | 33,350,000 | 7,450,725 |
| 2034-2037 | — | — | 7,755,000 | 407,318 |
| Totals | \$ 32,545,000 | \$ 11,466,703 | \$ 80,000,000 | \$ 83,302,793 |

City of Oxnard, California

Notes to the Basic Financial Statements
June 30, 2008

Wastewater Revenue Bonds, Series 2004B

| Fiscal Year | Principal | Interest | Interest Rate Swaps, Net | Total |
|--------------------|----------------------|----------------------|---------------------------------|----------------------|
| 2009 | \$ 820,000 | \$ 963,076 | \$ 518,244 | \$ 2,301,320 |
| 2010 | 840,000 | 930,136 | 500,518 | 2,270,654 |
| 2011 | 865,000 | 896,394 | 482,361 | 2,243,755 |
| 2012 | 885,000 | 861,647 | 463,664 | 2,210,311 |
| 2013 | 915,000 | 826,096 | 444,533 | 2,185,629 |
| 2014-2018 | 4,975,000 | 3,558,258 | 1,914,744 | 10,448,002 |
| 2019-2023 | 4,470,000 | 2,549,790 | 1,372,074 | 8,391,864 |
| 2024-2028 | 4,250,000 | 1,717,669 | 924,298 | 6,891,967 |
| 2029-2033 | 4,895,000 | 813,844 | 437,940 | 6,146,784 |
| 2034-2037 | 1,060,000 | 42,580 | 22,913 | 1,125,493 |
| Totals | \$ 23,975,000 | \$ 13,159,490 | \$ 7,081,289 | \$ 44,215,779 |

Wastewater Revenue Bonds, Series 2006

| Fiscal Year | Principal | Interest |
|--------------------|----------------------|----------------------|
| 2009 | \$ 235,000 | \$ 563,325 |
| 2010 | 240,000 | 554,865 |
| 2011 | 250,000 | 546,105 |
| 2012 | 260,000 | 536,730 |
| 2013 | 270,000 | 526,330 |
| 2014-2018 | 1,525,000 | 2,459,663 |
| 2019-2023 | 1,880,000 | 2,105,288 |
| 2024-2028 | 2,350,000 | 1,640,205 |
| 2029-2033 | 2,980,000 | 1,005,250 |
| 2034-2037 | 2,175,000 | 221,000 |
| Totals | \$ 12,165,000 | \$ 10,158,761 |

Water Revenue Refunding Bonds, Series 2001

| Fiscal Year | Principal | Interest |
|--------------------|----------------------|---------------------|
| 2009 | \$ 285,000 | \$ 520,196 |
| 2010 | 300,000 | 508,796 |
| 2011 | 310,000 | 496,496 |
| 2012 | 325,000 | 483,321 |
| 2013 | 340,000 | 469,103 |
| 2014-2018 | 1,940,000 | 2,092,338 |
| 2019-2023 | 2,470,000 | 1,563,063 |
| 2024-2028 | 3,155,000 | 879,488 |
| 2029-2033 | 1,495,000 | 115,824 |
| 2034-2037 | — | — |
| Totals | \$ 10,620,000 | \$ 7,128,625 |

Water Revenue Refunding Bonds, Series 2006

| Fiscal Year | Principal | Interest |
|--------------------|----------------------|----------------------|
| 2009 | \$ 775,000 | \$ 2,656,385 |
| 2010 | 800,000 | 2,625,385 |
| 2011 | 840,000 | 2,593,385 |
| 2012 | 875,000 | 2,551,385 |
| 2013 | 920,000 | 2,507,635 |
| 2014-2018 | 5,295,000 | 11,843,400 |
| 2019-2023 | 6,650,000 | 10,498,320 |
| 2024-2028 | 8,365,000 | 8,783,188 |
| 2029-2033 | 13,185,000 | 6,384,500 |
| 2034-2037 | 16,895,000 | 1,865,500 |
| Totals | \$ 54,600,000 | \$ 52,309,083 |

Tax Allocation Bonds, Series 2006

| Fiscal Year | Principal | Interest |
|--------------------|----------------------|----------------------|
| 2009 | \$ 410,000 | \$ 911,283 |
| 2010 | 420,000 | 897,233 |
| 2011 | 435,000 | 882,508 |
| 2012 | 450,000 | 867,020 |
| 2013 | 465,000 | 752,599 |
| 2014-2018 | 2,585,000 | 3,497,301 |
| 2019-2023 | 3,115,000 | 2,957,856 |
| 2024-2028 | 3,790,000 | 2,258,534 |
| 2029-2033 | 4,665,000 | 1,366,631 |
| 2034-2037 | 3,935,000 | 316,856 |
| Totals | \$ 20,270,000 | \$ 14,707,821 |

City of Oxnard, California

Notes to the Basic Financial Statements
June 30, 2008

| Fiscal Year | Solid Waste Revenue Refunding Bonds, Series 2005 | | Variable Rate Demand Lease Revenue Bonds, Series 2006 | | | |
|---------------|---|---------------------|---|----------------------|-----------------------------|----------------------|
| | Principal | Interest | Principal | Interest | Interest Rate Swaps, Net | Total |
| 2009 | \$ 1,785,000 | \$ 801,000 | \$ 490,000 | \$ 830,080 | \$ 333,280 | \$ 1,653,360 |
| 2010 | 1,875,000 | 711,750 | 510,000 | 812,783 | 324,377 | 1,647,160 |
| 2011 | 1,965,000 | 618,000 | 525,000 | 794,780 | 317,192 | 1,636,972 |
| 2012 | 2,065,000 | 519,750 | 545,000 | 776,247 | 309,795 | 1,631,042 |
| 2013 | 2,165,000 | 416,500 | 570,000 | 757,009 | 302,118 | 1,629,127 |
| 2014-2018 | 6,165,000 | 577,750 | 3,170,000 | 3,468,578 | 1,385,090 | 8,023,668 |
| 2019-2023 | — | — | 3,810,000 | 2,866,007 | 1,143,807 | 7,819,814 |
| 2024-2028 | — | — | 4,580,000 | 2,141,122 | 854,508 | 7,575,630 |
| 2029-2033 | — | — | 5,500,000 | 1,269,918 | 506,817 | 7,276,735 |
| 2034-2037 | — | — | 3,815,000 | 272,693 | 108,830 | 4,196,523 |
| Totals | \$ 16,020,000 | \$ 3,644,750 | \$ 23,515,000 | \$ 13,989,217 | \$ 5,585,814 | \$ 43,090,031 |

| Fiscal Year | Water Revenue Project Bonds, Series 2004 | | Gas Tax Revenue Certificates of Participation, Issued 2008 | |
|---------------|---|----------------------|---|----------------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 980,000 | \$ 2,043,534 | \$ 240,000 | \$ 870,636 |
| 2010 | 1,005,000 | 2,020,014 | 495,000 | 1,229,250 |
| 2011 | 1,030,000 | 1,993,884 | 515,000 | 1,209,450 |
| 2012 | 1,065,000 | 1,962,984 | 535,000 | 1,188,850 |
| 2013 | 1,095,000 | 1,928,904 | 555,000 | 1,167,450 |
| 2014-2018 | 6,195,000 | 8,934,025 | 3,155,000 | 5,460,300 |
| 2019-2023 | 7,660,000 | 7,470,250 | 3,895,000 | 4,730,890 |
| 2024-2028 | 9,775,000 | 5,354,000 | 4,795,000 | 3,828,910 |
| 2029-2033 | 12,480,000 | 2,652,750 | 5,980,000 | 2,638,325 |
| 2034-2037 | 2,880,000 | 144,000 | 7,510,000 | 1,103,425 |
| Totals | \$ 44,165,000 | \$ 34,504,345 | \$ 27,675,000 | \$ 23,427,486 |

| Fiscal Year | Adjustable Lease Revenue Bonds, Series 2003B | | | |
|---------------|--|---------------------|-----------------------------|----------------------|
| | Principal | Interest | Interest Rate Swaps, Net | Total |
| 2009 | \$ 360,000 | \$ 527,232 | \$ 284,917 | \$ 1,172,149 |
| 2010 | 370,000 | 512,699 | 277,063 | 1,159,762 |
| 2011 | 385,000 | 497,762 | 268,991 | 1,151,753 |
| 2012 | 395,000 | 482,220 | 260,592 | 1,137,812 |
| 2013 | 405,000 | 466,274 | 251,975 | 1,123,249 |
| 2014-2018 | 2,215,000 | 2,075,825 | 1,121,778 | 5,412,603 |
| 2019-2023 | 2,555,000 | 1,601,883 | 865,660 | 5,022,543 |
| 2024-2028 | 2,960,000 | 1,054,463 | 569,835 | 4,584,298 |
| 2029-2033 | 3,415,000 | 421,059 | 227,540 | 4,063,599 |
| 2034-2037 | — | — | — | — |
| Totals | \$ 13,060,000 | \$ 7,639,417 | \$ 4,128,351 | \$ 24,827,768 |

City of Oxnard, California

Notes to the Basic Financial Statements
June 30, 2008

| Fiscal Year | Lease Revenue Refunding Bonds, Series 2003A | | 1999 Certificates of Participation | |
|---------------|--|---------------------|------------------------------------|---------------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 1,355,000 | \$ 497,760 | \$ 245,000 | \$ 334,713 |
| 2010 | 1,405,000 | 450,335 | 255,000 | 324,423 |
| 2011 | 1,475,000 | 380,085 | 265,000 | 313,585 |
| 2012 | 1,545,000 | 306,335 | 275,000 | 302,058 |
| 2013 | 1,600,000 | 253,805 | 290,000 | 289,820 |
| 2014-2018 | 5,155,010 | 405,775 | 1,655,000 | 1,234,700 |
| 2019-2023 | — | — | 1,870,000 | 817,475 |
| 2024-2028 | — | — | 2,305,000 | 338,438 |
| 2029-2033 | — | — | — | — |
| Totals | \$ 12,535,010 | \$ 2,294,095 | \$ 7,160,000 | \$ 3,955,212 |

| Fiscal Year | Tax Allocation Refunding Bonds, Series 2004A | | 2004 Capital Fund Revenue Bonds, Housing Authority | |
|---------------|---|---------------------|---|---------------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 665,000 | \$ 702,399 | \$ 225,000 | \$ 211,632 |
| 2010 | 690,000 | 680,129 | 235,000 | 204,882 |
| 2011 | 710,000 | 660,509 | 240,000 | 197,245 |
| 2012 | 730,000 | 637,996 | 250,000 | 189,205 |
| 2013 | 755,000 | 612,921 | 260,000 | 180,455 |
| 2014-2018 | 4,210,000 | 2,604,000 | 1,475,000 | 738,965 |
| 2019-2023 | 4,685,000 | 1,622,786 | 1,860,000 | 381,660 |
| 2024-2028 | 4,325,000 | 440,921 | 430,000 | 21,285 |
| 2029-2033 | — | — | — | — |
| Totals | \$ 16,770,000 | \$ 7,961,661 | \$ 4,975,000 | \$ 2,125,329 |

Capital Lease Obligations

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, 2008, is \$359,934.

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, 2008, is \$629,572.

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, 2008, is \$671,566.

City of Oxnard, California

*Notes to the Basic Financial Statements
June 30, 2008*

On April 23, 2008, the City entered into a Lease Purchase Agreement with Upton & Oliver Funding Corporation in the amount of \$3,436,273 for the purpose of acquiring trash containers associated with the conversion to a three-cart residential container service. The lease purchase carries an interest rate of 4.13 percent, with a final maturity of April 23, 2018. The outstanding balance as of June 30, 2008 is \$3,436,273.

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

| Fiscal Year | Environmental Resources Purchase Agreement Issues 2008 | | Fifth Street/Del Norte Land Boulevard Purchase | |
|---------------|--|-------------------|--|------------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 283,927 | \$ 139,016 | \$ 113,109 | \$ 28,620 |
| 2010 | 295,774 | 127,169 | 116,500 | 22,923 |
| 2011 | 308,116 | 114,828 | 119,991 | 17,055 |
| 2012 | 320,972 | 101,971 | 123,587 | 11,011 |
| 2013 | 334,365 | 88,578 | 156,385 | 4,785 |
| 2014-2018 | 1,893,119 | 221,599 | — | — |
| Totals | \$ 3,436,273 | \$ 793,161 | \$ 629,572 | \$ 84,394 |

| Fiscal Year | Del Norte Boulevard Improvement | | Equipment Lease Purchase LaSalle National Leasing - Total | |
|---------------|---------------------------------|------------------|---|------------------|
| | Principal | Interest | Principal | Interest |
| 2009 | \$ 73,857 | \$ 16,700 | \$ 271,555 | \$ 17,695 |
| 2010 | 76,332 | 12,976 | 280,456 | 9,049 |
| 2011 | 78,892 | 9,128 | 119,555 | 711 |
| 2012 | 81,537 | 5,151 | — | — |
| 2013 | 49,316 | 1,042 | — | — |
| 2014-2018 | — | — | — | — |
| Totals | \$ 359,934 | \$ 44,997 | \$ 671,566 | \$ 27,455 |

Management believes the City complies with all significant covenants related to its debt issues as of June 30, 2008.

Compensated Absences

The long-term portion of the liability was \$10,139,816 for governmental activities and \$1,356,279 for business-type activities at June 30, 2008, 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.

