



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FY 2011-2012
Fiscal Year Ended June 30, 2012





**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
Fiscal Year Ended June 30, 2012**

Prepared by
Finance Department
James Cameron
Chief Financial Officer

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012
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INTRODUCTORY SECTION





300 West Third Street, Oxnard, CA 93030

January 29, 2013

To the Honorable Mayor, Members of the City Council,
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, 2012. 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 controls 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, 2012. The independent auditor's report is located on page 1 in the financial section of this report. Mayer Hoffman McCann PC also performed the federally mandated "Single Audit", the results of which are presented under separate cover.

Following the independent auditor's report is management's discussion and analysis (MD&A), which provides an overview and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the City of Oxnard

The City, incorporated in 1903, is located in western Ventura County (County) on the shores 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 200,390 in 2012, representing 24 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 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.

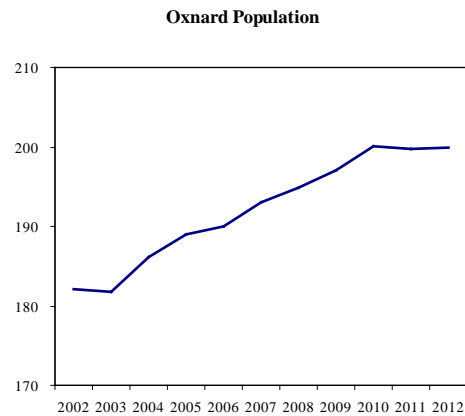
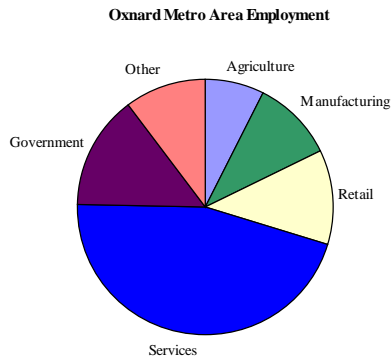
The City provides a full range of municipal services from a variety of funding sources. Services funded from general fund sources include police and fire protection, parks and recreational activities, library services, and cultural events. In addition, the City funds the construction and maintenance of streets, parks, and other public buildings. The City operates municipal water and wastewater treatment systems, refuse collection and a solid waste transfer and recycling 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 Housing Authority and the City of Oxnard Financing Authority.

The Oxnard Community Development Commission (CDC), previously a component unit of the City has been dissolved pursuant to California State Assembly Bill AB 1X 26 as modified by AB 1484. Because the dissolution of the CDC and the creation of a successor agency as required by AB 1X 26 was effective February 1, 2012, activities of the CDC through January 31, 2012 are included in the financial statements; however, financials for the successor agency to the CDC are reported as part of fiduciary funds, including all assets and liabilities. The exception is the housing set aside fund, which continue to be reported in the City's financial statements under a separate successor agency.

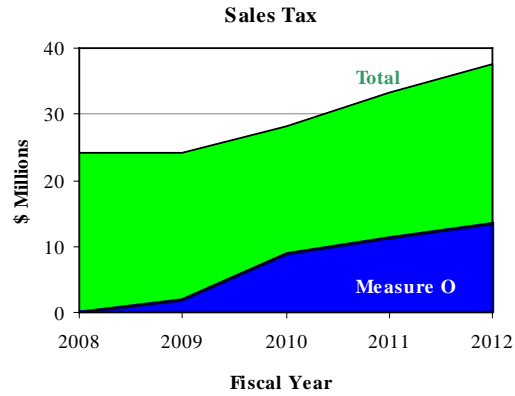
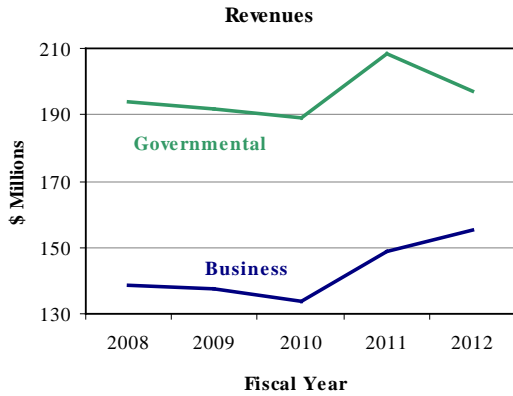
The annual budget, adopted by resolution of the City Council, serves as the foundation for the City's financial planning and control. The City Council approves operating and capital appropriations at the fund and department levels. Budgetary control is maintained at the department level and the department 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. Although the budget must be adopted annually, the Council approves a balanced two-year operating budget and 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 businesses, retail, various services, and governmental agencies. The services group provides the largest source of employment with agriculture providing an important source of employment in the City of Oxnard. While population growth in Oxnard has flattened over the last two years, growth has averaged just under 1% over the last ten years as a result of employment opportunities and low housing costs relative to other regions of the State. Unemployment continues to be a concern, however, there has been significant improvement in the last fiscal year, averaging 11.22% compared to 14.25% in the previous fiscal year. Ventura County's unemployment rate declined from 10.2% to 8.8% as of September 2012. Employment in the metro area increased moderately as of September compared to a year ago. Increased employment in professional and business services, financial activities, and hospitality and leisure were partially offset by continued reductions in government and construction employment.



While business activities experienced increased revenues in 2012, governmental revenues decreased due to the change in accounting for CDC to a fiduciary fund. In addition, grant reimbursements were lower as projects were completed. The stronger economy is reflected in general fund revenues which grew \$7 million. Sales tax revenue in 2012, excluding Measure O ½ cent sales tax revenues, grew by 8.8%. Property taxes, excluding the impact of the dissolution of the CDC, were relatively flat as valuations have begun to level off. Developer related fees increased as several development projects were initiated. Business activity revenues increased primarily in Water based on increased use.



Long-term Financial Planning

The City has various long-term planning initiatives to support the financial management of City resources. As part of the biennial budget process, the City prepares a five-year financial forecast and presents a five-year capital program. Last year the City Council adopted the update to the general plan through 2030 and the various utilities have begun updates to long-term master plans. 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 unassigned fund balance goal of 18% of the general fund’s operating expenditures. The City ended the fiscal year at 14% or \$15.7 million.

Major Initiatives

In November of 2008, the voters of Oxnard approved a ½ cent sales tax increase (Measure O). Fiscal year 2012 was the third full year of collecting the sales tax, which began in April of 2009. While this is a general purpose tax, the City’s policy is to use this additional revenue to improve services to the community by adding and improving City facilities and programs. This initiative includes a citizen oversight committee and requires that revenues and the projects and programs funded from the ½ cent sales tax be audited and reported annually to the community. The ½ cent sales tax will require reauthorization by the voters in 2028.

GASB standards require that these funds be reported as a part of the General Fund; however, revenues and uses of the Measure O ½ cent sales tax are accounted for as a sub-fund within the General Fund. The following pages provide a summary of the financial status of this fund and a table listing the project and program funding approved by Council.

City of Oxnard
Measure O 1/2 Cent Sales Tax
Balance Sheet
June 30, 2012

ASSETS

Cash and cash equivalents	\$ 14,696,494
Due from other government	4,069,600
Total assets	<u><u>\$ 18,766,094</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:	
Accounts Payable	582,864
Other Liabilities	89,447
Total liabilities	<u>672,311</u>
Fund balances	<u>18,093,783</u>
Total fund balances	<u>18,093,783</u>
Total liabilities and fund balances	<u><u>\$ 18,766,094</u></u>

City of Oxnard
Measure O 1/2 Cent Sales Tax
Statement of Revenues, Expenditures, and Changes in Fund Balances

	<u>For the Year Ended:</u>	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>
REVENUES		
Taxes	\$ 13,268,841	\$ 11,161,453
Investment/Interest Earnings	187,282	167,320
Total revenues	<u>13,456,123</u>	<u>11,328,773</u>
EXPENDITURES		
Parks & Open Space	8,643,538	3,314,685
Traffic & Road Improvements	977,669	637,450
Public Safety & Gang Prevention/Intervention	2,605,211	439,471
Recreation & Youth Programming	608,673	402,887
Total expenditures	<u>12,835,091</u>	<u>4,794,493</u>
Excess of revenues over (under) expenditures	<u>621,032</u>	<u>6,534,280</u>
Net change in fund balances	621,032	6,534,280
Fund balances, July (adjusted for FY 2012)	17,472,751	10,938,471
Fund balances, June 30	<u><u>\$ 18,093,783</u></u>	<u><u>\$ 17,472,751</u></u>

**Measure "O" 1/2 Cent Sales Tax
City Council Approved Projects**

Public Safety & Gang Prevention/Intervention	
Alliance Safety Blueprint - Youth Development	200,000
TAGRS Graffiti Software System	100,000
Fire Station Asphalt Replacement (Stn. 1, 2 & 4)	305,000
City Corps Townkeeper Program	1,250,000
Enhanced Community Policing	4,587,390
Fire Station #8 College Park	8,514,000
Police & Fire CAD/RMS	2,600,000
Fire Training Academy	400,000
Fire Ladder Truck	1,100,000
Traffic & Road Improvements	
Alley Reconstruction	2,000,000
ITS	3,600,000
Roadway Repair	2,162,000
Del Norte Blvd Improvements	1,600,000
Tierra Vista Neighborhood	2,000,000
Parks & Open Space	
Campus Park Phase I	380,000
Campus Park Phase II	470,000
College Park Project - Phase IC	13,526,400
Del Sol Park Walking Track	210,000
East Village Park	20,000
Sports Park Project	150,000
Durley Park Renovations	825,000
SW Community Park Parking Lot (Boys & Girls Club)	30,000
Lemonwood Park Environmental	15,000
Recreation, Youth, and Senior Programming	
PAL Youth Services	400,000
Preschool to You Program Enhancement	440,000
Community Based Organization Contributions	450,000
Community Center Park West - Snack Bar Demolition & Reconstruction	405,000
New Senior Center/Upgrades and Programming	200,000
Youth Center	100,000
Oxnard Tennis Center Courts Resurfacing	74,900
South Oxnard Center Floor Replacement	61,990
Day at the Park - Special Needs	10,000
Homework Center at Main Library	15,000
Library - WiFi	60,000
Senior Nutrition Program Enhancement	20,000
Mobile Activity Center Services	15,000
Other Community Improvements	
Farm Museum	50,000
Spanish Language Interpretation of Council Meetings	50,000
Total Projects/Programs	48,396,680
Summary	
Public Safety & Gang Prevention/Intervention	19,056,390
Traffic & Road Improvements	11,362,000
Parks & Open Space	15,626,400
Recreation & Youth Programming	2,251,890
Other Community Improvements	100,000
Total Programs	48,396,680

Single Audit

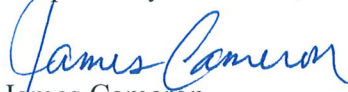
In accordance with the Single Audit Act of 1997, the City's grant programs, which utilize federal funds, either directly or passed through from State agencies, are subject to the audit requirements of the Federal Office of Management and Budget (OMB) Circular A-133. This includes tests of compliance with federal laws and regulations. The results of the single audit performed by Mayer Hoffman McCann PC are available 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, 2011. This was the 23rd 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 the Certificate of Achievement Program's requirements 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. We would like to express our appreciation to Marichu Maramba and to all members of the department as well as staff from other departments who contributed to the preparation of this annual financial report. We would also like to acknowledge the Mayor and Council Members, the City Manager's staff, and department directors for their consistent support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



James Cameron

Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oxnard
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

City of Oxnard, California

CITY COUNCIL



DR. IRENE G. PINKARD
Mayor Pro Tem



DR. THOMAS E. HOLDEN
Mayor



BRYAN A. MACDONALD
Councilman



TIM FLYNN
Councilman



CARMEN RAMIREZ
Councilmember

As of June 30, 2012



KAREN BURNHAM
Interim City Manager

**City of Oxnard
Organizational Chart**

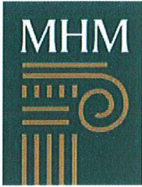
Residents		
City Treasurer Danie Navas	City Council Dr. Thomas E. Holden, Mayor Dr. Irene G. Pinkard, Mayor Pro Tem Bryan A. MacDonald, Councilman Tim Flynn, Councilman Carmen Ramirez, Councilmember	City Clerk Daniel Martinez Elections Information Resources
Customer Service (Eden Alomeri) Business Licensing Utility Billing	City Manager Karen Burnham (Interim)	Successor Agency Curtis Cannon
City Attorney Alan Holmberg Debt Collection Legal Assistance Special Litigation		



<u>Police</u>	<u>Fire</u>	<u>Housing</u>	<u>Finance</u>	<u>Recreation and Community Services</u>	<u>Development Services</u>	<u>Public Works</u>	<u>City Manager</u>	<u>Human Resources</u>	<u>Library</u>
Jeri Williams	Michael O'Malia (Acting)	Bill Wilkins	Jim Cameron	VACANT	Matt Winegar	Rob Roshanian (Acting)	Karen Burnham (Interim)	Michelle Tellez	Barbara Murray
Administrative Services (Jason Benites) Emergency Communications Professional Standards Support Services Field Operations (Scott Whitney) Code Compliance Community Patrol Investigative Services (Vacant) Investigative Services Special Services	Disaster Preparedness (Deborah O'Malia) Emergency Services (Darwin Base) (Chris Donabedian) Fire Prevention (Gary Sugich) CUPA (Miguel Trujillo)	Administrative Services (Carrie Sabatini) Affordable Housing (Karl Lawson) Housing Assistance (Will Reed) Capital Fund Asset Management (Juan Jimenez) Grants Management (Norma Owens) Grants Assistance	Budget and Capital Improvement (Beth Vo) Budget Capital Improvement Projects Grants Management Financial Resources (Mike More) Debt & Property Management Liability Management General Accounting (Marichu Maramba) Accounting Payroll & Benefits Purchasing (Bruce Dandy) Mail Service Purchasing	Recreation & Community Services (Vacant) 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) Planning & Environmental Services	Administration Construction and Design Services (Lou Balderrama) Construction Services Design Street Maintenance & Repair Traffic Signs & Markings Utilities Services (Vacant) Water Wastewater Environmental Resources	Operations Budget Cable Television Community Relations Neighborhood Services Public Information Special Projects Legislative Affairs (Martin Erickson)	Information Systems (Grace Hoffman) Citywide Network Support Document Publishing Services Geographic Information Systems Help Desk Municipal Software Support Telecommunications Support General Services (Michael Henderson) Facilities Maintenance Landscape Assessment & Graffiti Removal Park/Facility Development Parks Maintenance River Ridge Golf Course Street Lighting Fleet Services	Employee Benefits Employee Training Human Resources Labor Negotiations Safety & Wellness Workers' Compensation Circulation Services Branch Services Community Outreach Public Services Support Services

FINANCIAL SECTION





Mayer Hoffman McCann P.C.

An Independent CPA Firm

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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 City of Oxnard, California, as of and for the year ended June 30, 2012, 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As further discussed in Note 5, the City of Oxnard Community Development Commission (a blended component unit) was dissolved on February 1, 2012 in accordance with Assembly Bill 1X26.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Southern California Locations

10474 Santa Monica Blvd. Suite 200 • Los Angeles, CA 90025 • PH 310.268.2000 • FX 310.268.2001
5060 California Ave. Suite 800 • Bakersfield, CA 93309 • PH 661.325.7500 • FX 661.325.7004
300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 15 and 95 through 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxnard, California's financial statements as a whole. Combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Mayer Hoffman McCann P.C.

Bakersfield, California
January 29, 2013

MANAGEMENT DISCUSSION AND ANALYSIS



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, 2012. Please read this information in conjunction with the transmittal letter, which can be found in the introductory section of this report (pages i to v), and the City's financial statements, beginning on page 17.

Financial Highlights

- State of California legislation requiring the dissolution of redevelopment agencies resulted in the transfer of assets and liabilities to a separate fiduciary fund for the Community Development Commission Successor Agency (CDC-SA). The successor agency for housing set aside funds continues to be reported in the City's financial statements.
- At July 1, 2011 the City's capital assets and related balances were restated to correct errors in the classification of completed construction in projects as construction in progress. Depreciation expense related to prior years, in the amount of \$13.6 million, were recorded as a reduction of net assets.
- The assets of the City exceeded its liabilities by \$1.8 billion (net assets) at the close of the fiscal year. In the previous year, the net asset of the City was \$1.85 billion including \$60 million in the former Community Development Commission (CDC) and related funds.
- The City's net assets decreased by \$57 million, including the prior year adjustments for depreciation. In addition, the reduction in CDC funds was partially offset by increases in business activities.
- As of the close of the fiscal year, the City's governmental activities reported a net asset of \$1.46 billion, a decrease of \$62 million from the prior year. This decrease was the result of the prior year depreciation adjustment and FY 2012 adjustments related to the CDC.
- At the end of the fiscal year, the unassigned fund balance of the General Fund was \$15.7 million, which is 14% of the general fund's operating expenditures.
- The City's total debt (excluding compensated absences) decreased by \$54.9 million during the current fiscal year. This included a reduction of \$44.8 million of tax allocation bonds of the CDC. The net change was a reduction of \$10.1 million, primarily in revenue bonds.

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 change 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, parks, recreation, and library services. Property and sales taxes, franchise fees, user fees, interest income, and State and Federal grants finance these activities.
- *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.

The government-wide financial statements can be found on pages 17 through 18.

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. The basic governmental fund financial statements begin on page 19.
- *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 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. The basic proprietary fund financial statements begin on page 24.

- *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 a separate Statement 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. For fiscal year 2011-12, the CDC-SA is reported as a fiduciary fund. The basic fiduciary fund financial statements begin on page 32.

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. The notes to the financial statements begin on page 34.

Government-wide Financial Analysis

As shown in the following table, the City of Oxnard's assets exceeded liabilities by \$1.8 billion at the close of the fiscal year, a decrease of \$57 million primarily due to the change in the CDC discuss previously.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current assets	\$ 141,855	\$ 201,026	\$ 103,951	\$ 116,055	\$ 245,806	\$ 317,081
Capital assets (net of accumulated depreciation)	1,459,342	1,504,940	612,146	607,160	2,071,488	2,112,100
Properties held for resale	105	7,068	-	-	105	7,068
Other assets	9,402	6,277	7,058	5,009	16,460	11,286
Total assets	1,610,704	1,719,311	723,155	728,224	2,333,859	2,447,535
Current liabilities	36,020	39,423	10,848	10,847	46,868	50,270
Non-current liabilities	111,038	154,073	379,695	390,103	490,733	544,176
Total liabilities	147,058	193,496	390,543	400,950	537,601	594,446
Net assets						
Invested in capital assets, net of related debt	1,386,190	1,411,738	264,693	265,618	1,650,883	1,677,356
Restricted	18,707	34,500	17,603	18,417	36,310	52,917
Unrestricted	58,749	79,577	50,316	43,239	109,065	122,816
Total net assets	\$ 1,463,646	\$ 1,525,815	\$ 332,612	\$ 327,274	\$ 1,796,258	\$ 1,853,089

A significant portion of the City's net asset (92%) reflects its investment in capital assets net of accumulated depreciation, less any related debt outstanding used to acquire those assets. A \$13 million increase in net investment in capital assets for business activities was largely offset by

the prior year adjustment for depreciation of capital assets. In addition, governmental funds were reduced due to the change in accounting for the CDC. Because capital assets are tied up in land, buildings, equipment, and other infrastructure that supports the services provided to citizens, these amounts are not available for future spending. The remainder of net assets is made up of restricted (2%) and unrestricted (6%) categories.

As in prior fiscal years, the City reported positive balances for both governmental and business-type activities, as well as the government as a whole. The net assets of governmental activities decreased \$62 million, while business activities increased just over \$5 million.

The following table presents a summary of the changes in the City's net assets for the year ended June 30, 2012.

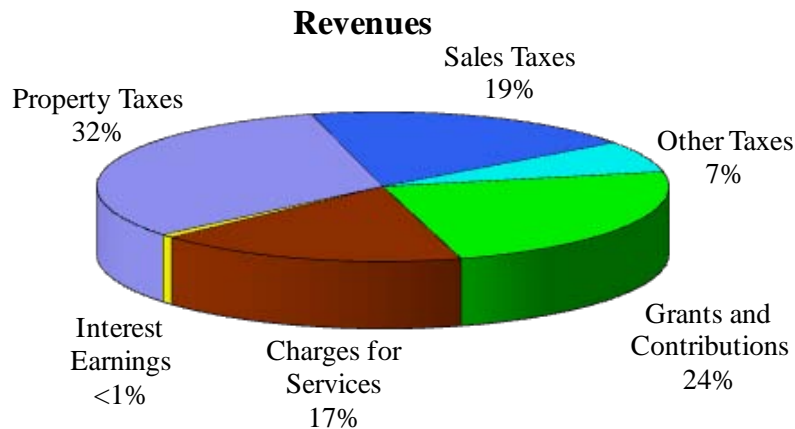
Summary of Changes in Net Assets
(\$thousands)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 34,605	\$ 27,436	\$ 132,282	\$ 122,506	\$ 166,887	\$ 149,942
Operating grants and contributions	30,155	27,294	18,727	20,524	48,882	47,818
Capital grants and contributions	16,598	35,331	1,002	2,308	17,600	37,639
General revenues:						
Taxes	114,133	116,359	-	-	114,133	116,359
Interest on investments	1,354	1,934	3,169	3,363	4,523	5,297
Sale of capital assets	58	141	-	-	58	141
Total revenues	196,903	208,495	155,180	148,701	352,083	357,196
Expenses:						
General government	18,681	20,846	-	-	18,681	20,846
Public safety	98,603	92,703	-	-	98,603	92,703
Transportation	11,031	10,521	-	-	11,031	10,521
Community development	33,705	26,226	-	-	33,705	26,226
Culture and leisure	18,859	19,047	-	-	18,859	19,047
Libraries	5,203	5,230	-	-	5,203	5,230
Interest on long-term debt	3,533	5,503	-	-	3,533	5,503
Water	-	-	37,910	34,063	37,910	34,063
Wastewater	-	-	29,078	23,052	29,078	23,052
Environmental Resource	-	-	41,582	41,406	41,582	41,406
Performing Arts and Convention Center	-	-	1,587	1,606	1,587	1,606
Oxnard Housing Authority	-	-	24,399	24,911	24,399	24,911
Municipal Golf Course	-	-	6,049	6,105	6,049	6,105
Total expenses	189,615	180,076	140,605	131,143	330,220	311,219
Change in Net Assets before Transfers	7,288	28,419	14,575	17,558	21,863	45,977
Transfers	(2,184)	(2,565)	2,184	2,565	-	-
Extraordinary loss	(65,066)	-	-	-	(65,066)	-
Contributions to other government	(15)	-	-	-	(15)	-
Changes in net assets	(59,977)	25,854	16,759	20,123	(43,218)	45,977
Net assets - July 1	1,525,815	1,499,961	327,274	307,151	1,853,089	1,807,112
Prior Period Adjustment	(2,192)	-	(11,421)	-	(13,613)	-
Net assets - June 30	\$ 1,463,646	\$ 1,525,815	\$ 332,612	\$ 327,274	\$ 1,796,258	\$ 1,853,089

Total revenues decreased \$5 million as CDC revenues collected after January 31, 2012 are not reported in government-wide financial statements. Various revenue increases, primarily in taxes (net of CDC) and charges for services were offset by reductions in grant revenues. Total expenses increased \$19 million, primarily in the housing set aside fund, as well as the various business activities, including current year depreciation.

Governmental Activities. The net assets of governmental activities decreased by \$62 million during the fiscal year due primarily to the change in accounting for the CDC. In addition, the following changes occurred:

- Taxes, which make up the largest source of governmental revenues at 58%, decreased \$2.2 million. Changes related to the CDC resulted in a \$5.2 million decrease in property taxes. Sales taxes increased \$4 million due to an improving economy and business licenses increased \$1.7 million primarily due to a timing change in collections.
- Charges for services, which include various building permits and other development related fees as well as user fees make up 17% of governmental revenues. Increases of \$7.2 million included \$4 million in permits and development fees. Other charges for services increased a net \$3.2 million including adjustments for internal service charges and rental charges at the Civic Center to cover related debt service in growth fees.
- Grants and contributions for both capital and operating purposes make up 24% of revenues with interest on investments and sale of assets making up less than 1%. Grants decreased \$15.9 million primarily due to the wind down of American Recovery and Reinvestment Act funded projects.

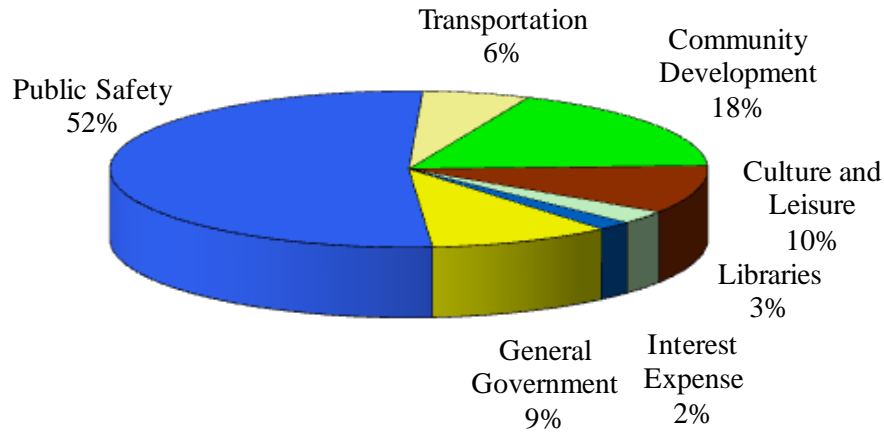


Of the \$189.6 million in total governmental expenses, 89% supports programs that provide direct services to the community.

- At 52%, Public Safety, which includes Police and Fire, receives the largest share of governmental revenues, increasing \$5.9 million.
- Other service programs include Community Development at 18%, Culture and Leisure at 10%, Transportation at 6%, and Library at 3%. Community Development increased \$7.5 million primarily due to one-time charges for reclassifying CDC capital outlay and debt service and other related transactions. The other service areas were largely unchanged.
- The remaining 11% includes General Government, which decreased \$2.2 million mostly due to a one-time charge for the retirement incentive program in the prior year, and Interest Expenses, which decreased \$2 million primarily in relation to the CDC.

Total expenses increased \$9.5 million.

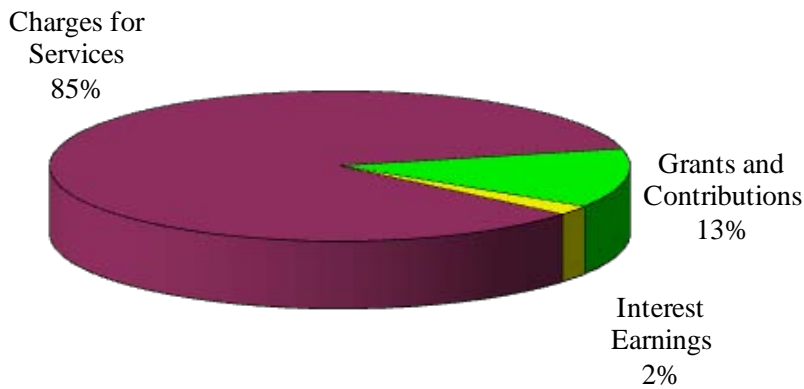
Expenses



Business-type Activities. Business-type activities increased the City’s net assets by \$5.3 million.

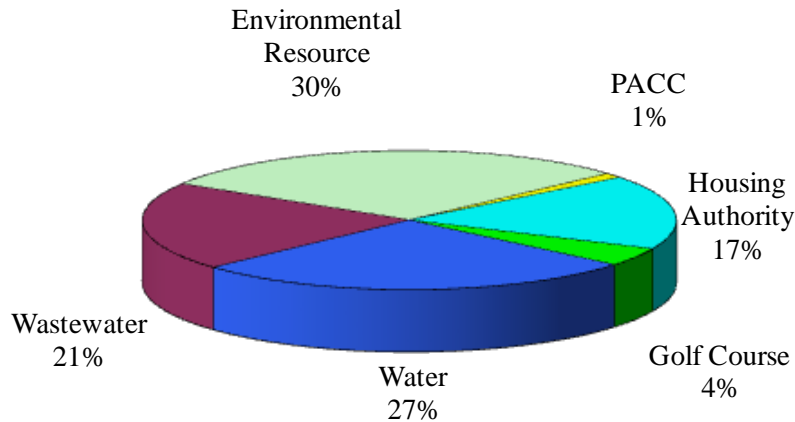
- Charges for services, which make up 85% of business-type revenues, increased \$9.8 million due to increased collections because drier weather resulted in increased water usage and higher revenues for Water and Wastewater. Environmental resources benefited from higher recycling revenues.
- Grants were \$3.1 million lower and interest earnings decreased \$0.2 million.
- Net Transfers decreased \$0.4 million, primarily in the golf course fund related to debt service.

Revenues



- Business-type activity expenses increased \$9.5 million. Depreciation expenses increased \$5.2 million due to the reclassification of capital assets from construction in progress. In addition, interest charges increased \$1.2 million, with the remainder primarily from internal service charges.

Expenses



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 and outflows and balances of spendable resources. At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$97.5 million, a decrease of \$61.4 million from the prior year primarily due to the reclassification of the CDC-SA from governmental fund to fiduciary fund. The following table summarizes the government funds balance sheet.

Governmental Funds Balance Sheet Summary (\$ thousands)

	General Fund		Other Governmental		Total	
	2012	2011	2012	2011	2012	2011
Assets	\$ 41,714	\$ 41,413	\$ 102,192	\$ 166,419	\$ 143,906	\$ 207,832
Liabilities and Fund Balance						
Liabilities	7,954	8,292	38,455	40,630	46,409	48,922
Fund Balances						
Nonspendable	-	-	-	13,230	-	13,230
Restricted	-	-	18,708	34,500	18,708	34,500
Assigned	18,094	17,473	51,415	80,824	69,509	98,297
Unassigned	15,666	15,648	(6,386)	(2,765)	9,280	12,883
Total fund balances	33,760	33,121	63,737	125,789	97,497	158,910
Total Liabilities and Fund Balance	\$ 41,714	\$ 41,413	\$ 102,192	\$ 166,419	\$ 143,906	\$ 207,832

The fund balance of the combined governmental funds is made up of the following:

- \$18.7 million is restricted primarily for public safety retiree medical funds (\$7.3 million) and low-moderate income housing funds (\$2.1 million) with the remaining \$9.3 million for repayment of debt.
- \$69.5 million is assigned for Measure O programming (\$18.1 million), capital projects (\$1.2 million), and the remainder for other purposes related to special revenue funds.
- \$9.3 million is unassigned consisting of \$15.7 million in the general fund and negative \$6.4 million in grants.

