



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## **Fiscal Year Ended June 30, 2006**

Prepared by  
Finance Department  
Marcie Medina  
Finance Director



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*City of Oxnard, California*

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November 30, 2006

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

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Oxnard (City) for the fiscal year ended June 30, 2006. The basic financial statements are audited by an independent certified public accounting firm. The purpose of the audit is to ensure that the financial statements present fairly, in all material respects, the financial position and the results of operations of the City. Responsibility for both the accuracy of the data presented in this report, and the completeness and fairness of the presentation including all disclosures, rests with the City. We believe the data, as presented, to be accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations, of the City as measured by the financial activity of the various funds. All disclosures necessary are included to enable the reader to gain the maximum understanding of the City's financial activities and operations.

The CAFR is organized into three sections:

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

## **THE CITY OF OXNARD:** *“The City That Cares”*

The City of Oxnard: “*The City That Cares*” is located in western Ventura County (County) on the shore of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles, 35 miles south of the City of Santa Barbara, and 6 miles south of the government center of the County. Oxnard is the financial hub and the largest city in the County, with a population estimated to be 189,990 in 2006, accounting for over 23 percent of the County’s population.

## **ECONOMIC CONDITION AND OUTLOOK**

The City’s average unemployment rate for calendar year 2005 was 4.00 percent, which was lower than last year’s average of 4.90 percent. The economic condition and outlook for the City remains positive and upbeat. The City has a diversified and expanding economic base composed of light and heavy manufacturing, retail, service and governmental sectors. Oxnard has maintained a steady population growth rate of approximately 2.48 percent for the past decade and the adopted 2020 General Plan anticipates continued steady growth for the next ten years, with a projected population of 218,194 by the year 2020.

The City Council approved a balanced General Fund budget for Fiscal Year 2005-2006. The budget includes adjustments for ongoing service level options, one-time service level options, and 100 percent revenue offset service level options. The operating reserve policy states “The City Council will endeavor to maintain an operating reserve equal to 18 percent of the General Fund Operating Budget.” The City has met the requirement of the 18 percent reserve policy.

## **LONG-TERM FINANCIAL PLANNING**

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

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

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

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

Current projects include the RiverPark Development located on Vineyard and 101 Freeway, which consists of 2,600 residential units, approximately 900,000 square feet of commercial/retail, 320-room hotel, lakes and jogging trails, parks, and schools. The Seabridge, located on Victoria Avenue and Wooley Road, is a waterfront community consisting of 395 townhomes/flats, 276 single-family homes, 21 "Live to Work" units and 169,000 square feet commercial/retail development. The Northwest Community Golf Course Specific Plan on Gonzales Road and Victoria Avenue, includes 551 residential units and a 36-hole championship golf course. The Northeast Community Specific Plan on Gonzales Road and Rose Avenue includes 3,000 residential units, commercial/retail development, parks and a full-service hospital. The Wagon Wheel on Oxnard Boulevard and 101 Freeway includes a 56.4-acre project area of approximately 1,500 residential units, transit center, commercial/retail center, and an elementary school. The Teal Club includes up to 1,500 residential units, 37,000 square feet of commercial, elementary school, and a 1.5-acre fire station.

In the year 2005-06 alone, more than 2.1 million square feet of industrial space was occupied in Oxnard, creating approximately 2,160 jobs in the community.

It is the hope of the City of that these projects will contribute to the quality of life, in addition to fiscal health of the City of Oxnard.

## **FINANCIAL INFORMATION**

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

In developing and enhancing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and to ensure the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of controls should not exceed the anticipated benefits. The evaluation of costs and benefits requires continuing estimates and judgments to be made by management staff.

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

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

### **Fiduciary Operations**

The Fiduciary Funds of the City are established to account for assets held by the City in a trustee capacity for private individuals, organizations, and other governmental agencies. Included in these funds are, artworks funds and funds held for the payment of assessment district bonds. In past years, the City issued several 1915 Act Limited Obligation Improvement Bonds to fund the required improvements and levied assessments necessary to pay the debt service on the bonds. These bonds are not a general obligation of the City and the faith and credit nor the taxing power of the City are pledged to the payment of the bonds. Since the City is acting merely as an agent for the bond proceeds and the collection of assessments, the transactions are recorded in an agency fund. These bonds are not reflected in the accompanying basic financial statements. On June 30, 2006, the City's special assessment debt outstanding totaled approximately \$81,150,000.

### **Debt Administration**

The City uses a variety of tax increment, revenue and lease indebtedness to finance various capital acquisitions. The outstanding balances for this indebtedness as of June 30, 2006, are as follows:

Tax Allocation Bonds	\$ 17,951,413
Revenue Bonds, Net of Unamortized Discount and Gain or Loss on Refunding	317,484,231
Capital Leases	3,096,689
Certificates of Participation	7,620,000

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

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

The City has, on several occasions, used single investor loans to lease-purchase equipment. The City's capital lease obligations at June 30, 2006, amounted to \$3,096,689.

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

The State of California (State) mandates a limit on general obligation debt of 15 percent of true cash value of all taxable property within the City boundaries. On June 30, 2006, this limit was \$1,916,250,183.

### **SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2005-2006**

#### ***CITY TREASURER'S OFFICE***

Collection, cash management and safekeeping of all monies due to the City are the primary functions of the City Treasurer's Office. Accomplishments for Fiscal Year 2005-2006 are outlined below:

- The primary functions of the City Treasurer's Office include collection, safekeeping, cash management and investment of all monies revenues due to the City of Oxnard. The highest volume of transactions is generated by utility payments on more than 39,000 accounts each month. Approximately 25 percent of those transactions (over 10,000 per month) are received directly from customers at the cashiers' windows. Additional traffic is generated by payments for business and animal licenses, permits and revenues received by various departments.
- The coordinated efforts of the City Treasurer's Office, Utility Billing (Finance), and Information Services resulted in the introduction of payment of utility bills electronically via the City's website and an automated voice response system. These two methods provide bill payment capability to customers from 5:00 a.m. to 11:00 p.m., seven days per week. An element of the ongoing efforts of City Treasurer to streamline operations, this program benefits the customer and also frees staff from time-consuming credit card telephone transactions.

- Great pride is taken in providing excellent service to each customer, internal as well as external. This presents an ongoing challenge as the City grows, the customer base increases, yet staffing levels remain the same. The success of the City Treasurer's Office is attributable to its dedicated staff and a team approach.

## ***COMMUNITY DEVELOPMENT DEPARTMENT***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

**City-Wide Enhancement Program (CWEP)** - Participated in the deployment of the City's Mobile Satellite City Hall program at Emily Ritchen Elementary School, Tierra Vista Elementary School, Rio del Norte Elementary School and the Oxnard Performing Arts Center and will continue to participate in all neighborhood visits scheduled for 2006-2007.

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

**Disposition of Ormond Beach for Wetlands Restoration** - Closed escrow on the sale of 276 acres of jointly owned property between the Community Development Commission and the Metropolitan Water District to the Nature Conservancy and retained 14 acres for future CDC use. Provided ongoing support for the protection and restoration of the wetlands and other coastal resources in Ormond Beach.

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

**Downtown Façade and Paint Improvement Program** - Developed a Façade and Paint Improvement Program to assist Downtown businesses in enhancing the exteriors of their buildings, including improved signage, lighting, landscaping, awnings, and other building treatments. The program includes financial assistance for both architectural services and physical improvements. Program applications will be distributed beginning July 2006.

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



**Downtown Maintenance Drive-Through** - Continued the monthly drive-through with Solid Waste personnel to record maintenance issues and problems and then assign each problem to the appropriate department/division for follow-up (i.e., Streets, Solid Waste, Parks, Code Compliance, etc.). This has resulted in a visible improvement to the Downtown.

**Downtown Maintenance Improvement** - Coordinated the selection and purchase of additional trashcans for placement in the Downtown area. This was in anticipation of increased visitors as a result of the Summer 2005 opening of Centennial Plaza, Plaza Cinemas and new retail and restaurant tenants throughout the downtown. Trashcans include both general litter and recycled material containers.

**Downtown Oxnard Market Place** - Entered into a second Exclusive Negotiation Agreement with Oxnard Plaza Associates, LLC for the planning and possible development of the Marketplace in Downtown Oxnard. An environmental impact report is being prepared for the project.

**Downtown Parking Lot Improvement Program Phase II** - The second phase of the Parking Lot Improvement Program will encompass the Meta Street area between Fourth and Wooley Streets, on the east side of Oxnard Boulevard. Ten to fifteen Downtown public parking lots/alleys have been identified for these infrastructure improvements. Construction is anticipated to begin in 2006.

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

**Downtown Property Based Business Improvement District (PBID)** - Continued to support the PBID in its management efforts by serving as a resource to staff and as a participating member of PBID committees. CDC staff has also worked jointly with the PBID to improve communication between the business community and the City and address operational and maintenance issues. The Oxnard City Council has upon receiving petitions from a majority of the property owners, authorized a ballot process for the renewal of the PBID for another five years.

**Downtown Residential Development** - Entered into a Disposition and Development Agreement for the sale and development of a half-acre site owned by the Commission at the northwest corner of Seventh and "A" Streets, as a 12-unit for-sale townhome project. Construction began June 2006, with project completion anticipated by June 2007.

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

**Fry's Electronics** - Fry's Electronics completed the redevelopment of a vacant building at "The Market Place Shopping Center" in fall 2005. The building had been occupied by "Home Base" which went bankrupt leaving this key anchor space unused for several years.

**Gateway Sign Program Implementation** - New gateway street name signs are being installed in new subdivisions, as well as existing neighborhoods where signs are damaged or otherwise in need of replacement. A Pleasant Valley Road entry street monument sign is being fabricated. The sign is to be installed by August 2006. A preliminary application has been submitted to Caltrans for a southbound freeway pylon sign.

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

**Meta Street Apartments** - Assisted with a 27 for-sale unit townhome project in the Meta Street area. Construction is anticipated to begin by the end of 2006.

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

**Oxnard Factory Outlet** - Completed termination of the development agreement allowing new property owners to pursue traditional commercial shopping center tenants. Extensive private rehabilitation of the project which has been renamed "The Palms" has begun. Phase II was completed in summer 2005 and Phase III began construction in spring 2006. Leasing efforts continue.

**Retail Attraction** - Updated retail attraction brochure marketing the City and highlighting potential development opportunities. Attended local, regional and national retail trade shows and placed a newly designed advertisement in trade show publications. Established and maintained a computer database of contacts within the commercial development, brokerage and retail communities for follow-up meetings and City tours. Updated the CDC's Retail Website providing information on available commercial properties in Oxnard, and revised demographics and traffic counts to reflect 2005-2006 statistics.

**RiverPark** - Negotiations are nearly complete for the delivery of 140 extremely and very-low income rental units to be developed by Cabrillo Economic Development Corporation. Construction is expected to start in the first quarter of 2007. The design of 252 low- and moderate-income affordable for-sale homes has started.

**Ruby's Café** - Rehabilitation and redevelopment of 348-350 South Oxnard Boulevard (former "Brown Building") for a new restaurant, "Ruby's Café." The project began March 2005 and was completed May 2006, pursuant to a Disposition and Development Agreement.

**Security Lighting and Fencing Program** - Approved three Security Fencing Grants, and revised the Security Fencing Program to include a newly designed fence consisting of state-of-the-art reinforced materials.

**South Oxnard Revitalization** - Having completed the renovation of 43 of the 57 medians in Saviers, Hueneme and Pleasant Valley Roads, the program is now 75% complete. The four medians on Pleasant Valley Road were the most recent improvements to be completed. Five more medians are out to bid and the design on the remaining nine medians is 90% complete.

**Southwinds Neighborhood Revitalization** - The Southwinds Team, comprised of neighborhood representatives, City/CDC staff and the Oxnard Police Department work together to reduce crime, eliminate blight and enhance quality of life. Examples of programs include housing rehabilitation, homebuyer assistance, Weed and Seed and infrastructure improvements. Eleven owner-occupied and one multifamily investor rehabilitation loans were approved.

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

**Window Graffiti Abatement** - Assisted nearly 30 businesses whose storefront windows were etched (graffitied), by providing window "polishing" services to remove the etching. This greatly improved the appearance of the Downtown.

### ***FIRE DEPARTMENT***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

- Continued to provide a high level of service in calendar year 2006, Oxnard Fire answers a call for service every 28 minutes.
- The new grant-funded Urban Search and Rescue Vehicle was placed into service
- In conjunction with the Oxnard Police Dept. will conclude preparation for the new alternate EOC facility at the OPD Annex in Nov 06
- Provided training in the National Incident Managements System for city employees
- Graduated 100 citizens from the Departments Community Emergency Response Team Academy

### ***HOUSING DEPARTMENT***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

- The Oxnard City Council was awarded the Southern California Association of Non-Profit Housing's (SCANPH) Affordable Housing Award as "Financial Supporter of the Year." The City Council was selected due to its policy support and financial commitment toward affordable housing programs and projects. The Council has authorized the contribution of more than \$12 million of CDBG, HOME, tax increments, and in-lieu fees for the development of 619 sales and rental units.
- Villa Cesar Chavez was occupied during the first quarter of 2006. This 52-unit apartment complex was the second project built exclusively for farmworkers by Cabrillo Economic Development Corporation in Oxnard. The City and the Community Development Commission contributed \$1.2 million toward the project.
- The City was the recipient of \$1.28 million of mortgage assistance for Oxnard homebuyers from the Department of Housing and Community Development. A \$780,000 BEGIN loan package was made available for the 26 low income purchasers of Cabrillo Economic Development

Corporation's Hacienda Guadalupe townhome project. A \$500,000 CalHome loan program was made available for Citywide low-income home purchasers.

- Implementation of Homeless Management Information System. Completed initial system implementation of four nonprofits and data on homelessness is currently being collected. Beginning second phase of implementation to include four additional nonprofits.
- Conducted grant monitoring of five Continuum of Care Supportive Housing and Emergency Shelter Program grants including the Commission on Human Concerns (2); Khepera House, Rainbow Recovery Centers, and Catholic Charities. Drafted Memorandum of Agreement authorizing city oversight and monitoring of "pass-through" grants; these four grants are scheduled to be monitored in FY 06-07.
- The Housing Authority achieved "high performer" status from HUD again this year.
- Received an unqualified audit report for FY 2005. The auditors had no findings.

### ***HUMAN RESOURCES DEPARTMENT***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

- Established internship partnership with local ROP high school students to provide job skill training and work experience.
- Partnered with the Department of Rehabilitation to place disabled residents into internship positions within the City.
- Exceeded our goals to coordinate recruitment and testing processes that attract highly qualified candidates to fill over 150 City positions.
- Provided centralized Human Resources support to all departments and divisions to maximize departmental efficiencies.
- Created and implemented new processes to support departments in meeting their personnel recruitment and retention goals.
- Continued to lower testing costs and improved testing tools through developing strong networks with neighboring competitive service organizations and creating tests with-in the department through a partnership with the non-profit test question developer, the Western Region Item Bank.
- Reclassified and re-aligned positions to better meet the performance needs of City staff.
- Provided customer care and support to over 5,000 internal and external customers.
- Participated in career fairs providing approximately 900 students from the Oxnard School District with information on career path opportunities within the City of Oxnard.

- Continued to conduct and improve trainings with all Police and Fire Personnel on Workers' Compensation program, prevention and changes in California Workers' Compensation laws.

## ***POLICE DEPARTMENT***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

- The Police Department was awarded a three-year Gang Violence Suppression Project grant for its efforts in reducing gang violence. The award was based largely on the Department's comprehensive model that includes prevention, intervention and suppression. Oxnard was the only "small to mid-size" city in Southern California to receive this award.
- A partnership was formed with the Oxnard Elementary School District, City Impact, Interface and many other organizations and volunteers to create Oxnard PRYDE (Partnerships and Resources for Youth Development and Education). Oxnard PRYDE is a prevention program for at-risk youth that partners with families to create support teams for students in the program with the objective of improving student performance.
- Oxnard Police personnel started teaching GREAT (Gang Resistance Education and Training) in two elementary school after-school programs. The department intends to host a countywide GREAT training opportunity to train additional officers in the program.
- An increase in focused problem solving strategies led to the creation and implementation of the first phase of the Neighborhood Policing Strategy. This strategy allows officers to be assigned to areas of the community and focus solely on problem solving efforts in a proactive fashion to improve the livability of the community.
- The department entered into a partnership with the California Highway Patrol to address the issue of auto thefts. As a result there has been a significant decrease in the number of auto thefts within the City and an increase in the number of arrests of persons involved in stealing vehicles.
- Response times for emergency calls for service have decreased as part of the department's continued effort to provide the best service possible to the community.
- As in past years the crime rate continues to decline in the City. Oxnard still continues to have a lower crime rate than Ventura and Santa Barbara and still enjoys the fifth lowest crime rate in the nation among the 43 cities with populations between 150,000 and 200,000.

## ***OXNARD PUBLIC LIBRARY***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

- Construction is 70% complete on the new South Oxnard Branch Library at the corner of Bard and Saviers Roads. With a \$6 million State grant and \$4 million from the City of Oxnard, the new 23,000 square-foot library is scheduled to open in the winter of 2006. The new branch will be able to house 80,000 books and media and will provide a new wireless hotspot for public access of the Internet. The library raised \$321,232 in a Capital Program for this new branch.
- With the financial assistance of Risk Management and Human Resources/Safety, the Main Library purchased a closed-circuit television security system and a burglar alarm security panel. The closed-circuit TV has the potential to allow Police to view images through the Internet and the new burglar alarm security panel improved services.
- Library and some City staff received training on dealing with customers with special needs-mental illness, mental retardation, cerebral palsy, and autism. Response from staff was positive with suggestions for continued/annual training for all City employees.
- The Library's new website was unveiled in October 2005. It includes a general information section (<http://www.oxnard.org>) that outlines library news, events, information, services, and databases for use by the public. This section also includes links to local school and government websites. A special small business section includes links to library materials and supporting Internet information resources for the public in the areas of seven small business challenges.
- Library network equipment and 25 PCs were replaced with new equipment to provide support for technology-based services. A new software program was acquired that reduces the time required to set up a new PC from 4 hours to 30 minutes.
- Eighty percent of the current South Oxnard Center Library collection was prepared for the new RFID (radio frequency identification system) that will be installed in the new South Oxnard Branch Library. The RFID system will enable the public to check out and return library materials with minimal staff assistance at self-service stations.
- The library received a \$1,000 grant from the National Endowment for the Humanities to fund a traveling exhibit which reexamines President Lincoln's efforts toward the abolition of slavery during the Civil War. The six sections of the exhibit focus on young Lincoln's America, the House divided, war for the Union, the Emancipation Proclamation, the role of black soldiers in the Civil War, and the final months of the Civil War and Lincoln's life. Planned programs in conjunction with the exhibit include a Lincoln impersonator, a lecture from a local college professor, and a book discussion on the life of Abraham Lincoln.
- An Information/Reference survey conducted at the Main Library concluded that customers felt that they and/or their children read more because of programming in the library and 92% of customers responding rated the reference staff as "good/excellent."

- The Main Library's Computer Lab saw an increase of 9% in lab class attendance. Free Computer Lab classes provide introductions to: the mouse; computers; Microsoft Word, Excel, and PowerPoint; the Internet; and genealogy. Other free classes involve finding health information on Medline Plus, how to use a Flashstick and DiscCopier, understanding files and folders, improving small businesses using the library's database, and creating tables and charts in Microsoft Word.

### ***CARNEGIE ART MUSEUM***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

- Served 33,000 visitors and students with major art exhibits and education programs
- Presented 28 community outreach art programs including major guest artist gallery talks for college students of California State University Channel Islands and Oxnard College
- Inaugurated an arts mentoring presentation for "Camp Serendipity" Summer Day Camp as part of a new collaboration with Recreation Services and the Oxnard Public Library
- The Museum's non-profit fund raising partners, the Carnegie Art Museum Cornerstones, underwrote a successful economic feasibility study for the Museum's expansion by Economic Research Associates
- Received a donation of 12 significant art works to the permanent collection
- Presented five national level exhibitions including the Museum's first hosting of an exhibition from the Smithsonian Traveling Exhibits Service: Documenting China: Contemporary Photography and Social Change (via SITES), El Nopal Press, Jane Gottlieb: Beyond Belief, Reaching Critical Mass: the Glass Art of Einar & Jamex de la Torre and Art and Illusion: Selections from the Frederick R. Weisman Art Foundation
- Raised public awareness of exhibits and arts in the downtown area by promotion and articles in four national art publications and four newspapers: Artscene, California Art Club Newsletter, Lifescapes, Ventura County Star, Ventura County Reporter, Santa Barbara Independent and Los Angeles Times Weekender Section

## ***PUBLIC WORKS DEPARTMENT***

Accomplishments for Fiscal Year 2005-2006 are outlined below:

### **Environmental Resources Division**

- The California Integrated Waste Management Board (CIWMB) approved Oxnard's solid waste diversion rate of 67%. This diversion rate is the highest approved number in Ventura County and one of the highest in the State of California. Oxnard is exceeding the State mandates of the Waste Management Act (Assembly Bill 939) that requires every city and county in California to reduce waste by 50 percent.
- Started "Clean Sweep Partnership" with Police Department that assigns Environmental Resources Compliance Specialists and field crew in policing districts daily for combating illegal waste dumping.
- Recruited for an Environmental Resources Compliance Specialist to inspect refuse containment and handling relating to code enforcement, responds and resolves to customer concerns in downtown area.
- Sponsored over 30 neighborhood clean-up events that enabled residents to dispose of large bulky items such as old furniture, inoperable appliances, yard debris and scrap.
- Established Strategic Action Plan to identify goals in personnel, policy, planning and projects for organizational direction of the Environmental Resources Division.
- Implemented new phone and software systems that integrate and automate customer service orders and data reporting capabilities such as equipment, part, and supply inventories, route schedules, customer service accounts, collected waste and recyclable material tonnage.

### **Equipment Maintenance Division**

- A vendor funds recovery program has brought significant savings to the Division in the operation of its \$2.6 million procurement program for the fleet of 900+ vehicles. An aggressive follow-up process with our 93 vendors has rooted out duplicate billings and other mistakes and returned more than \$13,000 to the City in the first five months.
- A City-wide vehicle fuel card reissue was held to improve program oversight and accuracy. Over 700 cards were replaced and strict controls on fuel type, quantity, and hours were initiated to prevent misuse. FYI, the City's fuel bill is over \$1.3 million annually, for 900+ vehicles.
- The Division opened a new maintenance shop at the Del Norte Transfer Station. City employees took over maintenance of 19 truck tractors and 19 "walking floor" trailers, used to transfer waste to landfills. Accomplishments include improvement in fleet safety and serviceability, and better, safer shop working conditions. A significant benefit allows the Division to provide onsite service for other Environmental Resources equipment.



- The Division completely overhauled its preventive maintenance system for City vehicles, eliminated duplicate inspections and taking full advantage of current vehicle technology. Inspections are now on-time and match manufacturers' guidance while saving an estimated two staffing positions.
- This was another big year for increases to the City's vehicle and equipment fleet. The fleet size increased from 901 to 969 during the year, with fleet value increasing to \$30,717,000. These increases generally reflect the growth of the City and the departments that serve our citizens.

### **Facilities Maintenance**

- Chiller Repairs at Oxnard Public - Library major repairs to the two chillers at the Oxnard Public Library were completed. Our staff was able to locate replacement parts which allowed us to avoid a much more costly and time-consuming replacement project.
- Downtown Recycling and Trash Container Installation - The Streets Division lent its assistance to the Community Development Department and the Facilities Maintenance Program to get 41 new recycling and trash containers installed throughout Oxnard's downtown area. Having the recycling and trash containers located throughout the area will help the City meet its goals of keeping the downtown clean and inviting while reducing the waste going to the landfill.
- Dehumidification of the Campus Park Gymnasium Floor - We were able to use an innovative process of dehumidification to correct a significant issue with the Campus Park Gymnasium floor. Due water intrusion into the floor cavity, we experienced significant cupping of the floorboards at the southeast corner. We eliminated the source of the leak and used dehumidification equipment to remove the moisture from the underside of the flooring. Using this process resulted in a much more economical and timely solution when compared to more traditional methods of repair.
- Ocotlan Sister City Fountain Relocation - The Ocotlan Sister City Fountain was removed from its original location behind the old library building to prepare for the current phase of the Civic Center Master Plan Project. The fountain was relocated to the central patio at the South Oxnard Center located at 200 East Bard Road. The new patio location will better showcase this beautiful fountain and it makes an excellent backdrop for photographs taken at the many events held at the center.

### **Graffiti Action Program**

- Live person answering the graffiti hotline.
- Additional crews to take care of the streets signs and curbs.