City of Oxnard, California

Notes to the Basic Financial Statements
June 30, 2008

Accordingly, such special assessment debt is not reflected in the accompanying basic financial statements. Special assessment debt outstanding at June 30, 2008, 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 | \$ 900,000 |
| 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 | 14,090,000 |
| 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 | 5,025,000 |
| City of Oxnard Community Facilities District I (Westport): | 9,370,000 |
| City of Oxnard Community Facilities District 88-1: | 1,210,000 |
| Oxnard Boulevard Interchange Community Facilities District 2000-03: | 9,580,000 |
| 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 | 2,190,000 |
| Community Facilities District No. 3 - Seabridge/Mandalay Bay | <u>32,160,000</u> |
| Total | <u><u>\$ 74,525,000</u></u> |

8. DEFINED BENEFIT PENSION PLAN

A. Retirement Plan Description - PERS

The City contributes to the California Public Employees' Retirement System ("PERS"), an agent multiple-employer, public employee defined benefit plan, that acts as a common investment and administrative agent for participating public entities within the State of California. The City's membership is reported within three plans classified into two categories: safety members (police and fire) and miscellaneous members (all other regular employees). The City's payroll for employees covered by PERS for the year ended June 30, 2008, was \$84,863,029; the City's total payroll was \$91,745,443. 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 2007-2008, the City's annual pension cost (APC) of \$22,076,311 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, 2008, 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 | 2006 | 6/30/06 | 9,051,159 | 100% | \$ — |
| Police | 2007 | 6/30/07 | 8,395,608 | 100% | — |
| Police | 2008 | 6/30/08 | 8,752,107 | 100% | — |
| Fire | 2006 | 6/30/06 | 2,913,733 | 100% | \$ — |
| Fire | 2007 | 6/30/07 | 3,099,184 | 100% | — |
| Fire | 2008 | 6/30/08 | 3,361,352 | 100% | — |
| Miscellaneous | 2006 | 6/30/06 | 9,778,224 | 100% | \$ — |
| Miscellaneous | 2007 | 6/30/07 | 9,623,972 | 100% | — |
| Miscellaneous | 2008 | 6/30/08 | 9,962,852 | 100% | — |

Contributions to PERS for the Fiscal Year ended June 30, 2008, are shown below:

| | <u>City Contributions</u> | <u>Employee Contributions</u> | <u>Total</u> |
|-------------------------|-------------------------------|-----------------------------------|----------------------|
| Safety employees: | | | |
| Police | \$ 6,785,538 | \$ 1,966,569 | \$ 8,752,107 |
| Fire | 2,525,541 | 835,811 | 3,361,352 |
| Total safety employees | 9,311,079 | 2,802,380 | 12,113,459 |
| Miscellaneous employees | 6,202,069 | 3,760,783 | 9,962,852 |
| Total | \$ 15,513,148 | \$ 6,563,163 | \$ 22,076,311 |

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 5.3%/City 2.7%; SEIU 4.5%/City 3.5%; 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, 2008, was 3.44 percent of eligible employee gross wages. The City’s payroll for employees covered by PARS for the year ended June 30, 2008, was \$41,064,518. 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 | 2006 | 6/30/05 | 4,002,936 | 100% | \$ — |
| Miscellaneous | 2007 | 6/30/05 | 4,264,587 | 100% | — |
| Miscellaneous | 2008 | 6/30/05 | 4,697,762 | 100% | — |

Annual Pension Costs

For Fiscal Year 2007-2008, the City’s annual pension cost (APC) of \$4,697,762, 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, 2008, are shown below:

| | City Contributions | Employee Contributions | Total |
|-------------------------|-------------------------------|-----------------------------------|---------------------|
| Miscellaneous employees | <u>\$ 1,412,619</u> | <u>\$ 3,285,143</u> | <u>\$ 4,697,762</u> |

9. POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description. The City participates in the CalPERS medical program which is a cost-sharing multiple-employer defined benefit health care plan administered by CalPERS. Employees who retire from the City and receive a CalPERS pension are eligible for postemployment medical benefits. Retirees can enroll in any of the available CalPERS medical plans. This benefit continues for the life of the retiree and surviving spouse. Benefit provisions for CalPERS are established by the Public Employees Retirement Law (Part 3 of the California Government Code, Section 20000 et seq.).

CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy. The City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. The City’s required monthly contribution for calendar year 2008 was \$97.00. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City Contribution.

Annual OPEB Cost and Net OPEB Obligation. The City’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation:

| | |
|---|-----------------------------------|
| Annual required contribution | \$ 2,077,017 |
| Adjustments to annual required contribution | — |
| Annual OPEB Cost | <u>2,077,017</u> |
| Contributions made | <u>(213,360)</u> |
| Increase in net OPEB obligation | 1,863,657 |
| Net OPEB obligation-beginning of the year | — |
| Net OPEB obligation-end of the year | <u><u>\$ 1,863,657</u></u> |

Actuarial Methods and Assumptions. In the July 1, 2007, actuarial evaluation, the entry age normal actuarial cost method was used, an attribution period that runs from date of hire until the expected retirement date, and a 3.25 percent assumed annual rate of increase in payroll. The actuarial assumptions included a 4.5 percent discount rate to calculate the present value of future benefit payments which are used to determine financial statement expense and an 8.5 percent increase in per capita health care costs.

| <u>Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Annual Employer Contribution</u> | <u>Percentage Contributed</u> | <u>Net OPEB Obligation</u> |
|-------------------|-------------------------|-------------------------------------|-------------------------------|----------------------------|
| 6/30/08 | 2,077,017 | 213,380 | 10% | 1,863,657 |

Fiscal year 2008 was the year of implementation of GASB Statement Nos. 43 and 45 and the City has elected to implement prospectively. Therefore, prior year comparative data is not available. In future years, three-year trend information will be presented.

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, 2008, 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. RISK MANAGEMENT

General Liability

The City is self-insured for general liability claims up to \$1 million. The City is covered through Big Independent Cities Excess Pool (BICEP) for claims between \$1 million and \$25 million. Self-insured general liability claims are administered through a third-party administrator, with the City Attorney's approval required for larger settlements. Litigated claims are settled directly through the City Attorney's Office.

The City's contribution to BICEP for general liability coverage in Fiscal Year 2007-2008 was \$716,274 which includes a pure premium adjustment of \$123,910. 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 275 claims per year filed for the past five years, with an average of approximately \$2,768,112 per year in total reported losses as of June 30, 2008 (at an average of \$10,037 per claim). During the same five-year period, the average claims filed each year for general liability amounted to 234 claims totaling \$1,762,942 per year (at an average of \$7,533 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 \$13,640,719 (Workers' Compensation-\$8,517,409 and Public Liability and Property Damage-\$5,123,310) recorded at June 30, 2008, 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 3.5 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 07-08 | FY 06-07 | FY 07-08 | FY 06-07 | FY 07-08 | FY 06-07 |
| Unpaid claims and claims adjustment expenses - July 1 | \$9,278,930 | \$11,809,973 | \$ 3,873,469 | \$ 4,790,033 | \$13,152,399 | \$16,600,006 |
| Incurred claims and claims adjustment expenses: | | | | | | |
| Increase/decrease in provision for insured events | (497,758) | (1,064,688) | 810,622 | (486,258) | 312,864 | (1,550,946) |
| Increase/Decrease in actuarially incurred but not reported claims (IBNR) | (263,763) | (1,466,355) | 439,219 | (430,306) | 175,456 | (1,896,661) |
| Total incurred claims and claims adjustment expenses | (761,521) | (2,531,043) | 1,249,841 | (916,564) | 488,320 | (3,447,607) |
| Unpaid claims and claims adjustment expenses - June 30 | \$ 8,517,409 | \$ 9,278,930 | \$ 5,123,310 | \$ 3,873,469 | \$13,640,719 | \$13,152,399 |
| Claims and judgements due within one year | \$3,152,414 | \$ 3,448,416 | \$2,109,320 | \$ 2,090,340 | \$ 5,261,734 | \$ 5,538,756 |

12. SUBSEQUENT EVENTS

Oxnard Community Development Commission HERO Project Area Tax Allocation Bonds, Series 2008

On July 1, 2008, the Oxnard Community Development Commission issued its \$11,790,000 Historic Enhancement and Revitalization of Oxnard (HERO) Project Area Tax Allocation Bonds, Series 2008. Proceeds from the sale of bonds are to be used to finance a 500-space parking structure to service a mixed-use retail/commercial development located within the RiverPark Specific Plan Area. The yield on the bonds varies from 1.95 percent to 4.98 percent, with a final maturity of September 1, 2038.

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

On August 26, 2008, the City remarketed its City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds 2003, Series B. The balance on the bonds at the time of the remarketing was \$13,060,000. The bonds were remarketed to replace a liquidity facility provided by Dexia Credit Local with a letter of credit issued by Union Bank of California, which provides stronger credit support for bond investors. The bond insurer, Ambac Assurance Corporation, continued as insurer of the transaction. The remarketing of the bonds resulted in a decrease of the weekly interest rate paid on the bonds from 3 percent just prior to the remarketing, to 1.8 percent the week after the remarketing. No other terms and conditions of the bonds were changed.

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

On August 26, 2008, the City remarketed its City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Projects) 2004, Series B. The balance on the bonds at the time of the remarketing was \$23,975,000. The bonds were remarketed to replace a liquidity facility provided by Dexia Credit Local with a letter of credit issued by Union Bank of California, which provides stronger credit support for bond investors. The bond insurer, Ambac Assurance Corporation,

continued as insurer of the transaction. The remarketing of the bonds resulted in a decrease of the weekly interest rate paid on the bonds from 3 percent just prior to the remarketing, to 1.8 percent the week after the remarketing. No other terms and conditions of the bonds were changed.

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

On August 26, 2008, the City remarketed its City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project) Series 2006. The balance on the bonds at the time of the remarketing was \$23,515,000. The bonds were remarketed to replace a liquidity facility provided by Dexia Credit Local with a letter of credit issued by Union Bank of California, which provides stronger credit support for bond investors. The bond insurer, Ambac Assurance Corporation, continued as insurer of the transaction. The remarketing of the bonds resulted in a decrease of the weekly interest rate paid on the bonds from 3 percent just prior to the remarketing, to 1.8 percent the week after the remarketing. No other terms and conditions of the bonds were changed.

State Budget Impact on Oxnard Community Development Commission Regarding ERAF Shift

The State Budget signed by the Governor includes a one-year, one-time ERAF shift of \$350 million from redevelopment agencies which is included in AB 1389 - trailer bill. These funds will not be repaid, and redevelopment agencies must pay their shares of the \$350 million prior to May 10, 2009. Borrowing from redevelopment housing funds is permitted under restricted circumstances. The City of Oxnard estimated share of the \$350 million is \$1,290,226.

Change in Investments Market Value

The market value of the City's portfolio balance went down by \$31 million from \$214 million as of June 30, 2008, to \$183 million as of October 31, 2008. The decline in market value is primarily attributable to the City's cash flow including debt service payments and timing of property tax receipts in May and December of each year. The nature of the City's investment have protected the City from market condition.



**REQUIRED SUPPLEMENTARY
INFORMATION**



City of Oxnard, California

**Required Supplementary Information
Schedule of Funding Progress (Dollars in Thousands)
For the Year Ended June 30, 2008**

| 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 | | | | | | |
| 6/30/05 | 124,301 | 153,698 | \$ 29,397 | 80.9% | 18,959 | 155.1% |
| 6/30/06 | 137,524 | 167,434 | 29,910 | 82.1% | 20,296 | 147.4% |
| 6/30/07 | 151,994 | 181,593 | 29,599 | 83.7% | 21,551 | 137.3% |
| Fire | | | | | | |
| 6/30/05 | 5,295,150 | 6,367,049 | 1,071,899 | 83.2% | 664,168 | 161.4% |
| 6/30/06 | 6,102,616 | 7,278,050 | 1,175,434 | 83.9% | 754,730 | 155.7% |
| 6/30/07 | 6,826,599 | 7,986,055 | 1,159,456 | 85.5% | 831,608 | 139.4% |
| Miscellaneous | | | | | | |
| 6/30/05 | 189,556 | 217,734 | 28,178 | 87.1% | 46,873 | 60.1% |
| 6/30/06 | 207,208 | 237,646 | 28,179 | 87.2% | 52,304 | 58.2% |
| 6/30/07 | 226,956 | 258,156 | 31,200 | 87.9% | 55,185 | 56.5% |

City of Oxnard, California

**Required Supplementary Information
Schedule of Funding Progress for OPEB Plan
For the Year Ended June 30, 2008**

| Actuarial Valuation Date | Actuarial Asset Value | Entry Age Actuarial Accrued Liability | Unfunded/ (Overfunded) Actuarial Accrued Liability | Funded Ratio |
|-------------------------------------|----------------------------------|--|---|---------------------|
| 7/1/07 | — | 21,810,777 | \$ 21,810,777 | 0.0% |



MAJOR FUNDS

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.

Capital Outlay Fund—The Capital Outlay Fund accounts for financing and construction of general government capital projects.

Community Development Commission Fund—The Community Development Commission Fund accounts for expenditures incurred on the redevelopment projects financed primarily from tax increments.

City of Oxnard, California

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2008**

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------------|------------------------|-----------------------------------|-----------------------|---------------------------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Property tax | \$ 41,461,600 | \$ 41,461,600 | \$ 41,510,020 | \$ 48,420 |
| Sales tax | 27,000,000 | 27,000,000 | 24,205,622 | (2,794,378) |
| Transient occupancy tax | 3,600,000 | 3,600,000 | 3,618,611 | 18,611 |
| Business license (net of refund) | 4,685,000 | 4,685,000 | 4,662,658 | (22,342) |
| Franchise tax | 4,280,000 | 4,280,000 | 3,986,567 | (293,433) |
| Other taxes | 975,000 | 975,000 | 981,453 | 6,453 |
| Total taxes | 82,001,600 | 82,001,600 | 78,964,931 | (3,036,669) |
| Licenses and permits | 3,006,692 | 3,006,692 | 2,186,370 | (820,322) |
| Intergovernmental | 11,232,890 | 11,320,890 | 10,532,975 | (787,915) |
| Charges for services | 11,287,886 | 11,913,152 | 12,830,700 | 917,548 |
| Fines and forfeitures | 730,000 | 730,000 | 678,327 | (51,673) |
| Investment earnings | 1,764,601 | 1,764,601 | 2,029,700 | 265,099 |
| Miscellaneous | 4,180,922 | 6,755,572 | 6,511,667 | (243,905) |
| Total revenues | 114,204,591 | 117,492,507 | 113,734,670 | (3,757,837) |
| EXPENDITURES | | | | |
| General government: | | | | |
| City council | 392,832 | 394,465 | 391,632 | 2,833 |
| City treasurer | 1,139,508 | 1,178,146 | 1,108,206 | 69,940 |
| City clerk | 469,537 | 509,925 | 477,040 | 32,885 |
| City manager | 1,586,990 | 1,578,223 | 1,630,483 | (52,260) |
| City attorney | 1,666,878 | 1,908,088 | 1,691,639 | 216,449 |
| Financial services | 4,159,461 | 4,302,705 | 3,935,162 | 367,543 |
| Human resources | 1,153,186 | 1,189,031 | 1,271,076 | (82,045) |
| Non-departmental | 3,170,641 | 1,730,546 | 1,434,424 | 296,122 |
| Public Safety: | | | | |
| Police | 45,969,785 | 48,297,912 | 48,824,380 | (526,468) |
| Fire | 13,582,263 | 14,131,062 | 14,571,212 | (440,150) |
| Transportation | 4,484,477 | 4,606,530 | 4,774,839 | (168,309) |
| Community development: | | | | |
| Development services | 7,123,391 | 10,551,733 | 7,050,652 | 3,501,081 |
| Economic development and tourism | 751,388 | 754,388 | 754,388 | — |
| Housing services | 163,267 | 289,368 | 294,932 | (5,564) |
| Community services | 3,104,691 | 3,240,600 | 3,156,665 | 83,935 |
| Culture and leisure: | | | | |
| Recreation services | 2,784,088 | 3,180,138 | 3,629,400 | (449,262) |
| Carnegie art museum | 441,209 | 451,547 | 371,543 | 80,004 |
| Parks and public grounds | 9,414,654 | 9,006,905 | 9,664,681 | (657,776) |