The major governmental funds are the General Fund and State and Federal Grant Fund.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the fund balance of the General Fund was \$33.8 million. The unassigned fund balance of the General Fund was \$15.7 million, which is 14% of general fund operating expenditures.

The following table summarizes the revenues, expenditures and changes in fund balances for governmental funds.

Statement of Revenues, Expenditures and Changes in Fund Balances
(\$thousands)

	General Fund		Other Governmental		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Taxes	\$ 90,974	\$ 84,343	\$ 23,159	\$ 32,016	\$ 114,133	\$ 116,359
Other Revenues	29,126	28,712	49,009	61,449	78,135	90,161
Total revenues	120,100	113,055	72,168	93,465	192,268	206,520
Expenditures						
Current	104,678	106,836	46,330	46,257	151,008	153,093
Capital outlay	9,818	3,845	37,050	50,941	46,868	54,786
Debt service	-	-	8,425	9,078	8,425	9,078
Total expenditures	114,496	110,681	91,805	106,276	206,301	216,957
Excess of revenues over (under) expenditures	5,604	2,374	(19,637)	(12,811)	(14,033)	(10,437)
Other Financing Sources (Uses)						
Proceeds from sale of bonds	-	-	3,680	1,296	3,680	1,296
Net Transfers	(4,965)	1,020	2,781	2,201	(2,184)	3,221
Total other financing sources (uses)	(4,965)	1,020	6,461	3,497	1,496	4,517
Special Items	-	-	(48,876)	-	(48,876)	-
Net change in fund balances	639	3,394	(62,052)	(9,314)	(61,413)	(5,920)
Fund balances, July 1	33,121	29,727	125,789	135,103	158,910	164,830
Fund balances, June 30	\$ 33,760	\$ 33,121	\$ 63,737	\$ 125,789	\$ 97,497	\$ 158,910

General fund operating revenues exceeded expenditures by \$5.6 million. Total operating revenues increased \$7 million, including \$2.1 million from the Measure O ½ cent sales tax. General fund expenditures reflected a net increase of \$3.8 million. Excluding Measure O expenditures, general fund expenditures decreased \$4.2 million.

- Taxes increased \$6.6 million, including the \$2.1 million increase from Measure O. These increases reflected a local economy that has begun a modest recovery. In addition property taxes increased moderately (\$0.9 million), sales taxes (excluding Measure O) increased \$1.9 million, and business license fees increased \$1.7 million due to a timing change in collections. Other revenues increased a moderate \$0.4 million.
- Excluding an \$8 million increase in the expenditure of Measure O funds, primarily in capital outlays, general fund expenditures decreased \$4.2 million as the City continued its efforts to control costs.
- Net transfers decreased \$6 million primarily the result of a one-time transfer from excess ISF funds in 2011.

For other governmental funds, revenues decreased \$21.3 million as follows:

- \$8.5 million decrease due to the reporting of CDC-SA revenues (collected after Dec. 31, 2011) as fiduciary fund revenues including amounts previously deposited to the Debt Service fund,
- \$19.8 million decrease in Federal and State grant revenues due to completion of major phases of ARRA and other grant funded projects,
- Increases in developer fees of \$6.2 million were partially offset by minor reductions in other non-major revenues.

Other Governmental fund expenditures decreased \$14.5 million due to lower grant expenditures (\$20.2 million) offset by increases in the use of Developer Fees, Public Safety Retirement costs and capital outlay fund payments.

Fund balances decreased \$62 million primarily due the transfer of CDC activities and assets to a fiduciary fund (\$56.7 million). Grant funds decreased \$6.2 million along with the Public Safety Retirement fund (\$2.2 million) and Capital outlay fund (\$1.9 million). These decreases were offset by increases in Development fees and other non-major funds.

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 utilities consist of Water, Wastewater, and Environmental Resources. Cultural and recreation activities include the River Ridge Golf Course and the Performing Arts and Convention Center (PACC). The Oxnard Housing Authority is also included in this category.

The enterprise utilities ended the fiscal year with combined unrestricted net assets of \$46.5 million, an increase of \$11.6 million. Total net assets increased \$6.1 million due to improved revenues combined with limited growth in the cost of providing services.

- Enterprise utilities operating revenues increased \$9.1 million. While higher water use resulted in increased water and wastewater revenues, Environmental Resources revenues declined (\$0.8 million).
- Enterprise utilities operating expenses increased \$7.1 million, including \$5.2 million in depreciation expense.

Net assets of cultural and recreational activities continued to decline. While the PACC experienced a moderate decline, the golf course fund decreased \$0.7 million as the growth in contractual and utility costs continued to grow, while revenues were impacted by a highly competitive environment.

Internal service fund balances decreased \$2.2 million as charges were adjusted consistent with actual costs and reserve requirements. Internal service charges were refunded to operating funds in FY 2012 based on unrestricted fund balances. It is anticipated that revised rates will provide revenues consistent with expenditures.

General Fund Budgetary Highlights

Revenues exceed the final budget by \$6.4 million and expenditures were \$13.7 million under final budget amounts as indicated in the following table.

General Fund Budgetary Summary (\$thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 85,609	\$ 86,105	\$ 90,974	\$ 4,869
Other Revenues	30,612	27,637	29,126	1,489
Total revenues	116,221	113,742	120,100	6,358
Expenditures				
Current	108,259	107,871	104,678	(3,193)
Capital outlay	520	20,341	9,818	(10,523)
Total expenditures	108,779	128,212	114,496	(13,716)
Excess of revenues over (under) expenditures	7,442	(14,470)	5,604	20,074
Other Financing Sources (Uses)				
Net Transfers	(4,814)	(3,335)	(4,965)	(1,630)
Total other financing sources (uses)	(4,814)	(3,335)	(4,965)	(1,630)
Net change in fund balances	\$ 2,628	\$ (17,805)	\$ 639	\$ 18,444

Revenue budgets were decreased \$2.5 million, including a \$1.3 million budgeted transfer from the CDC that was no longer allowed under the state legislation regarding RDAs (similar amount reduced from expenditure appropriations). In addition property tax budgets were reduced \$1.7 million based on amounts provided by the Ventura County Auditor Controller; however sales tax revenue budgets were increased \$1.6 million based on trend data. Miscellaneous revenues included capacity for economic growth that was transferred to the sales tax budget as well as other taxes and fees.

Actual revenues reflected continuing growth in the economy, exceeding the budget by \$6.4 million. Taxes were \$4.9 million higher than the final budget, including \$0.6 million in property taxes and \$3.6 million in sales tax, primarily Measure O of \$3.3 million. Miscellaneous revenues included a \$1.8 million transfer from ISF balances based on available unrestricted funds in those accounts, while charges for services and intergovernmental revenues were lower than budget.

General Fund appropriations were increased \$19.4 million from the original budget of \$108.8 million (excluding transfers) and actual expenditures were \$13.7 million lower than the final budget. The change in budget was from the appropriation of \$22.5 million for Measure O projects less budget balancing reductions of \$3.1 million. Actual expenditure variances from final budgets are as follows:

- Measure O expenditures were \$14.1 million lower than budget as appropriations included requirements for projects and programs that crossed fiscal years.
- The remaining variance reflected over expenditure in Public Safety overtime, primarily in Fire.
- The net transfer budget was increased \$1.5 million; however, actual transfers were consistent with original budget amounts.

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, 2012, were \$1.46 billion and \$0.61 billion respectively. Governmental capital assets decreased \$45.6 million due primarily to the transfer of former CDC assets to the successor agency in fiduciary funds. Business-type assets increased \$5 million, primarily related to the GREAT program projects such as the Advanced Water Purification Facility and Recycled Water Backbone. These amounts include the \$13.6 million prior year adjustment for depreciation. More detailed information about the City's capital assets activity is presented in Note II-E to the financial statements, beginning on page 56.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 988,370	\$ 989,442	\$ 47,730	\$ 47,730	\$ 1,036,100	\$ 1,037,172
Buildings	68,039	32,216	36,120	36,721	104,159	68,937
Other improvements	78,015	70,273	22,952	23,351	100,967	93,624
Machinery and equipment	7,548	7,951	2,508	3,435	10,056	11,386
Infrastructure	246,131	228,212	386,413	190,754	632,544	418,966
Construction in progress	71,239	176,846	116,422	305,169	187,661	482,015
Total	\$1,459,342	\$1,504,940	\$ 612,145	\$ 607,160	\$2,071,487	\$2,112,100

Long-term debt. The City uses a variety of tax increment, revenue and lease indebtedness to finance various capital acquisitions. As of June 30, 2012, the City's long-term debt outstanding was \$448.5 million. Of this total, \$73.2 million was in governmental activities and \$375.3 million was in business-type activities. Tax allocation bond debt is now reflected in fiduciary funds. More detailed information about the City's long-term liabilities is presented in Note II-F to the financial statements, beginning on page 56. The following provides a breakdown of the City's outstanding indebtedness adjusted for unamortized premiums, discounts and gains or losses on refundings (excludes compensated absences):

**Outstanding Debt
(\$thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Tax Allocation Bonds	\$ -	\$ 44,814	\$ -	\$ -	\$ -	\$ 44,814
Revenue Bonds	35,782	37,359	372,359	382,525	408,141	419,884
Capital Leases	5,665	2,552	2,963	3,624	8,628	6,176
Certificates of Participation	31,705	32,464	-	-	31,705	32,464
Total	\$ 73,152	\$ 117,189	\$ 375,322	\$ 386,149	\$ 448,474	\$ 503,338

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, the general fund, and other governmental funds. Water are rated "A+"; however Wastewater revenue bonds were recently downgraded to "BBB+" and Solid Waste revenue bonds to "A-" by S&P, while the other revenue bonds are "A" rated.

The total outstanding debt is limited by statute to 15% of assessed valuation, or \$2.32 billion.

Economic Factors and Next Year's Budgets and Rates

Oxnard's diverse economy continues to support moderate growth in City revenues. The unemployment rate continues to trend down below 12% compared to just over 14% a year ago. In addition, housing prices have begun to recover, which should support stable if not higher property tax revenues. Federal budget issues continue to be a concern and the potential sequestration at the federal level will impact certain federal revenue streams as well as the economy as a whole. At the state level, Proposition 30, the Governor's sales tax initiative passed, improving the financial position of the State, particularly education funding. In addition, a super majority for the democratic party may improve future budgeting.

The fiscal year 2013 budget was developed based on modest economic growth. Taxes were budgeted based on FY 2012 trends. Increases were programmed for user charges that have not been adjusted in the past five to ten years. In addition, City Council approved utility rate increases to address maintenance needs and to improve the financial viability of the wastewater fund as a first step to improving bond ratings. Dissolution of the CDC-SA continues to be a challenge and the general fund budget included funding to cover administration costs in excess of amounts allowed by the State Department of Finance (DOF). The DOF has not issued its final findings on the Low-Moderate Income House Fund and Other Funds due diligence reviews. Finally, as stated above, there is still the potential for State and Federal budget imbalances to impact the City's budget.

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, 2012

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 83,759,621	\$ 46,997,444	\$ 130,757,065
Investments with fiscal agents	9,153,684	41,007,775	50,161,459
Accounts and other receivables (net of allowance for uncollectibles)	28,905,664	17,758,712	46,664,376
Notes receivable	2,700,000	1,293,697	3,993,697
Internal balances	3,106,707	(3,106,707)	-
Due from other government	11,657,362	-	11,657,362
Due from other agencies	2,572,528	-	2,572,528
Properties held for resale	104,736	-	104,736
Other assets	516,950	1,150,052	1,667,002
Deferred outflow	8,885,548	5,630,962	14,516,510
Restricted assets:			
Investments with fiscal agents	-	276,836	276,836
Capital assets not being depreciated:			
Land	988,370,375	47,730,214	1,036,100,589
Construction in progress	71,238,956	116,422,303	187,661,259
Capital assets, net of accumulated depreciation:			
Buildings	68,038,579	36,120,253	104,158,832
Other Improvements	78,014,768	22,952,162	100,966,930
Machinery and equipment	7,548,308	2,507,519	10,055,827
Infrastructure	246,130,720	386,413,494	632,544,214
Total assets	\$ 1,610,704,506	\$ 723,154,716	\$ 2,333,859,222
LIABILITIES			
Current liabilities:			
Accounts payable	6,437,077	2,099,446	8,536,523
Other liabilities	11,432,835	3,117,719	14,550,554
Unearned revenues	9,264,335	-	9,264,335
Self insurance claims - due within one year	5,231,975	-	5,231,975
Compensated absences payable - current	9,005,000	1,390,268	10,395,268
Bonds and capital leases	3,464,029	11,541,572	15,005,601
Interest rate swap	8,885,548	5,630,962	14,516,510
Early retirement incentive payable	824,485	-	824,485
Noncurrent liabilities:			
Notes Payable	-	255,632	255,632
Self insurance claims	6,705,725	-	6,705,725
Compensated absences payable	8,587,431	1,433,737	10,021,168
Post employment retirement payable	5,882,909	1,293,134	7,176,043
Early retirement incentive payable	1,648,971	-	1,648,971
Bonds & capital leases	69,688,013	363,781,011	433,469,024
Total liabilities	147,058,333	390,543,481	537,601,814
NET ASSETS			
Invested in capital assets, net of related debt	1,386,189,664	264,692,784	1,650,882,448
Restricted for:			
Debt service	9,286,656	16,059,390	25,346,046
Housing	2,154,736	1,543,162	3,697,898
Public safety retirement	7,266,397	-	7,266,397
Unrestricted	58,748,720	50,315,899	109,064,619
Total net assets	1,463,646,173	332,611,235	1,796,257,408
Total liabilities and net assets	1,610,704,506	723,154,716	2,333,859,222

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, 2012

FUNCTIONS/PROGRAMS	Net (Expenses) Revenues and Changes in Net Assets						
	Program Revenues			Primary Government		Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-type Activities
Primary government:							
Governmental activities:							
General government	\$ 18,680,585	\$ 9,471,575	\$ 14,147,809	\$ -	\$ 4,938,799	\$ -	\$ 4,938,799
Public safety	98,603,456	4,426,984	2,525,221	219,545	(91,431,706)	-	(91,431,706)
Transportation	11,030,990	2,145,431	7,138,375	14,144,758	12,397,574	-	12,397,574
Community development	33,705,121	12,576,655	6,200,611	2,181,426	(12,746,429)	-	(12,746,429)
Culture and leisure	18,858,694	5,605,866	140,632	53,202	(13,058,994)	-	(13,058,994)
Libraries	5,203,318	378,004	2,677	-	(4,822,637)	-	(4,822,637)
Interest on long-term debt	3,532,902	-	-	-	(3,532,902)	-	(3,532,902)
Total governmental activities	<u>189,615,066</u>	<u>34,604,515</u>	<u>30,155,325</u>	<u>16,598,931</u>	<u>(108,256,295)</u>	-	<u>(108,256,295)</u>
Business-type activities:							
Water	37,910,096	46,769,748	-	-	-	8,859,652	8,859,652
Wastewater	29,078,392	31,528,171	-	-	-	2,449,779	2,449,779
Environmental Resource	41,581,865	44,217,775	-	-	-	2,635,910	2,635,910
Performing arts and convention center	1,587,496	545,270	-	-	-	(1,042,226)	(1,042,226)
Oxnard housing authority	24,398,669	5,157,388	18,727,259	1,002,582	-	488,560	488,560
Municipal golf course	6,048,938	4,063,299	-	-	-	(1,985,639)	(1,985,639)
Total business-type activities	<u>140,605,456</u>	<u>132,281,651</u>	<u>18,727,259</u>	<u>1,002,582</u>	-	<u>11,406,036</u>	<u>11,406,036</u>
Total primary government	<u>330,220,522</u>	<u>166,886,166</u>	<u>48,882,584</u>	<u>17,601,513</u>	<u>(108,256,295)</u>	<u>11,406,036</u>	<u>(96,850,259)</u>
General revenues:							
Taxes:							
Property tax					63,176,888	-	63,176,888
Sales tax					37,453,124	-	37,453,124
Transient occupancy tax					3,402,793	-	3,402,793
Franchise tax					3,435,823	-	3,435,823
Deed transfer tax					412,471	-	412,471
Business license tax					6,125,278	-	6,125,278
Penalties and interest					126,609	-	126,609
Interest on investments					1,354,128	3,168,662	4,522,790
Sale of capital assets					57,768	-	57,768
Transfers					(2,184,229)	2,184,229	-
Total general revenues and transfers					<u>113,360,653</u>	<u>5,352,891</u>	<u>118,713,544</u>
Extraordinary loss					(65,066,037)	-	(65,066,037)
Contributions to other government					(14,627)	-	(14,627)
Change in net assets					<u>(59,976,306)</u>	<u>16,758,927</u>	<u>(43,217,379)</u>
Net assets - July 1					<u>1,525,814,937</u>	<u>327,273,783</u>	<u>1,853,088,720</u>
Prior period adjustment					<u>(2,192,458)</u>	<u>(11,421,475)</u>	<u>(13,613,933)</u>
Net assets - June 30					<u>\$ 1,463,646,173</u>	<u>\$ 332,611,235</u>	<u>\$ 1,796,257,408</u>

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

City of Oxnard, California
Balance Sheet
Governmental Funds
June 30, 2012

	General	State & Federal Grants	Non Major	Total Governmental
ASSETS				
Cash and cash equivalents	\$ 13,612,197	\$ -	\$ 54,167,594	\$ 67,779,791
Investments with fiscal agents	-	-	9,153,684	9,153,684
Accounts and other receivables	2,031,640	21,147,249	5,576,315	28,755,204
Notes receivable	-	-	2,700,000	2,700,000
Due from other funds	12,726,983	-	7,972,141	20,699,124
Due from other agencies	2,572,528	-	-	2,572,528
Due from other government	10,346,226	-	1,311,136	11,657,362
Properties held for resale	-	-	104,736	104,736
Other assets	424,642	-	59,408	484,050
Total assets	\$ 41,714,216	\$ 21,147,249	\$ 81,045,014	\$ 143,906,479
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	2,477,543	1,194,387	2,338,891	6,010,821
Other liabilities	5,186,167	41,502	608,971	5,836,640
Due to other funds	-	16,930,881	661,536	17,592,417
Unearned revenues	290,455	9,366,633	7,312,224	16,969,312
Total liabilities	7,954,165	27,533,403	10,921,622	46,409,190
Fund balances				
Restricted for:				
Debt service	-	-	9,286,656	9,286,656
Housing	-	-	2,154,736	2,154,736
Public safety retirement	-	-	7,266,397	7,266,397
Assigned to:				
Capital projects	-	-	1,180,530	1,180,530
Measure "O" service enhancement	18,093,783	-	-	18,093,783
Other purposes	-	-	50,235,073	50,235,073
Unassigned:	15,666,268	(6,386,154)	-	9,280,114
Total fund balances	33,760,051	(6,386,154)	70,123,392	97,497,289
Total liabilities and fund balances	\$ 41,714,216	\$ 21,147,249	\$ 81,045,014	\$ 143,906,479

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

City of Oxnard, California
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2012

Fund balances of governmental funds	\$	97,497,289
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of \$1,808,789,271 net of accumulated depreciation of (\$352,613,819) are not financial resources and, therefore, are not reported in the funds.		1,456,175,452
Long term liabilities, claims and compensated absences have not been included in the governmental fund activity:		
Long-term liabilities of \$73,355,204 net of unamortized discount (\$304,766)		(73,050,438)
Self insurance claims		(11,937,700)
Compensated absences		(16,638,016)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds		(582,790)
Other post employment liability, other long term liability, not due and payable in the current period		(7,928,561)
Grants receivable that were not received within the availability period were recorded as deferred revenue in the governmental funds		7,704,977
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		12,405,960
Net assets of governmental activities	\$	<u><u>1,463,646,173</u></u>

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

City of Oxnard
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	<u>General</u>	<u>State & Federal Grants</u>	<u>Non Major</u>	<u>Total Governmental</u>
REVENUES				
Taxes	\$ 90,974,369	\$ -	\$ 23,158,617	\$ 114,132,986
Licenses and permits	1,802,900	-	1,859,951	3,662,851
Intergovernmental	11,821,579	17,133,778	10,366,269	39,321,626
Growth and development fees	-	-	5,979,605	5,979,605
Charges for services	9,366,140	-	601,148	9,967,288
Fines and forfeitures	620,374	265,395	425,920	1,311,689
Interest on investments	299,473	23,476	782,585	1,105,534
Special assessments	-	-	8,084,122	8,084,122
Rental income	-	-	148,993	148,993
Investment income	78,344	-	170,250	248,594
Miscellaneous	5,136,999	94,364	3,073,254	8,304,617
Total revenues	<u>120,100,178</u>	<u>17,517,013</u>	<u>54,650,714</u>	<u>192,267,905</u>
EXPENDITURES				
Current:				
General government	10,049,461	-	305,947	10,355,408
Public safety	65,037,151	2,180,421	19,001,084	86,218,656
Transportation	4,411,287	20,874	5,915,626	10,347,787
Community Development	9,105,238	2,928,207	10,323,792	22,357,237
Culture and leisure	11,551,617	366,128	5,258,052	17,175,797
Library Services	4,523,541	29,734	-	4,553,275
Capital outlay	9,818,142	18,262,519	18,787,569	46,868,230
Debt service:				
Principal	-	-	4,362,740	4,362,740
Interest and fiscal charges	-	-	4,061,894	4,061,894
Total expenditures	<u>114,496,437</u>	<u>23,787,883</u>	<u>68,016,704</u>	<u>206,301,024</u>
Excess of revenues over (under) expenditures	<u>5,603,741</u>	<u>(6,270,870)</u>	<u>(13,365,990)</u>	<u>(14,033,119)</u>
OTHER FINANCING SOURCES(USES)				
Issuance of debt	-	-	3,680,714	3,680,714
Transfers in	36,750	10,215	6,061,553	6,108,518
Transfers out	<u>(5,001,275)</u>	<u>-</u>	<u>(3,291,472)</u>	<u>(8,292,747)</u>
Total other financing sources (uses)	<u>(4,964,525)</u>	<u>10,215</u>	<u>6,450,795</u>	<u>1,496,485</u>
SPECIAL ITEMS:				
Contributions from other funds	-	-	76,891,362	76,891,362
Contributions to other funds	-	-	(76,891,362)	(76,891,362)
Contribution to other government	-	-	(14,627)	(14,627)
Extraordinary loss	-	-	(48,861,208)	(48,861,208)
Net change in fund balances	<u>639,216</u>	<u>(6,260,655)</u>	<u>(55,791,030)</u>	<u>(61,412,469)</u>
Fund balances, July 1	33,120,835	(125,499)	125,914,422	158,909,758
Fund balances, June 30	<u>\$ 33,760,051</u>	<u>\$ (6,386,154)</u>	<u>\$ 70,123,392</u>	<u>\$ 97,497,289</u>

The notes to the financial statements are an integral part of 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, 2012

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

Net change in fund balances - total governmental funds	\$ (61,412,469)
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 \$34,904,435 (net of reclass of \$11,963,795) exceeded depreciation expense (\$20,401,074) in the current period.	14,503,361
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 decrease in accrued interest \$649,011 net increase in compensated absences (\$711,564) and other post employment benefits (\$272,260).	(334,813)
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 (\$3,680,714) add cost of issuance (\$69,222) and bond discount (\$50,797) exceeded repayments of \$4,362,740.	562,007
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	4,635,748
Net expenditures of internal service funds of \$2,229,949 is reported with governmental activities, \$504,638 allocated to business-type activities.	(1,725,311)
Extraordinary gain for capital assets transferred to Successor Agency	(58,409,600)
Extraordinary loss for long term liabilities transferred to Successor Agency	42,204,771
Change in net assets of governmental activities (page 18)	<u><u>\$ (59,976,306)</u></u>

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

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City of Oxnard, California
Statement of Net Assets
Proprietary Funds
June 30, 2012

	<u>Water</u>	<u>Wastewater</u>	<u>Environmental Resource</u>	<u>Performing Arts and Convention Center</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 27,316,659	\$ 8,654,004	\$ 3,562,210	\$ -
Cash with fiscal agent	37,903,810	8,743	2,437,705	35,000
Accounts and other receivable (net of allow for unc)	7,562,035	4,000,220	5,833,476	2,336
Due from other funds	87,073	-	64,865	-
Notes Receivable	-	-	-	-
Other assets	-	839,716	149,493	-
Total currents assets	<u>72,869,577</u>	<u>13,502,683</u>	<u>12,047,749</u>	<u>37,336</u>
Noncurrent assets:				
Investments with fiscal agent	-	-	-	-
Notes Receivable	-	1,268,600	-	-
Advances from other funds	10,855,126	-	-	-
Capital assets:				
Land	3,883,110	3,145,160	3,851,164	-
Buildings	14,517,008	6,582,587	22,859,740	-
Improvements	-	-	-	-
Machinery and equipment	3,030,304	17,954,684	21,597,157	15,370
Construction in progress	112,038,965	292,696	2,999,763	-
Infrastructure	185,179,466	345,910,640	3,586,781	42,615
Less accumulated depreciation	<u>(60,541,236)</u>	<u>(116,332,247)</u>	<u>(28,424,035)</u>	<u>(19,198)</u>
Total capital assets (net of accum depr)	<u>258,107,617</u>	<u>257,553,520</u>	<u>26,470,570</u>	<u>38,787</u>
Total noncurrent assets	<u>268,962,743</u>	<u>258,822,120</u>	<u>26,470,570</u>	<u>38,787</u>
Total assets	<u>341,832,320</u>	<u>272,324,803</u>	<u>38,518,319</u>	<u>76,123</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,446,080	627,423	2,059,075	54,962
Other liabilities	1,571,140	771,976	407,371	2,922
Advances to other funds	-	799,301	-	1,519,846
Compensated absences payable - current	311,000	459,000	538,000	48,000
Self insurance claims - due within one year	-	-	-	-
Revenue bonds and capital leases payable-current	<u>3,701,940</u>	<u>3,688,413</u>	<u>2,726,303</u>	<u>-</u>
Total current liabilities	<u>9,030,160</u>	<u>6,346,113</u>	<u>5,730,749</u>	<u>1,625,730</u>
Noncurrent liabilities:				
Revenue bonds, net of current portion and discount	195,761,654	131,627,435	6,436,177	-
Compensated absences payable	301,200	208,938	264,388	54,734
Advances to other funds	-	1,671,260	8,384,565	-
Notes Payable	-	-	-	-
Self insurance claims	-	-	-	-
Capital leases payable	112,859	93,533	2,120,390	-
Post employment retirement payable	<u>235,154</u>	<u>369,831</u>	<u>378,225</u>	<u>12,786</u>
Total noncurrent liabilities	<u>196,410,867</u>	<u>133,970,997</u>	<u>17,583,745</u>	<u>67,520</u>
Total liabilities	<u>205,441,027</u>	<u>140,317,110</u>	<u>23,314,494</u>	<u>1,693,250</u>
NET ASSETS				
Invested in capital assets, net of related debt	83,546,392	121,868,784	15,580,561	38,787
Restricted for Housing	-	-	-	-
Restricted for debt service	13,928,790	-	2,130,600	-
Unrestricted	<u>38,916,111</u>	<u>10,138,909</u>	<u>(2,507,336)</u>	<u>(1,655,914)</u>
Total net assets	<u>\$ 136,391,293</u>	<u>\$ 132,007,693</u>	<u>\$ 15,203,825</u>	<u>\$ (1,617,127)</u>

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, 2012

<u>Oxnard Housing Authority</u>	<u>Municipal Golf Course</u>	<u>Totals Current Year</u>	<u>Governmental Activities- Internal Service Funds</u>	
				ASSETS
				Current assets:
\$ 7,464,571	\$ -	\$ 46,997,444	\$ 15,979,830	Cash and cash equivalents
622,515	2	41,007,775	-	Cash with fiscal agent
360,645	-	17,758,712	150,460	Accounts and other receivable (net of allow for unc)
-	-	151,938	-	Due from other funds
25,097	-	25,097	-	Notes Receivable
160,843	-	1,150,052	32,900	Other assets
<u>8,633,671</u>	<u>2</u>	<u>107,091,018</u>	<u>16,163,190</u>	Total currents assets
				Noncurrent assets:
276,836	-	276,836	-	Investments with fiscal agent
-	-	1,268,600	-	Notes Receivable
-	-	10,855,126	-	Advances from other funds
				Capital assets:
8,920,208	27,930,572	47,730,214	595,500	Land
42,010,716	3,926,962	89,897,013	-	Buildings
-	25,430,098	25,430,098	-	Improvements
1,675,057	13,950	44,286,522	3,551,253	Machinery and equipment
272,701	818,178	116,422,303	1,769,567	Construction in progress
-	-	534,719,502	-	Infrastructure
(36,904,080)	(4,118,911)	(246,339,707)	(2,750,066)	Less accumulated depreciation
<u>15,974,602</u>	<u>54,000,849</u>	<u>612,145,945</u>	<u>3,166,254</u>	Total capital assets (net of accum depr)
16,251,438	54,000,849	624,546,507	3,166,254	Total noncurrent assets
<u>24,885,109</u>	<u>54,000,851</u>	<u>731,637,525</u>	<u>19,329,444</u>	Total assets
				LIABILITIES
				Current liabilities:
412,134	4,936	6,604,610	426,256	Accounts payable
306,559	57,751	3,117,719	185,806	Other liabilities
-	1,738,799	4,057,946	-	Advances to other funds
34,268	-	1,390,268	655,000	Compensated absences payable - current
-	-	-	5,231,975	Self insurance claims - due within one year
260,000	1,164,916	11,541,572	27,984	Revenue bonds and capital leases payable-current
<u>1,012,961</u>	<u>2,966,402</u>	<u>26,712,115</u>	<u>6,527,021</u>	Total current liabilities
				Noncurrent liabilities:
3,765,000	23,863,963	361,454,229	-	Revenue bonds, net of current portion and discount
604,477	-	1,433,737	299,415	Compensated absences payable
-	-	10,055,825	-	Advances to other funds
255,632	-	255,632	-	Notes Payable
-	-	-	6,705,725	Self insurance claims
-	-	2,326,782	73,620	Capital leases payable
297,138	-	1,293,134	427,804	Post employment retirement payable
<u>4,922,247</u>	<u>23,863,963</u>	<u>376,819,339</u>	<u>7,506,564</u>	Total noncurrent liabilities
<u>5,935,208</u>	<u>26,830,365</u>	<u>403,531,454</u>	<u>14,033,585</u>	Total liabilities
				NET ASSETS
15,204,944	28,453,316	264,692,784	3,064,650	Invested in capital assets, net of related debt
1,543,162	-	1,543,162	-	Restricted for receivable
-	-	16,059,390	-	Restricted for debt service
2,201,795	(1,282,830)	45,810,735	2,231,209	Unrestricted
<u>\$ 18,949,901</u>	<u>\$ 27,170,486</u>	<u>\$ 328,106,071</u>	<u>\$ 5,295,859</u>	Total net assets
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
		4,505,164		
		<u>\$ 332,611,235</u>		Net assets of business-type activities