### **Graffiti Task Force**

- Continued growth and expansion of the Citywide "You Spray...You Pay!" anti-graffiti campaign.
- Created a cost recovery Graffiti Restitution Schedule for the City to begin to recover the cost of graffiti removal from graffiti vandals and their parents.
- Gave 20 anti-graffiti community outreach and education program presentations.
- Documented and recruited 183 citywide Graffiti Action Kit (GAK) community volunteers program.
- Continue to foster the partnerships formed with the District Attorney's Office, the Probation Department and the Court System to increase the ability to prosecute graffiti vandals and recover restitution costs for their crimes.
- Formed a partnership for graffiti removal with the Ventura County Sheriff's Department for graffiti removal in the El Rio and County areas surrounding the City of Oxnard.

### **Landscape Maintenance District**

- Formation of 6 new landscape maintenance districts.
- Acceptance of improvements of Westport (CFD#1)

### **Parks and Public Grounds**

- New asphalt berms at Parks' debris holding station in Equipment Yard, which helps us comply with Stormwater Quality requirements.
- Removal of the two towers at College Park Amphitheatre.
- College Park improvements: New lighting, restroom stalls and doors, new refrigerator and freezer, roof repair/replacement in stage electric room.
- College Park cattail abatement completed.
- Removed vandalized dragons and replaced with new play equipment at the following parks: Carty, Johnson Creek, Marina West, Fremont, South Winds and Eastwood.
- Completed update to Injury & Illness Prevention Plan Safety Manual.
- Replaced damaged concrete at Colonia Park in front of restrooms; new concrete in Sea View Park covered patio area.

- Completion of Oxnard Beach Storm Debris Cleanup, Phases I & II.
- Sent out an RFP for the Design and Engineering of the 75-acre College Park Master Plan and will include a Big League Dreams Softball/Baseball Park.
- Completion and Adoption of the Environmental Impact Report (EIR) for the College Park development.

### **Water Resources**

- Relocation of Blending Station Number 3: The Blending Station Number 3 Relocation Project is completed and operational. The blending station was relocated because original site's groundwater was contaminated by leaky underground fuel tanks. The project included relocation of conveyance piping and design and construction of the facility to the new location 1700 Wankle Way. The four well pumps have the capability of extracting 9000 GPM and injecting back into the aquifer. The facility has a back up power generator that will provide power to the entire site when utility power is not available. A wireless radio receives and transmits data to the SCADA control system. Blending Station Number 3 will improve the reliability of the water.
- Blending Station Number 4: A wireless radio control system and a new magnetic flow meter have been installed and tested at Blending Station Number 4. These two new systems will improve efficiency and accuracy. The wireless radio will communicate alarm status and control information to the SCADA system located in the operator control room. A security camera and software were also installed at the site this system which will allow the Treatment staff to view and monitor the security camera from a remote location.
- Confined Space Entry Program: The Water Resources Division's confined space entry program has been updated and defined in the Water Division Health & Safety Manual. The purpose for the program is to protect our employees and establishes guidelines for those who work within confined spaces.
- Distribution System Cast Iron Mains Replacement: The Water Resources Division, with assistance of the Design and Construction Services Branch, continues to replace aging cast iron distribution system mains. Replacement of these pipes will improve water quality; fire hydrant flows, and reduces leaks and associated water outages. During FY 2005-2006, completed 225 feet on Perkins Road between Magellan Street and McWane Boulevard.
- Automated Meter Reading Conversion: Water Resources Division staff continues to replace conventional meters with radio-read meters, which will improve reading efficiency and accuracy. Five reading routes are 10% converted to the AMR. Over 20,000 replacement radio-read meters have been installed and over 5,000 new radio-read meters have been installed to date.
- Conservation Outreach Programs: The Water Resources Division received a \$20,000 grant from Metropolitan Water District's City Makeover Program, for the South Oxnard Library's Xeriscape Demonstration Garden. Construction of the library is underway and the landscape is to be completed by late Fall 2006.

## **BUDGETS AND BUDGETARY ACCOUNTING**

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

The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated within a division and between divisions within a department without City Council approval. During Fiscal Year 2005-2006, supplemental budget appropriations approximating \$26,296,436 were made.

## **CASH MANAGEMENT**

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

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

The average balance of non-restricted cash and investments of the City for Fiscal Year 2005-2006 was \$191,103,933 which earned \$10,164,817, an average rate of 3.37 percent. At June 30, 2006, \$165,164,379 or 45.0 percent of the City's investment pool had maturities of 1-5 years. All other City investments are scheduled to mature in less than 360 days.

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

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

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental funds	\$ 4,860,461	\$ 3,911,106	\$ 4,547,276
Proprietary funds and internal service funds	5,304,356	4,403,755	2,370,706
Total	<u>\$ 10,164,817</u>	<u>\$ 8,314,861</u>	<u>\$ 6,917,982</u>
Average annual yield	3.37%	2.76%	3.29%

Interest income in Fiscal Year 2005-2006 increased 22.25 percent versus last fiscal year.

## RISK MANAGEMENT

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

The City's contribution to the JPA for general liability coverage in Fiscal Year 2005-2006 was \$862,886. The City paid \$278,326 for its excess workers' compensation insurance in Fiscal Year 2005-2006.

## OTHER INFORMATION

### Independent Audit

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

tests of compliance with federal laws and regulations. The results of the single audit performed in accordance with OMB A-133 is presented under separate cover.

## AWARDS AND ACKNOWLEDGMENTS

### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2005.


This was the seventeenth consecutive year the City has received this prestigious award from the Government Finance Officers Association (GFOA) of the United States and Canada and from the California Society of Municipal Finance Officers Association (CSMFO), which reflect the conforming accounting and comprehensive reporting practices of the City. In order to be awarded a certificate of achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both GAAP and applicable legal requirements.

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

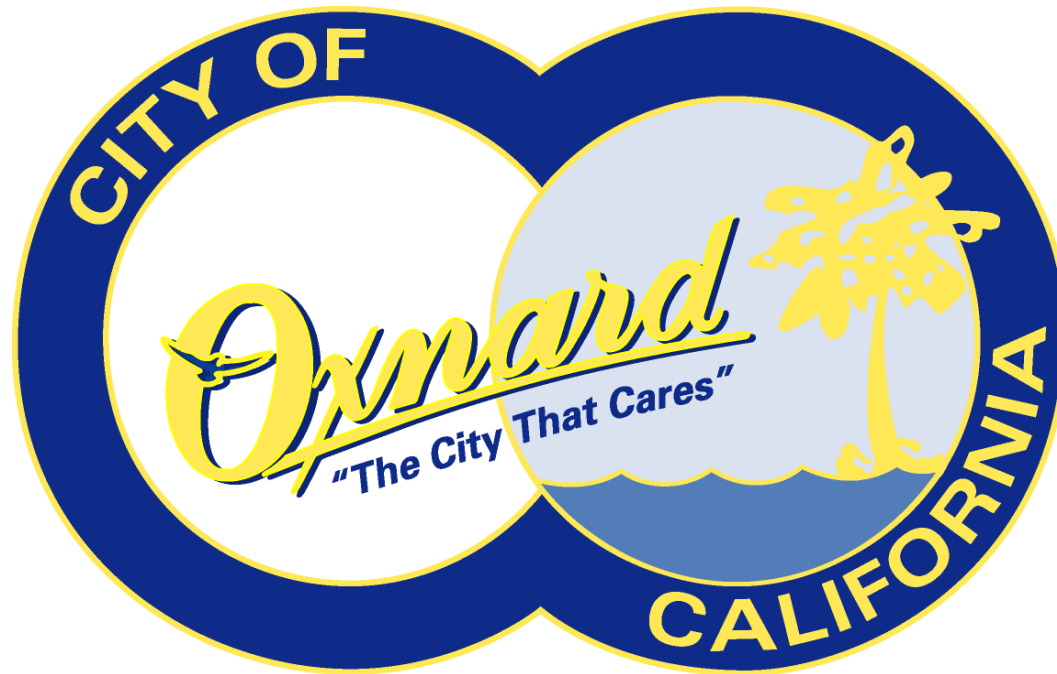
### Acknowledgments

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

Respectfully submitted,



Marcie Medina  
Finance Director





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oxnard  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

June 30, 2005

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.



*Carla E. Perry*  
President

*Jeffrey L. Esser*  
Executive Director



# California Society of Municipal Finance Officers

Certificate of Award

*Outstanding Financial Reporting 2004-05*

Presented to the

*City of Oxnard*



*This certificate is issued in recognition of meeting professional standards and criteria in reporting which reflect a high level of quality in the annual financial statements and in the underlying accounting system from which the reports were prepared.*

*February 24, 2006*

*William A. Thomas*

Bill Thomas, Chair  
Professional & Technical Standards Committee

*Dedicated to Excellence in Municipal Financial Management*



# City of Oxnard, California

## CITY COUNCIL



ANDRES HERRERA  
Mayor Pro Tem



DR. THOMAS E. HOLDEN  
Mayor



DEAN MAULHARDT  
Councilmember



JOHN C. ZARAGOZA  
Councilmember



TIMOTHY B. FLYNN  
Councilman



EDMUND F. SOTELO  
City Manager

## City of Oxnard Organizational Chart

<b>Residents</b>		
<b><u>City Treasurer</u></b> Dale Belcher	<b>City Council</b>	<b><u>City Clerk</u></b> Daniel Martinez Elections Information Resources
<b><u>City Attorney</u></b> Gary Gillig Debt Collection Legal Assistance Special Litigation	<b><u>City Manager</u></b> Edmund Sotelo	<b><u>CDC</u></b> Curtis Cannon Central Business Dist. Harbor District H.E.R.O Ormond Beach Southwinds Special Projects
Assistant City Manager Karen Burnham		



KAREN BURNHAM  
Assistant City Manager

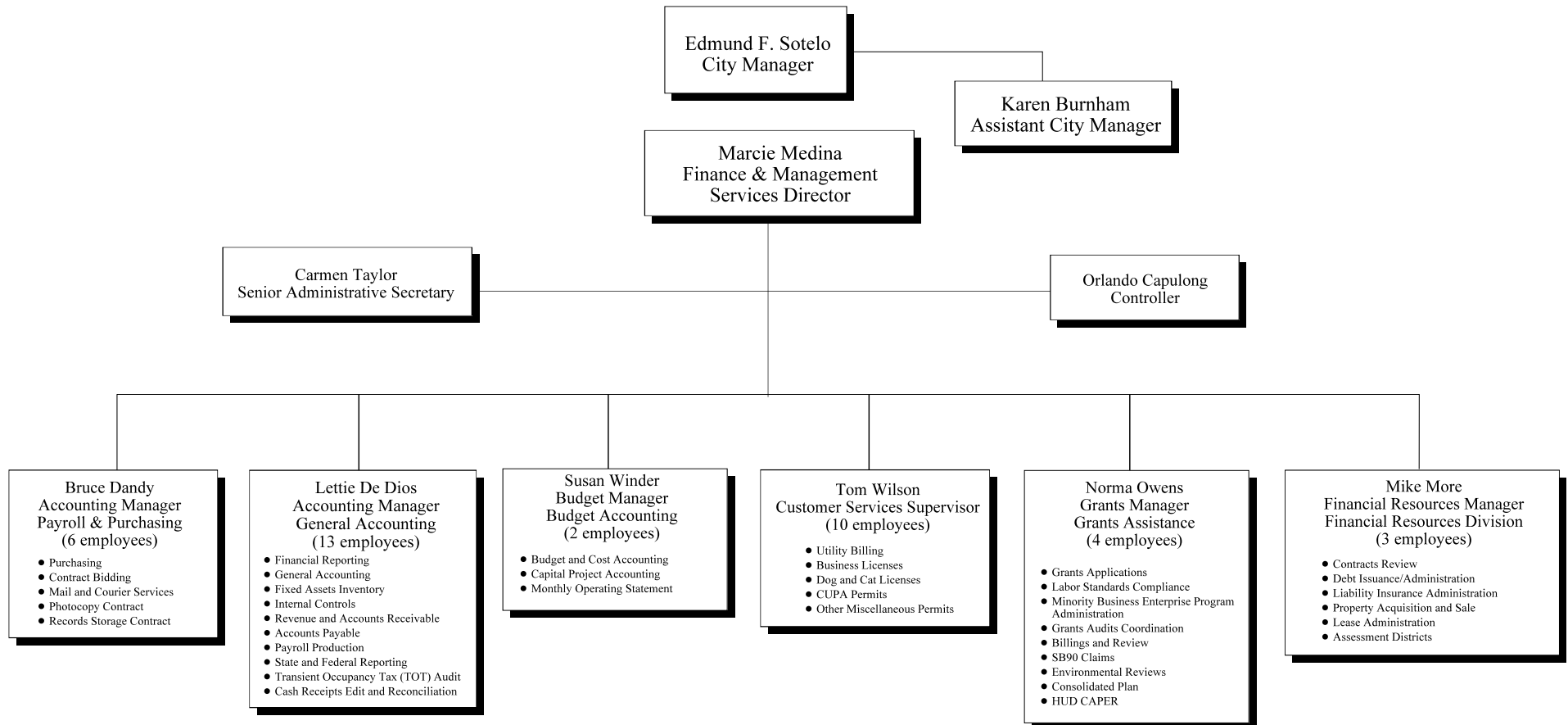
<b><u>Police</u></b>	<b><u>Fire</u></b>	<b><u>Housing</u></b>	<b><u>Finance</u></b>	<b><u>Recreation and Community Services</u></b>	<b><u>Development Services</u></b>	<b><u>Public Works</u></b>	<b><u>City Manager</u></b>	<b><u>Human Resources</u></b>	<b><u>Library</u></b>
John Crombach	Joe Milligan	Sal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

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

REV: 6/27/06

# CITY OF OXNARD, CALIFORNIA

## FINANCE DEPARTMENT



# VICINITY MAP



## INDEPENDENT AUDITORS' REPORT

Honorable City Council,  
City of Oxnard, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Oxnard, California management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2006, on our consideration of the City of Oxnard's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and required supplementary information on pages 3 through 16 and 83 through 91 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oxnard, California's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Mayer Hoffman McCann P.C.*

Oxnard, California  
October 18, 2006

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## *Management's Discussion and Analysis*

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This Management's Discussion and Analysis (MD&A) provides an overview of financial activities of the City of Oxnard (City) for the fiscal year ended June 30, 2006. Please read this discussion and analysis in conjunction with the accompanying transmittal letter (page i), the basic financial statements (page 18), and the accompanying notes to the basic financial statements (page 29).

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

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

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

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

### **REPORTING THE CITY AS A WHOLE**

#### **The Statement of Net Assets and the Statement of Activities**

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

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

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



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## *Management's Discussion and Analysis (continued)*

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### **Governmental Activities**

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

### **Business-Type Activities**

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

### **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

#### **Fund Financial Statements**

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

### **Governmental Funds**

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

### **Proprietary Funds**

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

## *Management's Discussion and Analysis (continued)*

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

### Fiduciary Funds

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The total net assets of the City as of June 30, 2006, were:

	2006	2005	Increase (Decrease)
Net Assets			
Invested in capital assets, net of related debt	\$ 1,467,938,634	\$ 229,616,392	\$ 1,238,322,242
Restricted	29,307,344	23,879,998	5,427,346
Unrestricted	179,244,817	219,535,696	(40,290,879)
Total net assets	<u><u>\$ 1,676,490,795</u></u>	<u><u>\$ 473,032,086</u></u>	<u><u>\$ 1,203,458,709</u></u>

The total net assets of the City increased 254.4 percent from \$473.0 million at June 30, 2005, to \$1.7 billion at June 30, 2006. The increase of \$1.2 billion derives from the addition of infrastructure assets such as streets/roadways network, waterways/seawalls network, storm drain system and right-of-way land due to implementation of GASB 34 and the change in net assets as recorded in the Statement of Activities and which flows through to the Statement of Net Assets.

### Governmental Activities

The following schedule summarizes the financial position of the City's governmental activities at June 30, 2006:

	2006	2005	Increase (Decrease)
Current assets	\$ 172,581,179	\$ 171,535,190	\$ 1,045,989
Capital assets (net of accumulated depreciation)	1,359,794,668	186,481,249	1,173,313,419
Properties held for resale	4,646,071	4,811,047	(164,976)
Other assets	122,222	261,146	(138,924)
Total assets	<u>1,537,144,140</u>	<u>363,088,632</u>	<u>1,174,055,508</u>
Current liabilities	36,117,415	51,198,751	(15,081,336)
Non-current liabilities	76,274,305	83,089,563	(6,815,258)
Total liabilities	<u>112,391,720</u>	<u>134,288,314</u>	<u>(21,896,594)</u>
Net assets:			
Invested in capital assets, net of related debt	1,313,161,486	131,874,401	1,181,287,085
Restricted	15,902,180	16,183,475	(281,295)
Unrestricted	95,688,754	80,742,442	14,946,312
Total net assets	<u><u>\$ 1,424,752,420</u></u>	<u><u>\$ 228,800,318</u></u>	<u><u>\$ 1,195,952,102</u></u>

At the end of Fiscal Year 2005-2006, the current assets are 11.23 percent of the total assets with the remaining 88.77 percent representing capital

## *Management's Discussion and Analysis (continued)*

assets, net of accumulated depreciation, properties held for resale and other assets. The current liabilities are 32.14 percent of the total liabilities. The current ratio for governmental activities at the end of the year is \$4.78 of current assets for every \$1.00 of current liabilities. Of the total net assets, 92.17 percent was invested in capital assets, 1.12 percent was restricted, and the remaining 6.71 percent represented unrestricted which is available for future operations.

Net assets of the City's governmental activities as of June 30, 2006, and 2005 are comprised of the following:

	2006	2005	Increase (Decrease)
Invested in capital assets, net of related debt	\$ 1,313,161,486	\$ 131,874,401	\$ 1,181,287,085
Restricted	15,902,180	16,183,475	(281,295)
Unrestricted	95,688,754	80,742,442	14,946,312
<b>Total net assets</b>	<b>\$ 1,424,752,420</b>	<b>\$ 228,800,318</b>	<b>\$ 1,195,952,102</b>

The net assets of the City from governmental activities increased 522.7 percent from \$228.8 million at June 30, 2005, to 1.4 billion at June 30, 2006. The increase of \$1,195,952,102 is due to implementation of GASB 34 infrastructure assets such as streets and roadways, waterways, rights-of-way, and storm drain system.

The cost of all governmental activities during Fiscal Year 2005-2006 was \$149,011,958. The amount that the City's taxpayers ultimately financed, however, was only \$57,522,068. Some of the cost of governmental activities was paid by those who directly benefitted from the programs (\$44,294,478) or by other government agencies and organizations that subsidized certain programs with operating grants and contributions (\$30,436,511) and capital grants and contributions (\$16,758,901).

Overall, the City generated program revenues from governmental activities amounting to \$91,489,890. The remaining cost of governmental

activities (\$57,522,068) was paid by the City's sources of general revenue (taxes and other general revenues).

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

The following table presents the changes in net assets for governmental activities for the year ended June 30, 2006:

	2006	2005	Increase (Decrease)
Program revenues:			
Charges for services	\$ 44,294,478	\$ 43,048,480	\$ 1,245,998
Operating grants and contributions	30,436,511	20,254,587	10,181,924
Capital grants and contributions	16,758,901		16,758,901
General revenues:			
Taxes	95,580,997	84,617,850	10,963,147
Interest on investments	4,860,461	3,911,106	949,355
Sale of capital assets	7,146,270	—	7,146,270
Total revenues	199,077,618	151,832,023	47,245,595
Expenses:			
General government	18,360,819	13,646,432	4,714,387
Public safety	75,789,982	68,542,046	7,247,936
Transportation	10,341,829	9,912,068	429,761
Community development	22,614,813	18,937,934	3,676,879
Culture and leisure	15,345,765	12,018,761	3,327,004
Libraries	4,654,234	3,919,671	734,563
Interest on long-term debt	1,904,516	2,299,356	(394,840)
Total expenses	149,011,958	129,276,268	19,735,690
Change in net assets	50,065,660	22,555,755	27,509,905
Transfers	(2,280,393)	(1,882,942)	(397,451)
Changes in net assets - governmental activities	\$ 47,785,267	\$ 20,672,813	\$ 27,112,454
Net assets - July 1	228,800,318	208,127,505	20,672,813
GASB 34 infrastructure implementation adjustment	1,148,166,835	—	1,148,166,835
Net assets - June 30	\$ 1,424,752,420	\$ 228,800,318	\$ 1,195,952,102

## Management's Discussion and Analysis (continued)

### Governmental activities

#### Sources of revenues:

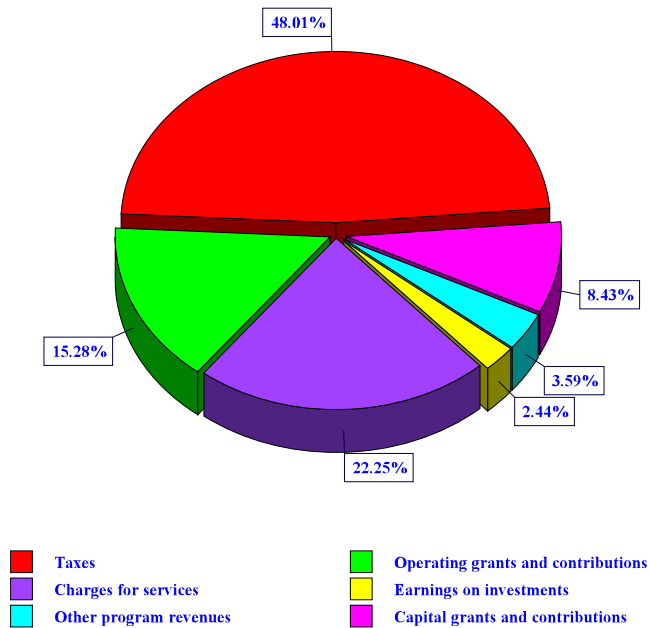
	2006	2005	Increase (Decrease)
Taxes	\$ 95,580,997	\$ 84,617,850	\$ 10,963,147
Operating grants and contributions	30,436,511	20,254,587	10,181,924
Capital grants and contributions	16,758,901	—	16,758,901
Charges for services	44,294,478	40,807,988	3,486,490
Earnings on investments	4,860,461	3,911,106	949,355
Other program revenues	7,146,270	2,240,492	4,905,778
<b>Total</b>	<b>\$ 199,077,618</b>	<b>\$ 151,832,023</b>	<b>\$ 47,245,595</b>

### Governmental activities

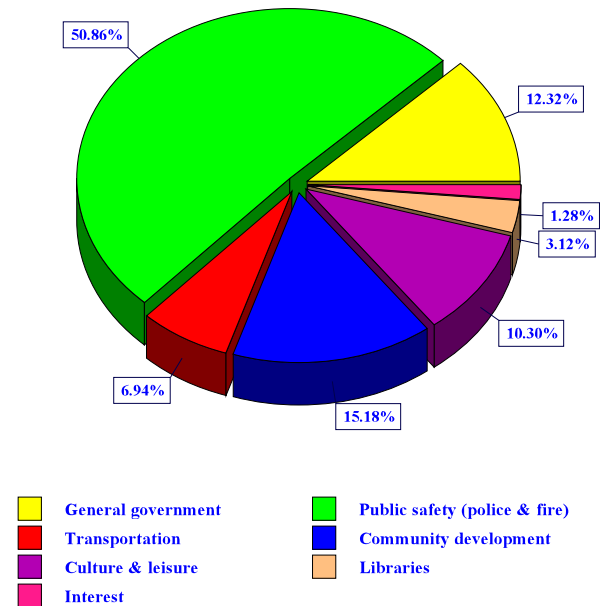
#### Functional expenses:

	2006	2005	Increase (Decrease)
General government	\$ 18,360,819	\$ 13,646,432	\$ 4,714,387
Public safety (police and fire)	75,789,982	68,542,046	7,247,936
Transportation	10,341,829	9,912,068	429,761
Community development	22,614,813	18,937,934	3,676,879
Culture and leisure	15,345,765	12,018,761	3,327,004
Libraries	4,654,234	3,919,671	734,563
Interest	1,904,516	2,299,356	(394,840)
<b>Total</b>	<b>\$ 149,011,958</b>	<b>\$ 129,276,268</b>	<b>\$ 19,735,690</b>

### Sources of Revenues

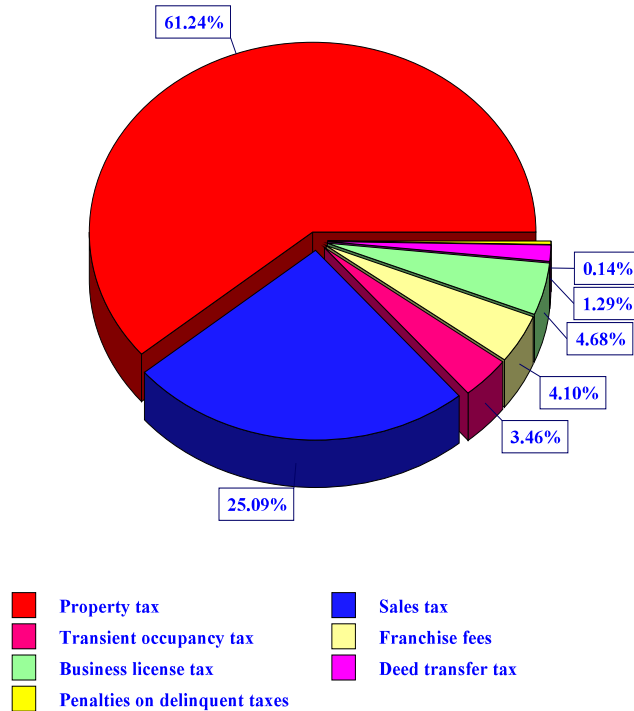


### Functional Expenses



## Management's Discussion and Analysis (continued)

### Sources of Tax Revenues



The City's total sources of revenue showed a major increase of \$47,245,595 as compared to last fiscal year. The major increase in sources of revenue in Fiscal Year 2005-2006 came from taxes (\$10,963,147), followed by grants and contributions (\$10,181,924) and charges for services (\$3,486,490), other program revenues (\$4,905,778) and earnings on investments (\$949,355). Operating capital grants and

contributions (\$16,758,901) were part of grants and other contributions in prior years. However, fines and forfeitures and infrastructures were included in charges for services. Revenues increased by 31.12 percent during the fiscal year.