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, 2008

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|------------------------|-----------------------------------|-----------------------|---------------------------------------|
| Library services | 4,913,178 | 5,085,980 | 4,856,332 | 229,648 |
| Capital outlay | 1,583,991 | 2,177,623 | 1,379,294 | 798,329 |
| Total expenditures | 108,055,415 | 114,564,915 | 111,267,980 | 3,296,935 |
| Excess (deficiency) of revenues over expenditures | 6,149,176 | 2,927,592 | 2,466,690 | (460,902) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 131,566 | 131,566 | 131,566 | — |
| Transfers out | (7,311,302) | (9,811,516) | (7,142,803) | 2,668,713 |
| Total other financing sources (uses) | (7,179,736) | (9,679,950) | (7,011,237) | 2,668,713 |
| Net change in fund balances | (1,030,560) | (6,752,358) | (4,544,547) | 2,207,811 |
| Fund balances, July 1 | 24,997,651 | 24,997,651 | 24,997,651 | — |
| Fund balances, budgetary basis, June 30 | \$ 23,967,091 | \$ 18,245,293 | \$ 20,453,104 | \$ 2,207,811 |

City of Oxnard, California

Capital Outlay Funds

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2008**

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|------------------------|-----------------------------------|-----------------------|---------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 109,000 | \$ 74,138 | \$ 74,148 | \$ 10 |
| Interest | — | 952,329 | 139,121 | (813,208) |
| Charges for services | — | — | 21,394 | 21,394 |
| Special assessments | — | — | 948,316 | 948,316 |
| Miscellaneous | — | 1,800 | 1,300 | (500) |
| Total revenues | 109,000 | 1,028,267 | 1,184,279 | 156,012 |
| EXPENDITURES | | | | |
| General government | — | 29,570 | — | 29,570 |
| Transportation | — | 369 | — | 369 |
| Community development | — | 20,000 | 194,324 | (174,324) |
| Culture and leisure | — | — | 13,771 | (13,771) |
| Capital outlay | 1,052,020 | 64,002,550 | 31,641,888 | 32,360,662 |
| Total expenditures | 1,052,020 | 64,052,489 | 31,849,983 | 32,202,506 |
| Excess (deficiency) of revenues over expenditures | (943,020) | (63,024,222) | (30,665,704) | 32,358,518 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Capital contributions | — | — | — | — |
| Transfers in | 943,020 | 12,167,813 | 9,564,645 | (2,603,168) |
| Proceeds from issuance of long-term debt | — | 24,676,624 | 24,901,556 | 224,932 |
| Total other financing sources (uses) | 943,020 | 36,844,437 | 34,466,201 | (2,378,236) |
| Net change in fund balances | — | (26,179,785) | 3,800,497 | 29,980,282 |
| Fund balances, July 1 | 22,832,403 | 22,832,403 | 22,832,403 | — |
| Fund balances, budgetary basis, June 30 | \$ 22,832,403 | \$ (3,347,382) | \$ 26,632,900 | \$ 29,980,282 |

City of Oxnard, California

**Community Development Commission
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2008**

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|------------------------|-------------------------------|-----------------------|-----------------------------------|
| REVENUES | | | | |
| Taxes | \$ 16,538,000 | \$ 16,538,000 | \$ 18,258,672 | \$ 1,720,672 |
| Interest | 314,611 | 314,611 | 2,486,004 | 2,171,393 |
| Rental income | 15,000 | 15,000 | 49,005 | 34,005 |
| Miscellaneous | 103,281 | 103,281 | 1,526,366 | 1,423,085 |
| Total revenues | 16,970,892 | 16,970,892 | 22,320,047 | 5,349,155 |
| EXPENDITURES | | | | |
| Community development | 8,288,662 | 8,288,662 | 8,584,583 | (295,921) |
| Capital outlay | 1,060,000 | 39,677,282 | 2,997,247 | 36,680,035 |
| Total expenditures | 9,348,662 | 47,965,944 | 11,581,830 | 36,384,114 |
| Excess (deficiency) of revenues over expenditures | 7,622,230 | (30,995,052) | 10,738,217 | 41,733,269 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sale of bonds | — | 9,900,000 | — | (9,900,000) |
| Transfers in | 3,307,400 | 3,307,400 | 4,161,959 | 854,559 |
| Transfers out | (3,307,400) | (3,307,400) | (4,161,959) | (854,559) |
| Total other financing sources (uses) | — | 9,900,000 | — | (9,900,000) |
| Net change in fund balances | 7,622,230 | (21,095,052) | 10,738,217 | 31,833,269 |
| Fund balances, July 1 | 54,031,024 | 54,031,024 | 54,031,024 | — |
| Fund balances, budgetary basis, June 30 | \$ 61,653,254 | \$ 32,935,972 | \$ 64,769,241 | \$ 31,833,269 |



NON-MAJOR SPECIAL REVENUE FUNDS



NON-MAJOR SPECIAL REVENUE FUNDS

These 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.

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.

HUD Home Loan Fund—This fund is used to account for federal entitlement that is used to provide housing loan to low/moderate income families.

CDBG Entitlement Fund—This fund is used to account for community development block grant to develop viable urban communities.

State and Federal Grant Funds—This fund accounts for the receipts and expenditures of monies received from State and Federal grants-in-aid.

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

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

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

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

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.

City of Oxnard, California

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008**

| | Development Fees Fund | Federal and State Grants | HUD & CDBG Funds | Debt Service Fund |
|--|----------------------------------|-------------------------------------|---------------------------------|------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 30,573,069 | \$ 12,776,507 | \$ 200 | \$ 843,943 |
| Investments with fiscal agents | — | — | — | 797,295 |
| Accounts and other receivables | 92,787 | 6,564,166 | 5,562,662 | — |
| Due from other funds | — | 179,595 | — | — |
| Due from other governments | — | — | 437,024 | — |
| Other assets | — | — | 73,079 | — |
| Total assets | 30,665,856 | 19,520,268 | 6,072,965 | 1,641,238 |
| LIABILITIES | | | | |
| Accounts payable | 182,211 | 731,396 | 140,850 | 17,712 |
| Other liabilities | 7,442 | 940,164 | 23,608 | — |
| Deferred revenues | — | 2,858,732 | 5,728,912 | — |
| Due to other funds | 1,238,539 | — | 179,595 | — |
| Total liabilities | 1,428,192 | 4,530,292 | 6,072,965 | 17,712 |
| FUND BALANCES | | | | |
| Reserved for debt service | — | — | — | 1,623,526 |
| Unreserved | 29,237,664 | 14,989,976 | — | — |
| Total fund balances | 29,237,664 | 14,989,976 | — | 1,623,526 |
| Total liabilities and fund balances | \$ 30,665,856 | \$ 19,520,268 | \$ 6,072,965 | \$ 1,641,238 |

City of Oxnard, California

*Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008*

| State Gas Tax Fund | Traffic Safety Fund | Transportation Development Fund | Maintenance Assessment Districts Fund | Total | |
|-----------------------|------------------------|---------------------------------------|---|----------------------|--|
| ASSETS | | | | | |
| \$ 2,441,234 | \$ (77,492) | \$ 4,228,274 | \$ 9,775,444 | \$ 60,561,179 | Cash and cash equivalents |
| 74,365 | — | — | — | 871,660 | Investments with fiscal agents |
| 2,300 | 45,320 | 454,531 | — | 12,721,766 | Accounts and other receivables |
| — | — | — | — | 179,595 | Due from other funds |
| 840,678 | — | — | — | 1,277,702 | Due from other governments |
| — | — | — | — | 73,079 | Other assets |
| 3,358,577 | (32,172) | 4,682,805 | 9,775,444 | 75,684,981 | Total assets |
| LIABILITIES | | | | | |
| 32,068 | — | 390,257 | 251,063 | 1,745,557 | Accounts payable |
| 7,079 | 9,304 | 5,624 | 8,772 | 1,001,993 | Other liabilities |
| — | — | 211,141 | — | 8,798,785 | Deferred revenues |
| — | — | — | — | 1,418,134 | Due to other funds |
| 39,147 | 9,304 | 607,022 | 259,835 | 12,964,469 | Total liabilities |
| FUND BALANCES | | | | | |
| — | — | — | — | 1,623,526 | Reserved for debt service |
| 3,319,430 | (41,476) | 4,075,783 | 9,515,609 | 61,096,986 | Unreserved |
| 3,319,430 | (41,476) | 4,075,783 | 9,515,609 | 62,720,512 | Total fund balances |
| \$ 3,358,577 | \$ (32,172) | \$ 4,682,805 | \$ 9,775,444 | \$ 75,684,981 | Total liabilities and fund balances |

City of Oxnard, California

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year ended June 30, 2008**

| | <u>Development Fees Fund</u> | <u>Federal and State Grants</u> | <u>HUD & CDBG Funds</u> | <u>Debt Service Fund</u> |
|---|----------------------------------|-------------------------------------|---------------------------------|----------------------------|
| REVENUES | | | | |
| Taxes | \$ — | \$ 13,406,855 | \$ — | \$ 2,551,119 |
| Licenses and permits | 605,821 | — | — | — |
| Intergovernmental | 654,865 | 14,237,085 | 4,153,611 | — |
| Growth and development fees | 5,675,935 | — | — | — |
| Charges for services | — | — | — | — |
| Fines and forfeitures | — | 164,220 | — | — |
| Interest | 1,258,779 | 324,508 | — | 500,314 |
| Special assessments | — | — | — | — |
| Miscellaneous | 322,826 | 724,699 | — | — |
| Total revenues | <u>8,518,226</u> | <u>28,857,367</u> | <u>4,153,611</u> | <u>3,051,433</u> |
| EXPENDITURES | | | | |
| General government | 72,812 | — | 221,637 | — |
| Public safety | 703,419 | 13,929,837 | 212,199 | — |
| Transportation | — | 289,573 | — | — |
| Community development | 1,200,080 | 2,607,773 | 2,306,872 | — |
| Culture and leisure | — | 292,457 | 37,940 | — |
| Library services | — | 93,961 | — | — |
| Capital outlay | 4,113,257 | 8,768,706 | 1,374,963 | — |
| Debt service: | | | | |
| Principal | — | — | — | 2,754,823 |
| Interest | — | — | — | 3,810,737 |
| Total expenditures | <u>6,089,568</u> | <u>25,982,307</u> | <u>4,153,611</u> | <u>6,565,560</u> |
| Excess (deficiency) of revenues over expenditures | 2,428,658 | 2,875,060 | — | (3,514,127) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | — | 177,742 | — | 3,834,013 |
| Transfers out | (1,783,597) | — | — | — |
| Proceeds from issuance of long-term debt | — | — | — | — |
| Total other financing sources (uses) | <u>(1,783,597)</u> | <u>177,742</u> | <u>—</u> | <u>3,834,013</u> |
| Net change in fund balance | 645,061 | 3,052,802 | — | 319,886 |
| Fund balances, July 1 | <u>28,592,603</u> | <u>11,937,174</u> | <u>—</u> | <u>1,303,640</u> |
| Fund balances, June 30 | <u>\$ 29,237,664</u> | <u>\$ 14,989,976</u> | <u>\$ —</u> | <u>\$ 1,623,526</u> |

City of Oxnard, California

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year ended June 30, 2008**

| State Gas Tax Fund | Traffic Safety Fund | Transportation Development Fund | Maintenance Assessment Districts Fund | Total | |
|-----------------------|------------------------|---------------------------------------|---|----------------------|---|
| \$ — | \$ — | \$ — | \$ 2,881 | \$ 15,960,855 | REVENUES Taxes |
| — | — | — | — | 605,821 | Licenses and permits |
| 3,459,807 | — | 2,998,233 | — | 25,503,601 | Intergovernmental |
| — | — | — | — | 5,675,935 | Growth and development fees |
| — | — | 25,659 | — | 25,659 | Charges for services |
| — | 508,081 | — | — | 672,301 | Fines and forfeitures |
| 321,821 | — | 166,155 | 335,576 | 2,907,153 | Interest |
| — | — | — | 8,065,774 | 8,065,774 | Special assessments |
| 475,474 | — | 130,306 | 64,561 | 1,717,866 | Miscellaneous |
| 4,257,102 | 508,081 | 3,320,353 | 8,468,792 | 61,134,965 | Total revenues |
| — | — | — | 156,278 | 450,727 | EXPENDITURES General government |
| — | 381,170 | — | 1,787,667 | 17,014,292 | Public safety |
| 2,854,364 | 653,767 | 1,828,621 | 241,426 | 5,867,751 | Transportation |
| 8,303 | — | — | — | 6,123,028 | Community development |
| — | — | — | 2,884,998 | 3,215,395 | Culture and leisure |
| — | — | — | — | 93,961 | Library services |
| 44,206 | — | 1,804,242 | 159,633 | 16,265,007 | Capital outlay |
| — | — | — | — | 2,754,823 | Debt service: Principal |
| — | — | — | — | 3,810,737 | Interest |
| 2,906,873 | 1,034,937 | 3,632,863 | 5,230,002 | 55,595,721 | Total expenditures |
| 1,350,229 | (526,856) | (312,510) | 3,238,790 | 5,539,244 | Excess (deficiency) of revenues over expenditures |
| — | 400,000 | — | — | 4,411,755 | OTHER FINANCING SOURCES (USES) Transfers in |
| — | — | — | — | (1,783,597) | Transfers out |
| 1,732,967 | — | — | — | 1,732,967 | Proceeds from issuance of long-term debt |
| 1,732,967 | 400,000 | — | — | 4,361,125 | Total other financing sources (uses) |
| 3,083,196 | (126,856) | (312,510) | 3,238,790 | 9,900,369 | Net change in fund balance |
| 236,234 | 85,380 | 4,388,293 | 6,276,819 | 52,820,143 | Fund balances, July 1 |
| \$ 3,319,430 | \$ (41,476) | \$ 4,075,783 | \$ 9,515,609 | \$ 62,720,512 | Fund balances, June 30 |