City of Oxnard, California
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Fiscal Year Ended June 30, 2012

	<u>Water</u>	<u>WasteWater</u>	<u>Environmental Resource</u>	<u>Performing Arts & Convention Center</u>
Operating revenues:				
Charges for services	\$ 44,938,300	\$ 24,387,484	\$ 43,643,616	\$ 527,384
Connection Fees	1,060,017	6,277,878	31,467	-
Miscellaneous and reimbursements	771,431	862,809	542,692	17,886
Total operating revenues	46,769,748	31,528,171	44,217,775	545,270
Operating expenses:				
Salaries and wages	4,242,249	5,991,243	6,805,387	1,103,194
Contractual services	910,551	959,670	16,081,056	108,278
Operating supplies	19,517,434	1,873,600	429,265	486
Utilities	1,075,752	4,064,799	7,110,886	148,500
Depreciation & amortization	4,621,194	8,274,502	1,554,333	2,275
General and administrative	4,146,940	4,588,442	3,872,076	210,968
Repairs and maintenance	416,090	669,205	4,576,316	6,581
Claims expenses	-	-	-	-
Total operating expenses	34,930,210	26,421,461	40,429,319	1,580,282
Operating income (loss)	11,839,538	5,106,710	3,788,456	(1,035,012)
Nonoperating revenues (expenses):				
Intergovernmental	-	-	-	-
Interest on investments	2,810,665	152,138	185,267	-
Interest expense	(2,882,214)	(2,513,322)	(889,412)	(7,214)
Net nonoperating revenues (expenses)	(71,549)	(2,361,184)	(704,145)	(7,214)
Income (loss) before contributions and transfers	11,767,989	2,745,526	3,084,311	(1,042,226)
Capital contributions	-	-	-	-
Transfers in	-	-	-	947,811
Transfers out	-	-	(62,129)	-
Changes in net assets	11,767,989	2,745,526	3,022,182	(94,415)
Total net assets- July 1	127,494,008	137,812,938	12,181,643	(1,522,712)
Prior period adjustment	(2,870,704)	(8,550,771)	-	-
Total net assets- June 30	\$ 136,391,293	\$ 132,007,693	\$ 15,203,825	\$ (1,617,127)

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 Fiscal Year Ended June 30, 2012

Oxnard Housing Authority	Municipal Golf Course	Totals Current Year	Governmental Activities- Internal Service Fund	
\$ 4,331,137	\$ 4,058,522	\$ 121,886,443	\$ 29,010,653	Operating revenues:
-	-	7,369,362	-	Charges for services
826,251	4,777	3,025,846	-	Connection Fees
5,157,388	4,063,299	132,281,651	29,010,653	Miscellaneous and reimbursements
				Total operating revenues
4,122,829	66,471	22,331,373	8,598,643	Operating expenses:
54,743	4,007,438	22,121,736	923,141	Salaries and wages
15,755,337	-	37,576,122	5,310,470	Contractual services
827,943	1,896	13,229,776	1,622,319	Operating supplies
1,181,872	589,800	16,223,976	267,972	Utilities
1,518,222	168,767	14,505,415	5,299,475	Depreciation & amortization
750,706	22,253	6,441,151	1,414,262	General and administrative
-	-	-	7,998,425	Repairs and maintenance
24,211,652	4,856,625	132,429,549	31,434,707	Claims expenses
(19,054,264)	(793,326)	(147,898)	(2,424,054)	Total operating expenses
				Operating income (loss)
18,727,259	-	18,727,259	-	Nonoperating revenues (expenses):
20,592	-	3,168,662	197,929	Intergovernmental
(187,017)	(1,192,091)	(7,671,270)	(3,824)	Interest on investments
18,560,834	(1,192,091)	14,224,651	194,105	Interest expense
(493,430)	(1,985,417)	14,076,753	(2,229,949)	Net nonoperating revenues (expenses)
1,002,582	-	1,002,582	-	Income (loss) before contributions and transfers
-	1,298,547	2,246,358	-	Capital contributions
-	-	(62,129)	-	Transfers in
509,152	(686,870)	17,263,564	(2,229,949)	Transfers out
18,440,749	27,857,356		7,525,808	Changes in net assets
-	-		-	Total net assets- July 1
\$ 18,949,901	\$ 27,170,486		\$ 5,295,859	Prior period adjustment
				Total net assets- June 30
Adjustment to reflect the consolidation of				
internal service fund activities related to				
enterprise funds		(504,637)		
Change in net assets of business-type activities		\$ 16,758,927		

City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For Fiscal Year Ended 2012

	<u>Water</u>	<u>Wastewater</u>	<u>Environmental Resource</u>	<u>Performing Arts and Convention Center</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from customers and users	46,009,822	31,263,546	44,399,827	546,063
Payments to suppliers	(27,898,269)	(12,154,887)	(32,649,791)	(489,565)
Payments to employees	(4,157,018)	(5,854,670)	(6,724,526)	(1,094,582)
Cash paid to claimants	-	-	-	-
Net cash provided(used) by operating activities	<u>13,954,535</u>	<u>13,253,989</u>	<u>5,025,510</u>	<u>(1,038,084)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds	-	-	-	97,487
Due from other funds	2,339,877	-	(68)	-
Advances to other funds	1,691,455	-	-	-
Advances from other funds	-	(776,020)	(915,435)	-
Received from grants	-	-	-	-
Transfer from other funds	-	-	-	947,811
Transfer to other funds	-	-	(62,129)	-
Net cash provided (used) by capital and related financing activities	<u>4,031,332</u>	<u>(776,020)</u>	<u>(977,632)</u>	<u>1,045,298</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(17,294,093)	(414,937)	(67,639)	-
Received from grants	-	-	-	-
Principal paid on long-term debt	(3,195,568)	(3,532,784)	(2,651,878)	-
Interest and issuance cost paid on long-term debt	(11,858,798)	(7,060,378)	(929,973)	(7,214)
Net cash used in capital and related financing activities	<u>(32,348,459)</u>	<u>(11,008,099)</u>	<u>(3,649,490)</u>	<u>(7,214)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	2,810,665	152,138	185,267	-
Net cash provided by investing activities	<u>2,810,665</u>	<u>152,138</u>	<u>185,267</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(11,551,927)	1,622,008	583,655	-
Cash and cash equivalents, July 1	<u>76,772,396</u>	<u>7,040,739</u>	<u>5,416,260</u>	<u>35,000</u>
Cash and cash equivalents, June 30	<u>\$ 65,220,469</u>	<u>\$ 8,662,747</u>	<u>\$ 5,999,915</u>	<u>\$ 35,000</u>

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

City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For Fiscal Year Ended 2012

Oxnard Housing Authority	Municipal Golf Course	Total	Governmental Activities- Internal Service Funds	
				CASH FLOW FROM OPERATING ACTIVITIES
5,155,394	4,063,299	131,437,951	28,924,339	Receipts from customers and users
(18,356,308)	(4,245,938)	(95,794,758)	(14,840,774)	Payments to suppliers
(4,695,009)	(66,471)	(22,592,276)	(8,569,626)	Payments to employees
-	-	-	(8,096,125)	Cash paid to claimants
(17,895,923)	(249,110)	13,050,917	(2,582,186)	Net cash provided(used) by operating activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
-	1,502,268	1,599,755	-	- Due to other funds
-	-	2,339,809	-	- Due from other funds
-	-	1,691,455	-	- Advances to other funds
-	-	(1,691,455)	-	- Advances from other funds
86,642	-	86,642	-	- Received from grants
-	1,298,547	2,246,358	-	- Transfer from other funds
-	-	(62,129)	-	- Transfer to other funds
86,642	2,800,815	6,210,435	-	Net cash provided (used) by capital and related financing activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
(1,062,369)	(207,033)	(19,046,071)	(740,953)	Purchases of capital assets
19,550,138	-	19,550,138	-	Received from grants
(250,000)	(1,167,604)	(10,797,834)	(27,182)	Principal paid on long-term debt
(189,204)	(1,181,286)	(21,226,853)	(3,824)	Interest and issuance cost paid on long-term debt
18,048,565	(2,555,923)	(31,520,620)	(771,959)	Net cash used in capital and related financing activities
				CASH FLOWS FROM INVESTING ACTIVITIES
20,595	-	3,168,665	197,929	Interest on investments
20,595	-	3,168,665	197,929	Net cash provided by investing activities
259,879	(4,218)	(9,090,603)	(3,156,216)	Net increase (decrease) in cash and cash equivalents
8,104,043	4,220	97,372,658	19,136,046	Cash and cash equivalents, July 1
\$ 8,363,922	\$ 2	\$ 88,282,055	\$ 15,979,830	Cash and cash equivalents, June 30

**City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For Fiscal Year Ended 2012**

	<u>Water</u>	<u>Wastewater</u>	<u>Environmental Resource</u>	<u>Performing Arts and Convention Center</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	11,839,538	5,106,710	3,788,456	(1,035,012)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	4,621,194	8,274,502	1,554,333	2,275
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable and due from other funds	(759,926)	(264,625)	182,052	793
(Increase) decrease in other assets	-	-	-	-
Increase (decrease) in accounts payable	(1,831,502)	829	(580,192)	(14,752)
Increase (decrease) in other liabilities	-	-	-	-
Increase (decrease) in compensated absences & OPEB	85,231	136,573	80,861	8,612
Increase (decrease) in self-insurance liabilities	-	-	-	-
Net cash provided by (used) in operating activities	<u>13,954,535</u>	<u>13,253,989</u>	<u>5,025,510</u>	<u>(1,038,084)</u>

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

City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For Fiscal Year Ended 2012

<u>Oxnard Housing Authority</u>	<u>Municipal Golf Course</u>	<u>Total</u>	<u>Governmental Activities-Internal Service Funds</u>	
(19,054,264)	(793,326)	(147,898)	(2,424,054)	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:
1,181,872	589,800	16,223,976	267,972	Depreciation and amortization
				Changes in assets and liabilities:
(93,870)	-	(935,576)	(86,315)	(Increase) decrease in accounts receivable and due from other funds
115,384	-	115,384	-	(Increase) decrease in other assets
(99,559)	(45,584)	(2,570,760)	(271,106)	Increase (decrease) in accounts payable
-	-	-	-	Increase (decrease) in other liabilities
54,514	-	365,791	29,017	Increase (decrease) in compensated absences & OPEB
-	-	-	(97,700)	Increase (decrease) in self-insurance liabilities
<u>(17,895,923)</u>	<u>(249,110)</u>	<u>13,050,917</u>	<u>(2,582,186)</u>	Net cash provided by (used) in operating activities

City of Oxnard, California
Statement of Fiduciary Net Assets
June 30, 2012

	Oxnard Community Development Commission Successor Agency Private Purpose Trust Fund	Agency Fund
	<u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS:		
Cash and cash equivalents	\$ 32,755,480	\$ 5,796,754
Investment with fiscal agents	12,427,001	15,480,457
Accounts and other receivables	246,284	-
Notes receivable, net of uncollectible	732,666	-
Properties held for resale	6,963,050	-
Other Assets/Prepayments	4,415	-
Other Assets (Unamortized issuance costs)	1,269,319	-
Capital Assets:		
Land	1,221,289	-
Construction in progress	15,491,722	-
Building (net of depreciation)	486,982	-
Improvements other than building (net of depreciation)	40,193,035	-
Equipment and machinery (net of depreciation)	998	-
Total assets	\$ 111,792,241	\$ 21,277,211
LIABILITIES;		
Accounts Payable	\$ 3,417,305	\$ 21,277,211
Due to other governments	4,130,217	-
Long-term debt:		
Due within one year	1,410,000	-
Due in more than one year	42,380,000	-
Total liabilities	\$ 51,337,522	\$ 21,277,211
NET ASSETS:		
Held in trust for Successor Agency	\$ 60,454,719	

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

City of Oxnard, California
Statement of Changes in Fiduciary Net Assets
For the Period February 1, 2012 through June 30, 2012

	Oxnard Community Development Successor Agency Private Purpose Trust Fund
ADDITIONS:	
Taxes	\$ 1,872,016
Interest	98,096
Rental Income	69,784
Miscellaneous	110,265
Total additions	\$ 2,150,161
DEDUCTIONS:	
Administrative Costs:	
Salaries and Wages	53,693
Assessment district payment	69,457
Tax increment pass-through	256,430
Indirect prorated cost charges	51,522
Other administrative costs	289,391
Professional services	423,635
Depreciation	1,015,576
Capital Outlay:	
Project improvements	1,097,432
Debt service:	
Interest and fiscal charges	1,319,368
Total deductions	4,576,504
Excess (deficiency) of additions over ded.	(2,426,343)
Extraordinary items:	
Provision for uncollectible account	(2,184,975)
Extraordinary gain	65,066,037
Total extraordinary items	62,881,062
Net change in net assets	60,454,719
Net assets - Feb. 1, 2012	-
Net assets - June 30, 2012	\$ 60,454,719

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

City of Oxnard
Notes to the Financial Statements
June 30, 2012

I. 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 Council members. 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 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, funding capital improvements and loaning money for rehabilitation and restoration of real properties. On June 28, 2011 the governor signed Assembly Bill 1X 26 providing for the dissolution of all redevelopment agencies and established successor agencies to each RDA to manage this process. This bill was challenged and heard by the California Supreme Court which upheld the Bill on December 20, 2011. Subsequent to that ruling, AB1484 was approved adding additional requirements and clarification to AB 1X 26.

On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with AB 1X 26 as part of City resolution number 14135, to oversee the winding down of the agency's affairs and liquidation of the agency's assets effective February 1, 2012. Prior to that date, the City Council acted as the Board of Directors of the CDC. The City was financially accountable for the operations of the CDC through budgetary authority and fiscal management and the City was able to significantly influence operations of the CDC. AB 1484 essentially transferred authority over the successor agency to the oversight board, also established

pursuant to AB 1X 26 and the California Department of Finance. The successor agency to the CDC is reported in the fiduciary funds.

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. City staff perform 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 Housing Authority) was established in April, 1945 by ordinance of the City Council. The Housing 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 Housing 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. The City Council and two tenant representatives serve as the governing board of the Housing Authority. The Housing Authority's operations have been included in the City's business-type activities in the accompanying government-wide financial statements. The Housing Authority prepares separate financial statements, which can be obtained from the Housing Authority's Financial Services Division.

B. New Pronouncements

GASB Statement No. 64 – In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. This statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. This Statement is for periods beginning after June 15, 2012. The City has determined this Statement will not have a significant impact on the financial statements.

C. 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, and user 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 (PACC). These activities generally recover the cost of providing services from customer fees and charges; however, the Golf fund and the PACC have been subsidized by the General fund.

Government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of 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.

The statement of activities demonstrates the degree to which expenses, both direct and indirect, of a given function or segment is 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 and capital grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes

and other items not properly included among program revenues are reported instead as general revenues.

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. 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 as part of the fund financial statements.

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements (including all National Council on Governmental Accounting (NGCA) Statements and Interpretations currently in effect). Financial Accounting Standards Board (FASB) and Accounting Standard Codification (ASC) pronouncements issued on or before November 30, 1989, are applied to business type activities, unless those pronouncements conflict with or contradict GASB pronouncements. The City applies all applicable FASB and ASC pronouncements 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. Non-major governmental funds are combined for presentation in governmental fund statements. In accordance with GASB 34 and based on the sole purpose for which a fund is established, the following funds have been determined 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 legally required to be accounted for in another fund.

- State and Federal Grants Fund: This fund accounts for expenditures of grants from state and federal agencies.

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 presents 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 with the exception of sales tax which is based on the California Board of Equalization reporting period through June of the fiscal year for which payment is received in September. Property tax, sales tax, intergovernmental revenues and other taxes are accrued as appropriate. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. The availability period for revenue recognition for Grants receivable is one year after the year-end. 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. 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 sole purpose for which a fund is established, the following enterprise funds have been determined to be the City’s major proprietary funds:

- Water Fund: This fund is used to account for all activities of the City’s water production, treatment and distribution 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 housing assistance, such as the 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 present 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 proprietary funds principal ongoing operations. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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

Internal Service Funds

Internal service funds account for services to other departments on a cost-recovery basis. Internal service funds include workers' compensation, public liability and property damage, utility customer services, information systems, facilities maintenance, and fleet services. Internal service funds are reported in total on the proprietary funds statements.

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 account for donations from private parties to pay for Carnegie Art Museum artwork related expenditures.
- 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, 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 property tax bills and the money collected is used to pay off the annual debt service requirements.

- Oxnard Downtown Management District Fund: This fund accounts for property tax collected within the downtown area for downtown improvements and revitalizations.
- Oxnard Community Development Commission Successor Agency Private Purpose Trust Fund: This fund accounts for the assets and activities of the former redevelopment agency pursuant to AB 1X 26.

D. Cash and Investments

Cash and Cash Equivalents

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

Investment Policy

The City's investment policy is intended to provide guidelines for the prudent investment of City funds, and to outline the policies for maximizing the efficiency of the City's cash management system. The policy of the City 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

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.

LAIF is part of the State's Pooled Money Investment Account (PMIA), which was established in 1953. Oversight of PMIA is 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.

Direct oversight for LAIF is provided 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.

Investment Income

Investment 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 average month-end cash balances. Investment income from cash and investments with fiscal agents is credited directly to the related fund. Income from non-pooled investments is recorded in the appropriate fund based on the specific investments held by the trustee of the fund. Changes in the fair value of investments are recognized in Investment income at the end of each year.

E. Utility Revenue

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

F. Capital Assets

The City’s assets for governmental and business-type activities are capitalized at historical cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. City policy has set the capitalization threshold at \$5,000. 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, consistent with 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 significantly 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.” Infrastructure assets have been included in compliance with GASB 34 using the basic approach methodology. Land is valued at original cost without depreciation.

G. Risk Management

The City provides general liability and workers’ compensation insurance under self-insurance programs with an annual limit per occurrence of \$1 million for each program. Excess insurance in the layer of \$1 million to \$25 million is purchased for general liability and \$200 million per year for workers’ compensation. The City contracts with outside service agencies to assist in the 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 internal service funds.

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 BICEP, five cities share the cost of insuring 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 policies. The purpose of this JPA is to jointly fund 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 adjustment and legal defense service. BICEP is governed by a five-member board of directors representing each member city. Each member is appointed and serves at the pleasure of the member city council.

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

H. Compensated Absences

Vacation leave and annual leave compensation time pay is recorded as a liability when incurred within the government-wide and proprietary funds financial statements. Sick leave, which does not vest, is recorded in all funds when leave is taken. In accordance with GASB 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 was reported as follows as of June 30, 2012:

	Governmental Activities	Business Type	Total
Beginning Balance	\$ 16,851,850	\$ 2,645,091	\$ 19,496,941
Additions	9,385,140	1,770,333	11,155,473
Payments	<u>(8,644,559)</u>	<u>(1,591,419)</u>	<u>(10,235,978)</u>
Ending Balance	<u>17,592,431</u>	<u>2,824,005</u>	<u>20,416,436</u>
Current Portions	<u>\$ 9,005,000</u>	<u>\$ 1,390,268</u>	<u>\$ 10,395,268</u>

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

I. Property Taxes

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

Valuation Date	March 1
Property Tax Year	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.

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 July 1 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, 2012, the City has recorded property taxes receivable of \$678,405, which is included in due from other governments in the accompanying balance sheet.

Tax Lien Dates

All lien dates attach annually on January 1 preceding the fiscal year for which the taxes are levied. Liens against real estate, and taxes on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections

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

Tax Apportionments and Special District Augmentation Fund (SDAF)

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

J. Use of Estimates

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

K. Budgets and Budgetary Accounting

The City develops and presents a two-year budget to the City Council, including a capital improvement plan. Annual operating and capital improvement expenditures are adopted by resolution. This resolution constitutes the authorized expenditures for the fiscal 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.

L. 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 of June 30, 2012, the following outstanding significant governmental fund encumbrances are not reflected in the committed or assigned fund balances nor require the use of existing fund resources. Proprietary funds include all significant outstanding encumbrances.

Governmental Funds		Proprietary Funds	
General fund*	\$ 3,767,954	Water funds	\$ 7,647,578
State and federal grants	475,888	Wastewater funds	645,832
Other non-major funds	9,974,489	Environmental resources funds	690,273
Total governmental funds	<u>\$ 14,218,331</u>	Golf course funds	57,948
		Internal service funds	64,396
		Total proprietary funds	<u>\$ 9,106,027</u>

* Includes \$3,646,007 of Measure "O" encumbrances.

M. Fund Equity

The accompanying financial statements report the components of fund balances for governmental funds consistent with GASB 54.

Nonspendable fund balance – this includes amounts that cannot be spent because they are either not spendable in form (such as prepaid items) or legally or contractually required to be maintained intact (such as endowments).

Restricted fund balance – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance – this includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. Commitments may be changed or removed by taking the same formal action at the same level.

Assigned fund balance – this includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council delegated, per Resolution No. 14,102, the Chief Financial Officer to assign fund balance.

Unassigned fund balance – this includes all amounts not included in other classifications.

In the government-wide financial statements, net assets are classified in the following categories:

Invested in capital assets, net of related debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted net assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This resulting category presents the remaining City net assets and this measure of equity is unrestricted, legally or otherwise.

The accounting policies of the City consider restricted fund balance spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. When an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

N. Prior Period Adjustments

At July 1, 2011 the City's capital assets and related balances were restated to correct errors in the classification of completed construction in projects as construction in progress. As a material amount of completed projects should have been reclassified prior to July 1, 2011, the depreciation expense related to prior years were recorded as a reduction of net assets. The restatement consisted of the following (additional detail is disclosed in Note E – Capital Assets):

Net Assets – Governmental Activities

Reclassification of completed projects from Construction in Progress to various categories :	
Improvement other than building	\$ 34,703,396
Land	150,000
Building	38,721,581
Roadways & Street	23,059,191
Storm Drains	4,738,709
	<u>101,372,876</u>
total reclassified from Construction in progress	<u>\$ 101,372,876</u>
Decrease in net assets - Depreciation related to prior years	<u>\$ 2,192,458</u>

Net Assets – Water Fund

Reclassification of completed projects from Construction in Progress to various category:	
Infrastructure	\$ 41,314,046
total reclassified from Construction in progress	<u>\$ 41,314,046</u>
Decrease in net assets - Depreciation related to prior years	<u>\$ 2,870,704</u>

Net Assets – Wastewater Fund

Reclassification of completed projects from Construction in Progress to various categories:	
Building	\$ 201,649
Machinery & equipment	28,088
Infrastructure	168,486,552
total reclassified from Construction in progress	<u>\$ 168,716,289</u>
Decrease in net assets - Depreciation related to prior years	<u>\$ 8,550,771</u>

II. Detailed Notes on All Funds

A. Cash and Investments

The City's cash and cash equivalents and investments consist of the following at June 30, 2012:

Deposits	\$ 44,606,566
Investments	124,702,733
Cash and cash equivalents	169,309,299
Investments with Fiscal Agents	78,345,753
Total	\$ 247,655,052

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

	Governmental Activities	Business-Type Activities	Internal Service Funds	Fiduciary Funds	Grand Total
Cash and cash equivalents	\$ 67,779,791	\$ 46,997,444	\$ 15,979,830	\$ 38,552,234	\$ 169,309,299
Cash with fiscal agents	9,153,684	41,284,611	—	27,907,458	78,345,753
Total	\$ 76,933,475	\$ 88,282,055	\$ 15,979,830	\$ 66,459,692	\$ 247,655,052

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, 2012, the City has a bank balance of \$45,507,103 (carrying amount of \$44,739,806); of the bank balance, \$250,000 was insured and the balance was secured by collateral held by the City's agent in the agent's name. Deposits held by the Housing Authority are also insured or secured by collateral held by the Housing Authority's agent in the agent's name. The Housing Authority bank balance as of June 30, 2012 was \$2,202,880.

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 Housing Authority. Investments managed by the City Treasurer and the Housing Authority are invested in accordance with the City's 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	\$ 124,702,733
Fiscal Agents (Bond trustees for the City and its component units)	77,446,402
Other Agency (includes fiscal agents)	899,351
Total Investments	<u><u>\$ 203,048,486</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 in the following table.

Investment Types Authorized by Section 53601	Authorized by Investment Policy	Maximum Maturity (Years)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings
U.S. Treasury and Agencies	Yes	5	None	None	None
Local Agency bonds, notes	Yes	N/A	15%	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
LAIF	Yes	N/A	None	None	None

The Housing Authority's investment policy and related disclosures regarding its investments at June 30, 2012, is more fully disclosed in the financial statements for the Housing Authority, which may be obtained from the Housing 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 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 short-term and longer-term investments with maturities that provide the cash flow and liquidity needed for operations or debt service requirements.

Information about the sensitivity of the fair value of the City’s investments (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	\$ -	\$ 62,380,625	\$ -	\$ 62,380,625
Corporate Bonds	-	6,137,187	-	6,137,187
LAIF	55,538,277	-	-	55,538,277
Municipal Bonds	-	1,000,000	-	1,000,000
Held by trustee:				
Investment Agreement	-	2,130,600	3,028,150	5,158,750
LAIF	5,119,443	-	-	5,119,443
Money Market Fund	67,790,724	-	-	67,790,724
Total Investments	\$ 128,448,444	\$ 71,648,412	\$ 3,028,150	203,125,006
Accrued discount				(301)
Successor Agency adjustment				(76,219)
Total investments (net of accrued discount)				203,048,486
Cash in banks and on hand				44,606,566
Total Cash and Investments				\$ 247,655,052

The investment agreements listed above are GICs 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; in the event the City refunds or prepay its debt before the maturity, GICs are redeemed at par.

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 LAIF and GICs. Although GICs are not rated, the City has only entered into GICs with institutions that carry a high credit rating. In addition, in the event of a downgrade of the GIC provide below certain thresholds, the GIC provider is required to collateralize the GIC obligation with U.S. debt obligations.

Presented below are the actual ratings for each investment type as of June 30, 2012:

<u>Investment Type</u>	<u>AAA</u>	<u>AA+</u>	<u>AA</u>	<u>A+</u>	<u>Total</u>
Federal agency securities	\$ -	\$ 62,380,625	\$ -	\$ -	\$ 62,380,625
Los Angeles Municipal Bonds	-	-	-	1,000,000	1,000,000
Corporate bonds (GECC)	-	2,108,750	-	-	2,108,750
Corporate bonds (BHFC)	-	2,045,312	-	-	2,045,312
Corporate bonds (Walmart)	-	-	1,983,125	-	1,983,125
Money Market Fund	67,790,724	-	-	-	67,790,724
Totals	\$ 67,790,724	\$ 66,534,687	\$ 1,983,125	\$ 1,000,000	137,308,536
Not rated:					
LAIF					60,657,720
GIC					5,158,750
Total Investments					203,125,006
Less accrued discount					(301)
Less Successor Agency Adjustment					(76,219)
Total investments (net of accrued discount)					203,048,486
Cash in banks and on hand					44,606,566
Total cash and investments					\$ 247,655,052

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, 2012:

<u>Issuer</u>	<u>Type of Investments</u>	<u>Amounts</u>
Federal National Mortgage Association	Federal Agency Securities	\$ 20,127,500
Federal Home Loan Bank	Federal Agency Securities	\$ 18,208,125
Federal Farm Credit Bank	Federal Agency Securities	\$ 16,032,500
Wells Fargo Advantage Government	Money Market Fund	\$ 67,168,209

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. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure of custodial credit risk for deposits or investments, other than the provisions for deposits in the California Government Code that require that financial institutions secure deposits made by state local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having value of 150% of the secured public deposits.

For investments identified herein as held by fiscal agent (bond trustee), the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Interest rate swap

The City has entered into 3 floating-to-fixed interest rate swaps with a notional amount of \$55,385,000. The City pays the counterparty a fixed amount of 3.53 percent and 4.037 percent and receives variable payments computed as 68 percent of the 1-month London Interbank Offered Rate (LIBOR). At June 30, 2012, this interest rate swap had a fair value of a negative \$14,516,510. Other applicable risks (credit risk, basis risk and termination risk) associated with these derivative instruments are described in note F.

B. Receivables and Payables

Accounts receivables and other receivables as of June 30, 2012 included in the accompanying Statement of Net Assets primarily consist of the following:

Accounts Receivables	Governmental Activities	Business-Type Activities
Utilities Receivable	\$ 11,512	\$ 13,434,723
Grants Receivable	20,785,384	-
Accounts Receivable Billed and Accrued	1,914,237	4,512,780
Other Receivables	6,759,717	152,544
Sub-Total	29,470,850	18,100,047
Allowance for Uncollectible Receivables	(565,186)	(341,335)
Total	\$ 28,905,664	\$ 17,758,712

Accounts payable and other liabilities as of June 30, 2012 reported on the Statement of Net Assets primarily consist of the following:

Accounts Payable and Other Liabilities	Governmental Activities	Business-Type Activities
Accounts Payable (due to vendors)	\$ 6,437,077	\$ 2,099,446
Other liabilities:		
Accrued Payroll	2,227,472	658,668
Other Accrued Expenses	230,246	62,943
Other Payables	8,975,117	2,396,108
Total Other liabilities	11,432,835	3,117,719
Total	\$ 17,869,912	\$ 5,217,165

Governmental funds record deferred revenue for revenues that are not yet earned as of year-end and grant drawdowns prior to meeting eligibility requirements. At June 30, 2012, deferred/unearned revenues are comprised of the following:

Governmental funds:		
Community development charges for services	\$	290,455
Federal grants		7,689,979
HUD & CDBG		5,441,392
State grants		1,676,654
Transportation development act		1,870,832
Total	\$	16,969,312

Of this total, \$7,704,977 consists of deferred revenue not received within the availability period and unearned revenues recorded in the amount of \$9,264,335.