Taxes, which are the largest source of revenue for the City, increased by \$10,963,147 or 12.96 percent, which is due to an increase in property tax (\$9,440,850), sales tax (\$772,541) and transient occupancy tax (\$864,248) business license tax (\$502,869), transfer tax (\$34,375) and penalties on delinquent taxes (\$6,153), however, a decrease in franchise tax (\$657,889). The continued construction and sale of new residential houses contributed to the increase in property taxes. Franchise occupancy tax increased by 35.34 percent or \$864,248 due to the addition of the new Hilton and Garden Hotel. The increases in investment earnings of \$949,335 attributed to higher investment yields.

Sources of tax revenues for the fiscal years ended June 30, 2006, and 2005 are as follows:

Sources of tax:	2006	2005	Increase (Decrease)
Property tax	\$ 58,537,770	\$ 49,096,920	\$ 9,440,850
Sales tax	23,985,182	23,212,641	772,541
Transient occupancy tax	3,309,716	2,445,468	864,248
Franchise fees	3,914,317	4,572,206	(657,889)
Business license tax	4,470,841	3,967,972	502,869
Deed transfer tax	1,230,768	1,196,393	34,375
Penalties on delinquent taxes	132,403	126,250	6,153
<b>Total</b>	<b>\$ 95,580,997</b>	<b>\$ 84,617,850</b>	<b>\$ 10,963,147</b>

## *Management's Discussion and Analysis (continued)*

### Business-Type Activities

The following schedule summarizes the financial condition of the City's business-type activities at June 30, 2006:

	2006	2005	Increase (Decrease)
Current assets	\$ 177,080,674	\$ 176,790,447	\$ 290,227
Capital assets (net of accumulated depreciation)	392,728,005	324,614,707	68,113,298
Other assets	613,607	1,630,237	(1,016,630)
Total assets	<u>570,422,286</u>	<u>503,035,391</u>	<u>67,386,895</u>
Current liabilities	16,739,895	18,987,637	(2,247,742)
Non-current liabilities	301,944,016	239,815,986	62,128,030
Total liabilities	<u>318,683,911</u>	<u>258,803,623</u>	<u>59,880,288</u>
Net assets:			
Invested in capital assets (net of related debt)	154,777,148	97,741,991	57,035,157
Restricted	13,405,164	7,696,523	5,708,641
Unrestricted	83,556,063	138,793,254	(55,237,191)
Total net assets	<u>\$ 251,738,375</u>	<u>\$ 244,231,768</u>	<u>\$ 7,506,607</u>

The business-type activities showed a positive current ratio at June 30, 2006 - \$10.58 of current assets for every \$1.00 of current liabilities. Of the total net assets, 61.48 percent was invested in capital assets, 5.33 percent represented restricted net assets, and 33.19 percent was unrestricted which is available for future operations.

Net assets of the City's business-type activities as of June 30, 2006, and 2005 are as follows:

	2006	2005	Increase (Decrease)
Invested in capital assets, net of related debt	\$ 154,777,148	\$ 97,741,991	\$ 57,035,157
Restricted for:			
Debt service	13,405,164	7,696,523	5,708,641
Unrestricted	83,556,063	138,793,254	(55,237,191)
Total net assets	<u>\$ 251,738,375</u>	<u>\$ 244,231,768</u>	<u>\$ 7,506,607</u>

The net assets of the City's business-type activities increased 3.07 percent from \$244.23 million at June 30, 2005, to \$251.74 million at June 30, 2006. The increase of \$7,506,607 is primarily due to an increase in invested in capital assets net of related debt and an increase in restricted for debt service.

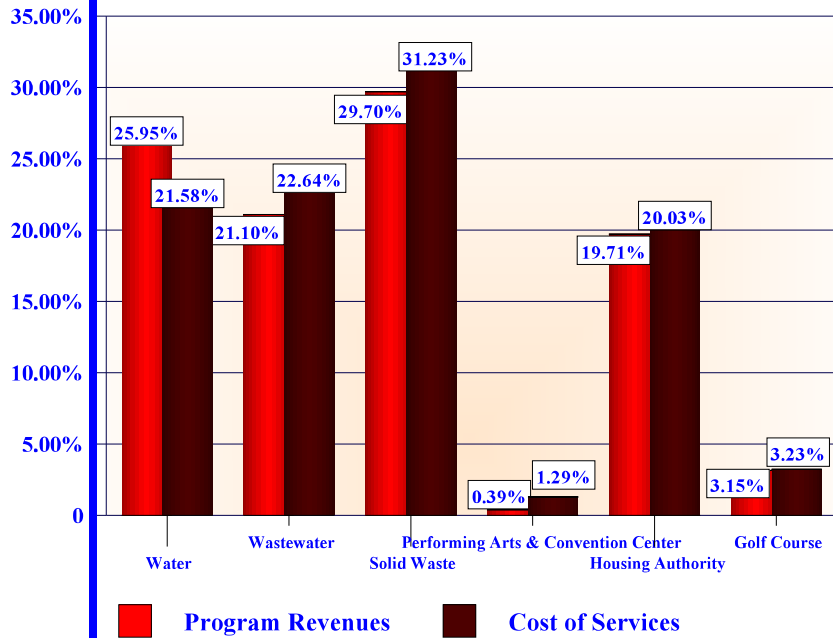
Total expenses for business-type activities for the year ended June 30, 2006, was \$123,409,883. Program revenues are primarily comprised of charges for services in the amount of \$122,575,274.

General revenues consist of earnings on investments \$4,753,913 and capital grants and contributions (\$1,306,910). Transfers from governmental activities amounted to \$2,280,393.

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

## Management's Discussion and Analysis (continued)

### Business-Type Activities



The following table presents the changes in net assets for business-type activities for the year ended June 30, 2006:

	2006	2005	Increase (Decrease)
Program revenues:			
Charges for services	\$ 122,575,274	\$ 129,115,686	\$ (6,540,412)
Capital grants and contributions	1,306,910	—	1,306,910
General revenues:			
Earnings on investments	4,753,913	4,486,577	267,336
Total revenues	128,636,097	133,602,263	(4,966,166)
Expenses:			
Water	26,636,150	23,152,648	3,483,502
Wastewater	27,939,236	25,482,133	2,457,103
Solid waste	38,535,592	37,117,879	1,417,713
Performing arts and convention center	1,590,321	1,565,920	24,401
Oxnard housing authority	24,724,889	25,507,125	(782,236)
Municipal golf course	3,983,695	4,028,435	(44,740)
Total expenses	123,409,883	116,854,140	6,555,743
Changes in net assets before transfers	5,226,214	16,748,123	(11,521,909)
Transfers in	2,280,393	1,481,242	799,151
Changes in net assets - business-type activities	\$ 7,506,607	\$ 18,229,365	\$ (10,722,758)

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

## Management's Discussion and Analysis (continued)

### FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

#### General Fund

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

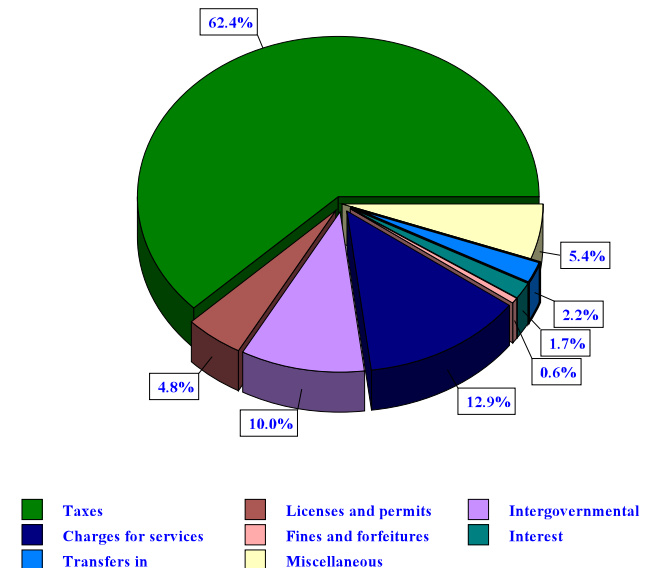
The General Fund ended the year with a fund balance of \$27,182,305, which is an increase of \$3,783,910 as compared to the prior fiscal year. The fund balance is designated into categories for legally reserved or restricted (\$3,658,849) and unreserved, undesignated fund balance available for future operations (\$23,523,456). The General Fund showed a strong fund balance, which is over the 15 percent contingency reserve required by the City Council.

General Fund revenues for the year ended June 30, 2006, were \$109,880,153. The revenues increased by \$14,404,453 (14.71 percent). This increase is due primarily to an increase in taxes (\$6,919,420), licenses and permits (\$3,273,820), and miscellaneous (\$3,323,426) offset by a decrease in intergovernmental (\$1,226,375) and charges for services (\$558,913).

General Fund expenditures, including transfers out, for the year ended June 30, 2006, reported an increase of \$7,439,952 from \$101,086,314 in Fiscal Year 2004-2005 to \$108,526,266 in Fiscal Year 2005-2006. Major increases were in public safety (\$5,791,319), culture and leisure (\$2,224,489), community development (\$1,498,827), general government (\$204,713) and library revenues (\$482,601). The increase in public

safety expenditures reflected the City Council's continued commitments to fighting crimes and gang violence to maintain a peaceful and crime free community.

#### Revenues





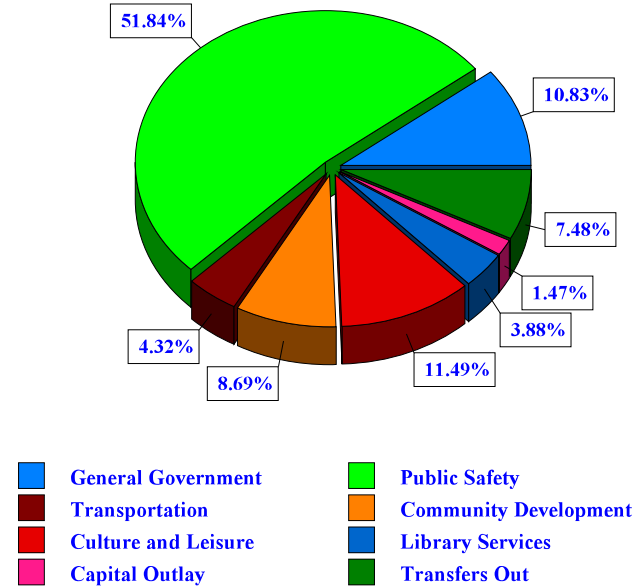
## Management's Discussion and Analysis (continued)

General fund revenues:	2006	2005	Increase (Decrease)
Taxes	\$ 70,063,390	\$ 63,143,970	\$ 6,919,420
Licenses and permits	5,390,754	2,116,934	3,273,820
Intergovernmental	11,241,867	12,468,242	(1,226,375)
Charges for services	14,435,872	14,994,785	(558,913)
Fines and forfeitures	736,692	658,454	78,238
Interest	1,924,443	1,759,629	164,814
Miscellaneous	6,087,135	2,763,709	3,323,426
Transfers in	2,430,023	—	2,430,023
Total	<u>\$ 112,310,176</u>	<u>\$ 97,905,723</u>	<u>\$ 14,404,453</u>

General fund expenditures:	2006	2005	Increase (Decrease)
General government	\$ 11,746,494	\$ 11,541,781	\$ 204,713
Public safety	56,261,786	50,470,467	5,791,319
Transportation	4,686,554	4,187,456	499,098
Community development	9,431,327	7,932,500	1,498,827
Culture and leisure	12,472,575	10,248,086	2,224,489
Library services	4,214,038	3,731,437	482,601
Capital outlay	1,598,348	1,090,198	508,150
Transfers out	8,115,144	11,884,389	(3,769,245)
Total	<u>\$ 108,526,266</u>	<u>\$ 101,086,314</u>	<u>\$ 7,439,952</u>

### Expenditures



## Major Special Revenue Funds

### Development Fees Fund:

Growth and development fees revenue for the year was \$11,559,298, which is 3.27 percent of the City's total revenues, as compared to 7.37 percent for prior year. Expenditures and transfers out totaled \$8,351,742 as compared to \$8,953,191 for prior year. The decrease of 6.72 percent is due to capital outlay.

### HUD and CDBG Grants Fund:

Grant revenue for this fund totaled \$4,316,996, as compared to \$3,446,786 for prior fiscal year. The increase of \$870,210 is due to an increase in grant funding in the HUD and CDBG grants program. Expenditures for the Fiscal Year 2005-2006 totaled \$4,316,996 and \$3,446,786 for prior fiscal year. The increase of \$870,210 is due to community development and capital outlay expenditures.

## *Management's Discussion and Analysis (continued)*

### ***State and Federal Grants Fund:***

During Fiscal Year 2005-2006, this fund generated a total revenue of \$20,396,507, consisting of 54.41 percent of voter-approved property tax for public safety supplemental retirement; 40.57 percent of grant revenues (related primarily to transportation and public safety grants) and the remaining 5.02 percent representing miscellaneous revenues. For the fiscal year, the fund showed an excess (deficit) of revenues over expenditures (\$419,435), decreasing the fund balance to \$10,192,971.

### ***Capital Outlay Fund and Community Development Commission Fund:***

The Capital Outlay Fund showed a decrease in fund balance of \$2,826,315, the Community Development Commission Fund showed an increase of \$7,130,555, and the Debt Service Fund an increase in balance of \$173,805. All funds ended the year with positive fund balances.

### **Enterprise Funds**

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

The enterprise operations showed a decrease in revenues amounting to \$7,268,616 as compared to the prior fiscal year. Expenses indicated an

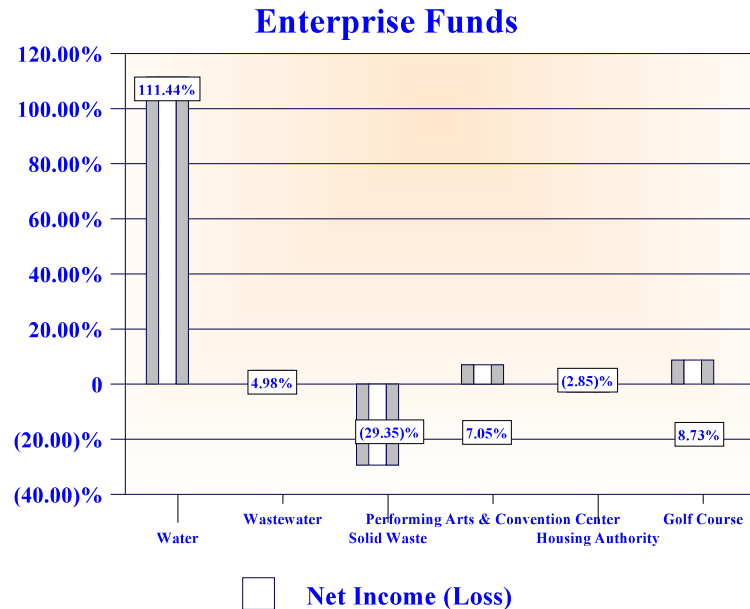
increase totaling \$8,290,282 in Fiscal Year 2006. Total net income for the year ended June 30, 2006, was \$6,650,435, which increased net assets to \$251,738,375 (after allocating Internal Services Funds income) from \$244,231,768 as of the prior year end.

The following presents the net income (loss) for the City's enterprise funds for the years ended June 30, 2006, and 2005:

	<u>2006</u>	<u>2005</u>	<u>Change</u>
Water	\$ 7,411,409	\$ 11,519,332	\$ (4,107,923)
Wastewater	330,983	11,501,918	(11,170,935)
Solid waste	(1,951,922)	(445,374)	(1,506,548)
Performing arts and convention center	469,021	(140,612)	609,633
Oxnard housing authority	(189,829)	(3,570,611)	3,380,782
Municipal golf course	580,773	(312,854)	893,627
Total	<u>\$ 6,650,435</u>	<u>\$ 18,551,799</u>	<u>\$ (11,901,364)</u>

## Management's Discussion and Analysis (continued)

Overall, the enterprise funds continue to exhibit a positive financial position at June 30, 2006, maintaining a high percentage of contingency reserve in comparison to the City's established reserve requirement for each fund.



construction in progress and infrastructure. The City's investments in capital assets increased by 242.90 percent from the prior year. The majority of this increase related to governmental activities (\$1,173,313,419) and business-type activities (\$68,113,298).

Major capital assets additions during Fiscal Year 2005-2006 included the following:

- Acquisitions of equipment, solid waste trucks, police vehicles and computer equipment
- Construction in progress for water, wastewater, solid waste and golf course projects
- A variety of street and storm drain projects in new residential development, paving, street widening and slurry sealing for existing streets continues throughout the City
- Various improvements and additions to utilities systems still under construction
- GASB 34 infrastructure assets of \$1,148,166,835.

The following table provides a breakdown of the City's capital assets at June 30, 2006:

### CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2006, amounts to \$1,752,522,673 (net of accumulated depreciation). The City's capital assets include land, buildings, other improvements, machinery and equipment, and

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 977,520,331	\$ 24,873,706	\$ 24,101,995	\$ 22,164,745	\$ 1,001,622,326	\$ 47,038,451
Construction in progress	54,474,235	22,605,158	164,686,693	98,339,137	219,160,928	120,944,295
Buildings	18,046,021	23,835,515	33,672,995	28,877,659	51,719,016	52,713,174
Other improvements	51,085,329	105,551,621	163,214,307	169,892,411	214,299,636	275,444,032
Machinery and equipment	10,028,928	9,615,249	7,052,015	5,340,755	17,080,943	14,956,004
Infrastructure	248,639,824	—	—	—	248,639,824	—
Total	<u>\$ 1,359,794,668</u>	<u>\$ 186,481,249</u>	<u>\$ 392,728,005</u>	<u>\$ 324,614,707</u>	<u>\$ 1,752,522,673</u>	<u>\$ 511,095,956</u>

## *Management's Discussion and Analysis (continued)*

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

### DEBT ADMINISTRATION

The City uses a variety of tax increment, revenue and lease indebtedness to finance various capital acquisitions. At June 30, 2006, the City's long-term debt outstanding, including compensated absences was \$361,618,315. Of this total, \$59,674,299 was in governmental activities and \$301,944,016 was in business-type activities. More detailed information about the City's total long-term liabilities are presented in Note 7 to the financial statement.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2006:

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Tax allocation bonds	\$ 17,951,413	\$ 18,546,589	\$ —	\$ —	\$ 17,951,413	\$ 18,546,589
Revenue bonds	19,975,756	21,607,009	297,508,475	234,909,067	317,484,231	256,516,076
Capital leases	1,086,013	1,412,398	2,010,676	2,469,070	3,096,689	3,881,468
Notes and loans payable	—	5,205,852	—	—	—	5,205,852
Certificate of participation	<u>7,620,000</u>	<u>7,835,000</u>	<u>—</u>	<u>—</u>	<u>7,620,000</u>	<u>7,835,000</u>
Total	<u>\$ 46,633,182</u>	<u>\$ 54,606,848</u>	<u>\$ 299,519,151</u>	<u>\$ 237,378,137</u>	<u>\$ 346,152,333</u>	<u>\$ 291,984,985</u>

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

currently are accounted for by the Oxnard Community Development Commission.

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

The City has, on several occasions, used single investor loans to lease-purchase equipment. The City's capital lease obligations at June 30, 2006, amounted to \$3,096,689.

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

The State mandates a limit on general obligation debt of 15 percent of true cash value of all taxable property within the City boundaries. At June 30, 2006, this limit was \$1,916,250,183.

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## *Management's Discussion and Analysis (continued)*

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### **BUDGETING**

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found on pages 84 through 91. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis. Budgets are prepared on the modified accrual basis of accounting consistent with GAAP except that encumbrances are included in budgeted expenditures.

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

#### **General Fund Budgetary Highlights**

The General Fund final budget differs from the original budget by 5.0 percent. The components of this increase are briefly summarized as follows: \$267,462 increase is for planning, design and construction consulting services for parks; \$975,000 for Fire Department increase in operations; \$24,300 for the Carnegie Art Museum increase in utilities;

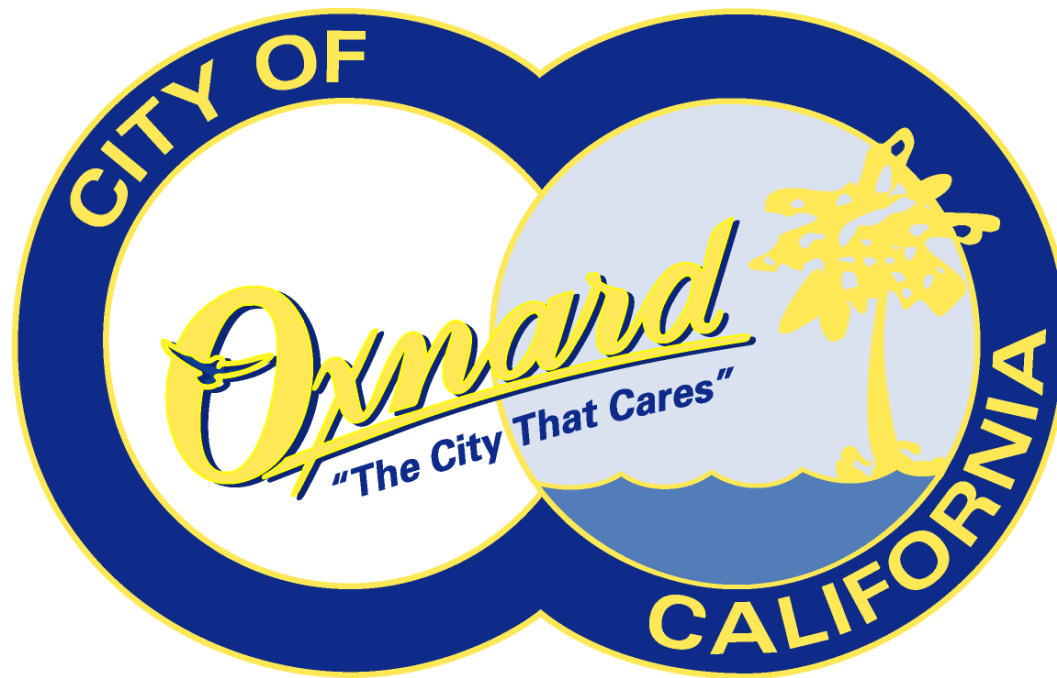
\$897,518 for Police Community Patrol increase in operations; \$18,100 for Parks and Facilities services-program contract; \$93,500 for Youth Development police activity league; \$152,550 for Recreation Services City Corps operations; \$261,227 for Citywide equipment maintenance costs; \$117,728 for Library Circulation Services; \$17,980 for Satellite City Hall Program; \$100,000 for Graffiti Removal program; and \$25,000 for Human Resources personnel advertising programs.

During the year, General Fund revenues met budgetary estimates while expenditures were less than budgetary estimates. Actual revenues exceeded actual expenditures (net of transfers in and out) by \$3,783,910 for Fiscal Year 2005-2006.