City of Oxnard, California

*Non-major - Development Fees Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2008*

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|------------------------|-----------------------------------|-----------------------|---------------------------------------|
| REVENUES | | | | |
| Licenses and permits | \$ 812,816 | \$ 812,816 | \$ 605,821 | \$ (206,995) |
| Intergovernmental | — | — | 654,865 | 654,865 |
| Growth and development fees | 6,870,000 | 6,870,000 | 5,675,935 | (1,194,065) |
| Interest | 662,946 | 662,946 | 1,258,779 | 595,833 |
| Miscellaneous | 32,810 | 32,810 | 322,826 | 290,016 |
| Total revenues | 8,378,572 | 8,378,572 | 8,518,226 | 139,654 |
| EXPENDITURES | | | | |
| General government | 68,520 | 68,520 | 72,812 | (4,292) |
| Public safety | 797,816 | 797,816 | 703,419 | 94,397 |
| Community development | — | 1,203,003 | 1,200,080 | 2,923 |
| Capital outlay | 5,400,161 | 21,279,798 | 4,113,257 | 17,166,541 |
| Total expenditures | 6,266,497 | 23,349,137 | 6,089,568 | 17,259,569 |
| Excess (deficiency) of revenues over (under) expenditures | 2,112,075 | (14,970,565) | 2,428,658 | 17,399,223 |
| OTHER FINANCING SOURCES | | | | |
| Transfers out | (1,993,701) | (1,993,701) | (1,783,597) | 210,104 |
| Proceeds from issuance of long-term debt | — | — | — | — |
| Total other financing sources (uses): | (1,993,701) | (1,993,701) | (1,783,597) | 210,104 |
| Net change in fund balances | 118,374 | (16,964,266) | 645,061 | 17,609,327 |
| Fund balances, July 1 | 28,592,603 | 28,592,603 | 28,592,603 | — |
| Fund balances, June 30 | \$ 28,710,977 | \$ 11,628,337 | \$ 29,237,664 | \$ 17,609,327 |

City of Oxnard, California

*Non-major - Federal and State Grants
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008*

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|---|------------------------|-----------------------------------|-----------------------|---------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 11,772,105 | \$ 11,772,105 | \$ 13,406,855 | \$ 1,634,750 |
| Intergovernmental | 175,732 | 12,211,966 | 14,237,085 | 2,025,119 |
| Fines and forfeitures | — | — | 164,220 | 164,220 |
| Interest | — | 471 | 324,508 | 324,037 |
| Miscellaneous | 149,105 | 180,252 | 724,699 | 544,447 |
| Total revenues | 12,096,942 | 24,164,794 | 28,857,367 | 4,692,573 |
| EXPENDITURES | | | | |
| Public safety | 11,732,509 | 14,121,272 | 13,929,837 | 191,435 |
| Transportation | 148,050 | 1,165,270 | 289,573 | 875,697 |
| Community development | 211,765 | 3,847,851 | 2,607,773 | 1,240,078 |
| Culture and leisure | 93,668 | 5,942,488 | 292,457 | 5,650,031 |
| Library services | 128,521 | 125,724 | 93,961 | 31,763 |
| Capital outlay | 1,348,400 | 18,915,178 | 8,768,706 | 10,146,472 |
| Total expenditures | 13,662,913 | 44,117,783 | 25,982,307 | 18,135,476 |
| Excess of revenues over (under) expenditures | (1,565,971) | (19,952,989) | 2,875,060 | 22,828,049 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 80,600 | 80,600 | 177,742 | 97,142 |
| Transfers out | — | — | — | — |
| Total other financing sources (uses) | 80,600 | 80,600 | 177,742 | 97,142 |
| Net change in fund balances | (1,485,371) | (19,872,389) | 3,052,802 | 22,925,191 |
| Fund balances, July 1 | 11,937,174 | 11,937,174 | 11,937,174 | — |
| Fund balances, June 30 | \$ 10,451,803 | \$ (7,935,215) | \$ 14,989,976 | \$ 22,925,191 |

City of Oxnard, California

Non-major - HUD & CDBG

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008*

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|------------------------|-----------------------------------|-----------------------|---------------------------------------|
| REVENUES | | | | |
| Taxes | \$ — | \$ — | \$ — | \$ — |
| Intergovernmental | 4,476,288 | 4,476,288 | 4,153,611 | (322,677) |
| Fines and forfeitures | — | — | — | — |
| Interest | — | — | — | — |
| Miscellaneous | — | — | — | — |
| Total revenues | 4,476,288 | 4,476,288 | 4,153,611 | (322,677) |
| EXPENDITURES | | | | |
| General government | 225,871 | 225,871 | 221,637 | 4,234 |
| Public safety | 277,220 | 277,220 | 212,199 | 65,021 |
| Community development | 1,903,128 | 3,118,659 | 2,306,872 | 811,787 |
| Culture and leisure | 37,940 | 37,940 | 37,940 | — |
| Library services | — | — | — | — |
| Capital outlay | 2,032,129 | 4,500,111 | 1,374,963 | 3,125,148 |
| Total expenditures | 4,476,288 | 8,159,801 | 4,153,611 | 4,006,190 |
| Excess (deficiency) of revenues over (under) expenditures | — | (3,683,513) | — | 3,683,513 |
| Net change in fund balances | — | (3,683,513) | — | 3,683,513 |
| Fund balances, July 1 | — | — | — | 0 |
| Fund balances, June 30 | \$ — | \$ (3,683,513) | \$ — | \$ 3,683,513 |

City of Oxnard, California

*Non-major - Debt Service
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008*

| | Original Budget | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|---------------------|---------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Taxes | \$ — | \$ — | \$ 2,551,119 | \$ 2,551,119 |
| Interest | — | — | 500,314 | 500,314 |
| Total revenues | — | — | 3,051,433 | 3,051,433 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 1,854,823 | 1,854,823 | 2,754,823 | (900,000) |
| Interest | 1,979,189 | 1,979,189 | 3,810,737 | (1,831,548) |
| Total expenditures | 3,834,012 | 3,834,012 | 6,565,560 | (2,731,548) |
| Excess (deficiency) of revenues over expenditures | (3,834,012) | (3,834,012) | (3,514,127) | 319,885 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 3,834,013 | 3,834,013 | 3,834,013 | — |
| Transfers out | — | — | — | — |
| Total other financing sources (uses) | 3,834,013 | 3,834,013 | 3,834,013 | — |
| Net change in fund balances | 1 | 1 | 319,886 | 319,885 |
| Fund balances, July 1 | 1,303,640 | 1,303,640 | 1,303,640 | — |
| Fund balances (deficit), June 30 | \$ 1,303,641 | \$ 1,303,641 | \$ 1,623,526 | \$ 319,885 |

City of Oxnard, California

*Non-major - State Gas Tax
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008*

| | Original Budget | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|----------------------------|-----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 3,505,000 | \$ 3,505,000 | \$ 3,459,807 | \$ (45,193) |
| Interest | 20,000 | 20,000 | 321,821 | 301,821 |
| Special assessments | — | — | — | — |
| Miscellaneous | 301,000 | 301,000 | 475,474 | 174,474 |
| Total revenues | 3,826,000 | 3,826,000 | 4,257,102 | 431,102 |
| EXPENDITURES | | | | |
| Transportation | 2,563,614 | 2,831,614 | 2,854,364 | (22,750) |
| Community development | 9,400 | 9,400 | 8,303 | 1,097 |
| Capital outlay | 100,000 | 119,290 | 44,206 | 75,084 |
| Total expenditures | 2,673,014 | 2,960,304 | 2,906,873 | 53,431 |
| Excess (deficiency) of revenues over expenditures | 1,152,986 | 865,696 | 1,350,229 | 484,533 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of bonds | — | — | 1,732,967 | 1,732,967 |
| Total other financing sources (uses) | — | — | 1,732,967 | 1,732,967 |
| Net change in fund balances | 1,152,986 | 865,696 | 3,083,196 | 2,217,500 |
| Fund balance, July 1 | 236,234 | 236,234 | 236,234 | — |
| Fund balance (deficit), June 30 | \$ 1,389,220 | \$ 1,101,930 | \$ 3,319,430 | \$ 2,217,500 |

City of Oxnard, California

*Non-major - Traffic Safety
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008*

| | <u>Original Budget</u> | <u>Final Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | | |
| Charges for services | \$ — | \$ — | \$ — | \$ — |
| Fines and forfeitures | 508,000 | 508,000 | 508,081 | 81 |
| Interest | — | — | — | — |
| Special assessments | — | — | — | — |
| Total revenues | 508,000 | 508,000 | 508,081 | 81 |
| EXPENDITURES | | | | |
| Public safety | 338,178 | 338,178 | 381,170 | (42,992) |
| Transportation | 569,822 | 569,822 | 653,767 | (83,945) |
| Capital outlay | — | — | — | — |
| Total expenditures | 908,000 | 908,000 | 1,034,937 | (126,937) |
| Excess (deficiency) of revenues and expenditures | (400,000) | (400,000) | (526,856) | (126,856) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 400,000 | 400,000 | 400,000 | — |
| Total other financing sources (uses) | 400,000 | 400,000 | 400,000 | — |
| Net change in fund balances | — | — | (126,856) | (126,856) |
| Fund balances, July 1 | 85,380 | 85,380 | 85,380 | — |
| Fund balances (deficit), June 30 | \$ 85,380 | \$ 85,380 | \$ (41,476) | \$ (126,856) |

City of Oxnard, California

*Non-major - Transportation Development
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008*

| | Original Budget | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|----------------------------|-----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 2,704,066 | \$ 3,249,881 | \$ 2,998,233 | \$ (251,648) |
| Charges for services | — | — | 25,659 | 25,659 |
| Interest | 27,934 | 27,934 | 166,155 | 138,221 |
| Special assessments | — | — | — | — |
| Miscellaneous | 213,000 | 213,000 | 130,306 | (82,694) |
| Total revenues | 2,945,000 | 3,490,815 | 3,320,353 | (170,462) |
| EXPENDITURES | | | | |
| Transportation | 1,809,574 | 2,161,574 | 1,828,621 | 332,953 |
| Capital outlay | 310,000 | 5,631,599 | 1,804,242 | 3,827,357 |
| Total expenditures | 2,119,574 | 7,793,173 | 3,632,863 | 4,160,310 |
| Excess (deficiency) of revenues over expenditures | 825,426 | (4,302,358) | (312,510) | 3,989,848 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | — | — | — | — |
| Transfers out | — | — | — | — |
| Total other financing sources (uses) | — | — | — | — |
| Net change in fund balances | 825,426 | (4,302,358) | (312,510) | 3,989,848 |
| Fund balances, July 1 | 4,388,293 | 4,388,293 | 4,388,293 | — |
| Fund balances (deficit), June 30 | \$ 5,213,719 | \$ 85,935 | \$ 4,075,783 | \$ 3,989,848 |

City of Oxnard, California

*Non-major - Maintenance Assessment District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2008*

| | Original Budget | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|----------------------------|-----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | | |
| Taxes | \$ — | \$ — | \$ 2,881 | \$ 2,881 |
| Interest | 25,000 | 25,000 | 335,576 | 310,576 |
| Special assessments | 8,290,298 | 8,355,068 | 8,065,774 | (289,294) |
| Miscellaneous | — | — | 64,561 | 64,561 |
| Total revenues | 8,315,298 | 8,380,068 | 8,468,792 | 88,724 |
| EXPENDITURES | | | | |
| General government | 137,367 | 140,602 | 156,278 | (15,676) |
| Public safety | 1,576,312 | 1,576,312 | 1,787,667 | (211,355) |
| Transportation | 1,094,459 | 1,094,459 | 241,426 | 853,033 |
| Culture and leisure | 4,805,403 | 5,122,894 | 2,884,998 | 2,237,896 |
| Capital outlay | 314,000 | 314,000 | 159,633 | 154,367 |
| Total expenditures | 7,927,541 | 8,248,267 | 5,230,002 | 3,018,265 |
| Excess (deficiency) of revenues over expenditures | 387,757 | 131,801 | 3,238,790 | 3,106,989 |
| Net change in fund balances | 387,757 | 131,801 | 3,238,790 | 3,106,989 |
| Fund balances, July 1 | 6,276,819 | 6,276,819 | 6,276,819 | — |
| Fund balances (deficit), June 30 | \$ 6,664,576 | \$ 6,408,620 | \$ 9,515,609 | \$ 3,106,989 |



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, 2008*

| | Workers' Compensation | Public Liability/Property Damage | Utility Customer Services | Information Services |
|--|----------------------------------|---|--|---------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 16,683,467 | \$ 7,745,888 | \$ 670,729 | \$ 2,269,131 |
| Accounts and other receivables (net of allowance for uncollectibles) | — | 6,845 | — | — |
| Capital assets: | | | | |
| Land | — | 595,500 | — | — |
| Machinery and equipment | 56,827 | 52,621 | 42,507 | 1,409,759 |
| Construction in progress | — | 713,768 | — | — |
| Total capital assets | 56,827 | 1,361,889 | 42,507 | 1,409,759 |
| Less: accumulated depreciation | (44,420) | (37,858) | (37,419) | (888,829) |
| Net capital assets | 12,407 | 1,324,031 | 5,088 | 520,930 |
| Total assets | 16,695,874 | 9,076,764 | 675,817 | 2,790,061 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 396,153 | 189,434 | 49,517 | 60,164 |
| Other liabilities | 1,996 | 98,087 | 2,790 | 11,786 |
| Compensated absences payable - current | 20,000 | — | 25,000 | 120,000 |
| Self-insurance claims - due within one year | 3,221,385 | 2,766,587 | — | — |
| Total current liabilities | 3,639,534 | 3,054,108 | 77,307 | 191,950 |
| Non-current liabilities: | | | | |
| Compensated absences | 4,649 | — | 183 | 119,759 |
| Self-insurance claims | 5,255,945 | 2,356,723 | — | — |
| Total noncurrent liabilities | 5,260,594 | 2,356,723 | 183 | 119,759 |
| Total liabilities | 8,900,128 | 5,410,831 | 77,490 | 311,709 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 12,407 | 1,324,031 | 5,088 | 520,930 |
| Unrestricted | 7,783,339 | 2,341,902 | 593,239 | 1,957,422 |
| Total net assets | \$ 7,795,746 | \$ 3,665,933 | \$ 598,327 | \$ 2,478,352 |