C. Interfund Receivables and Payables

Total interfund receivables and payables at June 30, 2012, 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>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Balance</u>
Governmental Activities:			
General Fund	\$ 12,726,983	-	\$ 12,726,983
Capital Outlay Fund	-	151,938	(151,938)
Grants	-	16,930,881	(16,930,881)
HUD & CDBG	-	263,664	(263,664)
Non-Major Governmental Funds	7,972,141	245,934	7,726,207
Community Development Commission Fund	-	-	-
Total governmental activities	\$ 20,699,124	\$ 17,592,417	\$ 3,106,707
Business type Activities:			
Water	10,942,199	-	10,942,199
Wastewater	-	2,470,561	(2,470,561)
Environmental Resource	64,865	8,384,565	(8,319,700)
PACC	-	1,519,846	(1,519,846)
Municipal Golf Course	-	1,738,799	(1,738,799)
Total business type activities	11,007,064	14,113,771	(3,106,707)
Total	\$ 31,706,188	\$ 31,706,188	\$ -

The interfund balances at June 30, 2012 are loans to cover temporary cash deficits in various funds. All interfund balances outstanding at June 30, 2012 are expected to be repaid within one year except Environmental Resources and Wastewater loans from Water.

D. Interfund Transfers

Interfund transfers generally fall within one of the following categories:

- debt service payments made from a debt service fund but funded from an operating fund,
- program support that generally reflects subsidies and allocations between funds.

The net transfers of \$2,184,229 from governmental activities to business-type activities in the Statement of Activities primarily relates to operational subsidy from the General Fund to the Performing Arts and to Municipal Golf Course Fund for debt service payment. There were no transfers during Fiscal Year 2011-2012 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer except for transfer from internal services to general fund, which were made to refund excess charges based on required balances and reserves.

The following transfers in and out are reflected in the Fund Financial Statements for the year ended June 30, 2012:

	Description	Transfers In	Transfers Out	Net Transfers
Governmental Activities:				
General Fund	Program support	\$ 36,750	\$ 1,435,526	\$ (1,398,776)
General Fund	Debt service	-	3,565,749	(3,565,749)
Non-Major Governmental Funds	Debt service	5,584,053	3,291,472	2,292,581
Non-Major Governmental Funds	Program support	477,500	-	477,500
State & Federal Grant	Program support	10,215	-	10,215
Total governmental activities		6,108,518	8,292,747	(2,184,229)
Business type Activities:				
Environmental Resource	Program support	-	36,750	(36,750)
Environmental Resource	Debt service	-	25,379	(25,379)
Performing Arts and Convention Center	Program support	947,811	-	947,811
Golf Course	Debt service	1,298,547	-	1,298,547
Total business type activities		2,246,358	62,129	2,184,229
Total government-wide statements		\$ 8,354,876	\$ 8,354,876	\$ -

E. Capital Assets

Changes in the City's capital assets for the year ended June 30, 2012 consisted of the following:

	BALANCE JULY 1, 2011	RECLASSIFICATION	ADJUSTED BALANCE JULY 1, 2011	INCREASES	DECREASES	BALANCE JUNE 30, 2012
Governmental Activities						
Capital assets, not being depreciated:						
Land	\$ 989,441,664	\$ 150,000	\$ 989,591,664	\$ -	\$ (1,221,289)	\$ 988,370,375
Construction in progress	176,845,876	(101,372,876)	75,473,000	33,470,161	(37,704,205)	71,238,956
Total capital assets, not being depreciated	1,166,287,540	(101,222,876)	1,065,064,664	33,470,161	(38,925,494)	1,059,609,331
Capital assets, being depreciated:						
Buildings	54,582,639	38,721,580	93,304,219	309,552	(808,433)	92,805,338
Improvements other than buildings	89,287,137	34,703,396	123,990,533	1,513,795	(31,312,041)	94,192,287
Equipment and machinery	42,241,738	-	42,241,738	2,202,409	(498,932)	43,945,215
Infrastructure	491,670,916	27,797,900	519,468,816	4,684,603	-	524,153,419
Total capital assets, being depreciated	677,782,430	101,222,876	779,005,306	8,710,359	(32,619,406)	755,096,259
Less: Accumulated depreciation						
Buildings	(22,366,868)	(837,899)	(23,204,767)	(1,964,426)	402,434	(24,766,759)
Improvements other than buildings	(19,013,974)	(569,386)	(19,583,360)	(2,321,439)	5,727,280	(16,177,519)
Equipment and machinery	(34,290,565)	-	(34,290,565)	(2,603,978)	497,636	(36,396,907)
Infrastructure	(263,458,322)	(785,173)	(264,243,495)	(13,779,204)	-	(278,022,699)
Total accumulated depreciation	(339,129,729)	(2,192,458)	(341,322,187)	(20,669,047)	6,627,350	(355,363,884)
Total capital assets, being depreciated, net	338,652,701	99,030,418	437,683,119	(11,958,688)	(25,992,056)	399,732,375
Governmental activities capital assets, net	\$ 1,504,940,241	\$ (2,192,458)	\$ 1,502,747,783	\$ 21,511,473	\$ (64,917,550)	\$ 1,459,341,706

Per Assembly Bill 1X 26, capital assets of the former redevelopment agency were transferred to Successor Agency.

	BALANCE		ADJUSTED BALANCE			BALANCE
	JULY 1, 2011	RECLASSIFICATION	JULY 1, 2011	INCREASES	DECREASES	
Business-type Activities						
Capital assets, not being depreciated:						
Land	\$ 47,730,214	\$ -	\$ 47,730,214	\$ -	\$ -	\$ 47,730,214
Construction in progress	305,169,620	(210,030,335)	95,139,285	31,312,320	(10,029,302)	116,422,303
Total capital assets, not being depreciated	352,899,834	(210,030,335)	142,869,499	31,312,320	(10,029,302)	164,152,517
Capital assets, being depreciated:						
Buildings	88,546,345	201,649	88,747,994	1,285,782	(136,763)	89,897,013
Municipal Golf Course improvements	25,328,578	-	25,328,578	101,520	-	25,430,098
Equipment and machinery	44,067,819	28,088	44,095,907	442,469	(251,854)	44,286,522
Infrastructure	315,399,767	209,800,598	525,200,365	9,519,137	-	534,719,502
Total capital assets, being depreciated	473,342,509	210,030,335	683,372,844	11,348,908	(388,617)	694,333,135
Less: Accumulated depreciation						
Buildings	(51,825,594)	-	(51,825,594)	(2,077,393)	126,227	(53,776,760)
Golf improvements	(1,977,395)	-	(1,977,395)	(500,541)	-	(2,477,936)
Equipment and machinery	(40,633,146)	(11,912)	(40,645,058)	(1,385,799)	251,854	(41,779,003)
Infrastructure	(124,646,132)	(11,409,563)	(136,055,695)	(12,250,313)	-	(148,306,008)
Total accumulated depreciation	(219,082,267)	(11,421,475)	(230,503,742)	(16,214,046)	378,081	(246,339,707)
Total capital assets, being depreciated, net	254,260,242	198,608,860	452,869,102	(4,865,138)	(10,536)	447,993,428
Business-type activities capital assets, net	607,160,076	(11,421,475)	595,738,601	26,447,182	(10,039,838)	612,145,945
Total	\$ 2,112,100,317	\$ (13,613,933)	\$ 2,098,486,384	\$ 47,958,655	\$ (74,957,388)	\$ 2,071,487,651

For the year ended June 30, 2012 depreciation expense on capital assets was charged as follows:

Governmental Activities:

Legislative	\$	61,958
Administration and support		5,908,139
Public safety		9,523,058
Transportation (Highways and streets)		410,816
Community development		727,972
Culture and leisure		1,361,833
Libraries		532,529
Capital improvement projects, including depreciation of general infrastructure assets		1,874,769
Capital assets held by the City's internal service fund		267,973
Total governmental activities depreciation expense	\$	20,669,047

Business-type Activities:

Water	\$	4,621,194
Wastewater		8,274,502
Environmental Resources		1,554,333
Performing Arts and Convention Center		2,275
Oxnard Housing Authority		1,171,942
Municipal Golf Course		589,800
Total business-type activities depreciation expense	\$	16,214,046

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

Internal Service Funds	BALANCE JULY 1, 2011	INCREASES	DECREASES	BALANCE JUNE 30, 2012
Capital assets, not being depreciated:				
Land	\$ 595,500	\$ -	\$ -	\$ 595,500
Construction in progress	1,300,276	768,135	(298,844)	1,769,567
Total capital assets, not being depreciated	1,895,776	768,135	(298,844)	2,365,067
Capital assets, being depreciated:				
Equipment and machinery	3,301,256	298,844	(48,847)	3,551,253
Total capital assets, being depreciated	3,301,256	298,844	(48,847)	3,551,253
Less: Accumulated depreciation				
Equipment and machinery	(2,530,940)	(267,973)	48,847	(2,750,066)
Total accumulated depreciation	(2,530,940)	(267,973)	48,847	(2,750,066)
Total capital assets, being depreciated, net	770,316	30,871	-	801,187
Total	\$ 2,666,092	\$ 799,006	\$ (298,844)	\$ 3,166,254

F. Long-term Liabilities

The following is a summary of changes in long-term liabilities. Certain long-term liabilities provide financing to both governmental and business-type activities. The following table present balances and activity for the City's fiscal year ended June 30, 2012.

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due within one year
Governmental Activities:					
Revenue Bonds:					
Lease revenue refunding bonds, series 2003 A	\$ 3,424,198	\$ -	\$ 637,396	\$ 2,786,802	\$ 660,085
Variable rate demand lease revenue, series 2003 B	11,945,000	-	395,000	11,550,000	405,000
Variable rate demand lease revenue bonds, series 2006	21,990,000	-	545,000	21,445,000	570,000
1999 Certificate of participation	6,395,000	-	275,000	6,120,000	290,000
Tax Allocation refunding bonds, series 2004 A	14,705,000	-	14,705,000	-	-
2006 tax allocation bond financing	19,005,000	-	19,005,000	-	-
2008 tax allocation bond	11,445,000	-	11,445,000	-	-
Capital Leases:					
2009 CIP lease purchase, draw #1	835,718	-	82,500	753,218	86,312
2009 CIP lease purchase, draw #2	23,034	-	6,298	16,736	6,521
2009 CIP lease purchase, draw #3	48,436	-	13,237	35,199	13,709
2009 CIP lease purchase, draw #6	279,562	-	66,196	213,366	68,600
2009 CIP lease purchase, draw #7	131,648	-	27,838	103,810	28,524
2009 CIP lease purchase, draw #8	35,256	-	7,423	27,833	7,652
2009 CIP lease purchase, draw #10	986,587	-	87,335	899,252	90,844
2009 CIP lease purchase, draw #11	128,786	-	27,182	101,604	27,984
2009 CIP lease purchase, draw #12	83,569	-	15,681	67,888	16,160
2009 CIP lease purchase, draw #13	-	3,306,280	267,303	3,038,977	553,978
2009 CIP lease purchase, draw #14	-	383,541	36,533	347,008	73,349
2009 CIP lease purchase, draw #15	-	17,441	-	17,441	2,996
2009 CIP lease purchase, draw #16	-	42,674	-	42,674	7,315
Gas tax revenue certificate of participation	26,425,000	-	535,000	25,890,000	555,000
Compensated absences	16,851,850	9,385,140	8,644,559	17,592,431	9,005,000
Unamortized discounts	(696,661)	-	(391,895)	(304,766)	-
Total Governmental Activities	134,041,983	13,135,076	56,432,586	90,744,473	12,469,029

Per Assembly Bill 1X 26, long term debt of the former redevelopment agency were transferred to Successor Agency.

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due within one year
Business-Type Activities:					
Water fund					
Revenue refunding bonds, series 2001	\$ 9,725,000	\$ -	\$ 9,725,000	\$ -	\$ -
Water revenue refunding bonds, series 2004	41,150,000	-	1,065,000	40,085,000	1,095,000
Water revenue project bonds, series 2006	52,185,000	-	875,000	51,310,000	920,000
Water revenue project bonds, series 2010A	16,455,000	-	1,215,000	15,240,000	1,255,000
Water revenue project bonds, series 2010B	83,670,000	-	-	83,670,000	-
Water revenue refunding bonds, series 2012	-	9,345,000	-	9,345,000	390,000
2009 CIP lease purchase, draw #4	33,104	-	7,841	25,263	8,124
2009 CIP lease purchase, draw #5	55,314	-	13,117	42,197	13,580
2009 CIP lease purchase, draw #8	65,784	-	13,850	51,934	14,278
2009 CIP lease purchase, draw #9	41,165	-	5,760	35,405	5,958
Add: Unamortized bond premium	2,829,765	355,762	212,638	2,972,889	-
Less: Unamortized loss on refunding	(2,488,828)	-	(130,991)	(2,357,837)	-
Unamortized discounts	(932,183)	(70,088)	(158,873)	(843,398)	-
Sub Total	202,789,121	9,630,674	12,843,342	199,576,453	3,701,940
Compensated absences	568,879	331,685	288,364	612,200	311,000
Total Water fund	\$ 203,358,000	\$ 9,962,359	\$ 13,131,706	\$ 200,188,653	\$ 4,012,940
Wastewater fund					
Wastewater revenue refunding bonds, series 2003	\$ 26,030,000	\$ -	\$ 2,355,000	\$ 23,675,000	\$ 2,470,000
Wastewater revenue bonds, series 2004A	80,000,000	-	-	80,000,000	-
Wastewater revenue bonds, series 2004B	21,450,000	-	885,000	20,565,000	915,000
Wastewater revenue bonds, series 2006	11,440,000	-	260,000	11,180,000	270,000
2009 CIP lease purchase, draw #7	118,049	-	24,962	93,087	25,373
2009 CIP lease purchase, draw #12	41,681	-	7,822	33,859	8,040
Less: Unamortized discounts	(206,348)	-	(68,783)	(137,565)	-
Sub Total	138,873,382	-	3,464,001	135,409,381	3,688,413
Compensated absences	604,502	482,536	419,100	667,938	459,000
Total Wastewater fund	\$ 139,477,884	\$ 482,536	\$ 3,883,101	\$ 136,077,319	\$ 4,147,413
Environmental resources fund					
Solid waste revenue refunding bonds, series 2005	\$ 10,395,000	\$ -	\$ 2,065,000	\$ 8,330,000	\$ 2,165,000
Capital Lease					
Del Norte Blvd. improvement	124,566	-	82,472	42,094	42,094
Fifth and Del Norte improvement	261,375	-	129,072	132,303	132,303
Lease purchase trash containers	2,548,456	-	320,972	2,227,484	334,365
2009 CIP lease purchase, draw #5	34,768	-	8,245	26,523	7,331
2009 CIP lease purchase, draw #9	212,928	-	29,793	183,135	29,610
2009 CIP lease purchase, draw #12	86,478	-	16,324	70,154	15,600
Add: Unamortized bond premium	416,052	-	104,013	312,039	-
Less: Unamortized discounts	(54,483)	-	(13,621)	(40,862)	-
Sub Total	14,025,140	0	2,742,270	11,282,870	2,726,303
Compensated absences	790,556	541,702	529,870	802,388	538,000
Total Environmental resources fund	\$ 14,815,696	\$ 541,702	\$ 3,272,140	\$ 12,085,258	\$ 3,264,303
Performing arts and convention center fund (PACC)					
Compensated absences	\$ 94,122	\$ 52,459	\$ 43,847	\$ 102,734	\$ 48,000
Total PACC	\$ 94,122	\$ 52,459	\$ 43,847	\$ 102,734	\$ 48,000
Oxnard housing authority fund					
2004 Capital Fund Revenue Bonds	\$ 4,275,000	\$ -	\$ 250,000	\$ 4,025,000	\$ 260,000
Compensated Absences	587,032	361,951	310,238	638,745	34,268
Total Oxnard housing authority fund	\$ 4,862,032	\$ 361,951	\$ 560,238	\$ 4,663,745	\$ 294,268
Municipal golf course fund					
Revenue Refunding Bonds Series 2003	\$ 4,875,810	\$ -	\$ 907,604	\$ 3,968,206	\$ 939,916
Lease Revenue Refunding Bonds Series 2011	21,580,000	-	260,000	21,320,000	225,000
Less: Unamortized discounts	(270,133)	-	(10,806)	(259,327)	-
Total Municipal golf course fund	\$ 26,185,677	\$ -	\$ 1,156,798	\$ 25,028,879	\$ 1,164,916
Total Business-Type Activities	\$ 388,793,411	\$ 11,401,007	\$ 22,047,830	\$ 378,146,588	\$ 12,931,840
Total	\$ 522,835,394	\$ 24,536,083	\$ 78,480,416	\$ 468,891,061	\$ 25,400,869

Internal Service Funds 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, 2012 are as follows:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due within one year
Internal service funds:					
Compensated absences	\$ 925,398	\$ 689,259	\$ 660,242	\$ 954,415	\$ 655,000
2009 CIP lease purchase, draw #11	128,786	-	27,182	101,604	27,984
Total	\$ 1,054,184	\$ 689,259	\$ 687,424	\$ 1,056,019	\$ 682,984

Description of Long-term Debt

Lease Revenue Refunding Bonds, Series 2003A.

Lease Revenue Refunding Bonds, Series 2003A were issued on May 22, 2003 in the amount of \$18,640,000. These are thirteen-year bonds maturing in various amounts through June 1, 2016, with a net interest cost of 3.5904 percent. The bonds were issued to refinance the outstanding Lease Revenue Refunding Bonds Series 1993, 1988 Civic Center Library bonds, 1986 River Ridge Golf Course bonds, land acquisition bonds, 1966 Auditorium Authority bonds, and 1972 parking authority bonds, 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 total balance outstanding as of June 30, 2012 is \$6,755,008, of which \$2,786,802 is recorded within governmental activities and \$3,968,206 is recorded within business-type activities in the accompanying statement of net assets.

Variable Rate Demand Lease Revenue Bonds, Series 2003B

Variable Rate Demand Lease Revenue Bonds, Series 2003B in the amount of \$14,750,000 were issued on December 1, 2003, maturing in various amounts through June 1, 2033. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. These bonds were issued to finance the Downtown Parking Structure and a new Library. The City entered into an interest rate exchange agreement with respect to the bonds with Royal Bank of Canada. The swap agreement terminates by its term on June 1, 2033. On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. The balance outstanding as of June 30, 2012 is \$11,550,000.

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

Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 were issued on December 1, 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 bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. 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. On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. The outstanding balance as of June 30, 2012 is \$21,445,000.

1999 Certificates of Participation

The 1999 Certificates of Participation (COPs) were issued on January 26, 1999 in the amount of \$8,980,000. These are thirty-year COPs with a net interest cost of 5.04 percent, maturing in various amounts through June 1, 2033. The COPs were issued to fund improvements to various facilities including the Civic Center, parks, and streets and the purchase of Fire apparatus. The balance outstanding and recorded in governmental activities as of June 30, 2012 is \$6,120,000.

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

Gas Tax Revenue Certificates of Participation were issued on December 18, 2007 in the amount of \$27,675,000. 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. The outstanding balance as of June 30, 2012 is \$25,890,000.

Water Revenue Project Bonds, Series 2004

Water Revenue Project Bonds, Series 2004 were issued on February 1, 2004 in the amount of \$47,895,000. These bonds carry a net interest cost of 4.67 percent and mature 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, 2012 is \$40,085,000.

Water Revenue Project Bonds, Series 2006

Water Revenue Project Bonds, Series 2006 were issued on April 20, 2006 in the amount of \$54,600,000. These bonds carry a net interest cost of 4.805 percent and mature 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 the GREAT Program. The balance outstanding as of June 30, 2012 is \$51,310,000.

Water Revenue Project Bonds, Series 2010A

Water Revenue Project Bonds, Series 2010A were issued on February 11, 2010 in the amount of \$16,455,000. These bonds carry a net interest cost of 3.3729 percent and mature on June 1, 2022. The proceeds from the sale of the bonds will be used to finance a portion of the cost of certain capital improvements related to the GREAT program. The balance outstanding as of June 30, 2012 is \$15,240,000.

Water Revenue Project Bonds, Series 2010B

Water Revenue Project Bonds, Series 2010B were issued on February 11, 2010 in the amount of \$83,670,000. These bonds, issued as Federally Taxable Build America Bonds under the American Recovery and Reinvestment Act of 2008, carry a net interest cost of 4.5287 percent and mature on June 1, 2040. The City receives an interest subsidy directly from the United States Treasury equal to 35 percent of each interest payment. The proceeds from the sale of the bonds will be used to finance a portion of the cost of certain capital improvements related to the GREAT program. The balance outstanding as of June 30, 2012 is \$83,670,000.

Water Revenue Refunding Bonds, Series 2012

Water Revenue Refunding Bonds, Series 2012 were issued on April 4, 2012 in the amount of \$9,345,000. These bonds carry a net interest cost of 3.6196 percent and mature on June 1, 2022. A portion of the proceeds were used to advance refund all the outstanding principal amount of \$9,725,000 of the Water Revenue Refunding Bonds Series 2001. This refunding resulted in an economic gain of \$1,093,681 (difference between the present value of the old bonds and the present value of the new bonds) and a cash flow savings of \$1,446,323. The balance outstanding as of June 30, 2012 is \$9,345,000.

Wastewater Revenue Refunding Bonds, Series 2003

Wastewater Revenue Refunding Bonds, Series 2003 were issued on April 1, 2003 in the amount of \$43,785,000. These are seventeen-year bonds maturing in various amounts through June 1, 2020 with a net interest cost of 4.183 percent. The bonds were issued to refinance Wastewater Revenue Refunding Bonds, Series 1993, 1986 Wastewater Treatment Plant Expansion Bonds, 1985 Wastewater Treatment Plant Expansion Land Bonds, and 1977 Oxnard Port Hueneme Regional Wastewater Treatment Authority bonds. This 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. The outstanding balance as of June 30, 2012 is \$23,675,000.

Wastewater Revenue Bonds, Series 2004A

Wastewater Revenue Bonds, Series 2004A were issued on June 22, 2004 in the amount of \$80,000,000. These bonds carry a net interest cost of 5.149 percent and mature 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, 2012 is \$80,000,000.

Wastewater Revenue Bonds, Series 2004B

Variable Rate Demand Wastewater Revenue Bonds, Series 2004B were issued on November 1, 2004 in the amount of \$23,975,000 and mature on June 1, 2034. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. 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 City entered into an interest rate exchange agreement with respect to the bonds with Royal Bank of Canada. The swap agreement terminates by its term on June 1, 2034. On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. The balance outstanding as of June 30, 2012 is \$20,565,000.

Wastewater Revenue Bonds, Series 2006

Wastewater Revenue Bonds, Series 2006 were issued on April 27, 2006 in the amount of \$12,575,000. These bonds carry a net interest cost of 4.788 percent and mature 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") 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, 2012 is \$11,180,000.

Solid Waste Revenue Refunding Bonds, Series 2005

Solid Waste Revenue Refunding Bonds, Series 2005 were issued on April 15, 2005 in the amount of \$20,955,000. These bonds carry a net interest cost of 4.25 percent and mature in various amounts on May 1, 2016. The proceeds of the bonds were used to refund the Solid Waste Revenue Bonds, Series 1995 and to purchase various Solid Waste equipment such as commercial front-end loader trucks, green waste collection, refuse tractors, trailers, compactors, pickup trucks and others. The 1995 bonds were issued to finance the construction of the Del Norte Regional Recycling and Transfer Station. The refunding of the 1995 Bonds provided a net present value savings of \$1,200,000. The outstanding balance as of June 30, 2012 is \$8,330,000.

Golf Course Lease Revenue Refunding Bonds, Series 2011

Golf Course Lease Revenue Refunding Bonds, Series 2011 were issued on June 9, 2011

in the amount of \$21,580,000. These bonds carry a net interest cost of 5.47 percent and mature on June 1, 2036. The proceeds of the bonds were used to pay the principal of and interest on the Bond Anticipation Notes, Series 2010. The outstanding balance as of June 30, 2012 is \$21,320,000.

Housing Authority 2004 Capital Fund Revenue Bonds

The Affordable Housing Agency issued Affordable Housing Agency Certificates of Participation, Series 2004 (Oxnard's Santa Clara Projects) on April 25, 2004 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, 2012 is \$4,025,000.

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 and final maturity on December 1, 2012. The outstanding balance as of June 30, 2012 is \$42,094.

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 the Fifth/Del Norte Land Purchase, with an interest rate of 5.00 percent and final maturity on June 1, 2013. The outstanding balance as of June 30, 2012 is \$132,303.

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, 2012 is \$2,227,484.

On September 1, 2009, the City entered into a Master Equipment Lease Purchase Line of Credit Agreement with Bank of America in an amount not to exceed \$10 million for the purpose of acquiring vehicles and other capital assets. As of June 30, 2012, the total outstanding balance on this line of credit was \$6,226,563.

Compensated Absences

The long-term portion of the liability was \$8,587,431 for governmental activities and \$1,433,737 for business-type activities at June 30, 2012, which is expected to be paid in future years from future resources.

Interest Rate Swaps

The City of Oxnard has entered into interest rate swaps to hedge its variable rate bond exposure. All 3 interest rate swaps qualify for treatment as 'Hedging Derivative Instruments' pursuant to the requirements of GASB Statement No. 53. Gains or losses on Hedging Derivative Instruments are reported as deferrals in the Statement of Net Assets.

1. City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, (Civic Center Phase 2 Project), Series 2006. As a result of a decline in interest rates since execution of the swap, the swap has a negative fair value of \$5,565,433 as of June 30, 2012. 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. The coupons on the City's variable-rate bonds adjust to changing interest rates, and therefore the bonds do not have a corresponding fair value increase. The fair value of the swap 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.

- a. *Objectives.* As a means to lower borrowing costs, when compared against fixed-rated bonds at the time of issuance in December 2006, the City entered into a floating-to-fixed 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 an expected synthetic fixed rate of 3.53 percent. The contract provides that the City of Oxnard pay a fixed interest rate of 3.53 percent to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68 percent of the 1-month London Interbank Offered Rate (LIBOR). The swap is consistent with the guidelines contained within the City of Oxnard Master Swap Policy adopted on November 21, 2006.
- b. *Terms.* The bonds and the related swap agreement mature on June 1, 2036, and as of June 30, 2012 the swap's notional amount of \$21,445,000 matches the \$21,445,000 in variable-rate bonds. The swap was entered at the same time the bonds were issued (December 2006) and terminates at the same time that the bonds mature (June 2036). The notional value of the swap declines

annually at the same rate and amount as the associated principal balance of the bonds. Pursuant to the swap agreement, the City pays the counterparty a fixed payment of 3.53 percent and receives a variable payment computed as 68 percent of 1-month LIBOR. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.

- c. Risks. The following represent the applicable risks that could give rise to financial loss:
- i. *Credit Risk*. The swap counterparty carries a senior debt rating of 'Aa3' by Moody's and "AA-" by Standard & Poor's as of June 30, 2012. 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 swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian. As of June 30, 2012, the City is not adversely exposed to credit risk due to the negative fair value of the swap.
 - ii. *Basis Risk*. The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68 percent of 1-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2012, the SIFMA Municipal Swap Index rate was 0.18 percent, whereas 68 percent of 1-month LIBOR was 0.17 percent.
 - iii. *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 City would be exposed to interest rate risk. 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**. As a result of a decline in interest rates since execution of the swap, the swap has a negative fair value of \$5,630,962 as of June 30, 2012. 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. The coupons on the City's variable-rate bonds adjust to changing interest rates, and therefore the bonds do not have a corresponding fair value increase. The fair value of the swap 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.

- a. Objectives. As a means to fix its borrowing costs, in June 2007 the City entered into a floating-to-fixed 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 an expected synthetic fixed rate of 4.017 percent. The contract provides that the City of Oxnard pay a fixed interest rate of 4.017 percent to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68 percent of the 1-month London Interbank Offered Rate (LIBOR). The swap is consistent with the guidelines contained within the City of Oxnard Master Swap Policy adopted on November 21, 2006.
- b. Terms. The bonds and the related swap agreement mature on June 1, 2034, and as of June 30, 2012 the swap's notional amount of \$20,565,000 matches the \$20,565,000 in variable-rate bonds. The swap was entered into in June 2007 and terminates at the same time that the bonds mature (June 2034). The notional value of the swap declines annually at the same rate and amount as the associated principal balance of the bonds. Pursuant to the swap agreement, the City pays the counterparty a fixed payment of 4.017 percent and receives a variable payment computed as 68 percent of 1-month LIBOR. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.
- c. Risks. The following represent the applicable risks that could give rise to financial loss:
 - i. Credit Risk. The swap counterparty carries a senior debt rating of 'Aa3' by Moody's and "AA-" by Standard & Poor's as of June 30, 2012. 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 swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian. As of June 30, 2012, the City

is not adversely exposed to credit risk due to the negative fair value of the swap.

- ii. *Basis Risk.* The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68 percent of 1-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2012, the SIFMA Municipal Swap Index rate was 0.18 percent, whereas 68 percent of 1-month LIBOR was 0.17 percent.
- iii. *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 City would be exposed to interest rate risk. 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. As a result of a decline in interest rates since execution of the swap, the swap has a negative fair value of \$3,320,115 as of June 30, 2012. 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. The coupons on the City's variable-rate bonds adjust to changing interest rates, and therefore the bonds do not have a corresponding fair value increase. The fair value of the swap 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.

- a. *Objectives.* As a means to fix its borrowing costs, in June 2007 the City entered into a floating-to-fixed 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 an expected synthetic fixed rate of 4.037 percent. The contract provides that the City of Oxnard pay a fixed interest rate of 4.037 percent to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68 percent of the 1-month London Interbank Offered Rate (LIBOR). The swap is consistent with the guidelines contained within the City of Oxnard Master Swap Policy adopted on November 21, 2006.

- b. Terms. The bonds and the related swap agreement mature on June 1, 2033, and as of June 30, 2012 the swap's notional amount of \$11,550,000 matches the \$11,550,000 in variable-rate bonds. The swap was entered into in June 2007 and terminates at the same time that the bonds mature (June 2033). The notional value of the swap declines annually at the same rate and amount as the associated principal balance of the bonds. Pursuant to the swap agreement, the City pays the counterparty a fixed payment of 4.037 percent and receives a variable payment computed as 68 percent of 1-month LIBOR. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.
- c. Risks. The following represent the applicable risks that could give rise to financial loss:
- i. *Credit Risk*. The swap counterparty carries a senior debt rating of 'Aa3' by Moody's and "AA-" by Standard & Poor's as of June 30, 2012. 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 swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian. As of June 30, 2012, the City is not adversely exposed to credit risk due to the negative fair value of the swap.
 - ii. *Basis Risk*. The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68 percent of 1-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2012, the SIFMA Municipal Swap Index rate was 0.18 percent, whereas 68 percent of 1-month LIBOR was 0.17 percent.
 - iii. *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 City would be exposed to interest rate risk. 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.

