

**CITY OF OXNARD, CALIFORNIA**  
**MEASURE O PROGRAM**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**YEAR ENDED JUNE 30, 2013**

**CITY OF OXNARD, CALIFORNIA  
MEASURE O PROGRAM  
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YEAR ENDED JUNE 30, 2013**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable City Council  
Oxnard, California

We have audited the accompanying schedule of revenues and expenditures for the Measure O Program of the City of Oxnard, California for the year ended June 30, 2013, and the related notes to the schedule of revenues and expenditures.

### **Management's Responsibility for the Schedule**

Management is responsible for the preparation and fair presentation of the schedule of revenues and expenditures for the City's Measure O Program in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule of revenues and expenditures that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the schedule of revenues and expenditures for the Measure O Program 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 schedule of revenues and expenditures is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of revenues and expenditures for the City's Measure O Program. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule of revenues and expenditures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the schedule of revenues and expenditures in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of revenues and expenditures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the schedule of revenues and expenditures for the Measure O Program of the City of Oxnard, California presents fairly, in all material respects, the revenues and expenditures for the Measure O Program of the City of Oxnard, California as of June 30, 2013, in conformity with accounting principles generally accepted in the United States of America.

## **Report on Audited Financial Statements**

We have audited, 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, the basic financial statements of the City of Oxnard, as of and for the year ended June 30, 2013, and our report thereon dated December 30, 2013, expressed an unmodified opinion on those financial statements.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013, on our consideration of the Measure O Program'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure O Program's internal control over financial reporting and compliance.

*White Nelson Dick Evans LLP*

Irvine, California  
December 30, 2013

CITY OF OXNARD, CALIFORNIA  
 MEASURE O PROGRAM  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 YEAR ENDED JUNE 30, 2013

REVENUES:	
Sales tax revenue	<u>\$ 10,091,602</u>
Investment income:	
Interest	93,796
Net decrease in fair value of investments	<u>(152,522)</u>
Total investment income (loss)	<u>(58,726)</u>
TOTAL REVENUES	<u>10,032,876</u>
EXPENDITURES:	
Park and open space	2,214,229
Traffic and road improvements	5,621,197
Public safety and gang prevention/intervention	4,796,143
Recreation and youth programming	768,037
Other community improvements	<u>68,930</u>
TOTAL EXPENDITURES	<u>13,468,536</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u><u>\$ (3,435,660)</u></u>

See independent auditors' report and note to schedule of revenues and expenditures

**CITY OF OXNARD, CALIFORNIA  
MEASURE O PROGRAM  
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES**

**YEAR ENDED JUNE 30, 2013**

**Note 1: Summary of Significant Accounting Policies:**

**Purpose of Measure O Program**

On November 4, 2008, City voters approved Measure O that imposed a general purpose sales and use tax of one-half cent on the gross receipts of any retailer from the sale of tangible personal property sold within the City. The City Council of the City of Oxnard desires to provide enhanced levels of vital community services including police, fire and emergency response, increasing street paving and sidewalk/pothole repair to improve traffic flow, expanding youth recreation, after-school and anti-gang prevention programs, acquiring property for parks/open space preservation, upgrading storm water drains, improving senior services, increasing building code compliance, and other general City services; the authority to levy the tax imposed by this ordinance shall expire twenty years from the operative date of this ordinance, unless extended by the voters. In July 2010, the City of Oxnard City Council approved the first appropriation of funds available under Measure O.

**Basis of Accounting**

The accompanying schedule of revenues and expenditures includes the activity of the City of Oxnard's Measure O Program and is presented on the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current fiscal year. The City considers sales tax revenues to be available if they are collected within 90 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred.

**Schedule of Revenues and Expenditures**

The schedule of revenues and expenditures of the Measure O Program is prepared from the activity of the program and, therefore, does not present the financial position or results of operations of the City of Oxnard, California.

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

To the Honorable City Council  
Oxnard, California

We have audited, in accordance with the 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, the schedule of revenues and expenditures for the Measure O Program of the City of Oxnard, California for the year ended June 30, 2013 and have issued our report thereon dated December 30, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the schedule of revenues and expenditures for the Measure O Program of the City of Oxnard, California, we considered City of Oxnard, California's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedule of revenues and expenditures, but not for the purpose of expressing an opinion on the effectiveness of City of Oxnard, California's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Oxnard, California's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's schedule of revenues and expenditures for the Measure O Program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Oxnard, California's schedule of revenues and expenditures for the Measure O Program is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of schedule of revenues and expenditures amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Irvine, California  
December 30, 2013