City of Oxnard, California

*Internal Service Funds
Combining Statement of Net Assets
June 30, 2008*

| Facilities Maintenance | Equipment Maintenance | Total |
|-----------------------------------|----------------------------------|----------------------|
| \$ 1,306,936 | \$ 886,426 | \$ 29,562,577 |
| 1,825 | — | 8,670 |
| — | — | 595,500 |
| 588,048 | 516,013 | 2,665,775 |
| 4,000 | 92,715 | 810,483 |
| 592,048 | 608,728 | 4,071,758 |
| (408,506) | (387,035) | (1,804,067) |
| 183,542 | 221,693 | 2,267,691 |
| 1,492,303 | 1,108,119 | 31,838,938 |
| 44,841 | 446,641 | 1,186,750 |
| 12,321 | 24,764 | 151,744 |
| 140,000 | 200,000 | 505,000 |
| — | — | 5,987,972 |
| 197,162 | 671,405 | 7,831,466 |
| 76,433 | 112,224 | 313,248 |
| — | — | 7,612,668 |
| 76,433 | 112,224 | 7,925,916 |
| 273,595 | 783,629 | 15,757,382 |
| 183,542 | 221,693 | 2,267,691 |
| 1,035,166 | 102,797 | 13,813,865 |
| \$ 1,218,708 | \$ 324,490 | \$ 16,081,556 |

ASSETS

Cash and cash equivalents

Accounts and other receivables (net of allowance for uncollectibles)

Capital assets:

Land

Machinery and equipment

Construction in progress

Total capital assets

Less: accumulated depreciation

Net capital assets

Total assets

LIABILITIES

Current liabilities:

Accounts payable

Other liabilities

Compensated absences payable - current

Self-insurance claims - due within one year

Total current liabilities

Non-current liabilities:

Compensated absences

Self-insurance claims

Total noncurrent liabilities

Total liabilities

NET ASSETS

Invested in capital assets, net of related debt

Unrestricted

Total net assets

City of Oxnard, California

*Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the Year June 30, 2008*

| | <u>Workers' Compensation</u> | <u>Public Liability/Property Damage</u> | <u>Utility Customer Services</u> | <u>Information Services</u> |
|--|----------------------------------|---|--------------------------------------|---------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 7,449,546 | \$ 4,064,444 | \$ 1,327,546 | \$ 4,357,745 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 392,965 | 145,978 | 545,995 | 1,890,092 |
| Contractual services | 371,347 | 238,025 | 108,271 | 141,120 |
| Operating supplies | — | — | — | 34,537 |
| Utilities | 5,195 | 802 | 16,382 | 1,045,740 |
| Depreciation and amortization | 4,619 | 14,258 | 1,514 | 167,721 |
| General and administrative | 362,040 | 235,646 | 663,204 | 197,250 |
| Repairs and maintenance | 21,649 | — | 27,952 | 164,646 |
| Claims expenses | 2,818,471 | 4,206,528 | — | — |
| Total operating expenses | 3,976,286 | 4,841,237 | 1,363,318 | 3,641,106 |
| Net operating income (loss) | 3,473,260 | (776,793) | (35,772) | 716,639 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 615,829 | 306,291 | 28,923 | — |
| Interest (expense) | — | — | — | — |
| Total nonoperating revenues (expenses) | 615,829 | 306,291 | 28,923 | — |
| Income (loss) before contributions and transfers | 4,089,089 | (470,502) | (6,849) | 716,639 |
| Transfers in | — | — | — | — |
| Net transfers | — | — | — | — |
| Change in net assets | 4,089,089 | (470,502) | (6,849) | 716,639 |
| Net assets - July 1 | 3,706,657 | 4,136,436 | 605,176 | 1,761,713 |
| Net assets - June 30 | \$ 7,795,746 | \$ 3,665,934 | \$ 598,327 | \$ 2,478,352 |

City of Oxnard, California

Internal Service Funds

*Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the Year June 30, 2008*

| Facilities Maintenance | Equipment Maintenance | Total | |
|-----------------------------------|----------------------------------|----------------------|--|
| \$ 3,831,478 | \$ 8,882,722 | \$ 29,913,481 | OPERATING REVENUES |
| | | | Charges for services |
| | | | OPERATING EXPENSES |
| 2,243,909 | 3,355,815 | 8,574,754 | Salaries and wages |
| 133,557 | 67,534 | 1,059,854 | Contractual services |
| 394,253 | 4,232,830 | 4,661,620 | Operating supplies |
| 741,742 | 23,407 | 1,833,268 | Utilities |
| 45,384 | 53,793 | 287,289 | Depreciation and amortization |
| 91,351 | 214,164 | 1,763,655 | General and administrative |
| 103,197 | 970,716 | 1,288,160 | Repairs and maintenance |
| — | — | 7,024,999 | Claims expenses |
| 3,753,393 | 8,918,259 | 26,493,599 | Total operating expenses |
| 78,085 | (35,537) | 3,419,882 | Net operating income (loss) |
| | | | NONOPERATING REVENUES (EXPENSES) |
| 61,581 | 28,568 | 1,041,192 | Interest income |
| — | — | — | Interest (expense) |
| 61,581 | 28,568 | 1,041,192 | Total nonoperating revenues (expenses) |
| 139,666 | (6,969) | 4,461,074 | Income (loss) before contributions and transfers |
| — | 6,500 | 6,500 | Transfers in |
| — | 6,500 | 6,500 | Net transfers |
| 139,666 | (469) | 4,467,574 | Change in net assets |
| 1,079,042 | 324,958 | 11,613,982 | Net assets - July 1 |
| \$ 1,218,708 | \$ 324,489 | \$ 16,081,556 | Net assets - June 30 |

City of Oxnard, California

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2008**

| | <u>Workers' Compensation</u> | <u>Public Liability/Property Damage</u> | <u>Utility Customer Services</u> | <u>Information Services</u> |
|--|----------------------------------|---|--|---------------------------------|
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 7,509,546 | \$ 4,068,394 | \$ 1,327,546 | \$ 4,357,745 |
| Payments to suppliers | (379,039) | (510,845) | (783,649) | (1,600,321) |
| Payments to employees | (386,798) | (47,893) | (540,334) | (1,857,869) |
| Claims paid | (3,620,071) | (2,956,687) | — | — |
| Net cash flows from operating activities | <u>3,123,638</u> | <u>552,969</u> | <u>3,563</u> | <u>899,555</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfers in | — | — | — | — |
| Transfers out | — | — | — | — |
| Net cash flows from noncapital financing activities | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition (disposal) of capital assets | — | (681,213) | — | (359,591) |
| Net cash flows from capital and related financing activities | <u>—</u> | <u>(681,213)</u> | <u>—</u> | <u>(359,591)</u> |
| Cash flows from investing activities: | | | | |
| Interest on investments | 615,829 | 306,291 | 28,922 | — |
| Cash flows from investing activities | <u>615,829</u> | <u>306,291</u> | <u>28,922</u> | <u>—</u> |
| Net increase(decrease) in cash and cash equivalents | <u>3,739,467</u> | <u>178,047</u> | <u>32,485</u> | <u>539,964</u> |
| Cash and cash equivalents - July 1 | 12,944,000 | 7,567,841 | 638,244 | 1,729,167 |
| Cash and investments at end of period | <u>\$ 16,683,467</u> | <u>\$ 7,745,888</u> | <u>\$ 670,729</u> | <u>\$ 2,269,131</u> |
| Reconciliation of operating income (loss) to net cash flows from operating activities: | | | | |
| Operating income (loss) | \$ 3,473,260 | \$ (776,793) | \$ (35,772) | \$ 716,639 |
| Adjustments to reconcile operating income to net cash flows from operating activities: | | | | |
| Depreciation | 4,619 | 14,258 | 1,514 | 167,721 |
| Loss on capital assets | — | — | — | — |
| Change in assets and liabilities: | | | | |
| Decrease (increase) in accounts receivable | 60,000 | 3,950 | — | — |
| Increase (decrease) in accounts payable and other liabilities | 381,192 | 61,713 | 32,160 | (17,026) |
| Increase (decrease) in self-insured claims liabilities | (801,600) | 1,249,841 | — | — |
| Increase (decrease) in compensated absences | 6,167 | — | 5,661 | 32,221 |
| Cash flows from operating activities | <u>\$ 3,123,638</u> | <u>\$ 552,969</u> | <u>\$ 3,563</u> | <u>\$ 899,555</u> |

City of Oxnard, California

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2008**

| Facilities Maintenance | Equipment Maintenance | Total |
|---------------------------|--------------------------|----------------------|
| \$ 3,848,629 | \$ 8,882,722 | \$ 29,994,582 |
| (1,436,433) | (5,285,075) | (9,995,362) |
| (2,278,905) | (3,298,853) | (8,410,652) |
| — | — | (6,576,758) |
| <u>133,291</u> | <u>298,794</u> | <u>5,011,810</u> |
| — | 6,500 | 6,500 |
| — | — | — |
| <u>—</u> | <u>6,500</u> | <u>6,500</u> |
| <u>(49,849)</u> | <u>(83,647)</u> | <u>(1,174,300)</u> |
| <u>(49,849)</u> | <u>(83,647)</u> | <u>(1,174,300)</u> |
| <u>61,581</u> | <u>28,568</u> | <u>1,041,191</u> |
| <u>61,581</u> | <u>28,568</u> | <u>1,041,191</u> |
| <u>145,023</u> | <u>250,215</u> | <u>4,885,201</u> |
| <u>1,161,913</u> | <u>636,211</u> | <u>24,677,376</u> |
| <u>\$ 1,306,936</u> | <u>\$ 886,426</u> | <u>\$ 29,562,577</u> |
| \$ 78,085 | \$ (35,537) | \$ 3,419,882 |
| 45,384 | 53,793 | 287,289 |
| — | — | — |
| 17,151 | — | 81,101 |
| 27,667 | 223,576 | 709,282 |
| — | — | 448,241 |
| (34,996) | 56,962 | 66,015 |
| <u>\$ 133,291</u> | <u>\$ 298,794</u> | <u>\$ 5,011,810</u> |

Cash flows from operating activities:

Receipts from customers

Payments to suppliers

Payments to employees

Claims paid

Net cash flows from operating activities

Cash flows from noncapital financing activities:

Transfers in

Transfers out

Net cash flows from noncapital financing activities

Cash flows from capital and related financing activities:

Acquisition (disposal) of capital assets

Net cash flows from capital and related financing activities

Cash flows from investing activities:

Interest on investments

Cash flows from investing activities

Net increase(decrease) in cash and cash equivalents

Cash and cash equivalents - July 1

Cash and investments at end of period

Reconciliation of operating income (loss) to net cash flows from operating activities:

Operating income (loss)

Adjustments to reconcile operating income to net cash flows from operating activities:

Depreciation

Loss on disposal of capital assets

Change in assets and liabilities:

Decrease (increase) in accounts receivable

Increase (decrease) in accounts payable and other liabilities

Increase (decrease) in self-insured claims liabilities

Increase (decrease) in compensated absences

Cash flows from operating activities



FIDUCIARY FUNDS



City of Oxnard, California

*Fiduciary Funds
 Combined Statement of Changes in Assets and Liabilities
 For the Fiscal Year ended June 30, 2008*

| | Balance June 30, 2007 | Additions | Deductions | Balance June 30, 2008 |
|------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| ARTWORKS FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 47,254 | \$ 2,083 | \$ — | \$ 49,337 |
| Total assets | <u>\$ 47,254</u> | <u>\$ 2,083</u> | <u>\$ —</u> | <u>\$ 49,337</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 47,254 | \$ 2,083 | \$ — | \$ 49,337 |
| Total liabilities | <u>\$ 47,254</u> | <u>\$ 2,083</u> | <u>\$ —</u> | <u>\$ 49,337</u> |
| IMPROVEMENT DISTRICTS FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 9,973,066 | \$ 7,548,902 | \$ 8,043,928 | \$ 9,478,040 |
| Investments with fiscal agents | 28,703,069 | 1,116,256 | 1,848,482 | 27,970,843 |
| Total assets | <u>\$ 38,676,135</u> | <u>\$ 8,665,158</u> | <u>\$ 9,892,410</u> | <u>\$ 37,448,883</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 38,676,135 | \$ 8,665,158 | \$ 9,892,410 | \$ 37,448,883 |
| Total liabilities | <u>\$ 38,676,135</u> | <u>\$ 8,665,158</u> | <u>\$ 9,892,410</u> | <u>\$ 37,448,883</u> |
| TOTAL - ALL FIDUCIARY FUNDS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 10,020,320 | \$ 7,550,985 | \$ 8,043,928 | \$ 9,527,377 |
| Investments with fiscal agents | 28,703,069 | 1,116,256 | 1,848,482 | 27,970,843 |
| Total assets | <u>\$ 38,723,389</u> | <u>\$ 8,667,241</u> | <u>\$ 9,892,410</u> | <u>\$ 37,498,220</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 38,723,389 | \$ 8,667,241 | \$ 9,892,410 | \$ 37,498,220 |
| Total liabilities | <u>\$ 38,723,389</u> | <u>\$ 8,667,241</u> | <u>\$ 9,892,410</u> | <u>\$ 37,498,220</u> |



STATISTICAL SECTION



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's 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.