Hedging derivatives instrument payments and hedged debt

As of June 30, 2012, debt service requirements of the City's variable-rate debt and net receipts/payments on associated hedging derivatives are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rate of hedging derivative instruments will remain the same for their term. As interest rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Fiscal Year Ending				Hedging	
30-Jun	Principal	Interest	Derivatives, Net	Total	
2013	\$ 1,890,000	\$ 133,900	\$ 1,915,478	\$ 3,939,378	
2014	1,950,000	129,175	1,846,977	3,926,152	
2015	2,005,000	124,300	1,776,309	3,905,609	
2016	2,070,000	119,288	1,703,666	3,892,953	
2017	2,135,000	114,113	1,628,693	3,877,806	
2018	2,200,000	108,775	1,551,367	3,860,142	
2019	2,275,000	103,275	1,471,710	3,849,985	
2020	2,340,000	97,588	1,389,347	3,826,935	
2021	2,005,000	91,738	1,304,680	3,401,418	
2022	2,075,000	86,725	1,232,751	3,394,476	
2023	2,140,000	81,538	1,158,328	3,379,866	
2024	2,215,000	76,188	1,081,600	3,372,787	
2025	2,280,000	70,650	1,002,188	3,352,838	
2026	2,355,000	64,950	920,471	3,340,421	
2027	2,430,000	59,063	836,096	3,325,159	
2028	2,510,000	52,988	749,063	3,312,050	
2029	2,590,000	46,713	659,183	3,295,896	
2030	2,675,000	40,238	566,456	3,281,694	
2031	2,765,000	33,550	470,718	3,269,268	
2032	2,845,000	26,638	371,780	3,243,418	
2033	2,935,000	19,525	270,021	3,224,546	
2034	2,285,000	12,188	165,062	2,462,250	
2035	1,270,000	6,475	84,952	1,361,427	
2036	1,320,000	3,300	43,296	1,366,596	
Total	\$ 53,560,000	\$ 1,702,881	\$ 24,200,192	\$ 79,463,070	

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and

financings. Liabilities were calculated for the issues and rebate payments were made as appropriate.

Debt Service

The annual debt service requirements are shown below for all long-term debt:

Fiscal Year	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 3,464,029	\$ 2,990,523	\$ 11,541,572	\$ 19,697,567
2014	3,590,033	2,861,744	11,891,644	19,369,321
2015	3,703,384	2,723,312	12,417,227	18,861,302
2016	3,724,399	2,580,801	11,937,351	18,301,930
2017	2,999,776	2,460,321	9,750,860	17,785,101
2018-2022	12,510,188	10,467,195	49,877,989	81,905,410
2023-2027	14,085,000	7,842,130	63,510,000	67,295,720
2028-2032	14,850,000	4,766,209	82,450,000	48,137,869
2033-2037	12,885,000	1,680,978	75,745,000	24,590,795
2038-2042	1,645,000	39,069	46,555,000	5,069,047
Totals	\$ 73,456,809	\$ 38,412,282	\$ 375,676,643	\$ 321,014,062

Fiscal Year	Gas Tax Revenue Cert. of Participation Issued 2008		Water Revenue Refunding Bonds Series 2012	
	Principal	Interest	Principal	Interest
2013	\$ 555,000	\$ 1,156,350	\$ 390,000	\$ 345,519
2014	580,000	1,133,650	400,000	333,819
2015	600,000	1,107,050	410,000	325,819
2016	630,000	1,079,450	415,000	313,519
2017	655,000	1,050,475	430,000	301,069
2018-2022	3,740,000	4,806,995	2,385,000	1,270,095
2023-2027	4,595,000	3,929,693	2,890,000	762,195
2028-2032	5,720,000	2,729,948	2,025,000	170,813
2033-2037	7,170,000	1,202,897	-	-
2038-2042	1,645,000	39,069	-	-
Totals	\$ 25,890,000	\$ 18,235,577	\$ 9,345,000	\$ 3,822,848

Fiscal Year	Water Revenue Project Bonds Series 2006		Water Revenue Project Bonds Series 2004	
	Principal	Interest	Principal	Interest
2013	\$ 920,000	\$ 2,507,635	\$ 1,095,000	\$ 1,928,904
2014	965,000	2,461,635	1,150,000	1,874,154
2015	1,015,000	2,413,385	1,190,000	1,833,904
2016	1,060,000	2,370,248	1,235,000	1,789,874
2017	1,105,000	2,322,548	1,285,000	1,742,944
2018-2022	6,350,000	10,796,830	7,310,000	7,822,400
2023-2027	7,980,000	9,164,513	9,310,000	5,819,500
2028-2032	11,790,000	6,973,999	11,885,000	3,247,000
2033-2037	20,125,000	2,871,750	5,625,000	425,249
Totals	\$ 51,310,000	\$ 41,882,543	\$ 40,085,000	\$ 26,483,929

Wastewater Revenue Bonds				
Fiscal Year	Series 2004 A		1999 Certificate of Participation	
	Principal	Interest	Principal	Interest
2013	\$ -	\$ 4,087,725	\$ 290,000	\$ 289,820
2014	-	4,087,725	300,000	276,625
2015	-	4,087,725	315,000	262,675
2016	-	4,087,725	330,000	247,712
2017	-	4,087,725	345,000	232,037
2018-2022	4,075,000	20,234,875	1,835,000	904,637
2023-2027	23,630,000	15,990,875	2,200,000	444,939
2028-2032	30,175,000	9,086,400	505,000	23,988
2033-2037	22,120,000	1,201,118	-	-
Totals	\$ 80,000,000	\$ 66,951,893	\$ 6,120,000	\$ 2,682,433

Fiscal Year	Wastewater Revenue Refunding Bonds - Series 2003		Wastewater Revenue Bonds Series 2006	
	Principal	Interest	Principal	Interest
2013	\$ 2,470,000	\$ 1,197,063	\$ 270,000	\$ 526,330
2014	2,595,000	1,073,562	280,000	515,530
2015	2,730,000	937,325	295,000	504,330
2016	2,875,000	794,000	305,000	492,530
2017	3,015,000	650,250	315,000	480,330
2018-2022	9,990,000	1,015,251	1,800,000	2,184,562
2023-2027	-	-	2,245,000	1,744,374
2028-2032	-	-	2,840,000	1,147,250
2033-2037	-	-	2,830,000	362,500
Totals	\$ 23,675,000	\$ 5,667,451	\$ 11,180,000	\$ 7,957,736

Fiscal Year	Solid Waste Revenue Refunding Bonds Series 2005		Adjustable Lease Revenue Bonds Series 2003 B		
	Principal	Interest	Principal	Interest	Swap Interest
2013	\$ 2,165,000	\$ 416,500	\$ 405,000	\$ 466,274	\$ 447,170
2014	2,275,000	308,250	420,000	449,924	431,490
2015	2,390,000	194,500	430,000	432,968	415,229
2016	1,500,000	75,000	440,000	415,609	398,581
2017	-	-	455,000	397,846	381,546
2018-2022	-	-	2,485,000	1,702,202	1,632,460
2023-2027	-	-	2,875,000	1,170,527	1,122,570
2028-2032	-	-	3,320,000	555,088	532,345
2033-2037	-	-	720,000	29,066	27,876
Totals	\$ 8,330,000	\$ 994,250	\$ 11,550,000	\$ 5,619,504	\$ 5,389,267

Fiscal Year	Lease Revenue Refunding Bonds Series 2003 A		Variable Rate Demand Lease Revenue Bonds Series 2006		
	Principal	Interest	Principal	Interest	Swap Interest
2013	\$ 1,600,000	\$ 253,805	\$ 570,000	\$ 757,009	\$ 721,538
2014	1,655,000	197,805	590,000	736,888	702,360
2015	1,715,000	136,570	610,000	716,061	682,509
2016	1,785,008	71,400	635,000	694,528	661,985
2017	-	-	655,000	672,112	640,620
2018-2022	-	-	3,670,000	2,995,558	2,855,199
2023-2027	-	-	4,415,000	2,296,971	2,189,346
2028-2032	-	-	5,305,000	1,457,185	1,388,907
2033-2037	-	-	4,995,000	449,015	427,977
Totals	\$ 6,755,008	\$ 659,580	\$ 21,445,000	\$ 10,775,327	\$ 10,270,441

Fiscal Year	Water Revenue Project Bonds		Wastewater Revenue Bonds		
	Series 2010A		Series 2004 B		
	Principal	Interest	Principal	Interest	Swap Interest
2013	\$ 1,255,000	\$ 716,025	\$ 915,000	\$ 826,096	\$ 792,082
2014	1,300,000	670,325	940,000	789,341	756,839
2015	1,340,000	631,325	965,000	751,581	720,634
2016	1,410,000	564,325	995,000	712,817	683,466
2017	1,460,000	507,925	1,025,000	672,848	645,143
2018-2022	8,475,000	1,373,275	4,740,000	2,740,196	2,627,368
2023-2027	-	-	4,130,000	1,883,571	1,806,015
2028-2032	-	-	4,760,000	1,005,053	963,670
2033-2037	-	-	2,095,000	126,734	121,518
Totals	\$ 15,240,000	\$ 4,463,200	\$ 20,565,000	\$ 9,508,237	\$ 9,116,735

Fiscal Year	Water Revenue Project Bonds		Golf Course Lease Revenue Bonds	
	Series 2010B		Series 2011	
	Principal	Interest	Principal	Interest
2013	\$ -	\$ 5,786,173	\$ 225,000	\$ 1,098,345
2014	-	5,786,173	260,000	1,093,845
2015	-	5,786,173	290,000	1,086,045
2016	-	5,786,173	330,000	1,075,895
2017	-	5,786,173	370,000	1,065,995
2018-2022	-	28,930,865	2,550,000	5,060,688
2023-2027	8,420,000	27,526,149	4,065,000	4,341,883
2028-2032	12,800,000	23,577,447	6,175,000	3,100,720
2033-2037	15,895,000	18,549,470	7,055,000	1,053,974
2038-2042	46,555,000	5,069,047	-	-
Totals	\$ 83,670,000	\$ 132,583,843	\$ 21,320,000	\$ 18,977,390

2004 Capital Fund Revenue Bonds

Fiscal Year	Housing Authority	
	Principal	Interest
2013	\$ 260,000	\$ 180,455
2014	270,000	170,835
2015	280,000	160,170
2016	295,000	148,690
2017	310,000	136,300
2018-2022	1,770,000	463,255
2023-2027	840,000	62,660
Totals	\$ 4,025,000	\$ 1,322,365

Fiscal Year	2009 Master Equipment Lease Purchase		Purchase Agreement Issue 2008	
	Principal	Interest	Principal	Interest
2013	\$ 1,111,838	\$ 234,111	\$ 334,365	\$ 88,578
2014	1,153,360	196,353	348,317	74,626
2015	1,182,760	156,916	362,851	60,092
2016	1,043,751	118,284	377,992	44,952
2017	931,872	110,073	393,764	29,179
2018-2022	802,982	58,171	410,195	12,750
Totals	\$ 6,226,563	\$ 873,908	\$ 2,227,484	\$ 310,177

	Fifth/Del Norte Land Purchase Solid Waste		Del Norte Blvd. Improve. Solid Waste	
	Principal	Interest	Principal	Interest
2013	\$ 132,303	\$ 4,785	\$ 42,094	\$ 1,043
2014	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016-2020	-	-	-	-
Totals	<u>\$ 132,303</u>	<u>\$ 4,785</u>	<u>\$ 42,094</u>	<u>\$ 1,043</u>

Management believes the City complies with all significant covenants related to its debt issues as of June 30, 2012.

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 when appropriate.

Accordingly, such special assessment debt is not reflected in the accompanying basic financial statements. Special assessment debt outstanding at June 30, 2012 is as follows:

Rice Avenue/Highway 101 Assessment District:	\$ 12,845,000
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	
Rose Avenue/Highway 101 Assessment District:	3,050,000
1915 Act Improvement Bonds issued November 1, 1996; original amount \$8,560,000; average rate of 5.50%; maturing in 2016	
City of Oxnard Community Facilities District I (Westport):	9,140,000
City of Oxnard Community Facilities District 88-1:	450,000
Oxnard Boulevard Interchange Community Facilities District 2000-03:	8,335,000
Oxnard Boulevard/Highway 101 Interchange Assessment District 2000-01:	2,015,000
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	
Community Facilities District No. 3 - Seabridge/Mandalay Bay	31,190,000
Total	<u>\$ 67,025,000</u>

III. Defined Benefit Pension Plans and Other Post Employment Benefits

A. Retirement Plan Description

The City contributes to the California Public Employees' Retirement System ("PERS"), a multiple-employer, public employee defined benefit plan, which 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, 2012, was \$82,501,012; the City's total payroll was \$102,086,144. 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 or from the PERS website <http://www.calpers.ca.gov>.

All personnel are eligible to participate in PERS, becoming vested 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 as follows:

Miscellaneous Employees	2% at age 55 (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)
Police Employees	3% at age 50
Fire employees	3% 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.

As discussed in Section V.C Subsequent Events, the California Public Employees' Pension Reform Act of 2013 (PEPRA), AB 340 as modified by AB 197 limits the

above provisions to current employees or PERS members. Employees hired after December 31, 2012 fall under the new provisions of PEPRA.

Annual Pension Cost

For Fiscal Year 2011-2012, the City's annual pension cost (APC) of \$22,331,816 for PERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2010 actuarial assumptions, using the entry age normal cost method.

Significant actuarial assumptions across all three plans included (1) 7.75% investment rate of return (net of administrative expenses), (2) projected annual salary increases ranging from 3.55% to 14.45% for miscellaneous and fire employees and from 3.55% to 13.15% for police employees and that vary based on the duration of service and type of employment, (3) 3.25 percent per year across-the-board real salary increases, and (4) inflation of 3%. 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 fifteen-year period. In addition, actuarial gains/losses in any given year are amortized over a thirty year period. PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Trend Information by Plan

	Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Police	2010	\$ 9,263,703	100%	\$ -
Police	2011	9,547,444	100%	-
Police	2012	10,741,912	100%	-
Fire	2010	\$ 3,549,349	100%	\$ -
Fire	2011	3,713,081	100%	-
Fire	2012	4,340,053	100%	-
Miscellaneous	2010	\$ 9,640,108	100%	\$ -
Miscellaneous	2011	9,071,291	100%	-
Miscellaneous	2012	9,589,913	100%	-

Contributions to PERS for the Fiscal Year ended June 30, 2012, are shown below:

	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Total</u>
Safety employees:			
Police	\$ 8,579,595	\$ 2,162,317	\$ 10,741,912
Fire	3,469,612	870,441	4,340,053
Total safety employees	12,049,207	3,032,758	15,081,965
Miscellaneous employees	6,173,653	3,416,259	9,589,912
Total	\$ 18,222,860	\$ 6,449,017	\$ 24,671,877

Funded Status and Funding Progress

The funded status of each plan as of June 30, 2011, the most recent actuarial valuation is as follows (dollar amounts in thousands):

	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL)-Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
Police	\$ 199,852	\$ 241,155	\$ 41,303	82.9%	\$ 24,008	172.0%
Fire *	\$ 9,135,654	\$ 10,951,745	\$ 1,816,091	83.4%	\$ 949,833	191.2%
Miscellaneous	\$ 286,637	\$ 332,651	\$ 46,014	86.2%	\$ 49,433	93.1%

* Amounts reflect total risk pool valuations and liabilities.

Valuations as of June 30, 2011 are based on the following assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	15 Year Smoothed Market
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. Public Agency Retirement System Retirement Enhancement Plan

Plan Description

The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS) effective January 1, 2003 for selected groups 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. PARS is 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. For employees meeting the eligibility requirements, the plan provides a benefit equal to the “3% at 60” plan factor (formula is a static 3% at age 60 and older), less the PERS “2% at 55” plan factors for all years of City service plus any military service purchased through PERS (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 PERS 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 and city contributions by employee groups are as follows:

	<u>City</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>
IUOE	2.7%	5.3%
SEIU	3.5%	4.5%
Management and confidential	3.0%	5.0%

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, 2012, was 7.80 percent of eligible employee gross wages. The City’s payroll for employees covered by PARS for the year ended June 30, 2012, was \$38,212,530. 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 actual value of assets used in the June 30, 2011 valuation is the investment gains or losses spread over a five year rolling period and not less than 80 percent nor more than 120 percent of the market value. The present value of plan

benefits earned prior to the valuation date is called the actuarial liability. The present value of plan benefits to be earned after the valuation date is called the present value of future normal costs.

Annual Pension Costs

For fiscal year 2011-2012, the City's annual pension cost (APC) of \$4,154,046, for PARS was equal to the City's required actual contribution. The required contribution was determined as part of the June 30, 2011, actuarial assumptions and retained the entry age actuarial cost method.

Contributions to PARS for the fiscal year ended June 30, 2012 are shown below:

	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Total</u>
Miscellaneous employees	\$ 1,096,798	\$ 3,057,249	\$ 4,154,047

Trend Information

The three year trend for fiscal years ending June 30 is as follows:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	\$ 4,490,429	100%	\$ -
2011	\$ 4,194,952	100%	-
2012	\$ 4,154,047	100%	-

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the plan was 36% funded. The actuarial accrued liability for benefits was \$71,388,000, and the actuarial value of assets was \$32,859,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$38,529,000. The covered payroll (annual payroll of active employees covered by the plan) was \$40,414,00, and the ratio of the UAAL to the covered payroll was 95.3%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability of benefits.

C. Early Retirement Incentive Plan

The City adopted through resolution number 13,893 a supplemental retirement plan to forty eight (48) eligible employees, this plan is administered by Phase II Systems, PARS Trust Administrator. The level of benefit is seven percent (7%) of the employee's final base pay, payable through the employee's lifetime, with an option of payment for five (5) to ten (10) years, at the employee's election.

D. Post-employment 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 post employment 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 allowed under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. The City's required monthly contribution for calendar year 2012 was \$112.00. 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

For fiscal 2011-2012 the City's annual OPEB cost of \$1,352,923 was higher than the actual contribution. The City's annual OPEB cost, actual contribution, percentage of annual OPEB cost contributed, and the net OPEB obligation for the current year and prior fiscal year were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2010	\$ 1,359,054	\$ 248,179	18.3%	\$ 4,958,472
6/30/2011	\$ 1,599,856	\$ 322,671	20.2%	\$ 6,235,657
6/30/2012	\$ 1,352,923	\$ 412,537	30.5%	\$ 7,176,043

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, was as follows:

Actuarial accrued liability (AAL)	\$	12,772,079
Actuarial value of plan assets		-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$</u>	<u>12,772,079</u>
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	82,501,012
UAAL as a percentage of covered payroll		15.481%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented as RSI following the notes to the financial statements.

IV. Risk Management

All funds of the City participate in general liability and workers' compensation insurance programs and make payments to internal service funds on the basis of loss experience and exposure. The total unpaid claims and claims adjustment expense liability (long-term obligations) of \$11,937,700 recorded at June 30, 2012, 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 as of the date of the financial statements and the amount of the loss can be reasonably estimated.

A. General Liability

The City is self-insured for general liability claims up to \$1,000,000. The City is covered through Big Independent Cities Excess Pool (BICEP) for claims between \$1,000,000 and \$25,000,000. Self-insured general liability claims are administered through a third-party administrator, with the City Attorney's approval required for settlements over \$15,000. Litigated claims are settled directly through the City Attorney's Office.

The City's contribution to BICEP for general liability coverage in Fiscal Year 2011-2012 was \$737,289 which included a pure premium adjustment of \$395,792. During the past five-year period, the average claims filed each year for general liability amounted to 201 claims totaling \$979,996 per year (an average of \$4,876 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. Information concerning the BICEP pooled liability insurance program can be obtained at 801 South Figueroa Street, Suite 1050, Los Angeles, CA 90017, telephone number (213) 896-8900.

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2012 was \$3,721,307. The following schedule presents the changes in self-insurance claims liabilities for the past two years:

	Public Liability and Property Damage	
	FY 11-12	FY 10-11
Unpaid claims and claims adjustment expenses-July 1	\$ 3,871,295	\$ 3,992,930
Incurred claims and claims adjustment expenses:		
Increase/decrease in provision for insured events	(149,988)	(121,635)
Increase/decrease in actuarially incurred but not reported claims (IBNR)	-	-
Total incurred claims and claims adjustment expenses	(149,988)	(121,635)
Unpaid claims and claims adjustment expenses-June 30	3,721,307	3,871,295
Claims and judgements due within one year	\$ 1,992,000	\$ 2,117,000

B. 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 215 claims filed per year for the past five years, with an average of approximately \$2,229,115 per year in total reported losses (an average of \$11,909 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.

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2012 was \$8,216,393.

The following schedule presents the changes in self-insurance claims liabilities for the past two years:

	Worker's Compensation	
	FY 11-12	FY 10-11
Unpaid claims and claims adjustment expenses-July 1	\$ 8,164,105	\$ 8,350,233
Incurred claims and claims adjustment expenses:		
Increase/decrease in provision for insured events	52,288	(186,128)
Increase/decrease in actuarially incurred but not reported claims (IBNR)	-	-
Total incurred claims and claims adjustment expenses	52,288	(186,128)
Unpaid claims and claims adjustment expenses-June 30	8,216,393	8,164,105
Claims and judgements due within one year	\$ 3,239,975	\$ 3,902,000

V. Other Information

A. Commitments 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, 2012 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.

B. Other

Successor Agency Trust For Assets of Former Redevelopment Agency

On December 20, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Oxnard that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 14135.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds were reported in the governmental funds as an extraordinary loss in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain.

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss recognized in the governmental funds was not the same amount as the extraordinary gain that was

recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds - increase to net assets of the Successor Agency Trust Fund	\$ 48,861,208
Capital assets recorded in the government-wide financial statements - increase to net assets of the Successor Agency Trust Fund	58,409,600
Long-term liabilities reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>(42,204,771)</u>
Net increase to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary loss reported in the government-wide financial statements of the City)	<u>\$ 65,066,037</u>

C. Subsequent Event

Issuance of \$19,505,000 City of Oxnard Financing Authority Local Obligation Revenue Bonds, Series A Senior Lien Bonds and \$9,060,000 City of Oxnard Financing Authority Local Obligation Bonds, Series B Subordinate Lien Bonds.

On July 31, 2012, the City issued the Bonds to purchase Acquired Obligations. The Acquired Obligations consist of (i) the AD Bonds, which are being issued in the aggregate amount of \$11,835,000 to refund the Refunded 2002 AD Bonds, which were previously issued by the City on August 27, 2002, in the aggregate principal amount of \$15,125,000, of which \$12,845,000 are currently outstanding, (ii) the CFD No. 1 Bonds, which are being issued in the aggregate principal amount of \$8,750,000 to refund the Refunded 2002 CFD No. 1 Bonds, which were previously issued by CFD No. 1 on December 19, 2002, in the aggregate principal amount of \$9,740,000, of which \$9,140,000 are currently outstanding, and (iii) the CFD No. 2000-3 Bonds, which are being issued in the aggregate principal amount of \$7,980,000 to refund the Refunded 2003 CFD No. 2000-3 Bonds, which were previously issued by CFD No. 2000-3 on February 6, 2003, in the aggregate principal amount of \$10,490,000, of which \$8,335,000 are currently outstanding.

Refunding of Certificates of Participation, Series 1999

On August 1, 2012, the City entered into a Lease/Purchase Agreement with City of Oxnard Financing Authority in the amount of \$5,570,838 to refinance the City's outstanding Certificates of Participation, Series 1999 of which \$6,120,000 are currently outstanding.

Due Diligence Review

On September 17, 2012, the SA retained Vavrinek, Trine, Day, and Company, LLP (VTDC) to perform the due diligence review (DDR) as required by AB 1484. The review of the Low-Moderate Income Housing Fund (LMIHF) was to have been completed by October 15, 2012 while the DDR for the all other funds of the former CDC is to be completed by December 15, 2012. The DDR for the LMIHF was reviewed at a public hearing by the Oversight Board on November 7 and approved on November 14, 2012 for submittal to the various agencies as required by AB 1484.

California Public Employees' Pension Reform Act of 2013 (PEPRA), AB 340 as modified by AB 197.

PEPRA makes substantial changes to the public employee pension laws in California. The measure takes effect Jan. 1, 2013, although not all of its provisions will be effective immediately. Most provisions of PEPRA only apply to new employees (new to pension systems) of public employers and pension plans hired on or after Jan. 1, 2013 with the exception of certain systems. PEPRA includes the following primary provisions:

- Establishes a cap on the amount of compensation that can be used to calculate a retirement benefit for all new members of a public retirement system equal to the Social Security wage index limit (adjusted annually and is currently set at \$110,100) for employees who participate in Social Security or 120% of that limit (\$132,120) if they do not participate in Social Security.
- Prohibits employers from offering a defined benefit or any combination of defined benefits, including a privately provided defined benefit, on compensation in excess of the new cap. Employers are prohibited from providing new members with a supplemental defined benefit plan.
- Employers are prohibited from making contributions for new members to any qualified retirement plan on pensionable compensation above the amount specified in Section 401(a)(17) of Title 26 of the United State Code (\$250,000).
- Establishes limits on employer contributions to defined contribution plans.
- Establishes new formula for new miscellaneous members at 2% at 62. The formula will be adjusted to encourage longevity. The formula will be adjusted to a maximum retirement factor of 2.5% at age 67. There will be three formulas for new safety members including: 2% at 57; 2.5% at 57; and 2.7% at 57. New members receive the formula that is closest to the formula for employees in their retirement classifications first hired on 12/31/2012.
- New members will be required to pay at least 50% of normal cost and prohibits employers from paying this contribution on the employee's behalf.

- After Jan. 1, 2018 employers may—subject to good faith bargaining—require current employees to pay at least 50% of the normal cost so long as the employee contribution does not exceed 8% for miscellaneous, 12% for police and fire, and 11% for all other local safety members. This section should not be construed as an obligation on employers to require current members to pay 50% of normal costs.
- Requires that final compensation for new members be calculated on the highest average annual pensionable compensation earned by a member during a period of at least 36-consecutive months.
- Establishes new limits for working after retirement.
- Defines pension compensation for new members.
- Requires that public officials and employees forfeit pension benefits if they are convicted of a felony related to the performance of official duties, related to seeking an elected office or appointment, in connection with obtaining salary or pension benefits, or committed against a child who the official or employee has contact with as part of his or her official duties.
- Prohibits a public retirement system from allowing the purchase of unqualified service credit. This refers to the purchase of service credit that an individual has not actually worked.
- Requires that any retirement enhancements to formulas or benefits must occur prospectively and not retroactively.
- Prohibits all employers from suspending employer and/or employee contributions necessary to fund annual pension normal costs.

Gas Tax Audit Finding

The California State Controller’s Office (SCO) audited the City’s Special Gas Tax Street Improvement Fund for the period July 01, 2008 through June 30, 2011, the draft report audit finding was that the City understated the fund balance by \$5,153,761 because it charged ineligible debt service payments (principal and interest) for Certificates of Participation (COP) issued in 2007. The SCO asserts that COPs are similar to bonds and require voter approval.

The City has reviewed this finding with the City’s bond counsel. Prior to issuance of the COPs, the City submitted the COP financing documents for legal validation pursuant to California Code of Civil Procedure, in the Ventura County Superior Court. The City received a favorable judgment. In addition, the City took the extra step to review the ruling. The City submitted a response to the SCO regarding the validity of the COP financing.

Notes to the Financial Statements
Successor Agency
June 30, 2012

I. Summary of Significant Accounting Policies

A. Reporting Entity

On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with AB 1X 26 as part of City resolution number 14135, to oversee the winding down of the agency's affairs and liquidation of the agency's assets effective February 1, 2012. AB 1484 essentially transferred authority over the successor agency to the oversight board, also established pursuant to AB 1X 26 and the California Department of Finance. Oversight Boards are composed of one member each appointed by the county board of supervisors, mayor, the largest special district by property tax share, the county supervisor of education, the Chancellor of the California Community Colleges, a public member appointed by the county board of supervisors and a member representing employees of the former redevelopment agency appointed by the mayor or chair of the county board of Supervisors.

Oversight boards direct the staff of the Successor Agency, have fiduciary responsibilities to holders of enforceable obligations, approves actions of the Successor Agency and establishes the Recognized Payment Obligation Payment Schedule.

II. Detailed Notes on All Funds

A. Cash and Investments

Cash and cash equivalents and investments with fiscal agents of the Successor Agency are comprised of the following at June 30, 2012:

	<u>Fair Value</u>
Deposits and investments	\$ 32,755,480
Investments with fiscal agents	12,427,001
Total	<u>\$ 45,182,481</u>

Detail notes on cash and cash investments can be found on the City's Notes to the financial statement.

B. Payables

Accounts payable and other liabilities as of June 30, 2012 primarily consist of the following:

Accounts Payable	
Due to vendors	\$ 3,399,094
Accrued payroll	18,211
Total	\$ 3,417,305

C. Capital Assets

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ -	\$ 1,221,289	\$ -	\$ 1,221,289
Construction in progress	-	31,196,255	(15,704,533)	15,491,722
Total capital assets, not being depreciated	-	32,417,544	(15,704,533)	16,713,011
Capital assets, being depreciated				
Buildings	-	905,636	-	905,636
Improvement other than buildings	-	46,919,371	-	46,919,371
Equipment and machinery	-	89,082	-	89,082
Total capital assets, being depreciated	-	47,914,089	-	47,914,089
Less accumulated depreciation for:				
Buildings	-	(418,654)	-	(418,654)
Improvement other than buildings	-	(6,726,336)	-	(6,726,336)
Equipment and machinery	-	(88,084)	-	(88,084)
Total accumulated depreciation	-	(7,233,074)	-	(7,233,074)
Total capital assets, being depreciated, net	-	40,681,015	-	40,681,015
Total	\$ -	\$ 73,098,559	\$ (15,704,533)	\$ 57,394,026

Per Assembly Bill 1X 26, capital assets of the former redevelopment agency were transferred to Successor Agency.

D. Long-Term Obligations

The following is a summary of changes in the Successor Agency's long-term obligations for the year ended June 30, 2012:

	<u>Balance June 30, 2011</u>	<u>Transferred</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>	<u>Due within One Year</u>
Tax allocation refunding bonds series 2004A	\$ -	14,705,000	\$ 730,000	\$ 13,975,000	\$ 755,000
Tax allocation bond financing series 2006:	-	19,005,000	450,000	18,555,000	465,000
HERO project tax allocation bonds series 2008:	-	11,445,000	185,000	11,260,000	190,000
Total long-term indebtedness	<u>\$ -</u>	<u>\$ 45,155,000</u>	<u>\$ 1,365,000</u>	<u>\$ 43,790,000</u>	<u>\$ 1,410,000</u>

Per Assembly Bill 1X 26, long-term debt of the former redevelopment agency was transferred to Successor Agency.