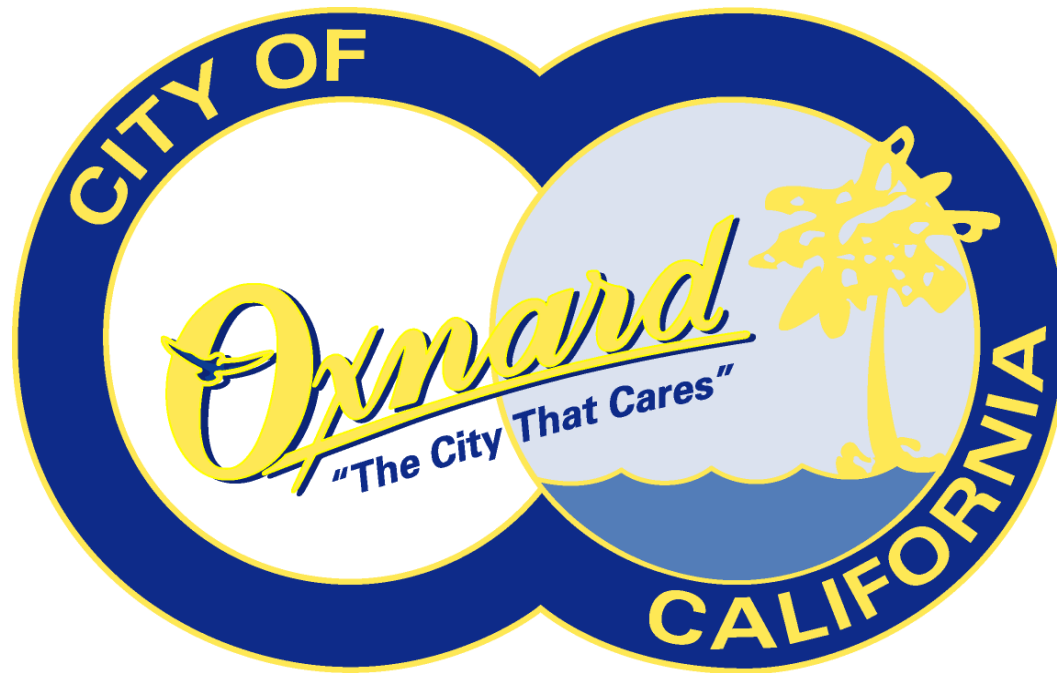
The General Fund budget to actual statements can be found on page 84 through 88 of this report.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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



## **BASIC FINANCIAL STATEMENTS**





# City of Oxnard, California

## Statement of Net Assets June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 140,604,348	\$ 42,272,481	\$ 182,876,829
Investments with fiscal agents	11,928,277	121,472,363	133,400,640
Accounts and other receivables	14,769,546	11,186,134	25,955,680
Notes receivable	—	61,674	61,674
Internal balances	(56,191)	56,191	—
Due from other governments	5,335,199	—	5,335,199
Property held for resale	4,646,071	—	4,646,071
Other assets	122,222	2,031,831	2,154,053
Restricted assets:			
Investments with fiscal agents	—	613,607	613,607
Capital assets not being depreciated:			
Land	977,520,331	24,101,995	1,001,622,326
Construction in progress	54,474,235	164,686,693	219,160,928
Capital assets, net of accumulated depreciation:			
Buildings	18,046,021	33,672,995	51,719,016
Other improvements	51,085,329	163,214,307	214,299,636
Machinery and equipment	10,028,928	7,052,015	17,080,943
Infrastructure	248,639,824	—	248,639,824
Total assets	<u>1,537,144,140</u>	<u>570,422,286</u>	<u>2,107,566,426</u>
<b>LIABILITIES</b>			
Accounts payable	10,026,284	15,079,275	25,105,559
Other liabilities	14,837,874	1,660,620	16,498,494
Due to other agencies	1,095,356	—	1,095,356
Deferred revenues	10,157,901	—	10,157,901
<b>Non-current liabilities:</b>			
Due within one year			
Self-insurance claims liabilities	4,814,002	—	4,814,002
Compensated absences payable	6,180,000	1,120,000	7,300,000
Bonds and capital leases	2,036,795	6,436,031	8,472,826
Due in more than one year			
Self-insurance claims liabilities	11,786,004	—	11,786,004
Compensated absences payable	6,861,117	1,304,865	8,165,982
Bonds and capital leases	<u>44,596,387</u>	<u>293,083,120</u>	<u>337,679,507</u>
Total liabilities	<u>112,391,720</u>	<u>318,683,911</u>	<u>431,075,631</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,313,161,486	154,777,148	1,467,938,634
Restricted for:			
Debt service	1,197,830	13,405,164	14,602,994
Community services	5,415,998	—	5,415,998
Capital projects	4,646,071	—	4,646,071
Other purposes	4,642,281	—	4,642,281
Unrestricted	<u>95,688,754</u>	<u>83,556,063</u>	<u>179,244,817</u>
Total net assets	<u>\$ 1,424,752,420</u>	<u>\$ 251,738,375</u>	<u>\$ 1,676,490,795</u>

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

# City of Oxnard, California

## Statement of Activities For the Year Ended June 30, 2006

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 18,360,819	\$ 7,864,784	\$ 7,080,138	\$ 32,810	\$ (3,383,087)	—	\$ (3,383,087)
Public safety	75,789,982	6,513,674	7,512,669	1,085,000	(60,678,639)	—	(60,678,639)
Transportation	10,341,829	4,369,882	8,822,710	15,566,930	18,417,693	—	18,417,693
Community development	22,614,813	24,448,745	2,715,969	—	4,549,901	—	4,549,901
Culture and leisure	15,345,765	928,054	761,895	—	(13,655,816)	—	(13,655,816)
Libraries	4,654,234	169,339	3,543,130	74,161	(867,604)	—	(867,604)
Interest on long-term debt	1,904,516	—	—	—	(1,904,516)	—	(1,904,516)
Total governmental activities	149,011,958	44,294,478	30,436,511	16,758,901	(57,522,068)	—	(57,522,068)
Business-type activities:							
Water	26,636,150	32,150,667	—	—	—	5,514,517	5,514,517
Wastewater	27,939,236	26,139,278	—	—	—	(1,799,958)	(1,799,958)
Solid waste	38,535,592	36,704,264	—	93,767	—	(1,737,561)	(1,737,561)
Performing arts and convention center	1,590,321	483,475	—	—	—	(1,106,846)	(1,106,846)
Oxnard housing authority	24,724,889	23,197,945	—	1,213,143	—	(313,801)	(313,801)
Municipal golf course	3,983,695	3,899,645	—	—	—	(84,050)	(84,050)
Total business-type activities	123,409,883	122,575,274	—	1,306,910	—	472,301	472,301
Total primary government	\$ 272,421,841	\$ 166,869,752	\$ 30,436,511	\$ 18,065,811	\$ (57,522,068)	\$ 472,301	\$ (57,049,767)
General revenues:							
Taxes:							
Property tax					58,537,770	—	58,537,770
Sales tax					23,985,182	—	23,985,182
Transient occupancy tax					3,309,716	—	3,309,716
Franchise tax					3,914,317	—	3,914,317
Deed transfer tax					1,230,768	—	1,230,768
Business license tax					4,470,841	—	4,470,841
Penalties and interest					132,403	—	132,403
Interest on investments					4,860,461	4,753,913	9,614,374
Sale of capital assets					7,146,270	—	7,146,270
Transfers					(2,280,393)	2,280,393	0
Total general revenues and transfers					105,307,335	7,034,306	112,341,641
Change in net assets					47,785,267	7,506,607	55,291,874
Net assets - July 1					228,800,318	244,231,768	473,032,086
GASB34 Infrastructure implementation adjustment					1,148,166,835	—	1,148,166,835
Net assets - June 30					\$1,424,752,420	\$ 251,738,375	\$1,676,490,795

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

# City of Oxnard, California

## Balance Sheet Governmental Funds June 30, 2006

	General Fund	Development Fees Fund	HUD and CDBG Grants Fund	State and Federal Grants Fund	Debt Service Fund	Capital Outlay Fund	Community Development Commission Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 32,844,188	\$ 42,448,237	\$ 547,132	\$ 13,338,423	\$ 400,779	\$ 3,725,564	\$ 21,511,907	\$ 6,941,711	\$ 121,757,941
Investments with fiscal agents	—	—	—	—	797,051	5,875,553	5,255,673	—	11,928,277
Accounts and other receivables	2,631,528	45,362	5,441,157	5,430,237	—	4,379	1,118,177	11,077	14,681,917
Due from other funds	2,000,000	—	—	—	—	—	—	—	2,000,000
Due from other governments	5,101,560	—	233,639	—	—	—	—	—	5,335,199
Properties held for resale	—	—	—	—	—	—	4,646,071	—	4,646,071
Advances to other funds	73,035	—	—	—	—	—	—	—	73,035
Other assets	—	—	122,222	—	—	—	—	—	122,222
Total assets	<u>\$ 42,650,311</u>	<u>\$ 42,493,599</u>	<u>\$ 6,344,150</u>	<u>\$ 18,768,660</u>	<u>\$ 1,197,830</u>	<u>\$ 9,605,496</u>	<u>\$ 32,531,828</u>	<u>\$ 6,952,788</u>	<u>\$ 160,544,662</u>
<b>LIABILITIES AND FUND BALANCE</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 1,174,237	\$ 582,712	\$ 192,132	\$ 5,363,965	\$ —	\$ 474,775	\$ 1,305,469	\$ 369,779	\$ 9,463,069
Other liabilities	13,733,106	45,763	—	—	—	1,149	411	—	13,780,429
Due to other funds	—	—	—	—	—	129,226	2,000,000	—	2,129,226
Due to other agencies	—	—	—	—	—	—	1,095,356	—	1,095,356
Deferred revenues	560,663	149,192	6,152,018	3,211,724	—	—	—	84,304	10,157,901
Total liabilities	<u>15,468,006</u>	<u>777,667</u>	<u>6,344,150</u>	<u>8,575,689</u>	<u>—</u>	<u>605,150</u>	<u>4,401,236</u>	<u>454,083</u>	<u>36,625,981</u>
<b>Fund balances</b>									
<b>Reserved for:</b>									
Encumbrances	3,230,323	—	—	—	—	—	—	—	3,230,323
Receivables	—	—	—	—	—	—	1,095,814	—	1,095,814
Repayment of debt	—	—	—	—	1,197,830	—	—	—	1,197,830
Advances	73,035	—	—	—	—	—	—	—	73,035
Restricted revenue	112,382	235,362	—	—	—	—	5,068,254	—	5,415,998
Carryover savings	243,109	—	—	—	—	—	—	—	243,109
Capital project funds	—	—	—	—	—	—	4,646,071	—	4,646,071
<b>Unreserved</b>									
General fund	23,523,456	—	—	—	—	—	—	—	23,523,456
Special revenue funds	—	41,480,570	—	10,192,971	—	—	—	6,498,705	58,172,246
Capital project funds	—	—	—	—	—	9,000,346	17,320,453	—	26,320,799
Total fund balances	<u>27,182,305</u>	<u>41,715,932</u>	<u>—</u>	<u>10,192,971</u>	<u>1,197,830</u>	<u>9,000,346</u>	<u>28,130,592</u>	<u>6,498,705</u>	<u>123,918,681</u>
<b>Total liabilities and fund balances</b>	<u>\$ 42,650,311</u>	<u>\$ 42,493,599</u>	<u>\$ 6,344,150</u>	<u>\$ 18,768,660</u>	<u>\$ 1,197,830</u>	<u>\$ 9,605,496</u>	<u>\$ 32,531,828</u>	<u>\$ 6,952,788</u>	<u>\$ 160,544,662</u>

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

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**City of Oxnard, California**

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**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  
June 30, 2006**

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Fund balances of governmental funds	\$ 123,918,681
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in the governmental fund activity	1,358,476,625
Long-term liabilities, claims and compensated absences have not been included in the governmental fund activity	
Long-term liabilities and claims	(45,880,639)
Compensated absences	(13,041,117)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds	(201,273)
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.	2,336,315
Internal service fund income allocated to business-type activities	(856,172)
<b>Net assets of governmental activities</b>	<u><u>\$ 1,424,752,420</u></u>

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

# City of Oxnard, California

## Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2006

	General Fund	Development Fees Fund	HUD and CDBG Grants Fund	State and Federal Grants Fund	Debt Service Fund	Capital Outlay Fund	Community Development Commission Fund	Non-Major Governmental Funds	Totals
<b>REVENUES</b>									
Taxes	\$ 70,063,390	\$ —	\$ —	\$ 11,097,143	\$ 1,370,948	\$ —	\$ 13,049,516	\$ —	\$ 95,580,997
Licenses and permits	5,390,754	546,418	—	—	—	—	—	—	5,937,172
Intergovernmental	11,241,867	32,810	4,316,996	8,275,048	—	74,161	—	7,602,510	31,543,392
Growth and development fees	—	9,601,485	—	—	—	—	14,749	—	9,616,234
Charges for current services	14,435,872	—	—	—	—	20,754	—	265,152	14,721,778
Fines and forfeitures	736,692	—	—	70,101	—	—	—	513,989	1,320,782
Interest	1,924,443	1,346,203	—	261,617	210,386	76,761	846,384	194,667	4,860,461
Special assessments	—	—	—	—	—	—	—	2,346,088	2,346,088
Miscellaneous	6,087,135	32,382	—	692,598	—	2,056,363	783,176	700,770	10,352,424
Total revenues	109,880,153	11,559,298	4,316,996	20,396,507	1,581,334	2,228,039	14,693,825	11,623,176	176,279,328
<b>EXPENDITURES</b>									
Current:									
General government	11,746,494	—	247,554	—	—	—	—	—	11,994,048
Public safety	56,261,786	625,176	186,330	11,911,888	—	—	—	420,533	69,405,713
Transportation	4,686,554	—	—	141,456	—	—	—	5,426,314	10,254,324
Community development	9,431,327	620,021	1,611,878	336,616	—	—	8,417,533	1,683,251	22,100,626
Culture and leisure	12,472,575	—	217,896	1,267,269	—	307,824	—	100,753	14,366,317
Library services	4,214,038	—	—	—	—	—	—	—	4,214,038
Capital outlay	1,598,348	6,435,575	2,053,338	6,350,440	—	20,866,744	1,031,386	2,892,060	41,227,891
Debt service:									
Principal	—	—	—	—	7,983,492	—	—	—	7,983,492
Interest and fiscal charges	—	—	—	—	1,920,662	—	—	—	1,920,662
Total expenditures	100,411,122	7,680,772	4,316,996	20,007,669	9,904,154	21,174,568	9,448,919	10,522,911	183,467,111
Excess (deficiency) of revenues over expenditures	9,469,031	3,878,526	—	388,838	(8,322,820)	(18,946,529)	5,244,906	1,100,265	(7,187,783)
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale of property	—	—	—	—	5,260,621	—	1,885,649	—	7,146,270
Contributions from property owners	—	—	—	—	—	—	—	1,085,000	1,085,000
Capital contributions	—	—	—	—	—	14,567,020	—	—	14,567,020
Transfers in	2,430,023	—	—	—	3,236,004	1,553,194	—	1,179,773	8,398,994
Transfers out	(8,115,144)	(670,970)	—	(808,273)	—	—	—	(1,085,000)	(10,679,387)
Total other financing sources (uses)	(5,685,121)	(670,970)	—	(808,273)	8,496,625	16,120,214	1,885,649	1,179,773	20,517,897
Net change in fund balances	3,783,910	3,207,556	—	(419,435)	173,805	(2,826,315)	7,130,555	2,280,038	13,330,114
Fund balances, July 1	23,398,395	38,508,376	—	10,612,406	1,024,025	11,826,661	21,000,037	4,218,667	110,588,567
Fund balances, June 30	\$ 27,182,305	\$ 41,715,932	\$ —	\$ 10,192,971	\$ 1,197,830	\$ 9,000,346	\$ 28,130,592	\$ 6,498,705	\$ 123,918,681

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

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**City of Oxnard, California**

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**Reconciliation of the Change in Fund Balances of the Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2006**

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**Net change in fund balances - total governmental funds** \$ 13,330,114

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense. 24,409,690

Change in compensated absences accrual. This does not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. (859,130)

Interest expense accrual does not require the use of current financial resources therefore, are not reported as expenditures in governmental funds. 16,146

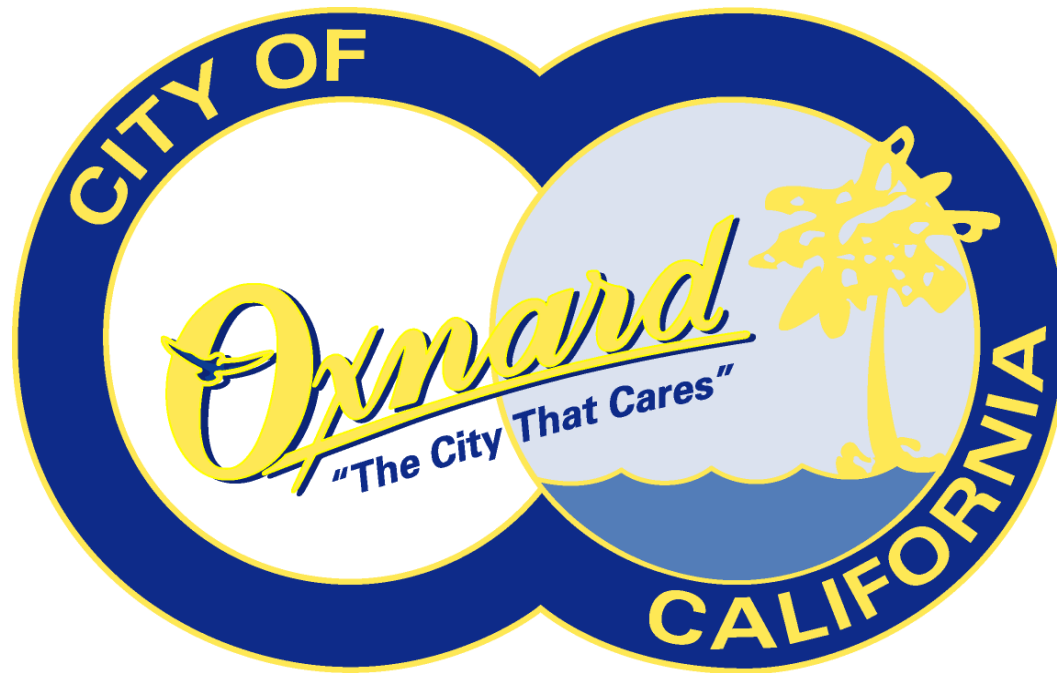
Repayment of long-term obligations is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. 7,983,492

A portion of internal service funds net revenue is reported with governmental activities. 2,904,955

Change in net assets of governmental activities (page 19) \$ 47,785,267

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

## **PROPRIETARY FUNDS**





# City of Oxnard, California

## Statement of Net Assets Proprietary Funds June 30, 2006

	Business-Type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Totals Current Year	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 12,008,793	\$ 27,261,118	\$ —	\$ —	\$ 50,587	\$ 2,951,983	\$ 42,272,481	\$ 18,846,407
Cash with fiscal agents	73,870,248	40,694,810	2,808,008	35,000	3,003,096	1,061,201	121,472,363	—
Accounts and other receivables (net of allowance for uncollectible)	3,576,218	2,887,271	3,545,481	2,777	844,148	330,239	11,186,134	87,629
Due from other funds	74,057	9,500,000	55,169	—	1,023,858	—	10,653,084	—
Notes receivable	—	—	—	—	61,674	—	61,674	—
Other assets	61,719	1,241,027	448,479	—	280,606	—	2,031,831	—
Total current assets	89,591,035	81,584,226	6,857,137	37,777	5,263,969	4,343,423	187,677,567	18,934,036
Noncurrent assets:								
Investments with fiscal agent	—	—	—	—	613,607	—	613,607	—
Capital assets:								
Land	2,814,394	4,273,655	3,811,166	—	8,920,208	4,282,572	24,101,995	595,500
Construction in progress	60,918,385	86,341,053	4,814,734	—	7,008	12,605,513	164,686,693	—
Buildings	4,707,026	6,380,938	22,859,740	42,615	36,732,983	3,247,033	73,970,335	—
Infrastructure	82,881,226	87,182,017	866,026	—	—	—	170,929,269	—
Machinery and equipment	2,722,929	17,384,185	20,452,527	8,728	1,724,849	—	42,293,218	2,246,570
Improvements	—	81,439,563	—	—	—	5,803,242	87,242,805	—
Less accumulated depreciation	(39,878,080)	(79,013,117)	(20,073,042)	(4,272)	(28,928,853)	(2,598,946)	(170,496,310)	(1,524,027)
Total capital assets (net of accumulated depreciation)	114,165,880	203,988,294	32,731,151	47,071	18,456,195	23,339,414	392,728,005	1,318,043
Total noncurrent assets	114,165,880	203,988,294	32,731,151	47,071	19,069,802	23,339,414	393,341,612	1,318,043
Total assets	203,756,915	285,572,520	39,588,288	84,848	24,333,771	27,682,837	581,019,179	20,252,079
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	4,443,315	4,432,181	4,353,784	174,483	669,784	1,005,728	15,079,275	563,215
Other liabilities	670,022	593,527	169,692	—	723,244	37,873	2,194,358	—
Due to other funds	—	—	—	—	1,023,858	9,500,000	10,523,858	—
Revenue bonds payable - current	1,205,000	2,135,000	2,146,724	—	215,000	734,307	6,436,031	—
Total current liabilities	6,318,337	7,160,708	6,670,200	174,483	2,631,886	11,277,908	34,233,522	563,215
Noncurrent liabilities:								
Compensated absences payable	438,202	655,635	607,087	65,820	658,121	—	2,424,865	752,543
Self-insurance claims	—	—	—	—	—	—	—	16,600,006
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	109,305,638	150,394,738	18,548,531	—	5,195,000	8,130,260	291,574,167	—
Capital leases payable	—	—	1,508,952	—	—	—	1,508,952	—
Advances from other funds	—	—	—	—	—	73,035	73,035	—
Total noncurrent liabilities	109,743,840	151,050,373	20,664,570	65,820	5,853,121	8,203,295	295,581,019	17,352,549
Total liabilities	116,062,177	158,211,081	27,334,770	240,303	8,485,007	19,481,203	329,814,541	17,915,764
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	53,103,627	61,712,102	10,786,586	47,071	16,509,315	12,618,447	154,777,148	1,318,043
Restricted for debt service	9,349,251	—	2,199,513	—	—	1,856,400	13,405,164	—
Unrestricted	25,241,860	65,649,337	(732,581)	(202,526)	(660,551)	(6,273,213)	83,022,326	1,018,272
Total net assets	\$ 87,694,738	\$ 127,361,439	\$ 12,253,518	\$ (155,455)	\$ 15,848,764	\$ 8,201,634	\$ 251,204,638	\$ 2,336,315
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							533,737	
Net assets of business-type activities							<u>\$ 251,738,375</u>	

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

# City of Oxnard, California

## Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Totals	
Operating revenues:								
Charges for services	\$ 31,959,989	\$ 25,774,751	\$ 36,586,033	\$ 431,529	\$ 23,197,945	\$ 3,896,823	\$ 121,847,070	\$ 25,848,460
Operating expenses:								
Salaries and wages	3,764,383	6,184,232	6,680,913	1,091,370	3,856,781	41,170	21,618,849	6,860,346
Contractual services	1,549,337	1,235,426	13,716,254	108,632	47,970	3,255,821	19,913,440	895,897
Operating supplies	12,988,700	2,138,737	1,102,852	1,039	15,998,365	—	32,229,693	3,631,139
Utilities	557,932	4,380,804	7,428,783	170,733	636,173	2,198	13,176,623	1,326,180
Depreciation	2,189,190	5,045,679	1,563,454	2,445	1,797,827	82,122	10,680,717	181,227
General and administrative	2,726,621	2,027,621	3,553,444	199,261	2,145,839	203,584	10,856,370	1,829,087
Repairs and maintenance	278,032	218,888	3,860,102	16,841	14,176	27,002	4,415,041	1,465,233
Claims expenses	—	—	—	—	—	—	—	6,455,167
Total operating expenses	24,054,195	21,231,387	37,905,802	1,590,321	24,497,131	3,611,897	112,890,733	22,644,276
Operating income (loss)	7,905,794	4,543,364	(1,319,769)	(1,158,792)	(1,299,186)	284,926	8,956,337	3,204,184
Nonoperating revenues (expenses):								
Intergovernmental	190,678	364,527	211,998	51,946	—	2,822	821,971	—
Interest income	2,061,345	2,372,739	80,659	—	123,972	115,198	4,753,913	550,443
Interest expense	(2,746,408)	(6,949,647)	(1,072,836)	—	(227,758)	(372,173)	(11,368,822)	—
Total nonoperating revenues (expenses)	(494,385)	(4,212,381)	(780,179)	51,946	(103,786)	(254,153)	(5,792,938)	550,443
Income (loss) before contributions and transfers	7,411,409	330,983	(2,099,948)	(1,106,846)	(1,402,972)	30,773	3,163,399	3,754,627
Capital contributions	—	—	—	—	1,213,143	—	1,213,143	—
Transfers in	—	—	210,104	1,575,867	—	550,000	2,335,971	506,500
Transfers out	—	—	(62,078)	—	—	—	(62,078)	(500,000)
Change in net assets	7,411,409	330,983	(1,951,922)	469,021	(189,829)	580,773	6,650,435	3,761,127
Total net assets - July 1	80,283,329	127,030,456	14,205,440	(624,476)	16,038,593	7,620,861		(1,424,812)
Total net assets - June 30	\$ 87,694,738	\$ 127,361,439	\$ 12,253,518	\$ (155,455)	\$ 15,848,764	\$ 8,201,634		\$ 2,336,315
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							856,172	
Change in net assets of business-type activities							<u>\$ 7,506,607</u>	