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City of Oxnard, California

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

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2001 | 2002 | 2003 | 2004 |
| Governmental activities: | | | | |
| Investments in capital assets, net of related debt | \$ 53,182,282 | \$ 56,440,149 | \$ 105,248,878 | \$ 104,613,981 |
| Restricted | 15,555,288 | 18,239,533 | 59,123,684 | 12,510,935 |
| Unrestricted | 48,584,003 | 71,775,592 | 16,356,191 | 91,002,589 |
| Total governmental activities net assets | \$ 117,321,573 | \$ 146,455,274 | \$ 180,728,753 | \$ 208,127,505 |
| Business-type activities: | | | | |
| Investments in capital assets, net of related debt | \$ 158,107,742 | \$ 161,339,177 | \$ 171,973,198 | \$ 59,252,770 |
| Restricted | 5,841,492 | 2,931,639 | 2,714,603 | 7,380,620 |
| Unrestricted | 41,672,083 | 42,906,594 | 38,624,788 | 159,369,013 |
| Total business-type activities net assets | \$ 205,621,317 | \$ 207,177,410 | \$ 213,312,589 | \$ 226,002,403 |
| Primary government: | | | | |
| Investments in capital assets, net of related debt | \$ 211,290,024 | \$ 217,779,326 | \$ 277,222,076 | \$ 163,866,751 |
| Restricted | 21,396,780 | 21,171,172 | 61,838,287 | 19,891,555 |
| Unrestricted | 90,256,086 | 114,682,186 | 54,980,979 | 250,371,602 |
| Total primary government net assets | \$ 322,942,890 | \$ 353,632,684 | \$ 394,041,342 | \$ 434,129,908 |

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

| Fiscal Year | | | | |
|-----------------------|-------------------------|-------------------------|-------------------------|--|
| 2005 | 2006 | 2007 | 2008 | |
| | | | | Governmental activities: |
| \$ 131,874,401 | \$ 1,313,161,486 | \$ 1,329,023,654 | \$ 1,357,202,580 | Investments in capital assets, net of related debt |
| 16,183,475 | 15,902,180 | 33,774,265 | 48,175,216 | Restricted |
| 80,742,442 | 95,688,754 | 94,848,663 | 79,025,330 | Unrestricted |
| \$ 228,800,318 | \$ 1,424,752,420 | \$ 1,457,646,582 | \$ 1,484,403,126 | Total governmental activities net assets |
| | | | | Business-type activities: |
| \$ 97,741,991 | \$ 154,777,148 | \$ 225,311,825 | \$ 229,468,962 | Investments in capital assets, net of related debt |
| 7,696,523 | 13,405,164 | 12,508,465 | 8,782,553 | Restricted |
| 138,793,254 | 83,556,063 | 46,954,212 | 47,628,743 | Unrestricted |
| \$ 244,231,768 | \$ 251,738,375 | \$ 284,774,502 | \$ 285,880,258 | Total business-type activities net assets |
| | | | | Primary government: |
| \$ 229,616,392 | \$ 1,467,938,634 | \$ 1,554,335,479 | \$ 1,586,671,542 | Investments in capital assets, net of related debt |
| 23,879,998 | 29,307,344 | 46,282,730 | 56,957,769 | Restricted |
| 219,535,696 | 179,244,817 | 141,802,875 | 126,654,073 | Unrestricted |
| \$ 473,032,086 | \$ 1,676,490,795 | \$ 1,742,421,084 | \$ 1,770,283,384 | Total primary government net assets |

City of Oxnard, California

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

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2001 | 2002 | 2003 | 2004 |
| EXPENSES | | | | |
| Governmental activities: | | | | |
| General government | \$ 8,962,823 | \$ 11,561,786 | \$ 11,089,303 | \$ 12,911,930 |
| Public safety | 43,221,741 | 47,675,795 | 51,798,458 | 58,758,103 |
| Transportation | 5,529,190 | 4,900,486 | 8,576,565 | 8,595,630 |
| Community development | 13,613,463 | 17,583,882 | 25,632,688 | 18,590,562 |
| Culture and leisure | 5,613,563 | 7,917,645 | 8,194,868 | 11,177,403 |
| Libraries | 2,629,171 | 2,908,754 | 3,115,118 | 3,940,974 |
| Interest on long-term debt | 2,542,778 | 1,811,687 | 2,076,882 | 2,305,762 |
| Total governmental activities expenses | 82,112,729 | 94,360,035 | 110,483,882 | 116,280,364 |
| Business-type activities: | | | | |
| Water | 17,335,671 | 20,660,212 | 19,281,560 | 23,636,082 |
| Wastewater | 19,406,873 | 18,321,799 | 22,141,678 | 18,960,096 |
| Environmental resources | 30,287,398 | 29,770,148 | 28,693,531 | 35,070,009 |
| Performing arts and convention center | 1,113,265 | 1,250,372 | 1,284,733 | 1,402,812 |
| Oxnard housing authority | 17,685,407 | 20,103,955 | 22,800,927 | 24,462,843 |
| Municipal golf course | 4,318,642 | 3,901,301 | 2,052,025 | 3,130,165 |
| Total business-type activities expenses | 90,147,256 | 94,007,787 | 96,254,454 | 106,662,007 |
| Total primary government expenses | \$ 172,259,985 | \$ 188,367,822 | \$ 206,738,336 | \$ 222,942,371 |
| PROGRAM REVENUES | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | 8,279,046 | 8,609,967 | 12,172,573 | 8,044,319 |
| Public safety | 1,054,655 | 2,412,682 | 5,066,751 | 3,654,740 |
| Transportation | 21,323 | 204,005 | 2,079,319 | 1,455,304 |
| Community development | 13,502,510 | 12,780,422 | 16,018,715 | 16,712,568 |
| Culture and leisure | 1,216,114 | 1,337,193 | 2,343,267 | 1,772,109 |
| Libraries | 86,064 | 103,356 | 196,900 | 214,559 |
| Operating grants and contributions | 25,907,496 | 36,071,980 | 32,793,458 | 39,370,445 |
| Capital grants and contributions | — | — | — | — |
| Total governmental activities program revenues | 50,067,208 | 61,519,605 | 70,670,983 | 71,224,044 |

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 Eight Fiscal Years
(Accrual Basis of Accounting)*

| Fiscal Year | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|---|
| 2005 | 2006 | 2007 | 2008 | |
| | | | | EXPENSES |
| | | | | Governmental activities: |
| \$ 13,646,432 | \$ 18,360,819 | \$ 19,130,468 | \$ 21,898,728 | General government |
| 68,542,046 | 75,789,982 | 80,579,263 | 88,547,776 | Public safety |
| 9,912,068 | 10,341,829 | 9,893,618 | 10,847,730 | Transportation |
| 18,937,934 | 22,614,813 | 19,369,860 | 27,123,076 | Community development |
| 12,018,761 | 15,345,765 | 16,015,957 | 18,162,564 | Culture and leisure |
| 3,919,671 | 4,654,234 | 5,025,580 | 5,517,965 | Libraries |
| 2,299,356 | 1,904,516 | 3,263,821 | 4,701,143 | Interest on long-term debt |
| 129,276,268 | 149,011,958 | 153,278,567 | 176,798,983 | Total governmental activities expenses |
| | | | | Business-type activities: |
| 23,152,648 | 26,636,150 | 30,683,509 | 33,417,143 | Water |
| 25,482,133 | 27,939,236 | 29,033,021 | 24,009,381 | Wastewater |
| 37,117,879 | 38,535,592 | 39,817,351 | 45,329,486 | Environmental resources |
| 1,565,920 | 1,590,321 | 1,761,156 | 1,829,853 | Performing arts and convention center |
| 25,507,125 | 24,724,889 | 23,494,108 | 23,758,739 | Oxnard housing authority |
| 4,028,435 | 3,983,695 | 4,433,702 | 3,794,080 | Municipal golf course |
| 116,854,140 | 123,409,883 | 129,222,847 | 132,138,682 | Total business-type activities expenses |
| \$ 246,130,408 | \$ 272,421,841 | \$ 282,501,414 | \$ 308,937,665 | Total primary government expenses |
| | | | | PROGRAM REVENUES |
| | | | | Governmental activities: |
| | | | | Charges for services: |
| 8,516,015 | 7,864,784 | 17,237,868 | 8,515,014 | General government |
| 5,306,818 | 6,513,674 | 6,114,255 | 4,921,670 | Public safety |
| 2,468,510 | 4,369,882 | 4,217,846 | 4,050,457 | Transportation |
| 23,822,460 | 24,448,745 | 11,095,658 | 15,030,222 | Community development |
| 2,725,055 | 928,054 | 3,903,705 | 4,401,090 | Culture and leisure |
| 209,622 | 169,339 | 320,939 | 246,576 | Libraries |
| 20,254,587 | 30,436,511 | 25,025,965 | 23,207,919 | Operating grants and contributions |
| — | 16,758,901 | 6,804,709 | 12,902,805 | Capital grants and contributions |
| 63,303,067 | 91,489,890 | 74,720,945 | 73,275,753 | Total governmental activities program revenues |

City of Oxnard, California

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

| | Fiscal Year | | | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2001 | 2002 | 2003 | 2004 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water | 16,226,461 | 17,206,345 | 20,465,812 | 28,401,190 |
| Wastewater | 18,254,171 | 20,495,040 | 22,130,759 | 23,532,305 |
| Environmental resources | 29,697,676 | 28,432,860 | 29,811,773 | 32,965,746 |
| Performing arts and convention center | 422,078 | 296,295 | 364,053 | 371,553 |
| Oxnard housing authority | 18,292,175 | 18,040,124 | 20,342,572 | 23,024,813 |
| Municipal golf course | 3,351,431 | 3,207,541 | 2,687,299 | 7,487,215 |
| Operating grants and contributions | 4,777,822 | 3,881,547 | 3,422,902 | — |
| Capital grants and contributions | — | — | — | — |
| Total business-type activities program revenues | 91,021,814 | 91,559,752 | 99,225,170 | 115,782,822 |
| Total primary government program revenues | \$ 141,089,022 | \$ 153,079,357 | \$ 169,896,153 | \$ 187,006,866 |
| Net expense (revenue): | | | | |
| Governmental activities | (32,045,521) | (32,840,430) | (39,812,899) | (45,056,320) |
| Business-type activities | 874,558 | (2,448,035) | 2,970,716 | 9,120,815 |
| Total primary government net expense | \$ (31,170,963) | \$ (35,288,465) | \$ (36,842,183) | \$ (35,935,505) |
| 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 |
| Sales taxes | 18,140,143 | 19,846,352 | 20,775,896 | 22,772,358 |
| Transient occupancy taxes | 2,328,218 | 2,321,758 | 2,247,831 | 2,222,553 |
| Franchise taxes | 4,807,104 | 7,085,201 | 2,830,462 | 3,718,917 |
| Deed transfer taxes | 583,617 | 555,249 | 573,234 | 1,159,215 |
| Business license taxes | 2,203,188 | 3,194,683 | — | 4,386,245 |
| Penalties on delinquent taxes | 90,164 | 182,230 | 190,546 | 181,655 |
| Investment earnings | 4,389,201 | 4,588,082 | 3,858,978 | 4,547,276 |
| Sale of capital assets | — | — | — | — |
| Transfers | (1,463,398) | (1,672,830) | (1,236,947) | (1,778,579) |
| Total governmental activities | 54,562,804 | 61,974,131 | 59,355,989 | 72,455,072 |

City of Oxnard, California

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

| Fiscal Year | | | | |
|------------------------|------------------------|------------------------|-------------------------|--|
| 2005 | 2006 | 2007 | 2008 | |
| | | | | Business-type activities: |
| | | | | Charges for services: |
| 34,334,436 | 32,150,667 | 36,855,486 | 35,378,947 | Water |
| 33,709,319 | 26,139,278 | 24,503,133 | 27,621,114 | Wastewater |
| 36,071,999 | 36,704,264 | 40,122,057 | 42,795,069 | Environmental resources |
| 468,732 | 483,475 | 517,766 | 485,548 | Performing arts and convention center |
| 21,411,579 | 23,197,945 | 23,137,523 | 23,785,335 | Oxnard housing authority |
| 3,119,621 | 3,899,645 | 3,999,148 | 3,234,074 | Municipal golf course |
| — | — | — | — | Operating grants and contributions |
| — | 1,306,910 | — | — | Capital grants and contributions |
| 129,115,686 | 123,882,184 | 129,135,113 | 133,300,087 | Total business-type activities program revenues |
| \$ 192,418,753 | \$ 215,372,074 | \$ 203,856,058 | \$ 206,575,840 | Total primary government program revenues |
| | | | | Net expense (revenue): |
| (65,973,201) | (57,522,068) | (78,557,622) | (103,523,230) | Governmental activities |
| 12,261,546 | 472,301 | (87,734) | 1,161,405 | Business-type activities |
| \$ (53,711,655) | \$ (57,049,767) | \$ (78,645,356) | \$ (102,361,825) | Total primary government net expense |
| | | | | GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS |
| | | | | Governmental activities: |
| | | | | Taxes: |
| 49,096,920 | 58,537,770 | 68,429,117 | 75,726,666 | Property taxes |
| 23,212,641 | 23,985,182 | 25,783,808 | 24,205,622 | Sales taxes |
| 2,445,468 | 3,309,716 | 3,550,903 | 3,618,611 | Transient occupancy taxes |
| 4,572,206 | 3,914,317 | 3,686,627 | 3,986,567 | Franchise taxes |
| 1,196,393 | 1,230,768 | 880,370 | 860,378 | Deed transfer taxes |
| 3,967,972 | 4,470,841 | 4,504,455 | 4,662,658 | Business license taxes |
| 126,250 | 132,403 | 129,679 | 123,956 | Penalties on delinquent taxes |
| 3,911,106 | 4,860,461 | 6,653,231 | 7,561,978 | Investment earnings |
| — | 7,146,270 | — | 4,351,772 | Sale of capital assets |
| (1,882,942) | (2,280,393) | (2,166,406) | 5,181,566 | Transfers |
| 86,646,014 | 105,307,335 | 111,451,784 | 130,279,774 | Total governmental activities |

City of Oxnard, California

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

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2001 | 2002 | 2003 | 2004 |
| Business-type activities: | | | | |
| Investment earnings | — | 2,331,298 | 1,927,516 | 2,080,206 |
| Sale of capital assets | — | — | — | — |
| Transfers | 1,463,398 | 1,672,830 | 1,236,947 | 1,488,793 |
| Total business-type activities | 1,463,398 | 4,004,128 | 3,164,463 | 3,568,999 |
| Total primary program | \$ 56,026,202 | \$ 65,978,259 | \$ 62,520,452 | \$ 76,024,071 |
| Change in net assets: | | | | |
| Governmental activities | 22,517,283 | 29,133,701 | 19,543,090 | 27,398,752 |
| Business-type activities | 2,337,956 | 1,556,093 | 6,135,179 | 12,689,814 |
| Total primary government program | \$ 24,855,239 | \$ 30,689,794 | \$ 25,678,269 | \$ 40,088,566 |