Description of Long-term Debt

Tax Allocation Refunding Bonds, Series 2004A

Tax Allocation Refunding Bonds, Series 2004A were issued on May 4, 2004 in the amount of \$19,185,000. These are twenty-two-year bonds with a net interest cost of 4.58 percent. 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, 2012 is \$13,975,000.

2006 Tax Allocation Bond Financings

Local Obligation Revenue Bonds (2006 Tax Allocation Bond Financings) in the amount of \$20,530,000 were issued on December 1, 2006 to purchase the following obligations being issued simultaneously for 1) the Oxnard Community Development Commission Ormond Beach Project Area Tax Allocation Bonds, Series 2006 in the amount of \$5,750,000, 2) the Oxnard Community Development Commission Southwinds Project Area Tax Allocation Bonds, Series 2006 in the amount of \$3,290,000, and 3) 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 HERO Redevelopment Project Areas. These bonds carry a net interest cost of 4.424 percent, maturing on September 1, 2036. The outstanding balance as of June 30, 2012 is \$18,555,000.

Tax Allocation Bonds, Series 2008

Tax Allocation Bonds, Series 2008 were issued on July 1, 2008 in the amount of \$11,790,000 for the Oxnard Community Development Commission Historic Enhancement and Revitalization of Oxnard (HERO) Project Area. 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. These bonds carry a net interest cost of 4.849 percent, with a final maturity of September 1, 2038. The outstanding balance as of June 30, 2012 is \$11,260,000.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and financings. Liabilities were calculated for the issues and rebate payments were made as appropriate.

The Successor Agency is in compliance with all significant covenants related to its debt issues. The annual debt service requirements for the Successor Agency's long-term obligations are as follows:

Fiscal Year	Tax Allocation Refunding Bonds 2004 A		Tax Allocation Bonds Series 2006		HERO Project Tax Allocation Bonds Series 2008	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 755,000	\$ 612,921	\$ 465,000	\$ 752,599	\$ 190,000	\$ 517,838
2014	780,000	585,278	480,000	736,301	200,000	510,038
2015	810,000	555,458	495,000	719,479	215,000	501,738
2016	840,000	523,268	515,000	700,516	215,000	493,138
2017	870,000	488,525	540,000	680,496	220,000	483,338
2018 - 2022	4,635,000	1,836,938	3,000,000	3,077,124	1,275,000	2,257,413
2023 - 2027	5,285,000	678,242	3,635,000	2,413,144	1,580,000	1,952,699
2028 - 2032	-	-	4,475,000	1,560,856	1,960,000	1,547,405
2033- 2037	-	-	4,950,000	509,261	2,620,000	997,106
2038 - 2039	-	-	-	-	2,785,000	133,727
Totals	\$ 13,975,000	\$ 5,280,630	\$ 18,555,000	\$ 11,149,776	\$ 11,260,000	\$ 9,394,440

II. Other Information

A. Commitments and Contingencies

The Successor Agency is a defendant in various claims and legal actions arising in the normal course of operations. In the opinion of the Successor Agency Attorney and Oversight Board, the ultimate liability from such actions and claims will not have a material adverse effect on the Successor Agency's financial position or operations.

B. Subsequent Events

Due Diligence Review

On September 17, 2012, the SA retained Vavrinek, Trine, Day, and Company, LLP (VTDC) to perform the due diligence review (DDR) as required by AB 1484. The review of the Low-Moderate Income Housing Fund (LMIHF) was to have been completed by October 15, 2012 while the DDR for the all other funds of the former CDC is to be completed by December 15, 2012. The DDR for the LMIHF was reviewed at a public hearing by the Oversight Board on November 7 and approved on November 14, 2012 for submittal to the various agencies as required by AB 1484.

Recognized Obligation Payment Schedule III

The Recognized Obligation Payment Schedule for the period of January to June 2013 (ROPS III) was submitted to the California Department of Finance (DOF) on August 30, 2012. Of the \$20,889,352 requested by the SA, \$6,147,297 was approved, including administrative costs. The primary item not approved was funding for the Wagon Wheel Affordable Housing Loan of \$14,267,022. On October 19, 2012 the SA requested a "meet and confer" with the DOF pursuant to AB 1484. That meeting took place on November 1, 2012 to which the DOF has until December 15, 2012 to respond.

**REQUIRED
SUPPLEMENTARY
INFORMATION**



**Required Supplementary Information
Schedule of Funding Progress
For the Year Ended June 30, 2012
(Dollars in Thousands)**

California Public Employees' Retirement System Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
Police						
6/30/08	\$ 165,344	\$ 197,254	\$ 31,910	83.8%	\$ 21,964	145.3%
6/30/09	\$ 175,938	\$ 218,213	\$ 42,275	80.6%	\$ 23,030	183.6%
6/30/10	\$ 186,836	\$ 230,263	\$ 43,427	81.1%	\$ 23,898	181.7%
Fire *						
6/30/08	\$ 7,464,928	\$ 8,700,468	\$ 1,235,540	85.8%	\$ 914,841	135.1%
6/30/09	\$ 8,027,159	\$ 9,721,675	\$ 1,694,516	82.6%	\$ 973,814	174.0%
6/30/10	\$ 8,470,235	\$ 10,165,475	\$ 1,695,240	83.3%	\$ 955,981	177.3%
Miscellaneous						
6/30/08	\$ 245,132	\$ 277,076	\$ 31,944	88.5%	\$ 55,412	57.6%
6/30/09	\$ 258,028	\$ 300,084	\$ 42,056	86.0%	\$ 53,822	78.1%
6/30/10	\$ 272,189	\$ 313,317	\$ 41,128	86.9%	\$ 52,770	77.9%

* Fire amounts reflect total risk pool valuations and liabilities.

Public Agency Retirement System Retirement Enhancement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
7/1/05	\$ 7,357	\$ 32,328	\$ 24,971	22.76%	\$ 33,043	75.57%
7/1/07	\$ 16,294	\$ 41,103	\$ 24,809	39.64%	\$ 42,159	58.85%
6/30/11	\$ 32,859	\$ 71,388	\$ 38,529	46.00%	\$ 40,114	95.30%

**Required Supplementary Information
Schedule of Funding Progress
For the Year Ended June 30, 2012
(Dollars in Thousands)**

Other Post Employment Benefit – CalPERS Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
7/1/07	\$ -	\$ 23,751	\$ 23,751	0%	\$ 86,730	27.4%
7/1/09	\$ -	\$ 11,081	\$ 11,081	0%	\$ 85,873	12.9%
7/1/11	\$ -	\$ 12,772	\$ 12,772	0%	\$ 82,501	15.5%

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Property	\$ 41,148,000	\$ 39,433,000	\$ 40,027,900	\$ 594,900
Sales	32,208,000	33,810,000	37,453,124	3,643,124
Transient occupancy	3,459,000	3,477,000	3,402,793	(74,207)
Business license (net of refund)	4,775,000	5,642,000	6,125,278	483,278
Franchise	3,363,000	3,289,000	3,435,823	146,823
Other taxes	656,000	454,000	529,451	75,451
Licenses and permits	1,336,000	1,693,000	1,802,900	109,900
Intergovernmental	11,483,816	12,168,816	11,821,579	(347,237)
Charges for services:	11,056,000	9,839,900	9,366,140	(473,760)
Fines and forfeitures	638,000	632,000	620,374	(11,626)
Investment earnings	477,000	286,000	299,473	13,473
Investment income	-	-	78,344	78,344
Miscellaneous	5,621,000	3,017,000	5,136,999	2,119,999
Total revenues	<u>116,220,816</u>	<u>113,741,716</u>	<u>120,100,178</u>	<u>6,358,462</u>
EXPENDITURES				
General government:				
Legislative				
City council	352,382	348,345	348,427	(82)
City treasurer	1,167,167	1,111,006	1,109,440	1,566
City clerk	353,311	384,065	384,102	(37)
City manager	1,309,823	1,386,423	1,450,925	(64,502)
City attorney	1,346,917	1,277,601	1,271,537	6,064
Financial services	3,481,758	3,304,292	3,305,772	(1,480)
Human resources	1,171,903	998,237	1,098,498	(100,261)
Non-departmental	1,075,148	1,231,018	1,080,760	150,258
Public safety:				
Police	52,434,394	51,902,393	49,815,035	2,087,358
Fire	14,942,227	15,293,136	15,222,116	71,020
Transportation	4,086,571	4,858,353	4,411,287	447,066
Community development:				
Development services	6,191,751	5,314,142	5,257,884	56,258
Economic development and tourism service	864,948	864,948	864,948	-
Housing services	373,855	339,132	204,030	135,102
Community services	2,367,409	2,894,791	2,778,376	116,415
Culture and leisure:				
Recreation services	3,837,417	3,963,839	3,985,497	(21,658)
Carnegie art museum	-	-	-	-
Park and public grounds	8,325,062	8,024,804	7,566,120	458,684
Library services	4,577,282	4,375,027	4,523,541	(148,514)
Capital outlay	519,930	20,341,208	9,818,142	10,523,066
Total expenditures	<u>108,779,255</u>	<u>128,212,760</u>	<u>114,496,437</u>	<u>13,716,323</u>
Excess (deficiency) of revenues over expenditures	<u>7,441,561</u>	<u>(14,471,044)</u>	<u>5,603,741</u>	<u>20,074,785</u>
Other financing sources (uses)				
Transfers in	-	1,666,700	36,750	(1,629,950)
Transfers out	(4,813,560)	(5,001,275)	(5,001,275)	-
Net other financing sources (uses)	<u>(4,813,560)</u>	<u>(3,334,575)</u>	<u>(4,964,525)</u>	<u>(1,629,950)</u>
Net change in fund balances	2,628,001	(17,805,619)	639,216	18,444,835
Fund balances, July 1	33,120,835	33,120,835	33,120,835	-
Fund balances, budgetary basis, June 30	\$ 35,748,836	\$ 15,315,216	\$ 33,760,051	\$ 18,444,835

Notes to Budgetary Comparison Schedule:

Budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

Federal & State Grants Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 2,448,375	\$ 5,626,833	\$ 17,133,778	\$ 11,506,945
Fines and forfeitures	-	-	265,395	265,395
Interest	-	-	23,476	23,476
Miscellaneous	-	93,267	94,364	1,097
Total revenues	2,448,375	5,720,100	17,517,013	11,796,913
EXPENDITURES				
Public safety	-	3,880,093	2,180,421	1,699,672
Transportation	-	2,043	20,874	(18,831)
Community Development	2,319,463	7,350,980	2,928,207	4,422,773
Culture and leisure	128,912	367,580	366,128	1,452
Library Services	-	119,328	29,734	89,594
Capital Outlay	-	25,431,678	18,262,519	7,169,159
Total expenditures	2,448,375	37,151,702	23,787,883	13,363,819
Excess of revenues over (under) expenditures	-	(31,431,602)	(6,270,870)	25,160,732
Other financing uses:				
Transfers in	-	10,215	10,215	-
Total other financing uses	-	10,215	10,215	-
Net changes in fund balances	-	(31,421,387)	(6,260,655)	25,160,732
Fund balances-July 1	(125,499)	(125,499)	(125,499)	-
Fund balances, budgetary basis, June 30	\$ (125,499)	\$ (31,546,886)	\$ (6,386,154)	\$ 25,160,732

Notes to Budgetary Comparison Schedule:

Budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

SUPPLEMENTARY INFORMATION



NON-MAJOR GOVERNMENTAL FUNDS



Non-Major Governmental Funds Special Revenue Funds

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

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 grants to develop viable urban communities.

Public Safety Retirement Fund – This fund is used to account for voter-approved property tax for public safety uniformed employees' retirement.

Debt Service Fund – This fund accounts for the accumulation of resources and payments of principal and interest of the City's general long-term debt.

Capital Outlay Fund – This fund accounts for financing and construction of general government capital projects.

Community Development Commission Fund – This fund accounts for tax increments collected.

Housing Successor Fund – This fund accounts for Low & Moderate Housing assets.

Tax Increments Fund – This fund accounts for Cooperation Agreement transactions.

State Gas Tax Fund – This fund is used to account for the allocated share of Gas Tax Revenue. Spending of gas tax is legally restricted to be used for maintenance and improvement of public streets.

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 – This fund is used to account for Transportation Development Act revenues and to be used 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.

City of Oxnard, California
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012

	Development Fees Fund	HUD and CDBG Grants Fund	Public Safety Retirement Fund	Debt Service Fund	Capital Outlay Fund	Community Development Commission Fund	Housing Successor
ASSETS							
Cash and cash equivalents	\$ 22,479,061	\$ -	\$ 7,030,705	\$ 140,390	\$ 1,356,905	\$ -	271,918
Investments with fiscal agents	-	-	-	1,273,796	7,488,173	-	-
Accounts and other receivables	123,374	5,441,891	-	-	-	-	-
Notes receivable	650,000	-	-	-	-	-	2,050,000
Due from other funds	7,972,141	-	-	-	-	-	-
Due from other government	-	622,353	573,489	-	-	-	-
Properties held for resale	-	-	-	-	-	-	104,736
Other assets	-	59,408	-	-	-	-	-
Total assets	\$ 31,224,576	\$ 6,123,652	\$ 7,604,194	\$ 1,414,186	\$ 8,845,078	\$ -	\$ 2,426,654
LIABILITIES							
Accounts payable	1,137,626	343,990	-	7,418	24,437	-	271,918
Other liabilities	118,483	74,606	337,797	-	-	-	-
Due to other funds	-	263,664	-	-	151,938	-	-
Unearned revenues	-	5,441,392	-	-	-	-	-
Total liabilities	1,256,109	6,123,652	337,797	7,418	176,375	-	271,918
FUND BALANCES							
Restricted for:							
Debt service	-	-	-	1,406,768	7,488,173	-	-
Housing	-	-	-	-	-	-	2,154,736
Public safety retirement	-	-	7,266,397	-	-	-	-
Assigned to:							
Capital projects	-	-	-	-	1,180,530	-	-
Other purposes	29,968,467	-	-	-	-	-	-
Total fund balances	29,968,467	-	7,266,397	1,406,768	8,668,703	-	2,154,736
Total liabilities and fund balances	\$ 31,224,576	\$ 6,123,652	\$ 7,604,194	\$ 1,414,186	\$ 8,845,078	\$ -	\$ 2,426,654

City of Oxnard, California
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2012

Tax Increments	State Gas Tax Fund	Traffic Safety Fund	Transportation Development Fund	Maintenance Assessment Districts Fund	Total Non-major Governmental Funds	
\$ -	\$ 5,171,487	\$ -	\$ 2,900,211	\$ 14,816,917	\$ 54,167,594	ASSETS
-	391,715	-	-	-	9,153,684	Cash and cash equivalents
-	8,860	-	390	1,800	5,576,315	Investments with fiscal agents
-	-	-	-	-	2,700,000	Accounts and other receivables
-	-	-	-	-	7,972,141	Notes receivable
-	-	115,294	-	-	1,311,136	Due from other funds
-	-	-	-	-	104,736	Due from other government
-	-	-	-	-	59,408	Properties held for resale
-	-	-	-	-	-	Other assets
\$ -	\$ 5,572,062	\$ 115,294	\$ 2,900,601	\$ 14,818,717	\$ 81,045,014	Total assets
-	167,198	-	55,046	331,258	2,338,891	LIABILITIES
-	51,088	2,244	3,231	21,522	608,971	Accounts payable
-	-	245,934	-	-	661,536	Other liabilities
-	-	-	1,870,832	-	7,312,224	Due to other funds
-	218,286	248,178	1,929,109	352,780	10,921,622	Unearned revenues
-	-	-	-	-	-	Total liabilities
-	391,715	-	-	-	9,286,656	FUND BALANCES
-	-	-	-	-	2,154,736	Restricted for:
-	-	-	-	-	7,266,397	Debt service
-	-	-	-	-	1,180,530	Housing
-	4,962,061	(132,884)	971,492	14,465,937	50,235,073	Public safety retirement
-	5,353,776	(132,884)	971,492	14,465,937	70,123,392	Assigned to:
-	5,572,062	115,294	2,900,601	14,818,717	81,045,014	Capital projects
-	-	-	-	-	-	Other purposes
\$ -	\$ 5,572,062	\$ 115,294	\$ 2,900,601	\$ 14,818,717	\$ 81,045,014	Total fund balances
-	-	-	-	-	-	Total liabilities and fund balances

City of Oxnard, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Non-Major Funds
For the Year Ended June 30, 2012

	Development Fees Fund	HUD and CDBG Grants Fund	Public Safety Retirement Fund	Debt Service Fund	Capital Outlay Fund	Community Development Commission Fund	Housing Successor
REVENUES							
Taxes	\$ -	\$ -	\$ 13,006,465	\$ -	\$ -	\$ 10,142,523	\$ -
Licenses and permits	1,859,951	-	-	-	-	-	-
Intergovernmental	-	4,094,912	-	-	-	-	-
Growth and development fees	5,979,605	-	-	-	-	-	-
Charges for services	-	-	-	-	52,296	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Interest	315,979	-	-	-	36,582	205,656	41,464
Rental income	-	-	-	-	-	148,993	-
Investment income	101,306	-	24,106	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Miscellaneous	1,709,131	-	-	-	-	1,098,301	34,218
Total revenues	9,965,972	4,094,912	13,030,571	-	88,878	11,595,473	75,682
EXPENDITURES							
Current:							
General government	173,080	800	-	-	-	-	-
Public safety	919,119	220,000	15,195,651	-	-	-	-
Transportation	466,601	-	-	-	-	-	-
Community Development	1,799,441	2,444,131	-	-	-	5,698,908	380,188
Culture and leisure	12,205	37,940	-	-	24,414	-	-
Capital outlay	3,622,819	1,394,329	-	-	3,703,291	2,255,435	7,526,584
Debt service:							
Principal	-	-	-	2,462,740	535,000	1,365,000	-
Interest and fiscal charges	-	-	-	1,856,849	1,178,150	1,026,895	-
Total expenditures	6,993,265	4,097,200	15,195,651	4,319,589	5,440,855	10,346,238	7,906,772
Excess (deficiency) of revenues over (under) expenditures	2,972,707	(2,288)	(2,165,080)	(4,319,589)	(5,351,977)	1,249,235	(7,831,090)
OTHER FINANCING SOURCES (USES)							
Issuance of debt	-	-	-	-	3,680,714	-	-
Transfers in	-	-	-	5,584,053	-	-	-
Transfers out	(1,781,561)	-	-	-	(236,119)	(1,273,792)	-
Net other financing sources (uses)	(1,781,561)	-	-	5,584,053	3,444,595	(1,273,792)	-
SPECIAL ITEMS							
Contributions from other funds	-	-	-	-	-	59,336,455	17,554,907
Contributions to other funds	-	-	-	-	-	(17,554,907)	-
Capital contributions	-	-	-	-	-	(14,627)	-
Extraordinary loss	-	-	-	-	-	(41,292,127)	(7,569,081)
Net change in fund balances	1,191,146	(2,288)	(2,165,080)	1,264,464	(1,907,382)	450,237	2,154,736
Fund balances, July 1	28,777,321	2,288	9,431,477	142,304	10,576,085	(450,237)	-
Fund balances, June 30	\$ 29,968,467	\$ -	\$ 7,266,397	\$ 1,406,768	\$ 8,668,703	\$ -	\$ 2,154,736

City of Oxnard, California
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Non-Major Funds
 For the Year Ended June 30, 2012

Tax Increments	State Gas Tax Fund	Traffic Safety Fund	Transportation Development Fund	Maintenance Assessment Districts Fund	Total Non-major Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ 9,629	\$ 23,158,617	REVENUES
-	-	-	-	-	1,859,951	Taxes
-	5,616,375	-	654,982	-	10,366,269	Licenses and permits
-	-	-	-	-	5,979,605	Intergovernmental
-	497,919	17,721	33,212	-	601,148	Growth and development fees
-	-	425,920	-	-	425,920	Charges for services
-	32,917	-	20,432	129,555	782,585	Fines and forfeitures
-	-	-	-	-	148,993	Interest
-	-	-	-	44,838	170,250	Rental income
-	-	-	-	8,084,122	8,084,122	Investment income
-	53,330	-	178,274	-	3,073,254	Special assessments
-	6,200,541	443,641	886,900	8,268,144	54,650,714	Miscellaneous
						Total revenues
						EXPENDITURES
						Current:
-	3,625	-	-	128,442	305,947	General government
-	-	235,415	-	2,430,899	19,001,084	Public safety
-	4,233,859	16,565	698,148	500,453	5,915,626	Transportation
-	1,124	-	-	-	10,323,792	Community Development
-	-	-	-	5,183,493	5,258,052	Culture and leisure
-	86,701	-	168,540	29,870	18,787,569	Capital outlay
-	-	-	-	-	4,362,740	Debt service:
-	-	-	-	-	4,061,894	Principal
-	-	-	-	-	-	Interest and fiscal charges
-	4,325,309	251,980	866,688	8,273,157	68,016,704	Total expenditures
-	1,875,232	191,661	20,212	(5,013)	(13,365,990)	Excess (deficiency) of revenues over (under) expenditures
						OTHER FINANCING SOURCES (USES)
-	-	-	-	-	3,680,714	Issuance of debt
-	-	300,000	-	177,500	6,061,553	Transfers in
-	-	-	-	-	(3,291,472)	Transfers out
-	-	300,000	-	177,500	6,450,795	Net other financing sources (uses)
						SPECIAL ITEMS
-	-	-	-	-	76,891,362	Contributions from other funds
(59,336,455)	-	-	-	-	(76,891,362)	Contributions to other funds
-	-	-	-	-	(14,627)	Capital contributions
-	-	-	-	-	(48,861,208)	Extraordinary loss
(59,336,455)	1,875,232	491,661	20,212	172,487	(55,791,030)	Net change in fund balances
59,336,455	3,478,544	(624,545)	951,280	14,293,450	125,914,422	Fund balances, July 1
\$ -	\$ 5,353,776	\$ (132,884)	\$ 971,492	\$ 14,465,937	\$ 70,123,392	Fund balances, June 30

City of Oxnard, California
Non Major - Development Fees Special Revenue Funds
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Licenses and permits	\$ 730,000	\$ 730,000	\$ 1,859,951	\$ 1,129,951
Growth and development fees	1,808,100	1,808,100	5,979,605	4,171,505
Interest	537,220	537,220	315,979	(221,241)
Investment income	-	-	101,306	101,306
Miscellaneous	424,800	424,800	1,709,131	1,284,331
Total revenues	<u>3,500,120</u>	<u>3,500,120</u>	<u>9,965,972</u>	<u>6,465,852</u>
EXPENDITURES				
General government	120,620	120,620	173,080	(52,460)
Public safety	725,934	725,934	919,119	(193,185)
Transportation	168,000	168,000	466,601	(298,601)
Community development	-	1,891,580	1,799,441	92,139
Culture and leisure	-	-	12,205	(12,205)
Capital Outlay	1,098,477	25,702,981	3,622,819	22,080,162
Total expenditures	<u>2,113,031</u>	<u>28,609,115</u>	<u>6,993,265</u>	<u>21,615,850</u>
Excess (deficiency) of revenues over(under) expenditures	1,387,089	(25,108,995)	2,972,707	28,081,702
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,781,561)	(1,781,561)	(1,781,561)	-
Total other financing sources (uses)	<u>(1,781,561)</u>	<u>(1,781,561)</u>	<u>(1,781,561)</u>	<u>-</u>
Net change in fund balances	(394,472)	(26,890,556)	1,191,146	28,081,702
Fund balance, July 1	28,777,321	28,777,321	28,777,321	-
Fund balance, June 30	<u>\$ 28,382,849</u>	<u>\$ 1,886,765</u>	<u>\$ 29,968,467</u>	<u>\$ 28,081,702</u>

City of Oxnard
Non-Major-CDBG & HUD
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 3,675,016	\$ 3,675,016	\$ 4,094,912	\$ 419,896
Total revenues	3,675,016	3,675,016	4,094,912	419,896
EXPENDITURES				
General government	-	-	800	(800)
Public safety	220,000	220,000	220,000	-
Community Development	1,888,161	2,997,479	2,444,131	553,348
Culture and leisure	37,940	37,940	37,940	-
Capital Outlay	2,679,357	4,663,371	1,394,329	3,269,042
Total expenditures	4,825,458	7,918,790	4,097,200	3,821,590
Excess(deficiency) of revenues over (under) expenditures	(1,150,442)	(4,243,774)	(2,288)	4,241,486
Net change in fund balances	(1,150,442)	(4,243,774)	(2,288)	4,241,486
Fund balance, July 1	2,288	2,288	2,288	-
Fund balance, June 30	\$ (1,148,154)	\$ (4,241,486)	\$ -	\$ 4,241,486

City of Oxnard, California
Non-Major - Public Safety Retirement
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 13,516,600	\$ 13,516,600	\$ 13,006,465	\$ (510,135)
Investment income	-	-	24,106	24,106
Total revenues	13,516,600	13,516,600	13,030,571	(486,029)
EXPENDITURES				
Public safety	14,926,758	14,926,758	15,195,651	(268,893)
Total expenditures	14,926,758	14,926,758	15,195,651	(268,893)
Excess (deficiency) of revenues over (under) expenditures	(1,410,158)	(1,410,158)	(2,165,080)	(754,922)
Net change in fund balances	(1,410,158)	(1,410,158)	(2,165,080)	(754,922)
Fund balance, July 1	9,431,477	9,431,477	9,431,477	-
Fund balance, June 30	\$ 8,021,319	\$ 8,021,319	\$ 7,266,397	\$ (754,922)

City of Oxnard
Non-Major - Debt Service Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
REVENUES				
Interest	\$ 31,413	\$ 31,413	\$ -	\$ (31,413)
Total revenues	31,413	31,413	-	(31,413)
EXPENDITURES				
Debt Service:				
Principal	2,400,825	2,400,825	2,462,740	(61,915)
Interest	3,159,258	3,159,258	1,856,849	1,302,409
Total expenditures	5,560,083	5,560,083	4,319,589	1,240,494
Excess(deficiency) of revenues over (under) expenditures	(5,528,670)	(5,528,670)	(4,319,589)	1,209,081
OTHER FINANCING SOURCES(USES)				
Transfers in	3,852,311	3,852,311	5,584,053	1,731,742
Total other financing sources (uses)	3,852,311	3,852,311	5,584,053	1,731,742
Net changes in fund balances	(1,676,359)	(1,676,359)	1,264,464	2,940,823
Fund balance, July 1	142,304	142,304	142,304	-
Fund balance, June 30	<u>\$ (1,534,055)</u>	<u>\$ (1,534,055)</u>	<u>\$ 1,406,768</u>	<u>\$ 2,940,823</u>

City Of Oxnard, California
Non-Major - Capital Outlay Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Interest	-	-	36,582	36,582
Charges for services	-	-	52,296	52,296
Total revenues	<u>-</u>	<u>-</u>	<u>88,878</u>	<u>88,878</u>
EXPENDITURES				
Culture and leisure	-	-	24,414	(24,414)
Capital Outlay	-	6,622,552	3,703,291	2,919,261
Debt service:				
Principal	-	-	535,000	(535,000)
Interest	-	-	1,178,150	(1,178,150)
Total expenditures	<u>-</u>	<u>6,622,552</u>	<u>5,440,855</u>	<u>1,181,697</u>
Excess (deficiency) of revenues over(under) expenditures	<u>-</u>	<u>(6,622,552)</u>	<u>(5,351,977)</u>	<u>1,270,575</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(236,119)	(236,119)
Issuance of debt	-	-	3,680,714	3,680,714
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,444,595</u>	<u>3,444,595</u>
Net change in fund balances	-	(6,622,552)	(1,907,382)	4,715,170
Fund balance, July 1	10,576,085	10,576,085	10,576,085	-
Fund balance, June 30	<u><u>\$ 10,576,085</u></u>	<u><u>\$ 3,953,533</u></u>	<u><u>\$ 8,668,703</u></u>	<u><u>\$ 4,715,170</u></u>

City Of Oxnard, California
Non-Major - Community Development Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 11,033,300	\$ 11,033,300	\$ 10,142,523	\$ (890,777)
Interest	1,047,700	1,047,700	205,656	(842,044)
Rental income	268,900	268,900	148,993	(119,907)
Miscellaneous	1,958,800	1,958,800	1,098,301	(860,499)
Total revenues	<u>14,308,700</u>	<u>14,308,700</u>	<u>11,595,473</u>	<u>(2,713,227)</u>
EXPENDITURES				
Community development	8,851,363	8,851,363	5,698,908	3,152,455
Capital Outlay	43,438,789	17,763,027	2,255,435	15,507,592
Debt service:				
Principal	1,365,000	1,365,000	1,365,000	-
Interest	2,671,256	2,671,256	1,026,895	1,644,361
Total expenditures	<u>56,326,408</u>	<u>30,650,646</u>	<u>10,346,238</u>	<u>20,304,408</u>
Excess (deficiency) of revenues over(under) expenditures	<u>(42,017,708)</u>	<u>(16,341,946)</u>	<u>1,249,235</u>	<u>17,591,181</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(1,273,792)	1,273,792
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,273,792)</u>	<u>1,273,792</u>
SPECIAL ITEMS				
Contributions from other funds	-	-	59,336,455	59,336,455
Contributions to other funds	-	-	(17,554,907)	(17,554,907)
Capital contribution	-	-	(14,627)	(14,627)
Extraordinary loss	-	-	(41,292,127)	(41,292,127)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>474,794</u>	<u>474,794</u>
Net change in fund balances	<u>(42,017,708)</u>	<u>(16,341,946)</u>	<u>450,237</u>	<u>18,065,975</u>
Fund balance, July 1	<u>(450,237)</u>	<u>(450,237)</u>	<u>(450,237)</u>	<u>-</u>
Fund balance, June 30	<u>\$ (42,467,945)</u>	<u>\$ (16,792,183)</u>	<u>\$ -</u>	<u>\$ 18,065,975</u>

City Of Oxnard, California
Non-Major - Housing Successor
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Rental income	\$ -	\$ -	\$ 41,464	\$ 41,464
Miscellaneous	-	-	34,218	34,218
Total revenues	-	-	75,682	75,682
EXPENDITURES				
Community development	-	-	380,188	(380,188)
Capital Outlay	-	-	7,526,584	(7,526,584)
Total expenditures	-	-	7,906,772	(7,906,772)
Excess (deficiency) of revenues over(under) expenditures	-	-	(7,831,090)	(7,831,090)
SPECIAL ITEMS				
Contributions from other funds	-	-	17,554,907	17,554,907
Extraordinary loss	-	-	(7,569,081)	(7,569,081)
Total other financing sources (uses)	-	-	9,985,826	9,985,826
Net change in fund balances	-	-	2,154,736	2,154,736
Fund balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ 2,154,736	\$ 2,154,736