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

# City of Oxnard, California

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds							Governmental Activities- Internal Service Funds
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers and users	\$ 36,366,912	\$ 25,273,018	\$ 36,145,632	\$ 435,601	\$ 22,984,073	\$ 3,763,110	\$ 124,968,346	\$ 25,796,631
Payments to suppliers	(15,723,845)	(6,422,435)	(27,504,485)	(972,997)	(18,860,995)	(4,512,246)	(73,997,003)	(9,409,768)
Payments to employees	(3,761,122)	(6,207,898)	(6,612,149)	(1,090,417)	(3,821,045)	(41,170)	(21,533,801)	(6,734,735)
Cash paid to claimants	—	—	—	—	—	—	—	(6,281,500)
Net cash provided by (used in) operating activities	16,881,945	12,642,685	2,028,998	(1,627,813)	302,033	(790,306)	29,437,542	3,370,628
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfer from other funds	190,678	364,527	360,024	1,627,813	—	1,049,312	3,592,354	1,506,500
Transfer to other funds	—	—	—	—	—	(496,490)	(496,490)	(1,500,000)
Net cash provided (used) by capital and related financing activities	190,678	364,527	360,024	1,627,813	—	552,822	3,095,864	6,500
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Purchases of capital assets	(21,734,937)	(52,711,237)	(4,375,577)	—	(2,666,093)	(5,337,616)	(86,825,460)	(918,121)
Loans to golf course	—	(9,500,000)	—	—	—	9,500,000	—	—
Received from grants	—	—	—	—	1,213,143	—	1,213,143	—
Principal paid on long-term debt	(1,202,083)	(1,885,000)	(2,033,392)	—	(205,000)	(713,747)	(6,039,222)	—
Interest and issuance cost paid on long-term debt	(2,699,580)	(6,682,905)	(1,117,677)	—	(227,758)	(373,856)	(11,101,776)	—
Proceeds from issuance of long-term debt	55,511,999	12,404,407	—	—	—	—	67,916,406	—
Net cash used in capital and related financing activities	29,875,399	(58,374,735)	(7,526,646)	—	(1,885,708)	3,074,781	(34,836,909)	(918,121)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest on investments	2,066,859	2,372,739	80,658	—	123,972	115,198	4,759,426	550,443
Net cash provided by investing activities	2,066,859	2,372,739	80,658	—	123,972	115,198	4,759,426	550,443
Net increase (decrease) in cash and cash equivalents	49,014,881	(42,994,784)	(5,056,966)	—	(1,459,703)	2,952,495	2,455,923	3,009,450
Cash and cash equivalents, July 1	36,864,160	110,950,712	7,864,974	35,000	5,126,993	1,060,689	161,902,528	15,836,957
Cash and cash equivalents, June 30	\$ 85,879,041	\$ 67,955,928	\$ 2,808,008	\$ 35,000	\$ 3,667,290	\$ 4,013,184	\$ 164,358,451	\$ 18,846,407

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

Continued -

# City of Oxnard, California

## Statement of Cash Flows (Continued)

### Proprietary Funds

For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds							Governmental Activities- Internal Service Funds
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Oxnard Housing Authority	Municipal Golf Course	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ 7,905,794	\$ 4,543,364	\$ (1,319,769)	\$ (1,158,792)	\$ (1,299,186)	\$ 284,926	\$ 8,956,337	\$ 3,204,184
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:								
Depreciation and amortization	2,281,957	5,045,680	1,563,454	2,446	1,797,827	82,122	10,773,486	181,227
Gain (Loss) on disposal of capital assets	—	—	—	—	—	—	—	—
Changes in assets and liabilities:								
Decrease (increase) in accounts receivable and due from other funds	4,406,923	(501,733)	(440,401)	4,072	(185,263)	(133,713)	3,149,885	(51,829)
Decrease (increase) in other assets	(92,767)	—	—	—	(28,709)	—	(121,476)	—
Increase (decrease) in accounts payable	2,375,670	3,618,804	2,178,148	(476,492)	14,324	(998,641)	6,711,813	(262,232)
Increase (decrease) in other liabilities	1,107	(39,764)	(21,198)	—	(32,696)	(25,000)	(117,551)	—
Increase (decrease) in compensated absences	3,261	(23,666)	68,764	953	35,736	—	85,048	125,611
Increase in self-insurance liabilities	—	—	—	—	—	—	—	173,667
Net cash provided by (used in) operating activities	<u>\$ 16,881,945</u>	<u>\$ 12,642,685</u>	<u>\$ 2,028,998</u>	<u>\$ (1,627,813)</u>	<u>\$ 302,033</u>	<u>\$ (790,306)</u>	<u>\$ 29,437,542</u>	<u>\$ 3,370,628</u>

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

**City of Oxnard, California**

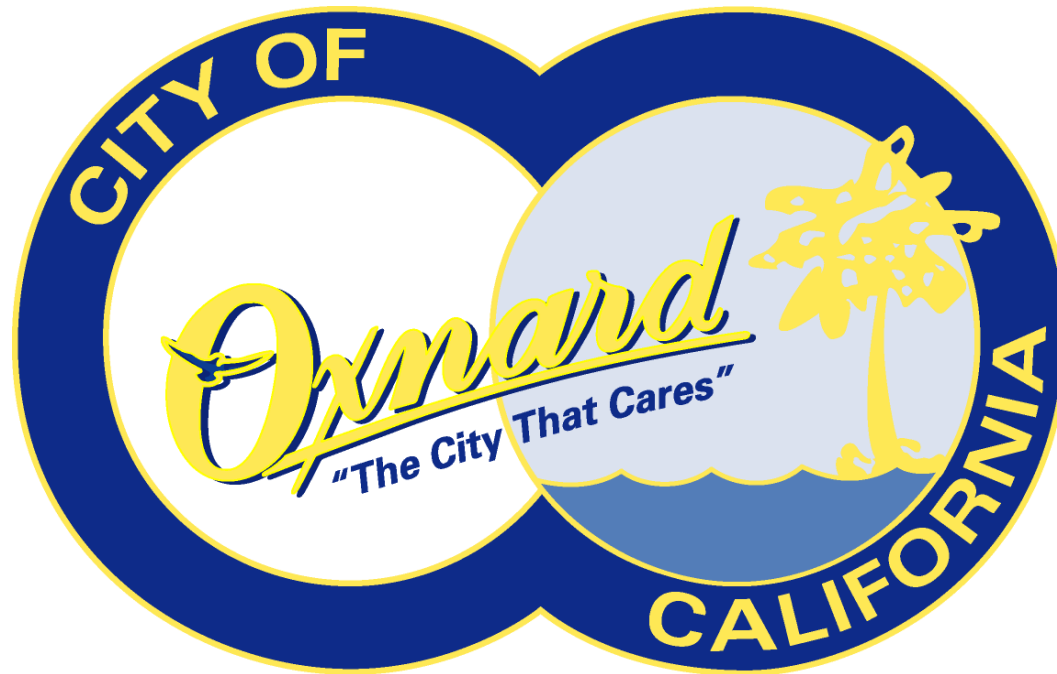
**Statement of Fiduciary Assets and Liabilities**

**Fiduciary Funds**

**June 30, 2006**

	<u><b>Total</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 10,975,733
Investments with fiscal agents	<u>39,023,649</u>
Total Assets	<u><u>\$ 49,999,382</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities - other</b>	
Trust and agency payables	<u>49,999,382</u>
Total liabilities	<u><u>\$ 49,999,382</u></u>

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



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

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

#### **Blended Component Units**

##### **City of Oxnard Community Development Commission**

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

### **City of Oxnard Financing Authority**

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

### **Housing Authority of the City of Oxnard**

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

### **New Pronouncements**

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

In May 2004, GASB issued Statement No. 44, Economic Condition Reporting. This statement amends the portions of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles that guide the preparation of the statistical section. The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. This statement adds new information that financial



statement users have identified as important and eliminates certain previous requirements. This statement is effective for the City's fiscal year ending June 30, 2006.

In April 2004, GASB issued Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement establishes uniform financial reporting standards for other postemployment benefits (OPEB) plans. The approach followed in this statement generally is consistent with the approach adopted for defined benefit pension plans with modifications to reflect differences between pension plans and OPEB plans. The statement applies for OPEB trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them. This statement is effective for the City's fiscal year ending June 30, 2006. The City does not expect GASB Statement No. 43 to have any significant affect on the City's financial statement.

In July 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. This statement is effective for the City's fiscal year ending June 30, 2007.

## **Financial Statements Presentation**

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

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

## **Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

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

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

The statement of activities demonstrates the degree to which expenses (direct and indirect) of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the City's cost allocation plan. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, development growth fees, and other items not properly included among program revenues are reported instead as general revenues.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned,

while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: (1) charges for services; (2) grants and other contributions; and, (3) capital grants and contributions.

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

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

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

## **Fund Financial Statements**

### ***Governmental Fund Financial Statements***

Governmental Fund Financial Statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the major governmental funds and non-major governmental funds aggregated. In accordance with GASB 34 and based on the direction of

management and the sole purpose for which a fund is established, the following funds have been determined by management to be the City's major governmental funds:

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

Governmental funds are accounted for using a "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The City considers revenues available if they are collected within 60 days after year-end. The primary revenue sources, which have been treated as susceptible to accrual by the City are property tax, sales tax, intergovernmental revenues and other taxes. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Expenditures

are recorded in the accounting period in which the related fund liability is incurred and if paid within 60 days of year end, except for unmatured principal and interest on long-term debt, which is recognized when due.

### ***Proprietary Fund Financial Statements***

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

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

- ❖ **Water Fund:** This fund is used to account for all activities of the City's water distribution and treatment system. Revenues are derived mainly from metered water services, connection fees, and installation charges.
- ❖ **Wastewater Fund:** This fund is used to account for all sewer activities related to conveyance and treatment services. Revenues are derived mainly from sewer service charges, connection fees, and treatment plant charges.
- ❖ **Solid Waste Fund:** This fund is used to account for the activities related to collection and disposal of refuse throughout the City.
- ❖ **Performing Arts and Convention Center Fund:** This fund is used to account for the operations and maintenance of the City's Performing Arts and Convention Center.
- ❖ **Oxnard Housing Authority:** This fund is used to account for the receipts and disbursements of funds received from the U.S. Department of Housing and Urban Development (HUD) to provide rental assistance programs for low income residents and senior citizens under Section 8 of the Federal Housing Act of 1937, as amended.
- ❖ **Municipal Golf Course Fund:** This fund is used to account for the operation and maintenance of the City's River Ridge Golf Course.

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

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

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

### ***Internal Service Funds***

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

### ***Fiduciary Fund Financial Statements***

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

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

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

## **B. Budget**

The City's annual budget is the legally adopted expenditure control document of the City. Budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP) in the United States of America, except that encumbrances are included in budgeted expenditures. Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Appropriations lapse at year-end. The City Council generally reauthorizes appropriations for continuing projects and activities. Project length budgets are adopted for the capital project funds. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds (special revenue funds included) are considered a single department. Budgeted expenditures may be reallocated within a division and between divisions within a department without City Council approval. During Fiscal Year 2006, supplementary budget appropriations of approximately \$26,296,436 were made.

### **Budget Basis for Accounting**

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

Budgetary comparison statements are required to be presented for the General Fund and all major special revenue funds and are presented as required supplementary information found on pages 84 through 91. These statements compare the original adopted budget, the budget as amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

## **C. Cash and Investments**

### **Investment Policy**

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

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

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

### **Investments**

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

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

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



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

### **Interest Income**

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

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

### **Cash and Cash Equivalents**

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

## **D. Utility Revenue**

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

## **E. Properties Held for Resale**

In the Capital Outlay Fund, properties acquired for the Heritage Square office complex are included as properties held for resale, which are carried at the lower of cost or estimated fair value. At June 30, 2006, properties held for resale amounted to \$4,646,071.

## **F. Capital Assets**

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

<b>Buildings</b>	45 years
<b>Improvements:</b>	
Paving, curbs, lighting	40 years
Parks Improvements	25 years
Sports Courts	40 years
Landscaping	50 years
<b>Equipment and Machinery</b>	5-20 years
<b>Infrastructure Assets:</b>	
Roadway network	25-100 years
Waterways/seawalls	75 years
Storm drain system	50-100 years

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

## **G. Risk Management**

The City provides workers' compensation benefits under a self-insurance program with a self-insured retention of \$500,000 and purchase of excess \$150 million per year. The City is self-insured for general and property damage liabilities to the extent of the first \$1,000,000 per occurrence and has excess insurance in the layer of \$1 million to \$25 million in Fiscal Year 2005-2006. The City contracts with outside service

agencies to supervise and administer the self-insurance programs. Estimated liabilities related to outstanding workers' compensation and public liability claims (including estimates for incurred but not reported claims) are based upon actuarial studies and are recorded in an internal service fund.

In August 1988, the City adopted a resolution to execute a Joint Powers Agreement (JPA) creating the Big Independent Cities Excess Pool Joint Powers Authority (BICEP), a risk management pool. Through the BICEP insurance pool, the five cities share the cost of catastrophic general liability losses incurred by the members for claims between \$1 million and \$25 million, thereby eliminating the need for individual excess commercial insurance protection. The purpose of this agreement is to jointly develop and fund excess insurance for comprehensive liability, the purchase of reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting and legal defense service. BICEP is governed by a five-member Board of Directors representing each member city, appointed by the member's City Council and serving at the pleasure of such City Council.

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

## **H. Compensated Absences**

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

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**City of Oxnard, California**

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*Notes to the Basic Financial Statements*  
*June 30, 2006*

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The accrual for compensated absences comprised the following at June 30, 2006:

	<b>Governmental Activities</b>	<b>Business Type</b>	<b>Total</b>
Beginning Balance	\$ 12,056,376	\$ 2,339,814	\$ 14,396,190
Additions	7,646,892	1,895,476	9,542,368
Payments	(6,662,151)	(1,810,425)	(8,472,576)
Ending Balance	13,041,117	2,424,865	15,465,982
Current Portions	<u>\$ 6,180,000</u>	<u>\$ 1,120,000</u>	<u>\$ 7,300,000</u>

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

## **I. Property Taxes**

### **Calendar**

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

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

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

## **Property Valuation**

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

## **Tax Levies**

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

Under GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*, property taxes are recognized as revenue in the period for which the taxes are levied. Therefore, the City recognizes revenue and a receivable, less any allowance for doubtful accounts deemed appropriate, for the entire tax levy in the period for which the taxes are levied. Accordingly, at June 30, 2006, the City has recorded property taxes receivable of \$968,017, which is included in due from other governments in the accompanying balance sheet.

## **Tax Lien Dates**

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

## **Tax Collections**

The County Treasurer-Tax Collector is responsible for all property tax collections. Taxes and assessments on the secured and utility rolls, which constitute a lien against the property, may be paid in two installments: the first installment is due on November 1 of the fiscal year and is delinquent if not paid by December 10; the second installment is due on February 1 of the fiscal year and is delinquent if not paid by April 10.

Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be paid in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed for late payments.

### **Tax Apportionments and Special District Augmentation Fund (SDAF)**

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

### **J. Use of Estimates**

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

## **2. CASH AND INVESTMENTS**

The City's cash and cash equivalents and investments consist of the following at June 30, 2006:

Deposits	\$ 7,422,587
Investments	<u>186,429,975</u>
Cash and cash equivalents	193,852,562
Investments with Fiscal Agents	<u>173,037,896</u>
Total	<u><u>\$ 366,890,458</u></u>

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Internal Service Funds</b>	<b>Fiduciary Funds</b>	<b>Grand Total</b>
Cash and cash equivalents	\$ 121,757,941	\$ 42,272,481	\$ 18,846,407	\$ 10,975,733	\$ 193,852,562
Cash with fiscal agents:	11,928,277	122,085,970	—	39,023,649	173,037,896
<b>Total</b>	<b>\$ 133,686,218</b>	<b>\$ 164,358,451</b>	<b>\$ 18,846,407</b>	<b>\$ 49,999,382</b>	<b>\$ 366,890,458</b>

### 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, 2006, the carrying amount of the City's deposits was \$5,146,166 (carrying amount of \$7,422,587), none of the amount was exposed to custodial credit risk. Deposits held by the Oxnard Housing Authority are also not exposed to custodial credit risk.

### Investments

As of June 30, 2006, the City had the following investments:

	<b>Book Value</b>	<b>Maturities in Years</b>		
		<b>Less than 1 Year</b>	<b>1 to 5 Years</b>	<b>Over 5 Years</b>
U.S. treasury notes	\$ 7,988,361	\$ 3,986,259	\$ 4,002,102	\$ —
U.S. agencies	162,419,098	85,174,750	77,244,348	—
Local agency investment funds	30,577,961	30,577,961	—	—
Money market funds	31,142,270	31,142,270	—	—
Guaranteed investment contracts	127,450,248	34,134,189	83,917,929	9,398,130
	359,577,938	\$ 185,015,429	\$ 165,164,379	\$ 9,398,130
Less accrued discount	(110,066)			
<b>Total</b>	<b>\$ 359,467,872</b>			

**Authorized Investments**

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

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

City treasurer	\$ 186,540,041
Fiscal agents (bond trustees for the City and its component units)	169,421,194
Oxnard housing authority (includes fiscal agents)	3,616,703
	<u>\$ 359,577,938</u>

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

	<b>Authorized by Investment Policy</b>	<b>Maximum Maturity (years)</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>	<b>Minimum Ratings</b>
U.S. treasury and agencies	Yes	5	None	None	None
Local agency bonds, notes	Yes	5	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	2	30%	None	Aa, AA
Certificates of Deposits (CDs)	Yes	2	40%	15%	A
Repurchase agreements	Yes	90 days	None	None	None
Medium term notes	Yes	5	30%	None	A
Mutual funds	Yes	N/A	15%	None	None
Local agency investment funds	Yes	N/A	None	None	None



The Oxnard Housing Authority investment policy and related disclosures regarding its investments at June 30, 2006 is more fully disclosed in its separate financial statements. Financial statements for the Oxnard Housing Authority may be obtained from the Authority's Financial Services Division.

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

*Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the City and its component units' investments to market rate fluctuations is provided in the table above that shows the distribution by maturity.

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

*Credit Risk and Concentration of Credit Risk*

The City's investment policy complies with the State Government Code with respect to allowable investment instruments in managing its risk of loss related to credit risk and concentration of credit risk. At June 30, 2006, Standard & Poor's and Moody's rated the City's investments, except for those investments held by its bond trustees, as AAA and Aaa, respectively. In addition, none of the investment categories listed above exceeded the maximum allowable percentage of its portfolio.

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

The following aggregate investments exceeded 5 percent of the total investments of the City:

Federal home loan bank bonds	\$	95,578,134	27%
Federal farm credit bank bonds		33,983,282	9%
	\$	<u>129,561,416</u>	

#### *Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's investments, certain U.S. agency bonds and Local Agency Investment Funds in the amount of \$192,997,000 held by the City are subject to custodial risks as they are uninsured or unregistered investments, acquired by the broker or dealer or by its trust department or agent. To minimize its custodial credit risk with respect to investments with fiscal agents, the City and its component units require that they meet certain credit ratings from either Standard & Poor's or Moody's Investor Service.

### 3. INTERFUND RECEIVABLES AND PAYABLES

Total interfund receivables and payables at June 30, 2006, which are included in the Fund Financial Statements as due from/to other funds and advances to/from other funds, before eliminations consist of the following:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Balance</u>
Governmental Funds:			
General fund	\$ 2,073,035	\$ —	\$ 2,073,035
Capital outlay	—	129,226	(129,226)
Community development commission fund	—	2,000,000	(2,000,000)
Total governmental funds	<u>2,073,035</u>	<u>2,129,226</u>	<u>(56,191)</u>
Business type activities:			
Water	74,057	—	74,057
Solid waste	55,169	—	55,169
Golf course	—	73,035	(73,035)
Total business type activities	<u>129,226</u>	<u>73,035</u>	<u>56,191</u>
Total	<u>\$ 2,202,261</u>	<u>\$ 2,202,261</u>	<u>\$ —</u>

The interfund balances at June 30, 2006, are loans to cover temporary cash deficits in various funds. All interfund balances outstanding at June 30, 2006, are expected to be repaid within one year, except for the advance from the General Fund to the Golf Course Fund in the amount of \$73,035, which will be paid in future annual installments of \$25,000.

#### **4. RECEIVABLES AND PAYABLES**

Accounts and other receivables as of June 30, 2006, included in the accompanying Statement of Net Assets primarily consist of the following:

<b>Accounts Receivables</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Accrued interest receivable	\$ 1,441,148	\$ —
Utilities receivables	9,337	7,790,036
Grants receivable	5,708,757	282,853
Accounts receivable billed and accrued	1,664,309	2,123,299
Other receivables	6,463,402	1,183,086
Subtotal	15,286,953	11,379,274
Allowance for uncollectible receivables	(517,407)	(193,140)
Total	<u>\$ 14,769,546</u>	<u>\$ 11,186,134</u>

Accounts payable and other liabilities as of June 30, 2006, primarily consist of the following:

<b>Accounts Payable and Other Liabilities</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Accounts payable (due to vendors)	\$ 5,353,906	\$ 12,233,100
Other liabilities:		
Accrued payroll	—	—
Other accrued expenses	1,034,873	1,283,294
Other payables	18,475,379	3,223,501
Total other liabilities	19,510,252	4,506,795
Total	<u>\$ 24,864,158</u>	<u>\$ 16,739,895</u>

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

Governmental activities record deferred revenue for revenues that are not yet earned as of year end. At June 30, 2006, deferred revenues are comprised of the following:

Governmental funds:		
Community development charges for services	\$	560,663
Development and traffic impact fees		149,192
Federal grant drawdowns prior to meeting all eligibility requirements		6,152,018
State grants		3,211,724
Transportation development act		84,304
Total	\$	<u>10,157,901</u>

## 5. INTERFUND TRANSFERS

The net transfers of \$2,280,393 from governmental activities to business-type activities and internal services in the Statement of Activities primarily relates to operational subsidies from the General Fund to the Golf Course and Performing Arts and Convention Center Enterprise Funds. Transfers are indicative of funding for capital projects, lease payments or debt service and subsidies of various City operations.