City of Oxnard, California

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

| Fiscal Year | | | | |
|----------------------|-----------------------|-----------------------|-----------------------|---|
| 2005 | 2006 | 2007 | 2008 | |
| 4,486,577 | 4,753,913 | 7,480,785 | 5,125,917 | Business-type activities: |
| — | — | 23,476,670 | — | Investment earnings |
| 1,481,242 | 2,280,393 | 2,166,406 | (5,181,566) | Sale of capital assets |
| <u>5,967,819</u> | <u>7,034,306</u> | <u>33,123,861</u> | <u>(55,649)</u> | Transfers |
| <u>\$ 92,613,833</u> | <u>\$ 112,341,641</u> | <u>\$ 144,575,645</u> | <u>\$ 130,224,125</u> | Total business-type activities |
| | | | | Total primary program |
| 20,672,813 | 47,785,267 | 32,894,162 | 26,756,544 | Change in net assets: |
| 18,229,365 | 7,506,607 | 33,036,127 | 1,105,756 | Governmental activities |
| <u>\$ 38,902,178</u> | <u>\$ 55,291,874</u> | <u>\$ 65,930,289</u> | <u>\$ 27,862,300</u> | Business-type activities |
| | | | | Total primary government program |

City of Oxnard, California

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

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2001 | 2002 | 2003 | 2004 |
| General fund | | | | |
| Reserved | \$ 1,631,586 | \$ 1,870,298 | \$ 3,211,597 | \$ 1,180,342 |
| Unreserved | 19,864,559 | 25,526,320 | 24,597,396 | 25,398,644 |
| Total general fund | 21,496,145 | 27,396,618 | 27,808,993 | 26,578,986 |
| | | | | |
| All other governmental funds | | | | |
| Reserved | 13,838,262 | 13,887,599 | 8,486,307 | 11,330,593 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 32,000,890 | 37,036,381 | 45,814,074 | 55,595,303 |
| Capital projects funds | 12,487,381 | 12,639,137 | 12,974,002 | 21,790,919 |
| Total all other governmental funds | \$ 58,326,533 | \$ 63,563,117 | \$ 67,274,383 | \$ 88,716,815 |

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 Eight Fiscal Years
(Accrual Basis of Accounting)*

| Fiscal Year | | | | |
|----------------------|----------------------|-----------------------|-----------------------|---|
| 2005 | 2006 | 2007 | 2008 | |
| \$ 4,201,060 | \$ 3,658,849 | \$ 3,573,245 | \$ 344,987 | General fund |
| 19,197,335 | 23,523,456 | 21,424,406 | 20,108,117 | Reserved |
| 23,398,395 | 27,182,305 | 24,997,651 | 20,453,104 | Unreserved |
| | | | | Total general fund |
| | | | | All other governmental funds |
| 11,982,415 | 12,243,331 | 30,201,020 | 47,830,229 | Reserved |
| 53,104,087 | 58,172,246 | 51,516,503 | 61,096,986 | Unreserved, reported in: |
| 22,103,670 | 26,320,799 | 47,966,047 | 45,195,438 | Special revenue funds |
| | | | | Capital projects funds |
| \$ 87,190,172 | \$ 96,736,376 | \$ 129,683,570 | \$ 154,122,653 | Total all other governmental funds |

City of Oxnard, California

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

| | Fiscal Year | | | |
|---|---------------------|----------------------|---------------------|----------------------|
| | 2001 | 2002 | 2003 | 2004 |
| REVENUES | | | | |
| Taxes | \$ 51,637,001 | \$ 59,058,879 | \$ 59,303,485 | \$ 69,686,376 |
| Licenses and permits | 2,211,303 | 1,987,392 | 2,862,476 | 2,182,715 |
| Intergovernmental | 27,714,568 | 37,691,308 | 38,508,559 | 40,834,560 |
| Growth and development fees | 8,049,376 | 7,432,528 | 8,796,590 | 9,004,335 |
| Charges for services | 6,070,045 | 7,908,643 | 12,022,652 | 11,105,208 |
| Fines and forfeitures | 1,284,259 | 1,411,837 | 853,188 | 1,198,456 |
| Interest | 4,389,201 | 4,588,082 | 3,858,978 | 4,547,276 |
| Special assessments | 1,250,930 | 1,515,592 | 1,727,674 | 2,089,097 |
| Contributions from property owners | — | — | — | — |
| Miscellaneous | 3,486,727 | 3,572,305 | 3,055,944 | 4,809,675 |
| Total revenues | 106,093,410 | 125,166,566 | 130,989,546 | 145,457,698 |
| EXPENDITURES | | | | |
| General government | 7,713,044 | 9,786,593 | 9,781,192 | 11,444,213 |
| Public safety | 40,353,308 | 44,560,812 | 48,494,541 | 55,856,590 |
| Transportation | 5,384,755 | 4,743,755 | 8,409,737 | 8,108,305 |
| Community development | 13,031,954 | 17,413,069 | 20,454,657 | 17,912,245 |
| Culture and leisure | 7,799,434 | 10,362,084 | 7,811,085 | 10,824,801 |
| Library services | — | — | 2,991,509 | 3,818,769 |
| Capital outlay | 16,294,274 | 23,794,668 | 22,199,380 | 31,640,247 |
| Debt service: | | | | |
| Principal | 2,370,096 | 2,412,335 | 4,525,483 | 2,908,600 |
| Interest | 2,250,368 | 1,988,947 | 2,178,355 | 2,102,073 |
| Total expenditures | 95,197,233 | 115,062,263 | 126,845,939 | 144,615,843 |
| Excess (deficiency) of revenues over expenditures | 10,896,177 | 10,104,303 | 4,143,607 | 841,855 |
| 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) |
| Capital contributions | — | — | — | — |
| Proceeds from sale of property | — | — | — | — |
| Proceeds from sale of bonds | — | — | — | — |
| Transfers in | 5,177,295 | 6,374,102 | 6,989,190 | 6,475,027 |
| Transfers out | (6,640,693) | (8,046,932) | (8,064,156) | (8,253,606) |
| Total other financing sources (uses) | (1,463,398) | 1,032,754 | (19,966) | 19,370,570 |
| Net change in fund balances | \$ 9,432,779 | \$ 11,137,057 | \$ 4,123,641 | \$ 20,212,425 |
| Debt service as a percentage of noncapital expenditures | 5.86% | 4.82% | 6.41% | 4.44% |

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 Eight Fiscal Years
(Modified Accrual Basis of Accounting)*

| Fiscal Year | | | |
|-----------------------|----------------------|----------------------|----------------------|
| 2005 | 2006 | 2007 | 2008 |
| \$ 84,617,850 | \$ 95,580,997 | \$ 106,964,959 | \$ 113,184,458 |
| 2,116,934 | 5,937,172 | 3,434,727 | 2,792,191 |
| 27,036,948 | 31,543,392 | 31,830,674 | 36,110,724 |
| 10,061,956 | 9,616,234 | 4,984,467 | 5,724,940 |
| 15,358,432 | 14,721,778 | 11,418,999 | 12,877,753 |
| 1,248,242 | 1,320,782 | 1,383,780 | 1,350,628 |
| 3,911,106 | 4,860,461 | 6,653,231 | 7,561,978 |
| 2,240,492 | 2,346,088 | 14,967,993 | 9,014,090 |
| — | 1,085,000 | — | — |
| 5,240,064 | 10,352,424 | 6,700,305 | 9,757,199 |
| 151,832,024 | 177,364,328 | 188,339,135 | 198,373,961 |
| 11,788,754 | 11,994,048 | 12,283,152 | 12,390,389 |
| 64,312,956 | 69,405,713 | 75,815,578 | 80,409,884 |
| 9,709,306 | 10,254,324 | 10,136,221 | 10,642,590 |
| 18,597,956 | 22,100,626 | 18,962,172 | 26,158,572 |
| 11,520,103 | 14,366,317 | 15,141,511 | 16,894,790 |
| 3,731,437 | 4,214,038 | 4,558,864 | 4,950,293 |
| 29,924,300 | 41,227,891 | 56,309,445 | 52,283,436 |
| 2,999,393 | 7,983,492 | 2,251,795 | 2,754,823 |
| 2,072,111 | 1,920,662 | 2,411,174 | 3,810,737 |
| 154,656,316 | 183,467,111 | 197,869,912 | 210,295,514 |
| (2,824,292) | (6,102,783) | (9,530,777) | (11,921,553) |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | 14,567,020 | — | — |
| — | 1,885,649 | — | — |
| — | — | 42,459,723 | 26,634,523 |
| 10,770,253 | 13,659,615 | 13,159,636 | 14,107,966 |
| (12,653,195) | (10,679,387) | (15,326,042) | (8,926,400) |
| (1,882,942) | 19,432,897 | 40,293,317 | 31,816,089 |
| \$ (4,707,234) | \$ 13,330,114 | \$ 30,762,540 | \$ 19,894,536 |
| 4.07% | 6.96% | 3.29% | 4.16% |

REVENUES

Taxes
Licenses and permits
Intergovernmental
Growth and development fees
Charges for services
Fines and forfeitures
Interest
Special assessments
Contributions from property owners
Miscellaneous

Total revenues

EXPENDITURES

General government
Public safety
Transportation
Community development
Culture and leisure
Library services
Capital outlay
Debt service:
Principal
Interest

Total expenditures

Excess (deficiency) of revenues over expenditures

OTHER FINANCING SOURCES (USES)

Proceeds from loans payable
Proceeds from financing sources
Payment to escrow agent
Capital contributions
Proceeds from sale of property
Proceeds from sale of bonds
Transfers in
Transfers out

Total other financing sources (uses)

Net change in fund balances

Debt service as a percentage of noncapital expenditures

City of Oxnard, California

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

| Fiscal Year | Property Tax | Sales Tax | Transient Occupancy Tax | Franchise Tax | Deed Transfer Tax | Business License Tax | Penalties and Interest | Total |
|--------------------|---------------------|------------------|--------------------------------|----------------------|--------------------------|-----------------------------|-------------------------------|--------------|
| 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 |
| 2008 | 75,726,666 | 24,205,622 | 3,618,611 | 3,986,567 | 860,378 | 4,662,658 | 123,956 | 113,184,458 |

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 | | Personal 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 | | | | | | |
| 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% |
| 2008 | 11,602,771,692 | 4,729,388,831 | 121,309,333 | 2,299,830,016 | 14,153,639,840 | 1.17864% | 14,153,639,840 | 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 | |
| 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% |
| 2008 | 1.00000% | 0.17864% | 1.17864% | 0.10500% | 0.02922% | 0.13422% | 1.31286% |

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 Seven Years Ago*

| Taxpayer | 2008 | | | 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 | \$ 272,454,248 | 1 | 1.656% | \$ 285,208,162 | 1 | 4.153% |
| St. John's Regional Medical Center | 206,858,598 | 2 | 1.257% | 146,803,106 | 2 | 2.138% |
| Shea Limited Partnership | 106,371,168 | 3 | 0.647% | | | |
| Essex Tierra Vista Limited Partnership | 79,547,071 | 4 | 0.483% | | | |
| Haas Automation Inc. | 76,685,700 | 5 | 0.466% | | | |
| SI VIII LLC | 75,420,345 | 6 | 0.458% | | | |
| DR Horton LA Holding Company | 64,428,654 | 7 | 0.392% | | | |
| Duesenberg Investment Company | 63,972,388 | 8 | 0.389% | | | |
| Fred Kavli | 63,182,789 | 9 | 0.384% | | | |
| Weyerhaeuser Company | 51,412,300 | 10 | 0.312% | | | |
| 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 | 15,392,811,262 | | 93.555% | 6,058,680,229 | | 88.228% |
| Totals | \$ 16,453,144,523 | | 100.000% | \$6,867,066,427 | | 100.000% |

Source: HDL Coren and Cone, Ventura County Assessor 2007-08 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 | | Collections in Subsequent Years | Total Collections to Date | |
|-----------------------------------|---|---|-------------------------------|--|----------------------------------|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 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 | 101.14% |
| 2004 | 35,432,169 | 35,281,916 | 99.58% | 344,390 | 35,626,306 | 100.55% |
| 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% |
| 2008 | 69,931,705 | 75,726,668 | 108.29% | 121,075 | 75,847,743 | 108.46% |

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 | | | |
| 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 |
| 2008 | 41,746,367 | 34,835,000 | 37,040,000 | 493,471 | 286,428,643 | 4,603,874 | 405,147,355 | 7.841% | 2,079 |

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 | \$ 2,620,992 | 0.801% | \$ 20,994 |
| Ventura County Community College District | 19,191,757 | 15.114% | 2,900,642 |
| Ventura County Superintendent of Schools - Certificates of Participation | 1,968,078 | 15.110% | 297,377 |
| Ventura County General Fund Obligations | 10,861,824 | 15.110% | 1,641,222 |
| Oxnard Union High School District | 21,884,442 | 46.390% | 10,152,193 |
| Oxnard Union High School District - Certificates of Participation | 10,298,580 | 46.390% | 4,777,511 |
| Oxnard School District | 91,936,825 | 91.950% | 84,535,911 |
| Oxnard School District - Certificates of Participation | 5,567,573 | 91.950% | 5,119,383 |
| Rio School District | 14,517,290 | 83.784% | 12,163,166 |
| Rio School District - Certificates of Participation | 6,945,694 | 83.784% | 5,819,380 |
| Hueneme School District | 12,872,321 | 49.624% | 6,387,761 |
| Ocean View School District | 3,543,019 | 41.318% | 1,463,905 |
| Rio School District - Community Facilities District 1 | 30,635,000 | 100.000% | 30,635,000 |
| City of Oxnard - Mandalay Bay Assessment District 85-5R | 900,000 | 100.000% | 900,000 |
| City of Oxnard - Rose Avenue/Hwy 101 Assessment District 96-1 | 5,025,000 | 100.000% | 5,025,000 |
| City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1 | 14,090,000 | 100.000% | 14,090,000 |
| City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1 | 2,190,000 | 100.000% | 2,190,000 |
| City of Oxnard Community Facilities District 1 | 9,370,000 | 100.000% | 9,370,000 |
| City of Oxnard Community Facilities District 3 | 32,160,000 | 100.000% | 32,160,000 |
| City of Oxnard Community Facilities District 88-1 | 1,210,000 | 100.000% | 1,210,000 |
| Oxnard Boulevard Interchange Community District | 9,580,000 | 100.000% | 9,580,000 |
| Ocean View School District - Certificates of Participation | 1,628,218 | 41.318% | 672,747 |
| Subtotal - Overlapping Debt | 308,996,613 | | 241,112,191 |
| City of Oxnard Direct Debt: | | | |
| City of Oxnard Financing Authority | | | 56,270,000 |
| Subtotal - Direct Debt | | | 56,270,000 |
| Total direct and overlapping debt | | | \$ 297,382,191 |

Source: California Municipal Statistics, Inc.