City Of Oxnard, California
Non-Major - Tax Increments
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	Original Budget	Final Budgeted Amount	Actual Amounts	Variance with Final Budget
REVENUES				
Rental income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Community development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
SPECIAL ITEMS				
Contributions to other funds	-	-	(59,336,455)	(59,336,455)
Total other financing sources (uses)	-	-	(59,336,455)	(59,336,455)
Net change in fund balances	-	-	(59,336,455)	(59,336,455)
Fund balance, July 1	59,336,455	59,336,455	59,336,455	-
Fund balance, June 30	\$ 59,336,455	\$ 59,336,455	\$ -	\$ (59,336,455)

City of Oxnard, California
Non-Major - State Gas Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 3,494,700	\$ 3,494,700	\$ 5,616,375	\$ 2,121,675
Charges for services	209,100	209,100	497,919	288,819
Interest	34,400	34,400	32,917	(1,483)
Miscellaneous	2,700	2,700	53,330	50,630
Total revenues	<u>3,740,900</u>	<u>3,740,900</u>	<u>6,200,541</u>	<u>2,459,641</u>
EXPENDITURES				
General government	12,125	12,125	3,625	8,500
Transportation	3,334,480	3,334,480	4,233,859	(899,379)
Community development	9,400	9,400	1,124	8,276
Capital Outlay	-	155,359	86,701	68,658
Total expenditures	<u>3,356,005</u>	<u>3,511,364</u>	<u>4,325,309</u>	<u>(813,945)</u>
Excess (deficiency) of revenues over(under) expenditures	<u>384,895</u>	<u>229,536</u>	<u>1,875,232</u>	<u>1,645,696</u>
Net change in fund balances	384,895	229,536	1,875,232	1,645,696
Fund balance, July 1	3,478,544	3,478,544	3,478,544	-
Fund balance, June 30	<u><u>\$ 3,863,439</u></u>	<u><u>\$ 3,708,080</u></u>	<u><u>\$ 5,353,776</u></u>	<u><u>\$ 1,645,696</u></u>

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, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Charges for services	\$ 10,000	\$ 10,000	\$ 17,721	\$ 7,721
Fines and forfeitures	451,700	451,700	425,920	(25,780)
Total revenues	<u>461,700</u>	<u>461,700</u>	<u>443,641</u>	<u>(18,059)</u>
EXPENDITURES				
Public safety	313,432	313,432	235,415	78,017
Transportation	637,409	637,409	16,565	620,844
Total expenditures	<u>950,841</u>	<u>950,841</u>	<u>251,980</u>	<u>698,861</u>
Excess (deficiency) of revenues over(under) expenditures	<u>(489,141)</u>	<u>(489,141)</u>	<u>191,661</u>	<u>680,802</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balances	<u>(189,141)</u>	<u>(189,141)</u>	<u>491,661</u>	<u>680,802</u>
Fund balance, July 1	<u>(624,545)</u>	<u>(624,545)</u>	<u>(624,545)</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ (813,686)</u></u>	<u><u>\$ (813,686)</u></u>	<u><u>\$ (132,884)</u></u>	<u><u>\$ 680,802</u></u>

Non-Major - Transportation Development
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 559,500	\$ 559,500	\$ 654,982	\$ 95,482
Charges for services	84,600	84,600	33,212	(51,388)
Interest	38,900	38,900	20,432	(18,468)
Miscellaneous	168,600	168,600	178,274	9,674
Total revenues	<u>851,600</u>	<u>851,600</u>	<u>886,900</u>	<u>35,300</u>
EXPENDITURES				
Transportation	666,580	666,580	698,148	(31,568)
Capital Outlay	50,000	619,361	168,540	450,821
Total expenditures	<u>716,580</u>	<u>1,285,941</u>	<u>866,688</u>	<u>419,253</u>
Excess (deficiency) of revenues over(under) expenditures	<u>135,020</u>	<u>(434,341)</u>	<u>20,212</u>	<u>454,553</u>
Net change in fund balances	135,020	(434,341)	20,212	454,553
Fund balance, July 1	951,280	951,280	951,280	-
Fund balance, June 30	<u>\$ 1,086,300</u>	<u>\$ 516,939</u>	<u>\$ 971,492</u>	<u>\$ 454,553</u>

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, 2012

	<u>Original Budget</u>	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 9,629	\$ 9,629
Interest	76,500	76,500	129,555	53,055
Special assessments	7,965,011	7,965,011	8,084,122	119,111
Investment income	-	-	44,838	44,838
Miscellaneous	23,400	23,400	-	(23,400)
Total revenues	<u>8,064,911</u>	<u>8,064,911</u>	<u>8,268,144</u>	<u>203,233</u>
EXPENDITURES				
General government	131,009	131,009	128,442	2,567
Public safety	2,175,204	2,325,204	2,430,899	(105,695)
Transportation	668,933	1,008,792	500,453	508,339
Culture and leisure	4,781,503	4,855,150	5,183,493	(328,343)
Capital Outlay	70,000	70,000	29,870	40,130
Total expenditures	<u>7,826,649</u>	<u>8,390,155</u>	<u>8,273,157</u>	<u>116,998</u>
Excess (deficiency) of revenues over(under) expenditures	<u>238,262</u>	<u>(325,244)</u>	<u>(5,013)</u>	<u>320,231</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	177,500	177,500	-
Total other financing sources (uses)	<u>-</u>	<u>177,500</u>	<u>177,500</u>	<u>-</u>
Net change in fund balances	238,262	(147,744)	172,487	320,231
Fund balance, July 1	<u>14,293,450</u>	<u>14,293,450</u>	<u>14,293,450</u>	<u>-</u>
Fund balance, June 30	<u>\$ 14,531,712</u>	<u>\$ 14,145,706</u>	<u>\$ 14,465,937</u>	<u>\$ 320,231</u>

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INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

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

Public Liability and Property Damage Fund-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.

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

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, 2012

	Public Liability / Property Damage	Worker's Compensation	Utility Customer Service	Information Services	Facilities Maintenance	Equipment Maintenance	Total
ASSETS							
Cash and cash equivalents	\$ 4,967,461	\$ 7,702,490	\$ 485,917	\$ 2,350,201	\$ 472,495	\$ 1,266	\$ 15,979,830
Accounts and other receivable (net of allowance for uncollectibles)	45,875	99,717	-	-	4,868	-	150,460
Other assets	-	-	32,900	-	-	-	32,900
Capital assets:							
Land	595,500	-	-	-	-	-	595,500
Machinery and equipment	52,621	56,827	42,507	2,065,985	633,479	699,834	3,551,253
Construction in progress	-	-	-	1,323,028	-	446,539	1,769,567
Total capital assets	648,121	56,827	42,507	3,389,013	633,479	1,146,373	5,916,320
Less accumulated depreciation	(52,621)	(56,224)	(42,027)	(1,555,502)	(548,425)	(495,267)	(2,750,066)
Net capital assets	595,500	603	480	1,833,511	85,054	651,106	3,166,254
Total assets	5,608,836	7,802,810	519,297	4,183,712	562,417	652,372	19,329,444
LIABILITIES							
Current liabilities:							
Accounts payable	5,517	10,391	58,828	217,685	44,147	89,688	426,256
Other liabilities	1,600	6,264	11,324	39,800	51,038	75,780	185,806
Capital lease payable - current	-	-	-	-	-	27,984	27,984
Compensated absences payable - current	-	14,000	26,000	147,000	183,000	285,000	655,000
Self insurance claims - due within one year	1,992,000	3,239,975	-	-	-	-	5,231,975
Total current liabilities	1,999,117	3,270,630	96,152	404,485	278,185	478,452	6,527,021
Noncurrent liabilities:							
Compensated absences payable	-	3,184	7,186	90,244	102,943	95,858	299,415
Self insurance claims	1,729,306	4,976,419	-	-	-	-	6,705,725
Other post employment payable	106,755	9,567	30,261	67,871	93,547	119,803	427,804
Capital lease payable	-	-	-	-	-	73,620	73,620
Total noncurrent liabilities	1,836,061	4,989,170	37,447	158,115	196,490	289,281	7,506,564
Total liabilities	3,835,178	8,259,800	133,599	562,600	474,675	767,733	14,033,585
NET ASSETS							
Invested in capital assets, net of related debt	595,500	603	480	1,833,511	85,054	549,502	3,064,650
Unrestricted	1,178,158	(457,593)	385,218	1,787,601	2,688	(664,863)	2,231,209
Total net assets	\$ 1,773,658	\$ (456,990)	\$ 385,698	\$ 3,621,112	\$ 87,742	\$ (115,361)	\$ 5,295,859

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

City of Oxnard, California
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For Fiscal Year Ended June 30, 2012

	Public Liability/Property Damage	Workers' Compensation	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
OPERATING REVENUES:							
Charges for services	\$ 5,474,920	\$ 4,560,421	\$ 1,478,220	\$ 3,903,338	\$ 3,567,164	\$ 10,026,590	\$ 29,010,653
Total operating income	<u>5,474,920</u>	<u>4,560,421</u>	<u>1,478,220</u>	<u>3,903,338</u>	<u>3,567,164</u>	<u>10,026,590</u>	<u>29,010,653</u>
OPERATING EXPENSES:							
Salaries and wages	54,345	329,414	511,937	1,807,042	2,336,267	3,559,638	8,598,643
Contractual services	141,282	406,571	92,565	25,960	107,580	149,183	923,141
Operating supplies	-	-	-	110,196	264,816	4,935,458	5,310,470
Utilities	-	2,496	8,559	995,396	598,990	16,878	1,622,319
Depreciation	2,462	2,412	1,152	174,526	30,615	56,805	267,972
General and administrative	1,246,007	388,043	1,097,307	347,281	1,714,118	506,719	5,299,475
Repairs and maintenance	715	24,612	12,889	359,512	98,786	917,748	1,414,262
Claims expenses	4,095,386	3,903,039	-	-	-	-	7,998,425
Total operating expenses	<u>5,540,197</u>	<u>5,056,587</u>	<u>1,724,409</u>	<u>3,819,913</u>	<u>5,151,172</u>	<u>10,142,429</u>	<u>31,434,707</u>
Operating income (loss)	<u>(65,277)</u>	<u>(496,166)</u>	<u>(246,189)</u>	<u>83,425</u>	<u>(1,584,008)</u>	<u>(115,839)</u>	<u>(2,424,054)</u>
NON-OPERATING REVENUES (EXPENSES):							
Interest income	67,777	94,661	5,746	8,058	18,607	3,080	197,929
Interest (expense)	-	-	-	-	-	(3,824)	(3,824)
Total non-operating revenues (expenses)	<u>67,777</u>	<u>94,661</u>	<u>5,746</u>	<u>8,058</u>	<u>18,607</u>	<u>(744)</u>	<u>194,105</u>
Income (loss) before contributions and transfers	<u>2,500</u>	<u>(401,505)</u>	<u>(240,443)</u>	<u>91,483</u>	<u>(1,565,401)</u>	<u>(116,583)</u>	<u>(2,229,949)</u>
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Changes in net assets	<u>2,500</u>	<u>(401,505)</u>	<u>(240,443)</u>	<u>91,483</u>	<u>(1,565,401)</u>	<u>(116,583)</u>	<u>(2,229,949)</u>
Net Assets - July 1	1,771,158	(55,485)	626,141	3,529,629	1,653,143	1,222	7,525,808
Net Assets - June 30	<u>\$ 1,773,658</u>	<u>\$ (456,990)</u>	<u>\$ 385,698</u>	<u>\$ 3,621,112</u>	<u>\$ 87,742</u>	<u>\$ (115,361)</u>	<u>\$ 5,295,859</u>

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

City of Oxnard, California
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2012

	Public Liability/Property Damage	Workers' Compensation	Utility Customers Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
Cash flows from operating activities :							
Receipts from customers	\$ 5,430,393	\$ 4,546,404	\$ 1,445,320	\$ 3,903,338	\$ 3,562,297	\$ 10,036,587	\$ 28,924,339
Payments to suppliers	(1,402,606)	(828,035)	(1,177,385)	(1,766,613)	(2,839,678)	(6,826,457)	(14,840,774)
Payments to employees	(54,345)	(345,098)	(508,647)	(1,792,795)	(2,322,542)	(3,546,199)	(8,569,626)
Claims paid	(4,245,375)	(3,850,750)	-	-	-	-	(8,096,125)
Net cash flows from operating activities	<u>(271,933)</u>	<u>(477,479)</u>	<u>(240,712)</u>	<u>343,930</u>	<u>(1,599,923)</u>	<u>(336,069)</u>	<u>(2,582,186)</u>
Cash flows from capital financing activities:							
Acquisitions(Disposals) of capital assets	-	-	-	(718,995)	(7,672)	(14,286)	(740,953)
Interest paid on long-term debt	-	-	-	-	-	(3,824)	(3,824)
Principal paid on long-term debt	-	-	-	-	-	(27,182)	(27,182)
Net cash flows from capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(718,995)</u>	<u>(7,672)</u>	<u>(45,292)</u>	<u>(771,959)</u>
Cash flows from investing activities:							
Interest on investments	67,777	94,661	5,746	8,058	18,607	3,080	197,929
Cash flows from investing activities	<u>67,777</u>	<u>94,661</u>	<u>5,746</u>	<u>8,058</u>	<u>18,607</u>	<u>3,080</u>	<u>197,929</u>
Net increase (decrease) in cash and cash equivalents	<u>(204,156)</u>	<u>(382,818)</u>	<u>(234,966)</u>	<u>(367,007)</u>	<u>(1,588,988)</u>	<u>(378,281)</u>	<u>(3,156,216)</u>
Cash and cash equivalents-July 1	<u>5,171,617</u>	<u>8,085,308</u>	<u>720,883</u>	<u>2,717,208</u>	<u>2,061,483</u>	<u>379,547</u>	<u>19,136,046</u>
Cash and cash equivalents-June 30	<u>\$ 4,967,461</u>	<u>\$ 7,702,490</u>	<u>\$ 485,917</u>	<u>\$ 2,350,201</u>	<u>\$ 472,495</u>	<u>\$ 1,266</u>	<u>\$ 15,979,830</u>
Reconciliation of operating income (loss) to net cash used by operating activities:							
Operating income (loss)	\$ (65,277)	\$ (496,166)	\$ (246,189)	\$ 83,425	\$ (1,584,008)	\$ (115,839)	\$ (2,424,054)
Adjustment to reconcile operating income to net cash provided by operating activities:							
Depreciation and amortization	2,462	2,412	1,152	174,526	30,615	56,805	267,972
Loss on Disposal of Capital Assets							
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	(44,527)	(14,017)	(32,900)	0	(4,867)	9,997	(86,314)
Increase (decrease) in accounts payable	(14,602)	(6,313)	33,935	71,732	(55,388)	(300,471)	(271,107)
Increase (decrease) in self insurance liability	(149,989)	52,289	0	0	0	0	(97,700)
Increase (decrease) in compensated absences	0	(15,684)	3,290	14,247	13,725	13,439	29,017
Cash flows from operating activities	<u>\$ (271,933)</u>	<u>\$ (477,479)</u>	<u>\$ (240,712)</u>	<u>\$ 343,930</u>	<u>\$ (1,599,923)</u>	<u>\$ (336,069)</u>	<u>\$ (2,582,186)</u>

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

FIDUCIARY FUNDS



Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
ARTWORKS FUND				
Assets:				
Cash and Cash Equivalents	\$ 52,435	\$ 469	\$ -	\$ 52,904
Total Assets	\$ 52,435	\$ 469	\$ -	\$ 52,904
Liabilities:				
Trust and Agency Payables	\$ 52,435	\$ 469	\$ -	\$ 52,904
Total Liabilities	\$ 52,435	\$ 469	\$ -	\$ 52,904
IMPROVEMENT DISTRICTS FUND				
Assets:				
Cash and Cash Equivalents	\$ 5,546,785	\$ 5,754,342	\$ 5,641,361	\$ 5,659,766
Investments with Fiscal Agents	15,598,722	168,205	286,470	15,480,457
Total Assets	\$ 21,145,507	\$ 5,922,547	\$ 5,927,831	\$ 21,140,223
Liabilities:				
Trust and Agency Payables	\$ 21,145,507	\$ 5,922,547	\$ 5,927,831	\$ 21,140,223
Total Liabilities	\$ 21,145,507	\$ 5,922,547	\$ 5,927,831	\$ 21,140,223
ODMD				
Assets:				
Cash and Cash Equivalents	\$ -	\$ 84,084	\$ -	\$ 84,084
Total Assets	\$ -	\$ 84,084	\$ -	\$ 84,084
Liabilities:				
Trust and Agency Payables	\$ -	\$ 84,084	\$ -	\$ 84,084
Total Liabilities	\$ -	\$ 84,084	\$ -	\$ 84,084
TOTAL - ALL FIDUCIARY FUNDS				
Assets:				
Cash and Cash Equivalents	\$ 5,599,220	\$ 5,838,895	\$ 5,641,361	\$ 5,796,754
Investments with Fiscal Agents	15,598,722	168,205	286,470	15,480,457
Total Assets	\$ 21,197,942	\$ 6,007,100	\$ 5,927,831	\$ 21,277,211
Liabilities:				
Trust and Agency Payables	\$ 21,197,942	\$ 6,007,100	\$ 5,927,831	\$ 21,277,211
Total Liabilities	\$ 21,197,942	\$ 6,007,100	\$ 5,927,831	\$ 21,277,211

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STATISTICAL SECTION



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City of Oxnard, California

SCHEDULE I Net Assets by Component Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$105,248,878	\$104,613,981	\$131,874,401	\$1,313,161,486	\$1,329,023,654
Restricted	59,123,684	12,510,935	16,183,475	15,902,180	33,774,265
Unrestricted	16,356,191	91,002,589	80,742,442	95,688,754	94,848,663
Total governmental activities net assets	<u>\$180,728,753</u>	<u>\$208,127,505</u>	<u>\$228,800,318</u>	<u>\$1,424,752,420</u>	<u>\$1,457,646,582</u>
Business-type activities					
Invested in capital assets, net of related debt	\$171,973,198	\$59,252,770	\$97,741,991	\$154,777,148	\$225,311,825
Restricted	2,714,603	7,380,620	7,696,523	13,405,164	12,508,465
Unrestricted	38,624,788	159,369,013	138,793,254	83,556,063	46,954,212
Total business-type activities net assets	<u>\$213,312,589</u>	<u>\$226,002,403</u>	<u>\$244,231,768</u>	<u>\$251,738,375</u>	<u>\$284,774,502</u>
Primary government					
Invested in capital assets, net of related debt	\$277,222,076	\$163,866,751	\$229,616,392	\$1,467,938,634	\$1,554,335,479
Restricted	61,838,287	19,891,555	23,879,998	29,307,344	46,282,730
Unrestricted	54,980,979	250,371,602	219,535,696	179,244,817	141,802,875
Total primary government net assets	<u>\$394,041,342</u>	<u>\$434,129,908</u>	<u>\$473,032,086</u>	<u>\$1,676,490,795</u>	<u>\$1,742,421,084</u>

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE I Net Assets by Component Last Ten Fiscal Years *(accrual basis of accounting)*

		Fiscal Year			
2008	2009	2010	2011	2012	
					Governmental activities
\$1,357,202,580	\$1,371,345,945	\$1,377,784,811	\$1,411,737,702	\$1,386,189,664	Invested in capital assets, net of related debt
48,175,216	12,852,498	25,080,711	72,142,274	18,707,789	Restricted
79,025,330	111,642,569	97,095,180	41,934,961	58,748,720	Unrestricted
<u>\$1,484,403,126</u>	<u>\$1,495,841,012</u>	<u>\$1,499,960,702</u>	<u>\$1,525,814,937</u>	<u>\$1,463,646,173</u>	Total governmental activities net assets
					Business-type activities
\$229,468,962	\$238,066,640	\$250,720,062	\$265,617,506	\$264,692,784	Invested in capital assets, net of related debt
8,782,553	7,811,268	17,706,319	18,417,110	17,602,552	Restricted
47,628,743	55,267,595	38,725,334	43,239,167	50,315,899	Unrestricted
<u>\$285,880,258</u>	<u>\$301,145,503</u>	<u>\$307,151,715</u>	<u>\$327,273,783</u>	<u>\$332,611,235</u>	Total business-type activities net assets
					Primary government
\$1,586,671,542	\$1,609,412,585	\$1,628,504,873	\$1,677,355,208	\$1,650,882,448	Invested in capital assets, net of related debt
56,957,769	20,663,766	42,787,030	90,559,384	36,310,341	Restricted
126,654,073	166,910,164	135,820,514	85,174,128	109,064,619	Unrestricted
<u>\$1,770,283,384</u>	<u>\$1,796,986,515</u>	<u>\$1,807,112,417</u>	<u>\$1,853,088,720</u>	<u>\$1,796,257,408</u>	Total primary government net assets

City of Oxnard, California

SCHEDULE II Changes in Net Assets Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$11,089,303	\$12,911,930	\$13,646,432	\$18,360,819	\$19,130,468
Public safety	51,798,458	58,758,103	68,542,046	75,789,982	80,579,263
Transportation	8,576,565	8,595,630	9,912,068	10,341,829	9,893,618
Community development	25,632,688	18,590,562	18,937,934	22,614,813	19,369,860
Culture and leisure	8,194,868	11,177,403	12,018,761	15,345,765	16,015,957
Libraries	3,115,118	3,940,974	3,919,671	4,654,234	5,025,580
Interest on long-term debt	2,076,882	2,305,762	2,299,356	1,904,516	3,263,821
Total governmental activities expenses	<u>110,483,882</u>	<u>116,280,364</u>	<u>129,276,268</u>	<u>149,011,958</u>	<u>153,278,567</u>
Business-type activities:					
Water	19,281,560	23,636,082	23,152,648	26,636,150	30,683,509
Wastewater	22,141,678	18,960,096	25,482,133	27,939,236	29,033,021
Environmental resource	28,693,531	35,070,009	37,117,879	38,535,592	39,817,351
Performing arts and convention center	1,284,733	1,402,812	1,565,920	1,590,321	1,761,156
Oxnard housing authority	22,800,927	24,462,843	25,507,125	24,724,889	23,494,108
Municipal golf course	2,052,025	3,130,165	4,028,435	3,983,695	4,433,702
Total business-type activities expenses	<u>96,254,454</u>	<u>106,662,007</u>	<u>116,854,140</u>	<u>123,409,883</u>	<u>129,222,847</u>
Total primary government expenses	<u>\$206,738,336</u>	<u>\$222,942,371</u>	<u>\$246,130,408</u>	<u>\$272,421,841</u>	<u>\$282,501,414</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$12,172,573	\$8,044,319	\$8,516,015	\$7,864,784	\$17,237,868
Public safety	5,066,751	3,654,740	5,306,818	6,513,674	6,114,255
Transportation	2,079,319	1,455,304	2,468,510	4,369,882	4,217,846
Community development	16,018,715	16,712,568	23,822,460	24,448,745	11,095,658
Culture and leisure	2,343,267	1,772,109	2,725,055	928,054	3,903,705
Libraries	196,900	214,559	209,622	169,339	320,939
Operating grants and contributions	32,793,458	39,370,445	20,254,587	30,436,511	25,025,965
Capital grants and contributions	-	-	-	16,758,901	6,804,709
Total governmental activities program revenues	<u>70,670,983</u>	<u>71,224,044</u>	<u>63,303,067</u>	<u>91,489,890</u>	<u>74,720,945</u>

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE II Changes in Net Assets Last Ten Fiscal Years (accrual basis of accounting)

		Fiscal Year			
2008	2009	2010	2011	2012	
					Expenses
					Governmental activities:
\$21,898,728	\$19,717,999	\$18,695,220	\$20,845,702	\$18,680,585	General government
88,547,776	86,249,353	92,554,917	92,702,882	98,603,456	Public safety
10,847,730	10,600,127	10,321,184	10,521,098	11,030,990	Transportation
27,123,076	26,989,828	32,863,176	26,225,688	33,705,121	Community development
18,162,564	20,945,072	19,016,619	19,047,037	18,858,694	Culture and leisure
5,517,965	5,341,028	5,176,704	5,230,252	5,203,318	Libraries
4,701,143	6,519,008	5,583,856	5,503,330	3,532,902	Interest on long-term debt
<u>176,798,982</u>	<u>176,362,415</u>	<u>184,211,676</u>	<u>180,075,989</u>	<u>189,615,066</u>	Total governmental activities expenses
					Business-type activities:
33,417,143	29,837,359	36,797,806	34,062,940	37,910,096	Water
24,009,381	22,337,575	24,205,554	23,052,505	29,078,392	Wastewater
45,329,486	41,117,534	39,296,115	41,405,568	41,581,865	Environmental resource
1,829,853	1,799,861	1,651,658	1,606,129	1,587,496	Performing arts and convention center
23,758,739	26,153,807	25,259,519	24,911,450	24,398,669	Oxnard housing authority
3,794,080	7,601,054	4,507,360	6,104,614	6,048,938	Municipal golf course
<u>132,138,682</u>	<u>128,847,190</u>	<u>131,718,012</u>	<u>131,143,206</u>	<u>140,605,456</u>	Total business-type activities expenses
<u>\$308,937,664</u>	<u>\$305,209,605</u>	<u>\$315,929,688</u>	<u>\$311,219,195</u>	<u>\$330,220,522</u>	Total primary government expenses
					Program Revenues
					Governmental activities:
					Charges for services:
\$8,515,014	\$9,765,771	\$10,203,810	\$8,422,050	\$9,471,575	General government
4,921,670	5,017,708	4,202,162	4,246,985	4,426,984	Public safety
4,050,457	4,042,492	5,068,843	2,131,535	2,145,431	Transportation
15,030,222	11,825,981	6,366,499	7,198,058	12,576,655	Community development
4,401,090	5,273,551	5,237,167	5,037,380	5,605,866	Culture and leisure
246,576	260,577	428,872	399,582	378,004	Libraries
23,207,919	25,875,331	24,380,018	27,293,717	30,155,325	Operating grants and contributions
12,902,805	9,420,033	17,106,111	35,331,568	16,598,931	Capital grants and contributions
<u>73,275,753</u>	<u>71,481,444</u>	<u>72,993,482</u>	<u>90,060,875</u>	<u>81,358,771</u>	Total governmental activities program revenues

City of Oxnard, California

SCHEDULE II Changes in Net Assets Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Business-type activities:					
Charges for services:					
Water	\$20,465,812	\$28,401,190	\$34,334,436	\$32,150,667	\$36,855,486
Wastewater	22,130,759	23,532,305	33,709,319	26,139,278	24,503,133
Environmental resource	29,811,773	32,965,746	36,071,999	36,704,264	40,122,057
Performing arts and convention center	364,053	371,553	468,732	483,475	517,766
Oxnard housing authority	20,342,572	23,024,813	21,411,579	23,197,945	23,137,523
Municipal golf course	2,687,299	7,487,215	3,119,621	3,899,645	3,999,148
Operating grants and contributions	3,422,902	-	-	-	-
Capital grants and contributions	-	-	-	1,306,910	-
Total business-like activities program revenues	<u>99,225,170</u>	<u>115,782,822</u>	<u>129,115,686</u>	<u>123,882,184</u>	<u>129,135,113</u>
Total primary government program revenues	<u>\$169,896,153</u>	<u>\$187,006,866</u>	<u>\$192,418,753</u>	<u>\$215,372,074</u>	<u>\$203,856,058</u>
Net (expense) revenue					
Governmental activities	(39,812,899)	(45,056,320)	(65,973,201)	(57,522,068)	(78,557,622)
Business-like activities	2,970,716	9,120,815	12,261,546	472,301	(87,734)
Total primary government net expense	<u>(\$36,842,183)</u>	<u>(\$35,935,505)</u>	<u>(\$53,711,655)</u>	<u>(\$57,049,767)</u>	<u>(\$78,645,356)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$30,115,989	\$35,245,432	\$49,096,920	\$58,537,770	\$68,429,117
Sales taxes	20,775,896	22,772,358	23,212,641	23,985,182	25,783,808
Transient occupancy taxes	2,247,831	2,222,553	2,445,468	3,309,716	3,550,903
Franchise taxes	2,830,462	3,718,917	4,572,206	3,914,317	3,686,627
Deed transfer taxes	573,234	1,159,215	1,196,393	1,230,768	880,370
Business license taxes	-	4,386,245	3,967,972	4,470,841	4,504,455
Penalties on delinquent taxes	190,546	181,655	126,250	132,403	129,679
Investment earnings	3,858,978	4,547,276	3,911,106	4,860,461	6,653,231
Sale of capital assets	-	-	-	7,146,270	-
Transfers	(1,236,947)	(1,778,579)	(1,882,942)	(2,280,393)	(2,166,406)
Extraordinary loss	-	-	-	-	-
Contributions to other government	-	-	-	-	-
Total governmental activities	<u>59,355,989</u>	<u>72,455,072</u>	<u>86,646,014</u>	<u>105,307,335</u>	<u>111,451,784</u>
Business-type activities:					
Investment earnings	1,927,516	2,080,206	4,486,577	4,753,913	7,480,785
Sale of capital assets	-	-	-	-	23,476,670
Transfers	1,236,947	1,488,793	1,481,242	2,280,393	2,166,406
Total business-type activities	<u>3,164,463</u>	<u>3,568,999</u>	<u>5,967,819</u>	<u>7,034,306</u>	<u>33,123,861</u>
Total primary program	<u>\$62,520,452</u>	<u>\$76,024,071</u>	<u>\$92,613,833</u>	<u>\$112,341,641</u>	<u>\$144,575,645</u>
Change in Net Assets					
Governmental activities	19,543,090	27,398,752	20,672,813	47,785,267	32,894,162
Business-type activities	6,135,179	12,689,814	18,229,365	7,506,607	33,036,127
Total primary government	<u>\$25,678,269</u>	<u>\$40,088,566</u>	<u>\$38,902,178</u>	<u>\$55,291,874</u>	<u>\$65,930,289</u>

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE II
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

					Fiscal Year					
2008	2009	2010	2011	2012						
					Business-type activities:					
					Charges for services:					
\$35,378,947	\$38,477,754	\$38,439,653	\$43,170,566	\$46,769,748	Water					
27,621,114	24,846,717	22,566,372	25,157,094	31,528,171	Wastewater					
42,795,069	39,695,711	40,468,627	45,047,154	44,217,775	Environmental resource					
485,548	483,371	513,857	439,653	545,270	Performing arts and convention center					
23,785,335	6,105,106	4,686,681	4,786,715	5,157,388	Oxnard housing authority					
3,234,074	4,398,074	4,278,241	3,905,224	4,063,299	Municipal golf course					
-	19,635,556	20,781,204	20,524,235	18,727,259	Operating grants and contributions					
-	543,140	192,400	2,308,206	1,002,582	Capital grants and contributions					
133,300,087	134,185,429	131,927,035	145,338,847	152,011,492	Total business-like activities program revenues					
\$206,575,840	\$205,666,873	\$204,920,517	\$235,399,722	\$233,370,263	Total primary government program revenues					
					Net (expense) revenue					
(103,523,229)	(104,880,971)	(111,218,194)	(90,015,114)	(108,256,295)	Governmental activities					
1,161,405	5,338,239	209,023	14,195,641	11,406,036	Business-like activities					
<u>(\$102,361,824)</u>	<u>(\$99,542,732)</u>	<u>(\$111,009,171)</u>	<u>(\$75,819,473)</u>	<u>(\$96,850,259)</u>	Total primary government net expense					
					General Revenues and Other Changes in Net Assets					
					Governmental activities:					
					Taxes					
\$75,726,666	\$76,681,392	\$72,817,719	\$71,118,203	\$63,176,888	Property taxes					
24,205,622	24,043,286	28,103,051	33,396,737	37,453,124	Sales taxes					
3,618,611	3,328,803	3,061,163	3,301,864	3,402,793	Transient occupancy taxes					
3,986,567	4,635,616	3,439,645	3,495,532	3,435,823	Franchise taxes					
860,378	573,882	509,370	528,563	412,471	Deed transfer taxes					
4,662,658	5,059,323	4,692,615	4,412,881	6,125,278	Business license taxes					
123,956	145,945	136,565	105,158	126,609	Penalties on delinquent taxes					
7,561,978	5,556,004	2,769,250	1,934,083	1,354,128	Investment earnings					
4,351,772	59,319	694,185	141,123	57,768	Sale of capital assets					
5,181,566	(3,764,713)	(885,679)	(2,564,795)	(2,184,229)	Transfers					
-	-	-	-	(65,066,037)	Extraordinary loss					
-	-	-	-	(14,627)	Contributions to other government					
130,279,774	116,318,857	115,337,884	115,869,349	48,279,989	Total governmental activities					
					Business-type activities:					
5,125,917	3,299,336	1,911,510	3,361,632	3,168,662	Investment earnings					
-	2,862,957	-	-	-	Sale of capital assets					
(5,181,566)	3,764,713	885,679	2,564,795	2,184,229	Transfers					
(55,649)	9,927,006	2,797,189	5,926,427	5,352,891	Total business-type activities					
\$130,224,125	\$126,245,863	\$118,135,073	\$121,795,776	\$53,632,880	Total primary program					
					Change in Net Assets					
26,756,545	11,437,886	4,119,690	25,854,235	(59,976,306)	Governmental activities					
1,105,756	15,265,245	3,006,212	20,122,068	16,758,927	Business-type activities					
<u>\$27,862,301</u>	<u>\$26,703,131</u>	<u>\$7,125,902</u>	<u>\$45,976,303</u>	<u>(\$43,217,379)</u>	Total primary government					

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE III Fund Balances of Governmental Funds Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 3,211,597	\$ 1,180,342	\$ 4,201,060	\$ 3,658,849	\$ 3,573,245
Unreserved	24,597,396	25,398,644	19,197,335	23,523,456	21,424,406
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$27,808,993</u>	<u>\$26,578,986</u>	<u>\$23,398,395</u>	<u>\$27,182,305</u>	<u>\$24,997,651</u>
All other governmental funds					
Reserved	\$ 8,486,307	\$ 11,330,593	\$ 11,982,415	\$ 12,243,331	\$ 30,201,020
Unreserved, reported in:					
Special revenue funds	45,814,074	55,595,303	53,104,087	58,172,246	51,516,503
Capital projects funds	12,974,002	21,790,919	22,103,670	26,320,799	47,966,047
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$67,274,383</u>	<u>\$88,716,815</u>	<u>\$87,190,172</u>	<u>\$96,736,376</u>	<u>\$129,683,570</u>

Note: Effective fiscal year 2011, City implemented GASB54, new classification of fund balances.