The following Transfers In and Out are reflected in the Fund Financial Statements for the year ended June 30, 2006:

Fund	Description	Transfers In	Transfers Out
<b>Governmental Funds:</b>			
General fund	Program support	\$ 2,430,023	\$ 3,450,114
General fund	For capital assets	—	1,365,220
General fund	For debt service	—	3,299,810
Development fees fund	For debt service	—	460,866
Development fees fund	Program support	—	210,104
State and federal grant funds	Program support	—	808,273
Debt service fund	For debt service	3,236,004	—
Capital outlay fund	For capital assets	1,358,720	—
Capital outlay fund	Program support	194,474	—
Non-major governmental funds	Program support	1,179,773	1,085,000
Internal service fund	For capital assets	506,500	—
Internal service fund	Program support	—	500,000
Total governmental funds		<u>8,905,494</u>	<u>11,179,387</u>

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

Fund	Description	Transfers In	Transfers Out
<b>Business-type Activities:</b>			
Solid waste	Program support	210,104	36,750
Solid waste	For debt service		25,328
Performing arts and convention center	Program support	1,575,867	—
Municipal golf course	For debt service	550,000	—
Total business-type activities		2,335,971	62,078
Total		<u>\$ 11,241,465</u>	<u>\$ 11,241,465</u>

The interfund transfers generally fall within one of the following categories: 1) debt service payments made from a debt service fund but funded from an operating fund; 2) subsidy transfers; or 3) transfers to fund internal service equipment replacement funds. There were no transfers during Fiscal Year 2005-2006 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

## 6. CAPITAL ASSETS

Changes in the City's capital assets for the year ended June 30, 2006, consisted of the following:

	Balance July 1, 2005	GASB 34 Infrastructure Adjustment	Adjusted Beginning Balance	Increases	Decreases	Balance June 30, 2006
<b>GOVERNMENTAL ACTIVITIES</b>						
Capital assets, not being depreciated:						
Land	\$ 24,763,116	\$ 951,652,515	\$ 976,415,631	\$ 1,104,700	\$ —	\$ 977,520,331
Construction in progress	22,605,158	—	22,605,158	38,250,746	(6,381,669)	54,474,235
Total capital assets, not being depreciated	47,368,274	951,652,515	999,020,789	39,355,446	(6,381,669)	1,031,994,566
Capital assets, being depreciated:						
Buildings	40,648,008	—	40,648,008	—	(5,022,918)	35,625,090
Other improvements	113,932,009	(57,411,503)	56,520,506	16,107,069	(12,137,976)	60,489,599
Equipment and machinery	33,512,511	—	33,512,511	2,790,566	(1,318,536)	34,984,541
Infrastructure	—	439,808,968	439,808,968	6,831,576	—	446,640,544
Total capital assets, being depreciated	188,092,528	382,397,465	570,489,993	25,729,211	(18,479,430)	577,739,774
Less accumulated depreciation for:						
Buildings	(16,812,493)	—	(16,812,493)	(766,576)	—	(17,579,069)
Other improvements	(8,269,798)	226,246	(8,043,552)	(1,493,378)	132,660	(9,404,270)
Equipment and machinery	(23,897,262)	—	(23,897,262)	(2,848,145)	1,789,794	(24,955,613)
Infrastructure	—	(186,109,391)	(186,109,391)	(11,891,329)	—	(198,000,720)
Total accumulated depreciation	(48,979,553)	(185,883,145)	(234,862,698)	(16,999,428)	1,922,454	(249,939,672)
Total capital assets, being depreciated, net	139,112,975	196,514,320	335,627,295	8,729,783	(16,556,976)	327,800,102
Governmental activities capital assets, net	<u>\$ 186,481,249</u>	<u>\$ 1,148,166,835</u>	<u>\$ 1,334,648,084</u>	<u>\$ 48,085,229</u>	<u>\$ (22,938,645)</u>	<u>\$ 1,359,794,668</u>

# City of Oxnard, California

## Notes to the Basic Financial Statements June 30, 2006

	Balance July 1, 2005	GASB 34 Infrastructure Adjustment	Adjusted Beginning Balance	Increases	Decreases	Balance June 30, 2006
<b>BUSINESS-TYPE ACTIVITIES</b>						
Capital assets, not being depreciated:						
Land	\$ 22,164,745	\$ —	\$ 22,164,745	\$ 1,937,250	\$ —	\$ 24,101,995
Construction in progress	98,339,137	—	98,339,137	78,092,822	(11,745,266)	164,686,693
Total capital assets, not being depreciated	120,503,882	—	120,503,882	80,030,072	(11,745,266)	188,788,688
Capital assets, being depreciated:						
Buildings	71,650,129	—	71,650,129	2,696,691	(376,485)	73,970,335
Other improvements	248,334,620	—	248,334,620	4,034,212	—	252,368,832
Municipal golf course improvements	5,803,242	—	5,803,242	—	—	5,803,242
Equipment and machinery	40,345,713	—	40,345,713	4,292,002	(2,344,497)	42,293,218
Total capital assets, being depreciated	366,133,704	—	366,133,704	11,022,905	(2,720,982)	374,435,627
Less accumulated depreciation for:						
Buildings	(42,772,470)	—	(42,772,470)	(2,559,137)	5,034,267	(40,297,340)
Other improvements	(82,831,559)	—	(82,831,559)	(5,684,593)	(5,017,758)	(93,533,910)
Municipal golf course improvements	(1,413,892)	—	(1,413,892)	(9,965)	—	(1,423,857)
Equipment and machinery	(35,004,958)	—	(35,004,958)	(2,417,091)	2,180,846	(35,241,203)
Total accumulated depreciation	(162,022,879)	—	(162,022,879)	(10,670,786)	2,197,355	(170,496,310)
Total capital assets, being depreciated, net	204,110,825	—	204,110,825	352,119	(523,627)	203,939,317
Business-type activities capital assets, net	324,614,707	—	324,614,707	80,382,191	(12,268,893)	392,728,005
Total	\$ 511,095,956	\$ 1,148,166,835	\$ 1,659,262,791	\$ 128,467,420	\$ (35,207,538)	\$ 1,752,522,673

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**City of Oxnard, California**

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**Notes to the Basic Financial Statements**  
**June 30, 2006**

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For the year ended June 30, 2006, depreciation expense on capital assets was charged to the governmental functions as follows:

<b>Governmental Activities:</b>	
Legislative	\$ 169,994
Administration and support services	4,589,845
Public safety	7,309,753
Transportation	339,989
Community development	509,983
Culture and leisure	1,019,966
Libraries	339,989
Capital improvement projects	1,529,949
Capital assets held by the city's internal service fund	1,189,960
<b>Total governmental activities depreciation expense</b>	<b>\$ 16,999,428</b>

For the year ended June 30, 2006, depreciation expense on capital assets was charged to the business-type functions as follows:

<b>Business-type Activities:</b>	
Water	\$ 2,189,190
Wastewater	5,045,679
Solid waste	1,563,454
Performing arts center	2,445
Oxnard housing authority	1,787,897
Municipal golf course	82,121
<b>Total business-type activities depreciation expense</b>	<b>\$ 10,670,786</b>

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

	<b>Balance July 1, 2005</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2006</b>
<b>Internal service funds:</b>				
Capital assets, not being depreciated				
Land	\$ —	\$ 595,500	\$ —	\$ 595,500
Construction in progress	—	—	—	—
Total capital assets, not being depreciated	<u>\$ —</u>	<u>\$ 595,500</u>	<u>\$ —</u>	<u>\$ 595,500</u>

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
Capital assets, being depreciated:				
Equipment and machinery	1,933,127	322,621	(9,178)	2,246,570
Total capital assets, being depreciated	1,933,127	322,621	(9,178)	2,246,570
Less accumulated depreciation for:				
Equipment and machinery	(1,351,978)	(181,227)	(9,178)	(1,524,027)
Total accumulated depreciation	(1,351,978)	(181,227)	(9,178)	(1,524,027)
Total capital assets, being depreciated, net	\$ 581,149	\$ 141,394	\$ —	\$ 722,543
<b>Total</b>	<b>\$ 581,149</b>	<b>\$ 736,894</b>	<b>\$ —</b>	<b>\$ 1,318,043</b>

The following is a summary of changes in capital assets for each major enterprise fund for the year ended June 30, 2006:

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
<b>Water fund</b>				
Capital assets, not being depreciated:				
Land	\$ 877,144	\$ 1,937,250	\$ —	\$ 2,814,394
Construction in progress	43,922,646	19,500,108	(2,504,368)	60,918,386
Total capital assets, not being depreciated	44,799,790	21,437,358	(2,504,368)	63,732,780
Capital assets, being depreciated:				
Buildings	4,707,026	—	—	4,707,026
Other improvements	82,094,437	786,789	—	82,881,226
Equipment and machinery	2,519,410	297,579	(94,061)	2,722,928
Total capital assets being depreciated	89,320,873	1,084,368	(94,061)	90,311,180
Less accumulated depreciation for:				
Buildings	(1,570,498)	(104,600)	—	(1,675,098)
Other improvements	(34,445,756)	(1,813,287)	—	(36,259,043)
Equipment and machinery	(1,766,697)	(271,303)	94,061	(1,943,939)
Total accumulated depreciation	(37,782,951)	(2,189,190)	94,061	(39,878,080)
Total capital assets, being depreciated, net	\$ 51,537,922	\$ (1,104,822)	\$ —	\$ 50,433,100
<b>Total</b>	<b>\$ 96,337,712</b>	<b>\$ 20,332,536</b>	<b>\$ (2,504,368)</b>	<b>\$ 114,165,880</b>



# City of Oxnard, California

## Notes to the Basic Financial Statements June 30, 2006

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
<b>Wastewater fund</b>				
Capital assets, not being depreciated:				
Land	\$ 4,273,655	\$ —	\$ —	\$ 4,273,655
Construction in progress	42,984,502	52,593,902	(9,237,351)	86,341,053
Total capital assets, not being depreciated	47,258,157	52,593,902	(9,237,351)	90,614,708
Capital assets, being depreciated:				
Buildings	6,714,809	—	(333,871)	6,380,938
Other improvements	165,374,157	3,247,424	—	168,621,581
Equipment and machinery	17,297,297	117,335	(30,448)	17,384,184
Total capital assets being depreciated	189,386,263	3,364,759	(364,319)	192,386,703
Less accumulated depreciation for:				
Buildings	(4,017,135)	(141,798)	—	(4,158,933)
Other improvements	(53,403,561)	(3,849,656)	—	(57,253,217)
Equipment and machinery	(16,577,190)	(1,054,225)	30,448	(17,600,967)
Total accumulated depreciation	(73,997,886)	(5,045,679)	30,448	(79,013,117)
Total capital assets, being depreciated, net	\$ 115,388,377	\$ (1,680,920)	\$ (333,871)	\$ 113,373,586
Total	\$ 162,646,534	\$ 50,912,982	\$ (9,571,222)	\$ 203,988,294
<b>Solid waste fund</b>				
Capital assets, not being depreciated:				
Land	\$ 3,811,166	\$ —	\$ —	\$ 3,811,166
Construction in progress	4,162,156	652,578	—	4,814,734
Total capital assets, not being depreciated	7,973,322	652,578	—	8,625,900
Capital assets, being depreciated:				
Buildings	22,859,740	—	—	22,859,740
Other improvements	866,026	—	—	866,026
Equipment and machinery	18,802,374	3,870,142	(2,219,989)	20,452,527
Total capital assets being depreciated	42,528,140	3,870,142	(2,219,989)	44,178,293
Less accumulated depreciation for:				
Buildings	(5,417,534)	(507,994)	—	(5,925,528)
Other improvements	—	(21,650)	—	(21,650)
Equipment and machinery	(15,164,902)	(1,033,810)	2,072,848	(14,125,864)
Total accumulated depreciation	(20,582,436)	(1,563,454)	2,072,848	(20,073,042)
Total capital assets, being depreciated, net	\$ 21,945,704	\$ 2,306,688	\$ (147,141)	\$ 24,105,251
Total	\$ 29,919,026	\$ 2,959,266	\$ (147,141)	\$ 32,731,151

# City of Oxnard, California

## Notes to the Basic Financial Statements June 30, 2006

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
<b>Performing arts and convention center fund</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 42,615	\$ —	\$ (42,615)	\$ —
Total capital assets, not being depreciated	42,615	—	(42,615)	—
Capital assets, being depreciated:				
Buildings	—	42,615	—	42,615
Equipment and machinery	8,728	—	—	8,728
Total capital assets being depreciated	8,728	42,615	—	51,343
Less accumulated depreciation for:				
Equipment and machinery	(1,827)	(2,445)	—	(4,272)
Total accumulated depreciation	(1,827)	(2,445)	—	(4,272)
Total capital assets, being depreciated, net	\$ 6,901	\$ 40,170	\$ —	\$ 47,071
Total	\$ 49,516	\$ 40,170	\$ (42,615)	\$ 47,071
<b>Oxnard housing authority fund</b>				
Capital assets, not being depreciated:				
Land	\$ 8,920,208	\$ —	\$ —	\$ 8,920,208
Construction in progress	1,937	8,618	(3,547)	7,008
Total capital assets, not being depreciated	8,922,145	8,618	(3,547)	8,927,216
Capital assets, being depreciated:				
Buildings	34,078,907	2,654,076	—	36,732,983
Equipment and machinery	1,717,903	6,946	—	1,724,849
Total capital assets being depreciated	35,796,810	2,661,022	—	38,457,832
Less accumulated depreciation for:				
Buildings	(25,630,103)	(1,732,589)	—	(27,362,692)
Equipment and machinery	(1,510,853)	(55,308)	—	(1,566,161)
Total accumulated depreciation	(27,140,956)	(1,787,897)	—	(28,928,853)
Total capital assets, being depreciated, net	\$ 8,655,854	\$ 873,125	\$ —	\$ 9,528,979
Total	\$ 17,577,999	\$ 881,743	\$ (3,547)	\$ 18,456,195

# City of Oxnard, California

## Notes to the Basic Financial Statements June 30, 2006

	Balance July 1, 2005	Increases	Decreases	Balance June 30, 2006
<b>Municipal golf course fund</b>				
Capital assets, not being depreciated:				
Land	\$ 4,282,572	\$ —	\$ —	\$ 4,282,572
Construction in progress	7,267,897	5,337,616	—	12,605,513
Total capital assets, not being depreciated	11,550,469	5,337,616	—	16,888,085
Capital assets, being depreciated:				
Buildings	3,247,033	—	—	3,247,033
Equipment and machinery	5,803,242	—	—	5,803,242
Total capital assets being depreciated	9,050,275	—	—	9,050,275
Less accumulated depreciation for:				
Buildings	(1,102,933)	(72,156)	—	(1,175,089)
Golf course improvements	(1,413,892)	(9,965)	—	(1,423,857)
Total accumulated depreciation	(2,516,825)	(82,121)	—	(2,598,946)
Total capital assets, being depreciated, net	\$ 6,533,450	\$ (82,121)	\$ —	\$ 6,451,329
Total	\$ 18,083,919	\$ 5,255,495	\$ —	\$ 23,339,414

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

## 7. LONG-TERM OBLIGATIONS

The following is a summary of changes in the City's long-term obligations for the year ended June 30, 2006:

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Amounts Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds:					
Lease revenue refunding bonds, series 2003	\$ 6,727,009	\$ —	\$ 501,253	\$ 6,225,756	\$ 515,693
Adjustable rate lease revenue refunding bonds, series 1993	800,000	—	800,000	—	—
Adjustable rate lease revenue bonds, series 2003B	14,080,000	—	330,000	13,750,000	340,000
1999 certificates of participation	7,835,000	—	215,000	7,620,000	225,000
Tax allocation refunding bonds, series 2004A	18,635,000	—	605,000	18,030,000	620,000
Capital lease:					
LaSalle national leasing	1,412,398	—	326,385	1,086,013	336,102
Compensated absences	12,056,376	7,646,892	6,662,151	13,041,117	6,180,000
Metropolitan water district loan	5,205,852	—	5,205,852	—	—
Unamortized discounts	(88,411)	—	(9,824)	(78,587)	—
Total governmental activities	<u>\$ 66,663,224</u>	<u>\$ 7,646,892</u>	<u>\$ 14,635,817</u>	<u>\$ 59,674,299</u>	<u>\$ 8,216,795</u>
<b>Business-type activities:</b>					
Revenue bonds:					
Lease revenue refunding bonds, series 2003 - golf	\$ 9,578,314	\$ —	\$ 713,747	\$ 8,864,567	\$ 734,307
Water revenue refunding bonds, series 2001	11,415,000	—	255,000	11,160,000	265,000
Water revenue project bonds, series 2004	46,990,000	—	925,000	46,065,000	940,000
Water revenue project bonds, series 2006	—	54,600,000	—	54,600,000	—
Wastewater revenue refunding bonds, series 2003	38,415,000	—	1,885,000	36,530,000	1,950,000
Wastewater revenue bonds, series 2004A	80,000,000	—	—	80,000,000	—
Wastewater revenue bonds, series 2004B	23,975,000	—	—	23,975,000	—
Wastewater revenue bonds, series 2006	—	12,575,000	—	12,575,000	185,000
Solid waste revenue refunding bonds, series 2005	20,955,000	—	1,575,000	19,380,000	1,645,000
2004 capital fund revenue bonds - housing authority	5,615,000	—	205,000	5,410,000	215,000
Unamortized bond premium	2,167,940	911,998	149,125	2,930,813	—
Unamortized discounts	(927,414)	—	(89,291)	(838,123)	—
Unamortized gain or loss on refunding	(3,274,773)	—	(130,991)	(3,143,782)	—
Subtotal	<u>234,909,067</u>	<u>68,086,998</u>	<u>5,487,590</u>	<u>297,508,475</u>	<u>5,934,307</u>
Capital lease:					
Residential trash collection vehicles	596,900	—	229,264	367,636	258,443
Del Norte Blvd. Improvement	556,563	—	64,051	492,512	69,143
Fifth and Del Norte improvement	934,895	—	99,706	835,189	106,623
LaSalle national leasing - solid waste	380,712	—	65,373	315,339	67,515
Compensated absences	2,339,814	1,895,476	1,810,425	2,424,865	1,120,000
Total business-type activities	<u>239,717,951</u>	<u>69,982,474</u>	<u>7,756,409</u>	<u>301,944,016</u>	<u>7,556,031</u>
Total	<u>\$ 306,381,175</u>	<u>\$ 77,629,366</u>	<u>\$ 22,392,226</u>	<u>\$ 361,618,315</u>	<u>\$ 15,772,826</u>

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

Internal Service Funds predominantly serve the governmental funds. Accordingly, their long-term obligations are included as part of the above totals for the governmental activities. Changes in long-term obligations for the internal service funds for the year ended June 30, 2006, are as follows:

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Amounts Due Within One Year
Internal Service Funds:					
Compensated absences	\$ 626,932	\$ 704,542	\$ 578,931	\$ 752,543	\$ 380,000
Total	<u>\$ 626,932</u>	<u>\$ 704,542</u>	<u>\$ 578,931</u>	<u>\$ 752,543</u>	<u>\$ 380,000</u>

The following is a summary of changes in long-term obligations for each major enterprise fund for the year ended June 30, 2006:

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Amounts Due Within One Year
<b>Water fund</b>					
Revenue refunding bonds, series 2001	\$ 11,415,000	\$ —	\$ 255,000	\$ 11,160,000	\$ 265,000
Water revenue refunding, series 2004	46,990,000	—	925,000	46,065,000	940,000
Water revenue project bonds, series 2006	—	54,600,000	—	54,600,000	—
Add: Unamortized bond premium	1,127,809	911,998	45,112	1,994,695	—
Less: Unamortized loss on refunding	(3,274,773)	—	(130,991)	(3,143,782)	—
Unamortized discounts	(172,162)	—	(6,887)	(165,275)	—
Subtotal	<u>56,085,874</u>	<u>55,511,998</u>	<u>1,087,234</u>	<u>110,510,638</u>	<u>1,205,000</u>
Compensated absences	434,940	326,236	322,974	438,202	275,003
Total	<u>\$ 56,520,814</u>	<u>\$ 55,838,234</u>	<u>\$ 1,410,208</u>	<u>\$ 110,948,840</u>	<u>\$ 1,480,003</u>
<b>Wastewater fund</b>					
Wastewater revenue refunding bonds, series 2003	\$ 38,415,000	\$ —	\$ 1,885,000	\$ 36,530,000	\$ 1,950,000
Wastewater revenue bonds, series 2004A	80,000,000	—	—	80,000,000	—
Wastewater revenue bonds, series 2004B	23,975,000	—	—	23,975,000	—
Wastewater revenue bonds, series 2006	—	12,575,000	—	12,575,000	185,000
Less: Unamortized discounts	(619,044)	—	(68,782)	(550,262)	—
Subtotal	<u>141,770,956</u>	<u>12,575,000</u>	<u>1,816,218</u>	<u>152,529,738</u>	<u>2,135,000</u>
Compensated absences	679,301	460,795	484,461	655,635	370,000
Total	<u>\$ 142,450,257</u>	<u>\$ 13,035,795</u>	<u>\$ 2,300,679</u>	<u>\$ 153,185,373</u>	<u>\$ 2,505,000</u>

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Amounts Due Within One Year
<b>Solid waste fund</b>					
Solid waste revenue refunding bonds, series 2005	\$ 20,955,000	\$ —	\$ 1,575,000	\$ 19,380,000	\$ 1,645,000
Less: Unamortized bond premium	1,040,131	—	104,013	936,118	—
Less: Unamortized discounts	(136,208)	—	(13,621)	(122,587)	—
Subtotal	21,858,923	—	1,665,392	20,193,531	1,645,000
Capital lease					
Residential trash collection vehicles	596,900	—	229,264	367,636	258,443
Del Norte Blvd. improvement	556,563	—	64,051	492,512	69,143
Fifth and Del Norte improvement	934,895	—	99,706	835,189	106,623
LaSalle national leasing	380,712	—	65,373	315,339	67,515
Compensated absences	538,323	633,969	565,205	607,087	400,100
Total	<u>\$ 24,866,316</u>	<u>\$ 633,969</u>	<u>\$ 2,688,991</u>	<u>\$ 22,811,294</u>	<u>\$ 2,546,824</u>
<b>Performing arts and convention center fund</b>					
Compensated absences	\$ 64,866	\$ 40,518	\$ 39,564	\$ 65,820	\$ 32,500
Total	<u>\$ 64,866</u>	<u>\$ 40,518</u>	<u>\$ 39,564</u>	<u>\$ 65,820</u>	<u>\$ 32,500</u>
<b>Oxnard housing authority fund</b>					
2004 capital fund revenue bonds	\$ 5,615,000	\$ —	\$ 205,000	\$ 5,410,000	\$ 215,000
Compensated absences	622,385	433,956	398,220	658,121	42,397
Total	<u>\$ 6,237,385</u>	<u>\$ 433,956</u>	<u>\$ 603,220</u>	<u>\$ 6,068,121</u>	<u>\$ 257,397</u>
<b>Municipal golf course</b>					
Lease revenue refunding bonds, series 2003	\$ 9,578,314	\$ —	\$ 713,747	\$ 8,864,567	\$ 734,307
Total	<u>\$ 9,578,314</u>	<u>\$ —</u>	<u>\$ 713,747</u>	<u>\$ 8,864,567</u>	<u>\$ 734,307</u>

### Lease Revenue Refunding Bonds 2003, Series A

The Lease Revenue Refunding Bonds 2003 Series A are a thirteen-year bond issue with a net interest cost of 3.5904 percent. The bonds were issued to refinance the outstanding Lease Revenue Refunding Bonds Series 1993 for the 1988 Civic Center Library bonds, the 1986 River Ridge Golf Course bonds, the land acquisition bonds, the 1966 Auditorium Authority bonds and the 1972 parking authority, and to prepay the Zion Bank leases for the

Old Oxnard High School and 300 West Third Street. The refunding resulted in an economic gain of \$921,361 and an overall cash savings of \$4,922,193. The bonds were issued on May 22, 2003, with an original amount of \$18,640,000, maturing in various amounts through June 1, 2016. The total balance outstanding as of June 30, 2006, is \$15,090,323, of which \$6,225,756 is recorded within governmental activities and \$8,864,567 is recorded within business-type activities in the accompanying statement of net assets.

#### **Adjustable Rate Lease Revenue Bonds, Series 2003 B**

The Adjustable Rate Lease Revenue Bonds 2003 Series B were issued on December 1, 2003, with an original amount of \$14,750,000. These bonds are a thirty-year bond issue with a base interest of 1.45 to a maximum of 4 percent maturing in various amounts through June 1, 2033. These bonds were issued to finance the Downtown Parking Structure and a new Library. The balance outstanding as of June 30, 2006, is \$13,750,000.

#### **1999 Certificates of Participation**

The 1999 Certificates of Participation are thirty-year bonds that were issued on January 26, 1999, with an original amount of \$8,980,000 and a net interest cost of 5.04 percent. The balance outstanding and recorded as governmental activities as of June 30, 2006, is \$7,620,000.

#### **Tax Allocation Refunding Bonds, Series 2004A**

The Tax Allocation Refunding Bonds, Series 2004 A are a twenty-two-year bond issued on May 4, 2004, with an interest rate of 4.643 percent and an original amount of \$19,185,000. The bonds were issued to refinance the Tax Allocation Refunding Bonds Series 1994A and to finance additional redevelopment activities within the Central City Revitalization and Downtown Project Area. The balance outstanding as of June 30, 2006, is \$18,030,000.

#### **Water Revenue Refunding and Project Bonds, Series 2001**

On July 17, 2001, the Oxnard Financing Authority issued \$12,410,000 of Water Revenue Refunding and Project Bonds, Series 2001 with interest rate of 5.1057 percent, maturing on June 1, 2030. The proceeds from the sale of the bonds were used to refund the total outstanding principal amount of \$5,391,884 of the Water Revenue Bonds Series 1993 and the Water Capital Appreciation Bonds and to finance the cost of construction of the 2001

project. The advance refunding resulted in an economic gain of \$1,373,201 (difference between the present value of the old bonds and the present value of the new bonds), which is being amortized over the life of the original bonds, and cash flow savings of \$5,796,073. The outstanding balance on the new bonds as of June 30, 2006, is \$11,160,000.