City of Oxnard, California

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

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Debt limit | \$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 | \$2,449,824 |
| Total net debt applicable to limit | 2,216 | — | — | — | — | — | — | — | — | — |
| Legal debt margin | <u>\$1,002,900</u> | <u>\$1,040,381</u> | <u>\$1,161,562</u> | <u>\$1,269,477</u> | <u>\$1,382,688</u> | <u>\$1,534,332</u> | <u>\$1,726,418</u> | <u>\$1,983,111</u> | <u>\$2,250,164</u> | <u>\$2,449,824</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.21% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Legal Debt Margin Calculation for Fiscal Year 2008

| | |
|--|----------------------------|
| Assessed value | \$ 14,032,331 |
| Add back: exempt real property | <u>2,299,830</u> |
| Total assessed value | 16,332,161 |
| | |
| Debt limit (15% of total assessed value) | 2,449,824 |
| Debt applicable to limit: | |
| General obligation bonds | 400,050 |
| Less: assets in debt service funds for principal payments: | |
| Revenue bonds - governmental activities | (41,746) |
| Revenue bonds - business-type activities | (286,429) |
| Tax allocation bond - community development commission | (37,040) |
| Certificates of participation | <u>(34,835)</u> |
| Total net debt applicable limit | <u>0</u> |
| Legal debt margin | <u>\$ 2,449,824</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 | Debt Service Principal | Interest | Coverage |
|--|----------------|--------------------------|------------------------|------------------------|--------------|----------|
| Water Revenue Bonds | | | | | | |
| 1999 | \$ 14,980,803 | \$ 13,780,587 | \$ 1,200,216 | \$ 543,537 | \$ 128,855 | 1.78 |
| 2000 | 16,529,128 | 15,057,247 | 1,471,881 | 534,642 | 230,776 | 1.92 |
| 2001 | 16,226,461 | 15,347,727 | 878,734 | 522,065 | 224,747 | 1.18 |
| 2002 | 17,856,094 | 18,141,656 | (285,562) | 794,388 | 709,225 | (0.19) |
| 2003 | 20,602,479 | 16,782,851 | 3,819,628 | 225,000 | 730,142 | 4.00 |
| 2004 | 28,898,906 | 19,899,216 | 8,999,690 | 235,000 | 1,315,783 | 5.80 |
| 2005 | 34,609,573 | 18,351,471 | 16,258,102 | 1,150,000 | 2,682,330 | 4.24 |
| 2006 | 34,212,012 | 21,865,005 | 12,347,007 | 1,202,083 | 2,699,580 | 3.16 |
| 2007 | 40,719,155 | 22,674,080 | 18,045,075 | 1,205,000 | 2,625,730 | 4.71 |
| 2008 | 38,369,885 | 27,732,616 | 10,637,269 | 1,235,000 | 5,253,315 | 1.64 |
| Wastewater Revenue Bonds | | | | | | |
| 1999 | \$ 18,371,484 | \$ 11,561,115 | \$ 6,810,369 | \$ 1,685,000 | \$ 2,843,492 | 1.50 |
| 2000 | 17,749,682 | 11,315,240 | 6,434,442 | 1,760,000 | 2,653,560 | 1.46 |
| 2001 | 18,254,171 | 11,591,100 | 6,663,071 | 1,840,000 | 2,568,810 | 1.51 |
| 2002 | 22,005,625 | 11,978,948 | 10,026,677 | 1,925,000 | 2,484,277 | 2.27 |
| 2003 | 23,515,790 | 16,445,581 | 7,070,209 | 1,805,000 | 1,883,286 | 1.92 |
| 2004 | 23,182,456 | 12,958,128 | 10,224,328 | 1,750,000 | 1,924,827 | 2.78 |
| 2005 | 36,892,293 | 14,715,076 | 22,177,217 | 1,815,000 | 5,969,101 | 2.85 |
| 2006 | 28,512,017 | 16,185,708 | 12,326,309 | 1,885,000 | 6,682,905 | 1.44 |
| 2007 | 27,322,064 | 16,956,481 | 10,365,583 | 2,135,000 | 7,259,743 | 1.10 |
| 2008 | 29,054,646 | 17,562,559 | 11,492,087 | 2,260,000 | 7,418,756 | 1.19 |
| Environmental Resources Revenue Bonds | | | | | | |
| 1999 | \$ 28,438,658 | \$ 25,275,245 | \$ 3,163,413 | \$ 820,000 | \$ 1,306,299 | 1.49 |
| 2000 | 32,195,190 | 28,050,828 | 4,144,362 | 860,000 | 1,403,617 | 1.83 |
| 2001 | 29,697,676 | 26,728,446 | 2,969,230 | 1,096,492 | 1,303,060 | 1.24 |
| 2002 | 28,714,969 | 26,240,998 | 2,473,971 | 1,012,756 | 1,570,081 | 0.96 |
| 2003 | 30,031,391 | 25,682,146 | 4,349,245 | 1,617,980 | 1,499,922 | 1.39 |
| 2004 | 33,200,540 | 30,574,399 | 2,626,141 | 1,433,833 | 1,216,797 | 0.99 |
| 2005 | 36,529,711 | 34,228,035 | 2,301,676 | 19,001,588 | 1,155,331 | 0.11 |
| 2006 | 36,878,690 | 36,342,348 | 536,342 | 2,033,392 | 1,117,677 | 0.17 |
| 2007 | 40,322,484 | 38,170,528 | 2,151,956 | 2,142,556 | 1,036,405 | 0.68 |
| 2008 | 42,986,155 | 43,113,155 | (127,000) | 2,102,040 | 943,620 | (0.04) |

City of Oxnard, California

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

| Fiscal Year | Gross Revenues | Less: Operating Expenses | Net Available Revenues | Debt Service Principal | Interest | Coverage |
|---|-----------------------|---------------------------------|-------------------------------|-------------------------------|-----------------|-----------------|
| Oxnard Housing Authority Revenue Bonds | | | | | | |
| 1999 | | | | | | |
| 2000 | | | | | | |
| 2001 | | | | | | |
| 2002 | | | | | | |
| 2003 | | | | | | |
| 2004 | \$ 21,823,107 | \$ 22,305,475 | \$ (482,368) | \$ — | \$ 181,708 | (2.65) |
| 2005 | 21,515,845 | 23,235,370 | (1,719,525) | 205,000 | 231,660 | (3.94) |
| 2006 | 23,321,917 | 22,699,304 | 622,613 | 205,000 | 227,758 | 1.44 |
| 2007 | 22,616,071 | 21,496,289 | 1,119,782 | 215,000 | 243,407 | 2.44 |
| 2008 | 23,956,893 | 21,916,273 | 2,040,620 | 220,000 | 218,233 | 4.66 |

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 |
|--------------------|---------------------------|---|--------------------------------------|---------------------------|--------------------------------------|--------------------------------------|
| 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% |
| 2008 | 194,905 | 5,166,932 | 26,510 | 36 | 37,703 | 6.10% |

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
Last Two Fiscal Years*

| Employer | 2007 | | | 2008 | | |
|------------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| St. John's Regional Medical Center | 1,994 | 1 | 2.441% | 1,994 | 1 | 2.441% |
| Oxnard High School District | 1,500 | 2 | 1.836% | 1,500 | 2 | 1.836% |
| Waterway Plastics | 1,300 | 3 | 1.591% | 1,300 | 3 | 1.591% |
| City of Oxnard | 1,167 | 4 | 1.428% | 1,205 | 4 | 1.475% |
| Haas Automation | 996 | 5 | 1.219% | 996 | 5 | 1.219% |
| Aluminum Precision | 700 | 6 | 0.857% | 700 | 6 | 0.857% |
| Total | 7,657 | | 9.372% | 7,695 | | 9.419% |

Source: Economic Development Corporation of Oxnard

Note: The City of Oxnard did not prepare the above schedule until last fiscal year; therefore, information prior to implementation of this schedule is not available.

City of Oxnard, California

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

| Function | 1999 | 2000 | 2001 | 2002 | 2003 |
|-------------------------|-------------|-------------|--------------|--------------|--------------|
| General government | 176 | 178 | 196 | 197 | 200 |
| Public safety | | | | | |
| Police | | | | | |
| Officers | 196 | 198 | 200 | 202 | 208 |
| Civilians | 119 | 119 | 127 | 128 | 131 |
| Fire | | | | | |
| Firefighters & officers | 83 | 83 | 85 | 86 | 87 |
| Civilians | 2 | 3 | 2 | 2 | 4 |
| Transportation | 34 | 34 | 36 | 36 | 36 |
| Community development | 49 | 55 | 47 | 50 | 53 |
| Culture and recreation | 71 | 69 | 70 | 72 | 78 |
| Utilities | | | | | |
| Water | 35 | 34 | 34 | 41 | 45 |
| Wastewater | 70 | 71 | 67 | 67 | 67 |
| Solid Waste | 76 | 77 | 76 | 76 | 80 |
| Housing | 67 | 74 | 76 | 77 | 80 |
| Total | 978 | 995 | 1,016 | 1,034 | 1,069 |

Source: Finance Department, City of Oxnard

City of Oxnard, California

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

| 2004 | 2005 | 2006 | 2007 | 2008 | Function |
|--------------|--------------|--------------|--------------|--------------|-------------------------|
| 207 | 211 | 217 | 214 | 186 | General government |
| | | | | | Public safety |
| | | | | | Police |
| | | | | | Officers |
| 220 | 229 | 235 | 236 | 236 | Civilians |
| 134 | 138 | 152 | 151 | 151 | Fire |
| | | | | | Firefighters & officers |
| 89 | 91 | 100 | 102 | 103 | Civilians |
| 5 | 4 | 4 | 5 | 4 | Transportation |
| 36 | 36 | 45 | 56 | 84 | Community development |
| 56 | 57 | 57 | 59 | 67 | Culture and recreation |
| 79 | 79 | 74 | 83 | 85 | Utilities |
| | | | | | Water |
| 44 | 44 | 48 | 47 | 46 | Wastewater |
| 67 | 72 | 72 | 72 | 74 | Solid Waste |
| 80 | 80 | 81 | 81 | 76 | Housing |
| 80 | 80 | 80 | 81 | 81 | |
| 1,097 | 1,121 | 1,165 | 1,187 | 1,194 | Total |

City of Oxnard, California

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

| Function | 2005 | 2006 | 2007 | 2008 |
|----------------------------------|-------------|-------------|-------------|-------------|
| Police | | | | |
| Physical arrests | 6,492 | 8,162 | 8,835 | 8,425 |
| Parking violations | 36,240 | 28,533 | 31,462 | 51,046 |
| Traffic violations | 30,985 | 19,590 | 20,525 | 16,673 |
| Fire | | | | |
| Numbers of calls answered | 11,117 | 10,631 | 11,212 | 12,210 |
| Inspections | 2,829 | 3,109 | 3,693 | 3,190 |
| Highways and streets | | | | |
| Potholes repaired | 18,333 | 10,545 | 12,200 | 12,375 |
| Sanitation | | | | |
| Total number of customers | 43,617 | 44,941 | 45,731 | 43,489 |
| Refuse collected (tons/day) | 632 | 650 | 681 | 581 |
| Recyclables collected (tons/day) | 67 | 70 | 64 | 13 |
| Culture and recreation | | | | |
| Community center admissions | 48,800 | 43,849 | 42,831 | 43,230 |
| Water | | | | |
| Total number of customers | 37,276 | 38,053 | 38,816 | 39,531 |
| Average daily consumption | 29,000,000 | 29,000,000 | 29,000,000 | 29,326,500 |
| Wastewater | | | | |
| Total number of customers | 34,694 | 35,188 | 35,646 | 36,484 |
| Average daily sewerage treatment | 23,000,000 | 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 Four Fiscal Years**

| Function | 2005 | 2006 | 2007 | 2008 |
|----------------------------------|-------------|-------------|-------------|-------------|
| Public safety | | | | |
| Police | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Police vehicles | 223 | 261 | 345 | 269 |
| Fire | | | | |
| Stations | 6 | 7 | 7 | 7 |
| Hydrants | 4,180 | 5,200 | 5,000 | 5,150 |
| Sanitation | | | | |
| Collection trucks | 48 | 48 | 57 | 52 |
| Highways and streets | | | | |
| Streets (miles) | 403 | 400 | 400 | 400 |
| Streetlights | 650 | 650 | 650 | 654 |
| Traffic signals | 9,120 | 9,120 | 9,258 | 9,314 |
| Culture and recreation | | | | |
| Parks acreage | 449 | 469 | 469 | 494 |
| Parks | 45 | 49 | 49 | 55 |
| Ball diamonds | 31 | 30 | 30 | 30 |
| Basketball courts | 20 | 19 | 19 | 24 |
| Craft/Activity buildings | 9 | 8 | 8 | 8 |
| Gymnasium | 2 | 3 | 3 | 3 |
| Swimming pools | 1 | 1 | 1 | 1 |
| Tennis courts | 33 | 31 | 31 | 32 |
| Community centers | 3 | 3 | 3 | 3 |
| Library | | | | |
| Number of books | 336,518 | 361,713 | 433,008 | 355,151 |
| Number of microfilms | 8,299 | 8,394 | 8,473 | 8,510 |
| Number of audiotapes | 14,537 | 18,200 | 20,284 | 21,055 |
| Number of videotapes | 9,377 | 12,917 | 14,709 | 15,582 |
| Number of CD-ROMS (data disk) | 609 | 708 | 808 | 755 |
| Water | | | | |
| Water mains (miles) | 500 | 525 | 600 | 601 |
| Maximum daily treatment capacity | 18,000,000 | 18,000,000 | 18,000,000 | 18,600,000 |
| Sewer | | | | |
| Miles of sewer lines | 425 | 435 | 440 | 445 |

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





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**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH THE PROPOSITION 111
2007-2008 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, 2008. These procedures, which were suggested by the League of California Cities and presented in their Article XIIIB Appropriations Limitation Uniform Guidelines were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIIIB 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 2007-2008 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 2007-2008 Appropriations Limit to be \$180,467,848 by multiplying the 2006-2007 Prior Year Appropriations Limit by the annual adjustment factors. The City calculated a 2007-2008 appropriations limit of \$180,467,433.
- 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 XIIIB of the California Constitution, as interpreted in the California League of Cities Article XIIIB 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.

December 8, 2008
Bakersfield, CA

Southern California Locations

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