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE III Fund Balances of Governmental Funds Last Ten Fiscal Years (accrual basis of accounting)

2008	2009	2010	Fiscal Year		
			2011	2012	
					General Fund
\$ 344,987	\$ -	\$ -	\$ -	\$ -	Reserved
20,108,117	23,794,737	29,726,794	-	-	Unreserved
-	-	-	-	-	Nonspendable
-	-	-	-	-	Restricted
-	-	-	17,472,751	18,093,783	Assigned
-	-	-	15,648,084	15,666,268	Unassigned
<u>\$20,453,104</u>	<u>\$23,794,737</u>	<u>\$29,726,794</u>	<u>\$ 33,120,835</u>	<u>\$ 33,760,051</u>	Total general fund
					All other governmental funds
\$ 11,148,128	\$ 12,852,498	\$ 13,811,524	\$ -	\$ -	Reserved
61,096,986	61,924,849	61,896,005	-	-	Unreserved, reported in:
81,877,539	72,705,295	59,395,831	-	-	Special revenue funds
-	-	-	13,230,067	-	Capital projects funds
-	-	-	34,500,580	18,707,789	Nonspendable
-	-	-	80,823,243	51,415,603	Restricted
-	-	-	(2,764,967)	(6,386,154)	Assigned
<u>\$154,122,653</u>	<u>\$147,482,642</u>	<u>\$135,103,360</u>	<u>\$ 125,788,923</u>	<u>\$ 63,737,238</u>	Unassigned
					Total all other governmental funds

City of Oxnard, California

SCHEDULE IV Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues					
Taxes	\$59,303,485	\$69,686,376	\$84,617,850	\$95,580,997	\$106,964,959
Licenses and permits	2,862,476	2,182,715	2,116,934	5,937,172	3,434,727
Intergovernmental	38,508,559	40,834,560	27,036,948	31,543,392	31,830,674
Growth and development fees	8,796,590	9,004,335	10,061,956	9,616,234	4,984,467
Charges for services	12,022,652	11,105,208	15,358,432	14,721,778	11,418,999
Fines and forfeitures	853,188	1,198,456	1,248,242	1,320,782	1,383,780
Interest	3,858,978	4,547,276	3,911,106	4,860,461	6,653,231
Special assessments	1,727,674	2,089,097	2,240,492	2,346,088	14,967,993
Contributions from property owners	-	-	-	1,085,000	-
Rental income	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	3,055,944	4,809,675	5,240,064	10,352,424	6,700,305
Total revenues	130,989,546	145,457,698	151,832,024	177,364,328	188,339,135
Expenditures					
General government	9,781,192	11,444,213	11,788,754	11,994,048	12,283,152
Public safety	48,494,541	55,856,590	64,312,956	69,405,713	75,815,578
Transportation	8,409,737	8,108,305	9,709,306	10,254,324	10,136,221
Community development	20,454,657	17,912,245	18,597,956	22,100,626	18,962,172
Culture and leisure	7,811,085	10,824,801	11,520,103	14,366,317	15,141,511
Library services	2,991,509	3,818,769	3,731,437	4,214,038	4,558,864
Capital outlay	22,199,380	31,640,247	29,924,300	41,227,891	56,309,445
Debt Service:					
Principal	4,525,483	2,908,600	2,999,393	7,983,492	2,251,795
Cost of issuance	-	-	-	-	-
Interest	2,178,355	2,102,073	2,072,111	1,920,662	2,411,174
Total expenditures	126,845,939	144,615,843	154,656,316	183,467,111	197,869,912
Excess of revenues over (under) expenditures	4,143,607	841,855	(2,824,292)	(6,102,783)	(9,530,777)
Other Financing Sources (Uses)					
Proceeds from loans payable	7,435,000	-	-	-	-
Proceeds from financing sources	-	34,750,209	-	-	-
Payment to escrow agent	(6,380,000)	(13,601,060)	-	14,567,020	-
Proceeds from sale of property	-	-	-	1,885,649	-
Proceeds from sale of bonds	-	-	-	-	42,459,723
Bond discount	-	-	-	-	-
Transfers in	6,989,190	6,475,027	10,770,253	13,659,615	13,159,636
Transfers out	(8,064,156)	(8,253,606)	(12,653,195)	(10,679,387)	(15,326,042)
Total other financing sources (uses)	(19,966)	19,370,570	(1,882,942)	19,432,897	40,293,317
Special items:					
Contributions from other funds	-	-	-	-	-
Contributions to other funds	-	-	-	-	-
Capital contributions	-	-	-	-	-
Extraordinary loss	-	-	-	-	-
Total special items	-	-	-	-	-
Net change in fund balances	\$4,123,641	\$20,212,425	(\$4,707,234)	\$13,330,114	\$30,762,540
Debt service as a percentage of noncapital expenditures	6.41%	4.44%	4.07%	6.96%	3.29%

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE IV Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (accrual basis of accounting)

Fiscal Year					
2008	2009	2010	2011	2012	
					Revenues
\$113,184,458	\$114,468,247	\$112,760,128	\$116,358,938	\$114,132,986	Taxes
2,792,191	2,470,865	2,267,581	2,002,416	3,662,851	Licenses and permits
36,110,724	32,290,549	42,232,125	58,971,454	39,321,626	Intergovernmental
5,724,940	7,210,668	1,502,781	2,663,779	5,979,605	Growth and development fees
12,877,753	10,705,908	11,007,992	10,668,661	9,967,288	Charges for services
1,350,628	1,408,066	1,213,655	1,233,733	1,311,689	Fines and forfeitures
7,561,978	5,556,004	2,769,250	1,934,083	1,105,534	Interest
9,014,090	8,611,926	9,168,150	9,013,480	8,084,122	Special assessments
-	-	-	-	-	Contributions from property owners
-	-	-	-	148,993	Rental income
-	-	-	-	248,594	Investment income
9,757,199	5,837,966	8,268,073	3,673,052	8,304,617	Miscellaneous
<u>198,373,961</u>	<u>188,560,199</u>	<u>191,189,735</u>	<u>206,519,596</u>	<u>192,267,905</u>	Total revenues
					Expenditures
12,390,389	11,883,205	11,145,722	11,041,050	10,355,408	General government
80,409,884	74,877,737	84,818,990	84,439,008	86,218,656	Public safety
10,642,590	9,829,554	10,137,568	10,338,211	10,347,787	Transportation
26,158,572	25,832,640	32,073,825	24,803,125	22,357,237	Community development
16,894,790	19,348,413	17,751,755	17,789,287	17,175,797	Culture and leisure
4,950,293	4,755,540	4,632,177	4,682,033	4,553,275	Library services
52,283,436	43,704,965	34,739,151	54,785,588	46,868,230	Capital outlay
					Debt Service:
2,754,823	3,168,595	3,743,020	3,926,631	4,362,740	Principal
-	791,867	-	-	-	Cost of issuance
3,810,737	5,574,369	5,230,494	5,151,761	4,061,894	Interest
<u>210,295,514</u>	<u>199,766,885</u>	<u>204,272,702</u>	<u>216,956,694</u>	<u>206,301,024</u>	Total expenditures
<u>(11,921,553)</u>	<u>(11,206,686)</u>	<u>(13,082,967)</u>	<u>(10,437,098)</u>	<u>(14,033,119)</u>	Excess of revenues over (under) expenditures
					Other Financing Sources (Uses)
-	-	-	-	-	Proceeds from loans payable
-	-	-	-	-	Proceeds from financing sources
-	-	-	-	-	Payment to escrow agent
-	-	-	-	-	Proceeds from sale of property
26,634,523	11,790,000	1,395,646	1,295,771	3,680,714	Proceeds from sale of bonds
-	(116,979)	-	-	-	Bond discount
14,107,966	10,573,077	10,550,390	11,718,345	6,108,518	Transfers in
(8,926,400)	(14,337,790)	(5,310,294)	(8,497,414)	(8,292,747)	Transfers out
<u>31,816,089</u>	<u>7,908,308</u>	<u>6,635,742</u>	<u>4,516,702</u>	<u>1,496,485</u>	Total other financing sources (uses)
					Special items:
-	-	-	-	76,891,362	Contributions from other funds
-	-	-	-	(76,891,362)	Contributions to other funds
-	-	-	-	(14,627)	Capital contributions
-	-	-	-	(48,861,208)	Extraordinary loss
-	-	-	-	(48,875,835)	Total special items
<u>\$19,894,536</u>	<u>(\$3,298,378)</u>	<u>(\$6,447,225)</u>	<u>(\$5,920,396)</u>	<u>(\$61,412,469)</u>	Net change in fund balances
4.16%	6.11%	5.29%	5.60%	5.28%	Debt service as a percentage of noncapital expenditures

City of Oxnard, California

SCHEDULE V
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Deed Transfer Tax	Business License	Penalties and Interest	Total
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
2009	76,681,392	24,043,286	3,328,803	4,635,616	573,882	5,059,323	145,945	114,468,247
2010	72,817,719	28,103,051	3,061,163	3,439,645	509,370	4,692,615	136,565	112,760,128
2011	71,118,203	33,396,737	3,301,864	3,495,532	528,563	4,412,881	105,158	116,358,938
2012	63,176,888	37,453,124	3,402,793	3,435,823	412,471	6,125,278	126,609	114,132,986

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE VI
Assessed Value and Estimated Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Land	Improvements	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
2003	3,189,299,331	5,584,524,376	444,095,624	1,110,078,014	8,107,841,317	1.21447%	8,107,841,317	100.00%
2004	3,613,674,889	6,152,956,699	580,195,155	1,346,099,223	9,000,727,520	1.20384%	9,000,727,520	100.00%
2005	4,320,681,588	6,818,196,522	484,878,479	1,537,114,090	10,086,642,499	1.19624%	10,086,642,499	100.00%
2006	5,266,423,145	7,510,814,807	564,046,351	1,835,609,239	11,505,675,064	1.17614%	11,505,675,064	100.00%
2007	6,122,287,297	8,427,981,083	598,530,800	2,126,175,049	13,022,624,131	1.16564%	13,022,624,131	100.00%
2008	7,043,458,754	8,801,081,711	608,929,391	2,299,830,016	14,153,639,840	1.17864%	14,153,639,840	100.00%
2009	7,364,501,802	8,753,745,455	637,023,113	2,692,759,267	14,062,511,103	1.19334%	14,062,511,103	100.00%
2010	6,699,090,916	8,441,834,476	648,608,797	654,220,264	15,135,313,925	1.20384%	15,135,313,925	100.00%
2011	6,524,818,244	8,540,793,743	618,870,116	654,216,502	15,030,265,601	1.22054%	15,030,265,601	100.00%
2012	6,423,814,010	8,584,579,684	596,771,651	673,465,559	14,931,699,786	1.20544%	14,931,699,786	100.00%

NOTE: The County does not provide the breakdown of residential and commercial assessed values to the cities. The City also no longer have the information available for the residential and commercial assessed values. The personal property amounts include assessed values for boats and aircraft.

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 (1)	Debt Service	Total Direct	School Districts	Water Districts	Total Overlapping	
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%
2009	1.00000%	0.19334%	1.19334%	0.11160%	0.01290%	0.12450%	1.31784%
2010	1.00000%	0.20384%	1.20384%	0.11470%	0.01290%	0.12760%	1.33144%
2011	1.00000%	0.22054%	1.22054%	0.11990%	0.01110%	0.13100%	1.35154%
2012	1.00000%	0.20544%	1.20544%	0.12200%	0.01110%	0.13310%	1.33854%

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.

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

City of Oxnard, California

SCHEDULE VIII Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Proctor & Gamble Paper Products	262,293,542	1	1.74%	272,911,290	1	3.06%
SOCMI LLC	90,000,000	2	0.60%			
Essex Tierra Vista LP	83,289,069	3	0.55%			
Capri of KW Serenade LLC	81,500,000	4	0.54%			
Essex Arbors LP	77,728,243	5	0.52%			
Haas Automation Inc	76,095,800	6	0.50%			
Sunbelt Enterprises LLC	69,824,554	7	0.45%			
GS Paz Mar LP	69,297,082	8	0.46%			
Duesenberg Investment Company	66,911,518	9	0.44%			
Genon Energy West LP-Mandalay	64,618,584	10	0.43%			
TRA 003-001 Aircraft-Boats Adj from AVS				140,129,363	2	1.57%
Weyerhaeuser Company				67,743,700	3	0.76%
Tiger Ventura County				62,304,924	4	0.70%
Seminis Vegetable Seeds Inc				50,181,887	5	0.56%
Fred Kavli				46,674,747	6	0.52%
GSA Vintage-Rose Apartment LP				45,440,709	7	0.51%
Parc Rose Limited Partners				40,525,627	8	0.46%
BMW of North America Inc				40,482,613	9	0.45%
AT&T Credit Corporation Trust				39,798,173	10	0.45%
Other taxpayers	14,133,483,458		93.77%	8,099,201,507		90.95%
Totals	15,075,041,850		100.00%	8,905,394,540		100.00%

Source: HdL Coren & Cone, Ventura County Assessor 2011/12 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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
2003	30,040,000	29,702,201	98.88%	190,546	29,892,747	99.51%
2004	35,432,169	34,937,526	98.60%	344,390	35,281,916	99.58%
2005	46,496,506	46,356,420	99.70%	126,250	46,482,670	99.97%
2006	54,511,910	53,889,833	98.86%	132,403	54,022,236	99.10%
2007	62,871,775	62,416,666	99.28%	129,679	62,546,345	99.48%
2008	73,234,168	71,707,923	97.92%	121,075	71,828,998	98.08%
2009	71,489,249	71,034,625	99.36%	145,945	71,180,570	99.57%
2010	75,929,128	71,755,189	94.50%	136,565	71,891,754	94.68%
2011	72,434,536	71,118,203	98.18%	105,158	71,223,361	98.33%
2012	70,330,200	63,176,888	89.83%	126,609	63,303,497	90.01%

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)	(1)
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Revenue Bonds	Capital Leases		Percentage of Personal Income	Per Capita
2003	9,535,000	8,245,000	13,850,000	307,187	84,030,000	2,824,171	118,791,358	4.281%	664
2004	22,874,301	8,045,000	19,185,000	1,729,354	214,035,699	2,916,139	268,785,493	9.310%	1,479
2005	21,607,009	7,835,000	18,635,000	1,412,398	236,943,314	2,469,070	288,901,791	9.339%	1,554
2006	19,975,756	7,620,000	18,030,000	1,086,013	298,559,567	2,010,676	347,282,012	10.649%	1,850
2007	43,109,750	7,395,000	37,940,000	749,911	292,625,260	1,536,788	383,356,709	10.970%	2,025
2008	41,746,367	34,835,000	37,040,000	493,471	286,428,643	4,603,874	405,147,355	11.009%	2,112
2009	40,337,356	34,350,000	47,755,000	293,886	278,427,654	4,053,370	405,217,266	10.800%	2,090
2010	38,877,717	33,600,000	46,475,000	1,436,151	370,257,293	3,632,411	494,278,572	13.333%	2,510
2011	37,359,198	32,820,000	45,155,000	2,552,594	383,230,810	3,623,668	504,741,270	13.498%	2,524
2012	35,781,802	32,010,000	-	5,665,006	372,713,206	2,963,438	449,133,452	11.319%	2,241

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, 2012

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Oxnard Overlapping Debt:			
Metropolitan Water District	196,545,000	0.724%	1,422,986
Ventura County Community College District	310,868,691	13.938%	43,328,878
Ventura County Superintendent of Schools - Certificates of Participation	11,865,000	13.934%	1,653,269
Ventura County General Fund Obligations	93,740,000	13.934%	13,061,732
Oxnard Union High School District	90,359,913	44.268%	40,000,526
Oxnard Union High School District - Certificates of Participation	8,500,000	44.268%	3,762,780
Oxnard School District	113,793,139	91.635%	104,274,343
Oxnard School District - Certificates of Participation	5,079,700	91.635%	4,654,783
Rio School District	15,280,000	83.942%	12,826,338
Rio School District - Certificates of Participation	7,680,000	83.942%	6,446,746
Hueneme School District	23,191,007	47.035%	10,907,890
Ocean View School District	11,705,247	31.282%	3,661,635
Ocean View School District - Certificates of Participation	1,611,500	31.282%	504,109
Rio School District - Community Facilities District 1	29,895,000	100.000%	29,895,000
City of Oxnard - Rose Avenue/Hwy 101 Assessment District 96-1	3,050,000	100.000%	3,050,000
City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1	12,845,000	100.000%	12,845,000
City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1	2,015,000	100.000%	2,015,000
City of Oxnard Community Facilities District 1	9,140,000	100.000%	9,140,000
City of Oxnard Community Facilities District 3	31,190,000	100.000%	31,190,000
City of Oxnard Community Facilities District 88-1	450,000	100.000%	450,000
Oxnard Boulevard Interchange Community District	8,335,000	100.000%	8,335,000
Subtotal - Overlapping Debt	<u>987,139,197</u>		<u>343,426,015</u>
City of Oxnard Direct Debt:			
City of Oxnard Financing Authority			<u>67,585,000</u>
Subtotal - Direct Debt			<u>67,585,000</u>
Total direct and overlapping debt			<u>411,011,015</u>

The method used to calculate the overlapping debt is based on the percentage of the overlapping agency's assessed valuation located within boundaries of the city.

Source: California Municipal Statistics, Inc.

City of Oxnard, California

SCHEDULE XII
 Legal Debt Margin Information
 Last Ten Fiscal Years
(in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	1,382,688	1,534,332	1,726,418	1,983,111	2,250,164	2,449,824	2,493,677	2,349,884	2,333,523	2,322,196
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>2,493,677</u>	<u>2,349,884</u>	<u>2,333,523</u>	<u>2,322,196</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	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 2012

Assessed value	12,924,067
Add back: exempt real property	<u>2,557,237</u>
Total assessed value	15,481,304
Debt limit (15% of total assessed value)	2,322,196
Debt applicable to limit:	
General obligation bonds	440,505
Less: assets in debt service funds for principal payments	
Revenue bonds - governmental activities	(35,782)
Revenue bonds - business-type activities	(372,713)
Tax allocation bonds-community development commission	
Certificates of participation	<u>(32,010)</u>
Total net debt applicable limit	<u>0</u>
Legal debt margin	<u>2,322,196</u>

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE XIII Pledged Revenue Coverage Last Ten Fiscal Years

Water Revenue Bonds						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
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
2009	40,395,380	25,883,824	14,511,556	2,040,000	5,149,575	2.02
2010	39,764,998	28,681,992	11,083,006	2,105,000	8,049,790	1.09
2011	46,118,265	29,910,426	16,207,839	2,209,809	11,621,908	1.17
2012	49,580,413	30,309,016	19,271,397	3,195,568	11,858,798	1.28

Environmental Resources Revenue Bonds						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
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)
2009	39,901,815	38,055,524	1,846,291	2,335,505	970,779	0.56
2010	40,614,642	37,258,502	3,356,140	2,447,346	885,840	1.01
2011	45,243,032	39,058,556	6,184,476	2,534,094	1,178,081	1.67
2012	44,403,042	38,874,986	5,528,056	2,651,878	929,973	1.54

Note: The above operating expenses figures do not include depreciation and debt service expenses

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE XIII Pledged Revenue Coverage Last Ten Fiscal Years

Wastewater Revenue Bonds						
Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage	Fiscal Year
23,515,790	16,445,581	7,070,209	1,805,000	1,883,286	1.92	2003
23,182,456	12,958,128	10,224,328	1,750,000	1,924,827	2.78	2004
36,892,293	14,715,076	22,177,217	1,815,000	5,969,101	2.85	2005
28,512,017	16,185,708	12,326,309	1,885,000	6,682,905	1.44	2006
27,322,064	16,956,481	10,365,583	2,135,000	7,259,743	1.10	2007
29,054,646	17,562,559	11,492,087	2,260,000	7,418,756	1.19	2008
28,762,308	16,268,395	12,493,913	3,155,000	7,282,032	1.20	2009
23,165,658	17,588,757	5,576,901	3,255,000	7,284,462	0.53	2010
25,373,362	16,484,729	8,888,633	3,367,079	7,359,648	0.83	2011
31,680,309	18,146,959	13,533,350	3,532,784	7,060,378	1.28	2012

Oxnard Housing Authority Revenue Bonds						
Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage	Fiscal Year
-	-	-	-	-	-	2003
21,823,107	22,305,475	(482,368)	-	181,708	(2.65)	2004
21,515,845	23,235,370	(1,719,525)	205,000	231,660	(3.94)	2005
23,321,917	22,699,304	622,613	205,000	227,758	1.44	2006
22,616,071	21,496,289	1,119,782	215,000	243,407	2.44	2007
23,956,893	21,916,273	2,040,620	220,000	218,233	4.66	2008
25,784,589	24,427,197	1,357,392	225,000	209,945	3.12	2009
24,847,419	23,750,482	1,096,937	235,000	212,903	2.45	2010
25,312,733	23,531,077	1,781,656	240,000	198,220	4.07	2011
23,905,239	23,029,780	875,459	250,000	189,204	1.99	2012

City of Oxnard, California

SCHEDULE XIV
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Personal Income (in thous)	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
2003	181,800	2,774,931	15,522	30	41,936	8.1%
2004	186,122	2,886,966	15,886	30	42,276	7.8%
2005	188,941	3,093,466	16,645	30	38,372	7.0%
2006	189,990	3,261,107	17,376	28	37,196	6.2%
2007	192,997	3,494,586	18,463	31	37,956	6.1%
2008	194,905	3,680,019	19,185	36	37,703	7.4%
2009	197,067	3,751,908	19,352	30	38,911	11.0%
2010	200,004	3,707,181	18,829	29.7	39,135	14.4%
2011	199,722	3,739,475	18,697	30.5	38,595	14.2%
2012	200,390	3,968,123	19,802	30.3	39,231	13.0%

Sources: (1) California Department of Finance, Demographic Research Unit
 (2) HdL Coren & Cone
 (3) HdL Coren & Cone
 (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
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	200	207	211	217	214	186	234	234	234	228
Public Safety										
Police										
Officers	208	220	229	235	236	236	293	237	237	236
Civilians	131	134	138	152	151	151	95	151	151	151
Fire										
Firefighters & officers	87	89	91	100	102	103	100	103	103	101
Civilians	4	5	4	4	5	4	7	3	3	3
Transportation	36	36	36	45	56	84	50	50	50	49
Community development	53	56	57	57	59	67	66	66	66	66
Culture and recreation	78	79	79	74	83	85	85	85	85	83
Utilities										
Water	45	44	44	48	47	46	45	51	51	51
Wastewater	67	67	72	72	72	74	72	72	72	70
Environmental Resources	80	80	80	81	81	76	78	78	78	79
Housing	80	80	80	80	81	81	81	81	81	83
Total	1,069	1,097	1,121	1,165	1,187	1,193	1,206	1,211	1,211	1,200

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE XVI
 Operating Indicators by Function
 Last Eight Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012
Police								
Physical arrests	6,492	8,162	8,835	8,425	7,842	7,794	8,116	7,278
Parking violations	36,240	28,533	31,462	51,046	37,968	35,346	35,091	34,914
Traffic violations	30,985	19,590	20,525	16,673	23,305	25,288	25,517	22,294
Fire								
Number of calls answered	11,117	10,631	11,212	12,210	13,310	13,417	13,813	13,381
Inspections	2,829	3,109	3,693	3,190	4,244	4,777	5,614	4,212
Highways and streets								
Potholes repaired	18,333	10,545	12,200	12,375	12,300	12,650	13,000	14,000
Sanitation								
Total number of customers	43,617	44,941	45,731	43,489	37,195	37,124	43,991	44,034
Refuse/recyclables collected (tons/day)	-	708	681	581	571	570	577	558
Recyclables collected (tons/day)	-	30	13	13	95	91	93	98
Culture and recreation								
Community center admissions	48,800	43,849	42,831	43,230	51,872	27,934	29,655	33,751
Water								
Total number of customers	37,276	38,053	38,816	39,531	40,206	40,756	40,785	41,064
Average daily consumption	29,000,000	29,000,000	29,000,000	29,326,500	25,781,331	23,246,924	23,293,140	23,094,489
Wastewater								
Total number of customers	34,694	35,188	35,646	36,484	37,251	38,081	38,158	38,379
Average daily sewerage treatment	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000

Source: Various departments, City of Oxnard

City of Oxnard, California

SCHEDULE XVII Capital Assets by Function Last Eight Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012
Public safety								
Police								
Stations	1	1	1	1	1	1	1	1
Police vehicles	223	261	345	269	223	171	264	275
Fire								
Stations	6	7	7	7	7	7	7	7
Hydrants	4,180	5,200	5,000	5,150	6,282	5,413	5,413	5,430
Sanitation								
Collection trucks	48	48	57	52	52	52	52	51
Highways and streets								
Streets (miles)	403	400	400	400	400	400	400	400
Streetlights	650	650	650	654	654	674	674	674
Traffic signals	9,120	9,120	9,258	9,314	9,371	9,943	9,943	10,005
Culture and recreation								
Parks acreage	449	469	469	494	550	550	550	550
Parks	45	49	49	55	58	58	58	58
Ball diamonds	31	30	30	30	30	30	37	37
Basketball courts	20	19	19	24	29	29	47	47
Craft/Activity buildings	9	8	8	8	8	8	10	10
Gymnasium	2	3	3	3	2	2	2	2
Swimming pools	1	1	1	1	1	1	1	1
Tennis courts	33	31	31	32	31	31	30	30
Community centers	3	3	3	3	3	3	3	3
Library								
Number of books	336,518	361,713	433,008	355,151	353,455	356,456	356,624	362,753
Number of microfilms	8,299	8,394	8,473	8,510	8,525	8,572	8,634	8,708
Number of audiotapes	14,537	18,200	20,284	21,055	20,864	21,345	22,105	21,676
Number of videotapes	9,377	12,917	14,709	15,582	15,318	16,045	16,015	17,288
Number of CD-ROMS (data disk)	609	708	808	755	632	689	617	620
Water								
Water mains (miles)	500	525	600	601	663	592	592	597
Maximum daily treatment capacity	18,000,000	18,000,000	18,000,000	18,600,000	18,600,000	18,600,000	18,600,000	18,600,000
Sewer								
Miles of sewer lines	425	435	440	445	445	445	445	445

Source: Various departments, City of Oxnard

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