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

#### **Water Revenue Project Bonds, Series 2004**

On February 1, 2004, the Oxnard Financing Authority issued \$47,895,000 of Water Revenue Project Bonds, Series 2004 with an interest rate of 2 through 5 percent, maturing on June 30, 2034. The proceeds from the sale of the bonds were used to pay for the costs of improvements to the Water System, including Cast Iron Pipe Replacement (Hydraulic Improvement), Hydrant Upgrades, Hydraulic Deficiencies, Blending Station No. 3 Water Conditioning II, Blending Station No. 5, SCADA Upgrades, Phase I of the Groundwater Recovery Enhancement and Treatment Program, Automated Meter Reading Retrofit Program, and Water Well Improvement Program. The balance outstanding as of June 30, 2006, is \$46,065,000.

#### **Water Revenue Project Bonds, Series 2006**

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

#### **Wastewater Revenue Refunding Bonds, Series 2003**

The Wastewater Revenue Refunding Bonds Series 2003 are a seventeen-year bond issue with a net interest cost of 4.183 percent. The bonds were issued to refinance the Wastewater Revenue Refunding Bonds Series 1993 outstanding balances related to the 1986 Wastewater Treatment Plant



Expansion Bonds, 1985 Wastewater Treatment Plant Expansion Land Bonds and the 1977 Oxnard Port Hueneme Regional Wastewater Treatment Authority bonds. The bonds were issued on April 1, 2003, with an original amount of \$43,785,000, maturing in various amounts through June 1, 2020. The outstanding balance as of June 30, 2006, is \$36,530,000. The current refunding resulted in an economic gain of \$3,923,503 (difference between the present value of the old bonds and the present value of the new bonds) and a cash flow savings of \$4,922,193.

**Wastewater Revenue Bonds, Series 2004A**

On June 22, 2004, the Oxnard Financing Authority issued \$80,000,000 of Wastewater Revenue Bonds, Series 2004 A, with a fixed interest rate of 5 percent, maturing on June 30, 2034. The purpose of these bonds is to pay for the costs of the Redwood Trunk Sewer and Headworks Projects. The balance outstanding as of June 30, 2006, is \$80,000,000.

**Wastewater Revenue Bonds, Series 2004B**

On November 1, 2004, the Oxnard Financing Authority issued \$23,975,000 of Variable Rate Demand Wastewater Revenue Bonds, Series 2004 B, with an interest rate of 2.45 to 4.45 percent, maturing on June 1, 2033. The bond proceeds were used to finance the cost of certain capital improvements to the City's wastewater system (Headworks and Septic System Conversion Projects). The balance outstanding as of June 30, 2006, is \$23,975,000.

**Wastewater Revenue Bonds, Series 2006**

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

### **Solid Waste Revenue Refunding Bonds, Series 2005**

On April 15, 2005, the Oxnard Financing Authority issued Solid Waste Revenue Refunding Bonds Series 2005 in the amount of \$20,955,000 with an interest rate of 3.97 to 5.00 percent maturing in various amounts on May 1, 2016. The proceeds of the bonds were used to refund the Solid Waste Revenue Bonds, Series 1995 and the additional fund of \$4,120,000 was to fund various Solid Waste equipment such as: commercial front-end loader trucks, green waste collection, refuse tractors, trailers, compactors, pickup truck and others. The bonds were issued to finance the reconstruction of the Del Norte Regional Recycling and Transfer Station. The purchase of certain solid waste transfer and materials recovery equipment and the purchase of rolling stock to be used in transferring solid waste from the Del Norte station site to a landfill for disposal. The refunding of the 1995 Bonds provided a net present value savings of \$1,200,000. The outstanding balance as of June 30, 2006, is \$19,380,000.

### **2004 Capital Fund Revenue Bonds**

On April 25, 2004, the Affordable Housing Agency issued Affordable Housing Agency Certificates of Participation, Series 2004 (Oxnard's Santa Clara Projects) in the amount of \$10,370,000, evidencing a proportionate ownership interest in debt service payments to be made with respect to certain Capital Fund Revenue Bonds, Series 2004, issued by the Oxnard and Santa Clara Housing Authorities in the amounts of \$5,820,000 and \$4,550,000, respectively. Each certificate represents a proportionate ownership interest of the holder in the right to receive debt service payments made with respect to the bonds. The obligation of the housing authorities under their respective bond indentures are independent and neither is obligated for the payment of principal or interest on the bonds of the other housing authority. The bonds were issued to finance certain capital projects of the Housing Authority, with interest ranging from 2.00 percent to 4.95 percent, maturing on or after April 1, 2012. The outstanding balance as of June 30, 2006, is \$5,410,000.

### **Arbitrage**

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

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**City of Oxnard, California**

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*Notes to the Basic Financial Statements*  
*June 30, 2006*

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2007	\$ 2,036,795	\$ 1,722,306	\$ 6,419,401	\$ 14,637,041
2008	2,019,822	1,653,500	6,573,449	14,157,913
2009	2,028,551	1,579,881	8,259,969	13,930,592
2010	2,100,721	1,512,271	8,569,244	13,608,377
2011	2,056,367	1,437,890	8,837,070	13,458,282
2012-2016	10,939,200	6,076,432	48,491,111	59,865,454
2017-2021	8,805,000	4,141,327	40,794,999	49,317,939
2022-2026	9,930,000	2,264,483	50,375,000	38,455,685
2027-2031	5,375,000	521,548	62,135,000	25,002,337
2032-2033	1,420,000	53,255	60,115,000	8,063,780
Totals	<u>\$ 46,711,456</u>	<u>\$ 20,962,893</u>	<u>\$ 300,570,243</u>	<u>\$ 250,497,400</u>

**City of Oxnard, California**

*Notes to the Basic Financial Statements*  
*June 30, 2006*

Fiscal Year	Wastewater Revenue Refunding Bonds, Series 2003		Wastewater Revenue Bonds, Series 2004A		Wastewater Revenue Bonds, Series 2004B	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 1,950,000	\$ 1,717,612	\$ —	\$ 4,087,725	\$ —	\$ 1,138,813
2008	2,035,000	1,631,613	—	4,087,725	—	1,138,813
2009	2,100,000	1,565,563	—	4,087,725	820,000	1,138,813
2010	2,175,000	1,492,063	—	4,087,725	840,000	1,099,863
2011	2,240,000	1,426,813	—	4,087,725	865,000	1,059,963
2012-2016	13,025,000	5,316,763	—	20,438,625	4,700,000	4,660,700
2017-2021	13,005,000	1,665,500	4,075,000	20,438,625	5,005,000	3,477,950
2022-2026	—	—	23,630,000	17,172,285	4,020,000	2,418,225
2027-2031	—	—	30,175,000	10,627,575	4,625,000	1,408,138
2032-2036	—	—	22,120,000	2,362,418	3,100,000	297,113
Totals	<u>\$ 36,530,000</u>	<u>\$ 14,815,927</u>	<u>\$ 80,000,000</u>	<u>\$ 91,478,153</u>	<u>\$ 23,975,000</u>	<u>\$ 17,838,391</u>

Fiscal Year	Wastewater Revenue Bonds, Series 2006		Water Revenue Refunding Bonds, Series 2001		Water Revenue Project Bonds, Series 2004	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 185,000	\$ 609,887	\$ 265,000	\$ 541,796	\$ 940,000	\$ 2,083,934
2008	225,000	571,313	275,000	531,196	960,000	2,065,134
2009	235,000	563,325	285,000	520,196	980,000	2,043,534
2010	240,000	554,865	300,000	508,796	1,005,000	2,020,014
2011	250,000	546,105	310,000	496,496	1,030,000	1,993,884
2012-2016	1,410,000	2,575,450	1,775,000	2,262,886	5,735,000	9,389,827
2017-2021	1,725,000	2,259,675	2,240,000	1,792,563	6,990,000	8,144,094
2022-2026	2,145,000	1,841,590	2,860,000	1,173,563	8,865,000	6,262,750
2027-2031	2,705,000	1,282,500	2,850,000	374,124	11,320,000	3,813,000
2032-2036	3,455,000	535,250	—	—	8,240,000	837,250
Totals	<u>\$ 12,575,000</u>	<u>\$ 11,339,960</u>	<u>\$ 11,160,000</u>	<u>\$ 8,201,616</u>	<u>\$ 46,065,000</u>	<u>\$ 38,653,421</u>

# City of Oxnard, California

Notes to the Basic Financial Statements  
June 30, 2006

Fiscal Year	Water Revenue Refunding Bonds, Series 2006		Solid Waste Revenue Refunding Bonds, Series 2005	
	Principal	Interest	Principal	Interest
2007	\$ —	\$ 2,855,614	\$ 1,645,000	\$ 935,400
2008	—	2,656,385	1,715,000	869,600
2009	775,000	2,656,385	1,785,000	801,000
2010	800,000	2,625,385	1,875,000	711,750
2011	840,000	2,593,385	1,965,000	618,000
2012-2016	4,835,000	12,304,288	10,395,000	1,514,000
2017-2021	6,065,000	11,076,278	—	—
2022-2026	7,625,000	9,524,613	—	—
2027-2031	10,460,000	7,497,000	—	—
2032-2036	23,200,000	4,031,750	—	—
Totals	<u>\$ 54,600,000</u>	<u>\$ 57,821,083</u>	<u>\$ 19,380,000</u>	<u>\$ 5,449,750</u>

Fiscal Year	Lease Revenue Refunding Bonds, Series 2003A		Adjustable Lease Revenue Bonds, Series 2003B	
	Principal	Interest	Principal	Interest
2007	\$ 1,250,000	\$ 599,960	\$ 340,000	\$ 341,554
2008	1,305,000	549,960	350,000	334,021
2009	1,355,000	497,760	360,000	324,414
2010	1,405,000	450,335	370,000	315,472
2011	1,475,000	380,085	385,000	306,281
2012-2016	8,300,000	965,915	2,090,000	1,384,128
2017-2021	—	—	2,415,000	1,107,954
2022-2026	—	—	2,790,000	789,982
2027-2031	—	—	3,230,000	422,063
2032-2036	—	—	1,420,000	53,255
Totals	<u>\$ 15,090,000</u>	<u>\$ 3,444,015</u>	<u>\$ 13,750,000</u>	<u>\$ 5,379,124</u>

## City of Oxnard, California

Notes to the Basic Financial Statements  
June 30, 2006

Fiscal Year	1999 Certificates of Participation		Tax Allocation Refunding Bonds, Series 2004A		2004 Capital Fund Revenue Bonds, Housing Authority	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 225,000	\$ 353,460	\$ 620,000	\$ 750,599	\$ 215,000	\$ 224,682
2008	235,000	344,348	640,000	728,499	220,000	218,233
2009	245,000	334,713	665,000	702,399	225,000	211,632
2010	255,000	324,423	690,000	680,129	235,000	204,882
2011	265,000	313,585	710,000	660,509	240,000	386,450
2012-2016	1,510,000	1,378,890	3,915,000	2,914,922	1,355,000	796,450
2017-2021	1,800,000	990,138	4,590,000	2,043,236	1,690,000	463,255
2022-2026	2,100,000	542,688	5,040,000	931,814	1,230,000	62,660
2027-2031	985,000	70,775	1,160,000	28,710	—	—
Totals	<u>\$ 7,620,000</u>	<u>\$ 4,653,020</u>	<u>\$ 18,030,000</u>	<u>\$ 9,440,817</u>	<u>\$ 5,410,000</u>	<u>\$ 2,568,244</u>

### Capital Lease Obligations

On September 12, 2000, the City entered into a Lease Purchase Agreement with Municipal Finance Corporation in the amount of \$1,490,000 for the acquisition of twelve residential trash collection vehicles. The lease bears an interest rate of 5.4 percent with final maturity on September 12, 2007. The outstanding balance as of June 30, 2006, is \$367,636.

On October 28, 2002, the City entered into a Lease Purchase Agreement, line of credit with Zions Bank in the amount of \$715,575, for the purpose of Del Norte Boulevard improvements, with variable interest rate, based upon a projected interest rate of 5.0 percent, final maturity on December 1, 2012. The outstanding balance as of June 30, 2006, is \$492,512.

On February 7, 2003, the City entered into a Lease Purchase Agreement with Zions Bank in the amount of \$1,118,330 for the purpose of purchasing Fifth /Del Norte Land Purchase, with an interest rate of 5.00 percent, final maturity on June 1, 2013. The outstanding balance as of June 30, 2006, is \$835,189.

## City of Oxnard, California

Notes to the Basic Financial Statements  
June 30, 2006

On November 20, 2003, the City entered into a Lease Purchase Agreement with LaSalle National Leasing Corporation in the amount of \$2,390,000 for various Parks equipment (\$524,000) amortized over a 4-year term at an interest rate of 2.57 percent, Fire equipment (\$1,383,000) and Solid Waste equipment (\$480,000) amortized over a 7-year period at a rate of 3.23 percent, final maturity on November 25, 2010. The outstanding balance as of June 30, 2006, is \$1,401,352.

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

Equipment Lease Purchase LaSalle National Leasing - Total						
Fiscal Year	Principal		Interest			
2007	\$	403,876	\$	38,110		
2008		326,887		26,001		
2009		272,104		17,143		
2010		280,733		8,514		
2011		117,752		2,776		
Totals	\$	1,401,352	\$	92,544		

Fiscal Year	Residential Trash Collection Vehicles		Fifth Street/Del Norte Land Boulevard Purchase		Del Norte Boulevard Improvement	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 241,812	\$ 16,631	\$ 106,623	\$ 39,523	\$ 69,143	\$ 23,789
2008	125,824	3,397	109,818	34,152	71,461	20,303
2009	—	—	113,109	28,620	73,857	16,700
2010	—	—	116,500	22,923	76,332	12,976
2011	—	—	119,991	17,055	78,892	9,128
2012-2013	—	—	269,148	32,850	122,827	6,193
Totals	\$ 367,636	\$ 20,028	\$ 835,189	\$ 175,123	\$ 492,512	\$ 89,089

Management believes the City complies with all significant covenants related to its debt issues as of June 30, 2006.

### **Compensated Absences**

The long-term portion of the liability was \$6,861,117 for governmental activities and \$1,304,865 for business-type activities at June 30, 2006, which is expected to be paid in future years from future resources.

### **Special Assessment Bonds**

There are various 1915 Act Improvement Districts and Mello-Roos Community Facilities Act of 1982, within the City, which have issued special assessment or special tax debt. The debt is secured by liens or special taxes on the properties in the districts and is paid by the property owners. The City is not liable under any circumstance for the repayment of the debt, but is only acting as agent for the property owners in collecting the assessments and special taxes, forwarding the collections to fiscal agents to pay the bondholders, and initiating foreclosure proceedings, if appropriate.

Accordingly, such special assessment debt is not reflected in the accompanying basic financial statements. Special assessment debt outstanding at June 30, 2006, is as follows:

<b>Mandalay Bay Assessment District:</b>	
1915 Act Improvement Bonds issued April 24, 1987; original amount \$6,250,000; maximum rate 7.4%; due 2007	\$ 1,535,000
<b>Rice Avenue/Highway 101 Assessment District:</b>	
1915 Act Limited Obligation Bonds issued August 27, 2002 with original amount \$15,125,000; maximum rate of 5.70%; maturing in varying amounts through 2032	14,390,000
<b>Rose Avenue/Highway 101 Assessment District:</b>	
1915 Act Improvement Bonds issued November 1, 1996; original amount \$8,560,000; average rate of 5.50%; maturing in 2016	5,855,000
<b>Pacific Commerce Center Assessment District:</b>	
1915 Act Improvement Bonds issued November 1, 1996; original amount \$31,120,000; average rate of 5.17%; maturing in 2006	3,600,000
<b>City of Oxnard Community Facilities District I:</b>	9,740,000
<b>City of Oxnard Community Facilities District 88-1:</b>	1,530,000
<b>Oxnard Boulevard Interchange Community District:</b>	9,955,000
<b>Oxnard Boulevard/Highway 101 Interchange:</b>	
1915 Act Improvement Limited Obligation Bonds issued on August 14, 2003; original amount \$2,335,000; interest rate varies; the maximum rate of 6.15%; maturing in 2033	2,270,000
<b>Community Facilities District 3 - Seabridge/Mandalay</b>	32,275,000
	<u>\$ 81,150,000</u>
Total	



## **8. DEFINED BENEFIT PENSION PLAN**

### **A. Retirement Plan Description - PERS**

The City contributes to the California Public Employees' Retirement System ("PERS"), an agent multiple-employer, public employee defined benefit plan, that acts as a common investment and administrative agent for participating public entities within the State of California. The City's membership is reported within three plans classified into two categories: safety members (police and fire) and miscellaneous members (all other regular employees). The City's payroll for employees covered by PERS for the year ended June 30, 2006, was \$79,415,440; the City's total payroll was \$82,132,834. PERS issues a separate comprehensive annual financial report. Copies of PERS' annual financial report may be obtained from the PERS Executive Office, 400 "P" Street, Sacramento, CA 95814.

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

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

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

### **Annual Pension Cost**

For Fiscal Year 2005-2006, the City's annual pension cost (APC) of \$21,743,117 for Public Employees Retirement System was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2005, revised actuarial assumptions and retain the entry age actuarial cost method.

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**City of Oxnard, California**

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*Notes to the Basic Financial Statements*  
*June 30, 2006*

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Significant actuarial assumptions across all three plans included (a) 8.25 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases ranging from 3.75 percent to 14.2 percent (for miscellaneous employees) and from 4.27 percent to 11.59 percent (for safety employees) and that vary based on the duration of service and type of employment, and (c) 3.75 percent per year across-the-board real salary increases. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2006, was five years for prior service unfunded and sixteen years for remaining unfunded.

**Trend Information by Plan**

	<b>Fiscal Year Ending June 30</b>	<b>Actuarial Valuation Date</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
Police	2004	6/30/04	4,681,429	100%	\$ —
Police	2005	6/30/05	7,493,998	100%	—
Police	2006	6/30/06	9,051,159	100%	—
Fire	2004	6/30/04	1,179,214	100%	\$ —
Fire	2005	6/30/05	2,452,730	100%	—
Fire	2006	6/30/06	2,913,733	100%	—
Miscellaneous	2004	6/30/04	2,890,761	100%	\$ —
Miscellaneous	2005	6/30/05	6,015,206	100%	—
Miscellaneous	2006	6/30/06	9,778,224	100%	—

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**City of Oxnard, California**

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*Notes to the Basic Financial Statements*  
*June 30, 2006*

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Contributions to PERS for the Fiscal Year ended June 30, 2006, are shown below:

	<b>City Contributions</b>	<b>Employee Contributions</b>	<b>Total</b>
Safety employees:			
Police	\$ 7,170,160	\$ 1,880,999	\$ 9,051,159
Fire	2,173,367	740,366	2,913,733
Total safety employees	9,343,527	2,621,365	11,964,892
Miscellaneous employees	6,257,983	3,520,241	9,778,224
<b>Total</b>	<b>\$ 15,601,510</b>	<b>\$ 6,141,606</b>	<b>\$ 21,743,116</b>

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

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

*Funding Policy* – Employees and the City contribute a total of 8 percent of eligible employees’ gross wages. Current employee/city contributions by employee groups are as follows: IUOE 6.65%/City 1.35%; SEIU 5%/City 3%; management and confidential employees 5%/City 3%. In addition, the City is required to contribute the remaining amounts necessary to fund the benefit to its members using the actuarial basis recommended by PARS actuarial consultants. This contribution for the fiscal year ended June 30, 2006, was 2.63 percent of eligible employee

gross wages. The City's payroll for employees covered by PARS for the year ended June 30, 2006, was \$37,655,384. PARS issues a separate comprehensive annual financial report. Copies of PARS annual financial report may be obtained from the PARS Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660.

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

#### **Annual Pension Costs**

For Fiscal Year 2005-2006, the City's annual pension cost (APC) of \$4,002,936, for Public Agency Retirement System was equal to the City's required actual contribution. The required contribution was determined as part of the June 30, 2005, actuarial assumptions and retain the entry age actuarial cost method.

Contributions to PARS for the fiscal year ended June 30, 2006, are shown below:

	<b>City Contributions</b>	<b>Employee Contributions</b>	<b>Total</b>
Miscellaneous employees	<u>\$ 991,501</u>	<u>\$ 3,011,435</u>	<u>\$ 4,002,936</u>

#### **9. POSTEMPLOYMENT HEALTH CARE BENEFITS**

In addition to providing pension benefits, the City provides postemployment health care benefits to all retired employees that separate from the City, as provided under the City's contractual agreement with its recognized employee organizations. The City's maximum payment of \$48.40 increased in January 2006 to \$64.60 per month per retiree, as long as the retiree remains in a City-sponsored health plan. The benefits are funded on a pay-as-you-go basis. Postemployment health care benefits for the year ended June 30, 2006, totaled \$136,214. Currently, 199 retirees are enrolled and eligible to receive this benefit.

## 10. COMMITMENT AND CONTINGENCIES

There are various lawsuits and claims pending against the City. In the opinion of the City Attorney and management, none of these cases, nor the aggregate thereof, represents any substantial exposure to the City. At June 30, 2006, the City has recorded a general litigation reserve of \$1,000,000 to cover any potential exposure, which has been recorded within self-insurance claims liabilities in the accompanying basic financial statements.

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

## 11. FUND BALANCE, RESERVES AND DESIGNATIONS - GOVERNMENTAL FUNDS

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

The restricted revenues of \$5,415,998 are restricted for capital improvements related to development and Community Development Commission. The following is a summary of reserved and unreserved fund balances at June 30, 2006:

	<u>General Fund</u>	<u>Development Fees Fund</u>	<u>HUD and CDBG Fund</u>	<u>State and Federal Grants Fund</u>	<u>Debt Services Fund</u>	<u>Capital Outlay Fund</u>	<u>Community Development Commission Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
Reserved fund balance:									
Encumbrances	\$ 3,230,323	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,230,323
Receivables	—	—	—	—	—	—	1,095,814	—	\$ 1,095,814
Repayment of debt	—	—	—	—	1,197,830	—	—	—	1,197,830
Advances	73,035	—	—	—	—	—	—	—	73,035

# City of Oxnard, California

## Notes to the Basic Financial Statements June 30, 2006

	General Fund	Development Fees Fund	HUD and CDBG Fund	State and Federal Grants Fund	Debt Services Fund	Capital Outlay Fund	Community Development Commission Fund	Non-Major Governmental Funds	Total
Restricted revenue	112,382	235,362	—	—	—	—	5,068,254	—	5,415,998
Carryover savings	243,109	—	—	—	—	—	—	—	243,109
Properties held for resale	—	—	—	—	—	—	4,646,071	—	4,646,071
<b>Total reserved</b>	<b>3,658,849</b>	<b>235,362</b>	<b>---</b>	<b>---</b>	<b>1,197,830</b>	<b>---</b>	<b>10,810,139</b>	<b>---</b>	<b>15,902,180</b>
Unreserved fund balance:									
Designated for authorized projects	—	28,567,809	—	1,751,046	—	23,246,053	5,866,799	5,097,552	64,529,259
Designated for community development	5,284,472	—	—	—	—	—	—	—	5,284,472
Undesignated and available for future operation	18,238,984	12,912,761	—	8,441,925	—	(14,245,707)	11,453,654	1,401,153	38,202,770
<b>Total unreserved</b>	<b>23,523,456</b>	<b>41,480,570</b>	<b>—</b>	<b>10,192,971</b>	<b>—</b>	<b>9,000,346</b>	<b>17,320,453</b>	<b>6,498,705</b>	<b>108,016,501</b>
<b>Fund balances - unreserved:</b>									
Designated for existing council-authorized projects	\$ —	\$ 28,567,809	\$ —	\$ 1,751,046	\$ —	\$ 23,246,053	\$ 5,866,799	\$ 5,097,552	\$ 64,529,259
Undesignated but restricted as to purpose:									
General fund:									
Administration, public safety, parks and street maintenance, recreation, and transportation services and community development									
Community development	5,284,472	—	—	—	—	—	—	—	5,284,472
Operating reserves and economic contingencies	18,693,380	—	—	—	—	—	—	—	18,693,380
Undesignated and available for future operations	(454,396)	—	—	—	—	—	—	—	(454,396)
Development fees funds:									
Quimby fees restricted solely for acquisition and development of parks	—	872,496	—	—	—	—	—	—	872,496
Parks acquisition fees restricted to acquire land and improve parks	—	310,242	—	—	—	—	—	—	310,242
Storm drain facilities fees restricted for storm drain constructions	—	4,058,772	—	—	—	—	—	—	4,058,772
Impact fees solely for traffic signals and synchronization systems	—	1,945,400	—	—	—	—	—	—	1,945,400

## City of Oxnard, California

### Notes to the Basic Financial Statements June 30, 2006

	General Fund	Development Fees Fund	HUD and CDBG Fund	State and Federal Grants Fund	Debt Services Fund	Capital Outlay Fund	Community Development Commission Fund	Non-Major Governmental Funds	Total
Capital growth fees restricted to each residential/commercial neighborhoods	—	(299,763)	—	—	—	—	—	—	(299,763)
Capital growth fees restricted to each nonresidential/noncommercial neighborhoods	—	(156,238)	—	—	—	—	—	—	(156,238)
Utilities undergrounding fees solely for construction of underground lines	—	999,774	—	—	—	—	—	—	999,774
CUPA permit fees solely to manage hazardous materials disposal	—	71,131	—	—	—	—	—	—	71,131
Housing in-lieu fees and affordable housing fees solely for low-cost housing	—	5,110,947	—	—	—	—	—	—	5,110,947
State and Federal Grants Fund:									
State grants:									
Air pollution buy-down solely for transit projects, bicycle lanes and paths	—	—	—	1,286,870	—	—	—	—	1,286,870
Traffic congestion relief fund for improving traffic congestion in the freeway and City streets	—	—	—	605,496	—	—	—	—	605,496
Public safety retirement restricted for uniformed police and fire department	—	—	—	6,495,310	—	—	—	—	6,495,310
State assets seizure restricted to police activities	—	—	—	102,221	—	—	—	—	102,221
Federal grants:									
Federal assets seizure restricted to police activities	—	—	—	(47,972)	—	—	—	—	(47,972)
Capital outlay fund:									
This fund is solely for the acquisition and construction of street projects, civic center improvements	—	—	—	—	—	(14,245,707)	—	—	(14,245,707)

# City of Oxnard, California

## Notes to the Basic Financial Statements June 30, 2006

	General Fund	Development Fees Fund	HUD and CDBG Fund	State and Federal Grants Fund	Debt Services Fund	Capital Outlay Fund	Community Development Commission Fund	Non-Major Governmental Funds	Total
Community development commission fund: This fund is solely for the development of blighted areas in the city and to construct capital improvement projects, provide low-cost housing to low/moderate income buyers and to grant loans	—	—	—	—	—	—	11,453,654	—	11,453,654
Non-major governmental funds: State gas tax restricted for street improvements and maintenance	—	—	—	—	—	—	—	(1,816,991)	(1,816,991)
Traffic safety fund restricted to maintenance of traffic signals, equipment and devices	—	—	—	—	—	—	—	111,383	111,383
Transportation development (TDA) restricted for street maintenance and improvements	—	—	—	—	—	—	—	53,678	53,678
Landscape maintenance districts restricted to waterways and landscape maintenance to various assessment districts	—	—	—	—	—	—	—	3,053,083	3,053,083
<b>Subtotals</b>	<b>\$ 23,523,456</b>	<b>\$ 41,480,570</b>	<b>\$ —</b>	<b>\$ 10,192,971</b>	<b>\$ —</b>	<b>\$ 9,000,346</b>	<b>\$ 17,320,453</b>	<b>\$ 6,498,705</b>	<b>\$ 108,016,501</b>
<b>Total fund balances</b>	<b>\$ 27,182,305</b>	<b>\$ 41,715,932</b>	<b>\$ —</b>	<b>\$ 10,192,971</b>	<b>\$ 1,197,830</b>	<b>\$ 9,000,346</b>	<b>\$ 28,130,592</b>	<b>\$ 6,498,705</b>	<b>\$ 123,918,681</b>



## City of Oxnard, California

Notes to the Basic Financial Statements  
June 30, 2006

### 12. NET ASSETS - PROPRIETARY FUNDS AND GOVERNMENTAL ACTIVITIES

The following is a summary of net assets (restricted and unrestricted) which are included in the Fund Financial Statements for proprietary funds at June 30, 2006:

	Enterprise Funds						Governmental Activities - Internal Service Funds	
	Water	Wastewater	Solid Waste	Performing Arts and Convention Center	Housing Authority	Municipal Golf Course		Total
Invested in capital assets (net of related debt)	\$ 53,103,627	\$ 61,712,102	\$ 10,786,586	\$ 47,071	\$ 16,509,315	\$ 12,618,447	\$ 154,777,148	\$ 1,318,043
Restricted:								
Repayment of debt	9,349,251	—	2,199,513	—	—	1,856,400	13,405,164	—
Total restricted	9,349,251	—	2,199,513	—	—	1,856,400	13,405,164	—
Unrestricted:								
Capital assets replacements	—	—	—	—	—	—	—	—
Authorized projects	62,908,750	55,510,421	3,597,170	—	—	3,639,877	125,656,218	955,686
Undesignated	(37,666,890)	10,138,916	(4,329,751)	(202,526)	(660,551)	(9,913,090)	(42,633,892)	62,586
Total unrestricted	25,241,860	65,649,337	(732,581)	(202,526)	(660,551)	(6,273,213)	83,022,326	1,018,272
Total net assets	\$ 87,694,738	\$ 127,361,439	\$ 12,253,518	\$ (155,455)	\$ 15,848,764	\$ 8,201,634	\$ 251,204,638	\$ 2,336,315

### 13. RISK MANAGEMENT

#### General Liability

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

The City's contribution to the Big Independent Cities Excess Pool (BICEP) for general liability coverage in Fiscal Year 2005-2006 was \$862,886 which includes a pure premium adjustment of \$27,856. BICEP information, a pooled liability insurance program for medium to large cities, can be obtained at 1100 South Flower Street, Suite 2100, Los Angeles, CA 90015, telephone number (213) 748-0066.

### **Workers' Compensation**

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

Within the City's self-insured program for workers' compensation, there has been an average of 303 claims per year filed for the past four years, with an average of approximately \$2,948,585 per year in total reported losses as of June 30, 2006, (at an average of \$9,723 per claim). During the same four-year period, the average claims filed each year for general liability amounted to 251 claims totaling \$1,920,782 per year (at an average of \$7,653 per claim). In addition, there have been no insurance settlements that have exceeded the City's insurance coverage for each of the past three years.

All funds of the City participate in the program and make payments to an internal service fund on the basis of loss experience and exposure. The total unpaid claims and claims adjustment expense liability (long-term obligations) of \$16,600,006 (Workers' Compensation-\$11,809,973 and Public Liability and Property Damage-\$4,790,033) recorded at June 30, 2006, is based on results of actuarial studies and includes an estimate for claims incurred but not reported at the balance sheet date. Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts and other economic and societal factors. General liability and workers' compensation liabilities are carried at present value using a discount rate of 3.0 percent. In addition, the City is in compliance with the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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**City of Oxnard, California**

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*Notes to the Basic Financial Statements*  
*June 30, 2006*

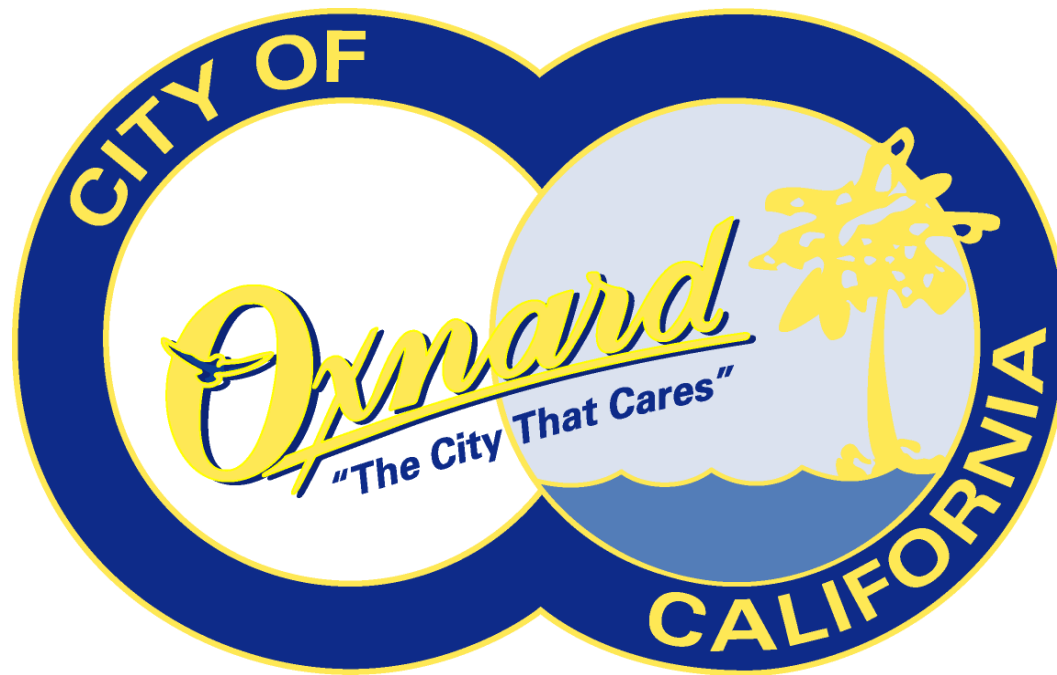
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The following schedule presents the changes in self-insurance claims liabilities for the past two years for the Workers' Compensation Fund and Public Liability and Property Damage Fund:

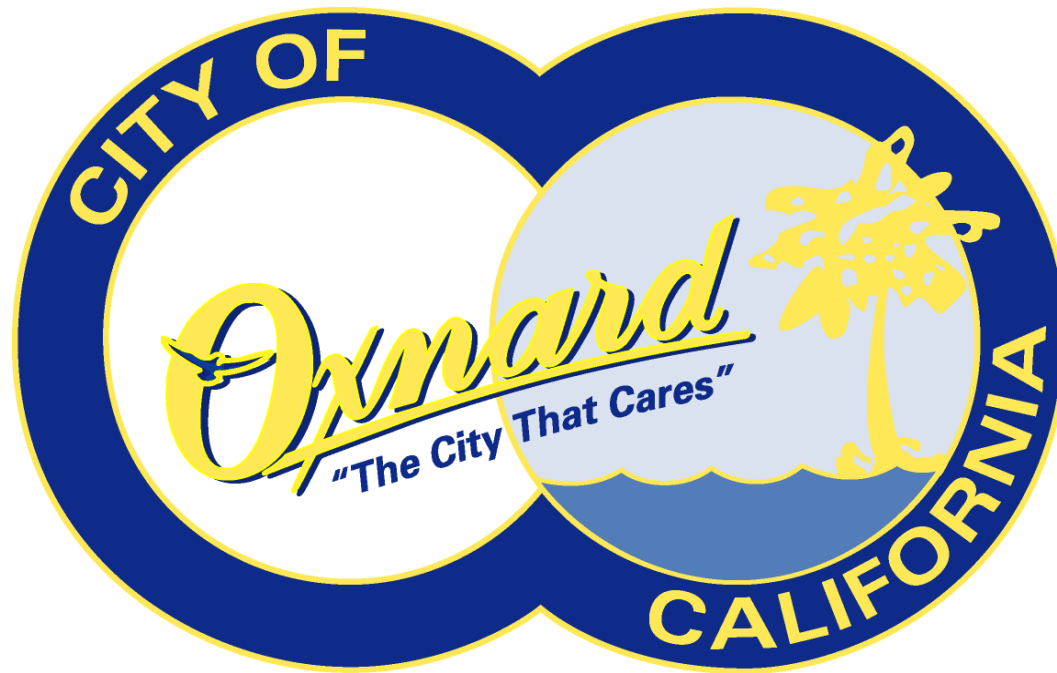
	Workers' Compensation		Public Liability and Property Damage		Total	
	FY 05-06	FY 04-05	FY 05-06	FY 04-05	FY 05-06	FY 04-05
Unpaid claims and claims adjustment expenses - July 1	<u>\$ 12,381,899</u>	<u>\$ 10,290,798</u>	<u>\$ 4,044,440</u>	<u>\$ 2,772,917</u>	<u>\$ 16,426,339</u>	<u>\$ 13,063,715</u>
Incurred claims and claims adjustment expenses:						
Increase/decrease in provision for insured events	(676,236)	756,144	(404,004)	(79,147)	(1,080,240)	676,997
Increase/Decrease in actuarially incurred but not reported claims (IBNR)	<u>104,310</u>	<u>1,784,957</u>	<u>1,149,597</u>	<u>1,350,670</u>	<u>1,253,907</u>	<u>3,135,627</u>
Total incurred claims and claims adjustment expenses	<u>(571,926)</u>	<u>2,541,101</u>	<u>745,593</u>	<u>1,271,523</u>	<u>173,667</u>	<u>3,812,624</u>
Unpaid claims and claims adjustment expenses - June 30	<u><u>\$ 11,809,973</u></u>	<u><u>\$ 12,831,899</u></u>	<u><u>\$ 4,790,033</u></u>	<u><u>\$ 4,044,440</u></u>	<u><u>\$ 16,600,006</u></u>	<u><u>\$ 16,876,339</u></u>

#### **14. ACCUMULATED FUND DEFICITS**

As of June 30, 2006, the City has fund deficits in the Performing Arts and Convention Center of \$155,455 and in the Workers' Compensation Fund of \$2,696,354. The City intends to eliminate these deficits through increased user charges in future years.



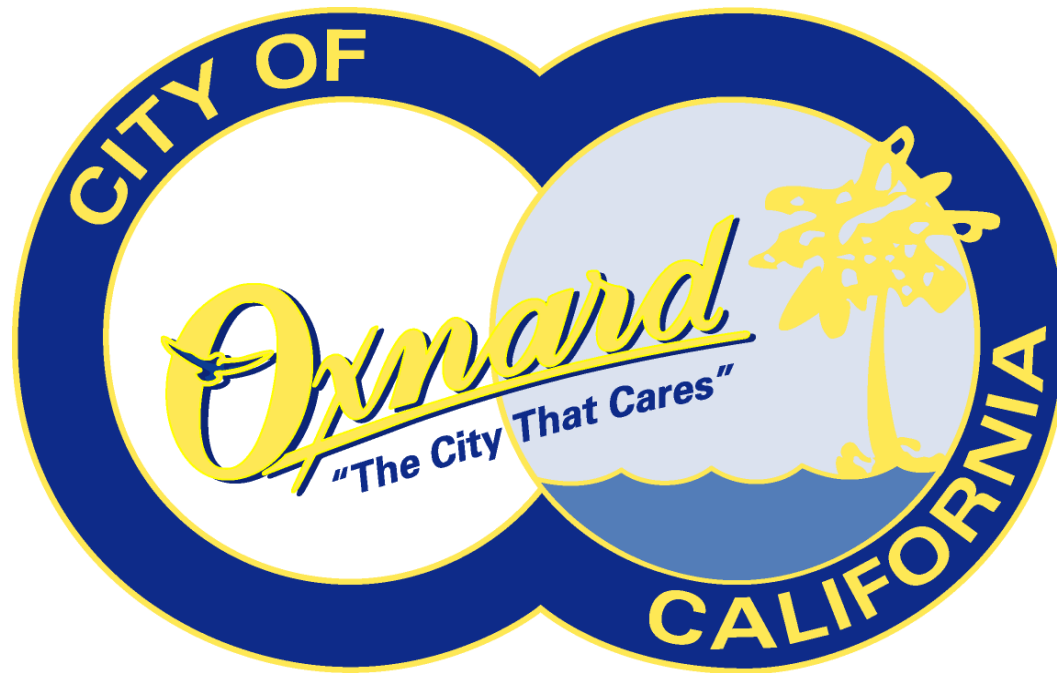
**REQUIRED SUPPLEMENTARY  
INFORMATION**



# City of Oxnard, California

Required Supplementary Information  
Schedule of Funding Progress (Dollars in Thousands)  
For the Year Ended June 30, 2006

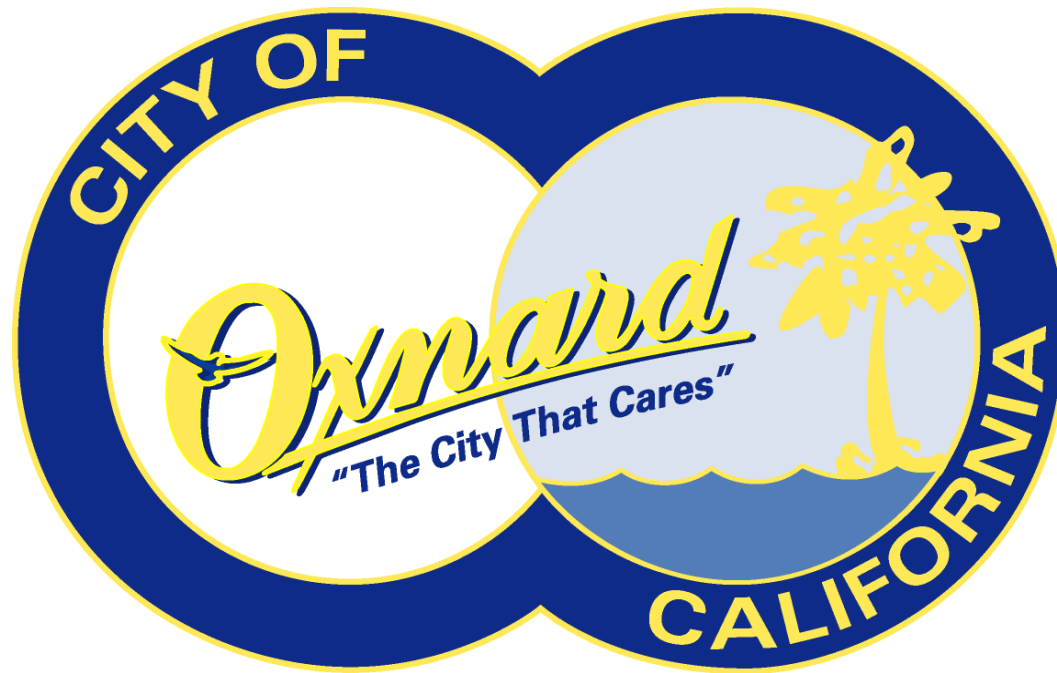
Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded/ (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Payroll
<b>Police</b>						
06/30/03	\$ 105,659	\$ 125,298	\$ 19,639	84.3%	\$ 14,783	132.8%
06/30/04	113,060	137,184	24,124	82.4%	16,902	142.7%
06/30/05	124,301	153,698	29,397	80.9%	18,959	155.1%
<b>Fire</b>						
06/30/03	1,045,896	1,248,173	202,277	83.8%	154,385	131.0%
06/30/04	4,424,587	5,383,922	959,335	82.2%	575,296	166.8%
06/30/05	5,295,150	6,367,049	1,071,899	83.2%	664,168	161.4%
<b>Miscellaneous</b>						
06/30/03	166,713	183,219	16,506	91.0%	41,622	39.7%
06/30/04	175,702	197,607	21,905	88.9%	42,957	51.0%
06/30/05	189,556	217,734	28,178	87.1%	46,873	60.1%





## **GENERAL FUND**

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



## City of Oxnard, California

### General Fund

#### Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual For the Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b>REVENUES</b>				
Taxes:				
Property tax	\$ 30,486,000	\$ 30,486,000	\$ 33,020,163	\$ 2,534,163
Sales tax	24,620,000	24,620,000	23,985,182	(634,818)
Transient occupancy tax	2,509,000	2,509,000	3,309,716	800,716
Other taxes:				
Franchise tax	4,952,700	4,952,700	3,914,317	(1,038,383)
Business license (net of refund)	5,085,000	5,085,000	4,470,841	(614,159)
Deed transfer tax	1,142,500	1,142,500	1,230,768	88,268
Total other taxes	11,180,200	11,180,200	9,615,926	(1,564,274)
Penalties/interest on delinquencies	183,000	183,000	132,403	(50,597)
Total taxes	68,978,200	68,978,200	70,063,390	1,085,190
Licenses and permits	2,768,053	2,868,053	5,390,754	2,522,701
Intergovernmental				
State shared revenue:				
Homeowners property tax relief	265,000	265,000	261,099	(3,901)
State mandated reimbursement - SB 90	75,000	75,000	442,240	367,240
POST reimbursement	66,000	66,000	105,750	39,750
Motor vehicle in lieu of tax	2,510,900	2,510,900	1,155,252	(1,355,648)
Off highway vehicle in lieu of tax	9,300	9,300	2,879	(6,421)
Public safety augmentation	1,215,800	1,215,800	1,213,013	(2,787)
AB 1191	75,000	75,000	32,419	(42,581)
Total state shared revenues	4,217,000	4,217,000	3,212,652	(1,004,348)
Local shared revenue:				
Infrastructure use revenues	2,109,146	2,109,146	2,109,146	—
Indirect cost reimbursements	5,344,432	5,344,432	5,920,069	575,637
Total local shared revenues	7,453,578	7,453,578	8,029,215	575,637
Total intergovernmental	11,670,578	11,670,578	11,241,867	(428,711)

## City of Oxnard, California

### General Fund

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

For the Year Ended June 30, 2006

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>CHARGES FOR SERVICES</b>				
General government	330,323	330,323	303,031	(27,292)
Public safety	1,784,148	2,013,183	2,687,178	673,995
Parks and recreation	552,313	552,313	736,878	184,565
Community development	2,126,562	2,301,062	5,368,668	3,067,606
Other current service charges	368,100	656,173	1,203,700	547,527
Tipping fees	110,000	110,000	110,000	—
Miscellaneous service charges	167,150	167,150	412,996	245,846
Services to other programs	3,635,065	3,635,065	3,613,421	(21,644)
Total charges for services	9,073,661	9,765,269	14,435,872	4,670,603
Fines and forfeitures:				
Parking fines	634,000	634,000	736,692	102,692
Total fines and forfeitures	634,000	634,000	736,692	102,692
Interest	1,947,990	1,947,990	1,924,443	(23,547)
Miscellaneous:				
Rent and royalties	16,600	16,600	15,562	(1,038)
Reimbursements	215,600	215,600	653,268	437,668
Contributions and donations	72,482	72,482	29,126	(43,356)
Payments on loans	1,700,000	1,700,000	1,963,760	263,760
Other	3,273,063	3,339,063	3,109,669	(229,394)
Special assessments - other	770,950	557,915	200,928	(356,987)
Sale of fixed assets				
Sale of vehicle/equipment	80,000	80,000	101,413	21,413
Sale of real properties	1,600,000	1,867,462	3,449	(1,864,013)
Sale of unclaimed property	7,000	7,000	9,960	2,960
Total sale of fixed assets	1,687,000	1,954,462	114,822	(1,839,640)
Total miscellaneous	7,735,695	7,856,122	6,087,135	(1,768,987)
Total revenues	102,908,177	103,720,212	109,880,153	6,159,941

## City of Oxnard, California

### General Fund

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

For the Year Ended June 30, 2006

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>EXPENDITURES</b>				
General government:				
Legislative				
City Council	354,880	356,162	342,490	13,672
City Treasurer	579,558	590,784	597,188	(6,404)
City Clerk	431,315	444,022	436,673	7,349
Total legislative	<b>1,365,753</b>	<b>1,390,968</b>	<b>1,376,351</b>	<b>14,617</b>
Administrative and support services				
City Manager	1,390,239	1,434,242	1,430,638	3,604
City Attorney	1,556,251	1,679,572	1,506,864	172,708
Financial Services	3,933,206	4,070,864	4,088,647	(17,783)
Human Resources	1,065,230	1,117,048	1,163,196	(46,148)
Non-departmental	17,005,451	12,275,827	11,202,266	1,073,561
Amount reclassified as transfers out	(4,984,125)	(5,170,860)	(5,365,334)	194,474
Amount reclassified as transfer to COFA	(2,749,810)	(2,749,810)	(2,749,810)	—
Amount estimated for CDC loans	(1,030,560)	(1,030,560)	(1,030,560)	—
Subtotal	<b>8,240,956</b>	<b>3,324,597</b>	<b>2,056,562</b>	<b>1,268,035</b>
Total administrative and support services	<b>16,185,882</b>	<b>11,626,323</b>	<b>10,245,907</b>	<b>1,380,416</b>
Other	97,000	97,000	124,236	(27,236)
Total general government	<b>17,648,635</b>	<b>13,114,291</b>	<b>11,746,494</b>	<b>1,367,797</b>
Public Safety:				
Police	38,933,820	41,445,956	43,722,376	(2,276,420)
Fire	10,451,368	11,869,934	12,539,410	(669,476)
Total Public Safety	<b>49,385,188</b>	<b>53,315,890</b>	<b>56,261,786</b>	<b>(2,945,896)</b>
Transportation:				
Transportation planning and engineering	1,929,121	2,182,014	2,070,327	111,687
Engineering services - design	1,077,716	1,085,394	1,175,435	(90,041)
Public services administration	383,538	388,714	389,429	(715)
Street lighting - SCE	1,291,389	1,291,389	1,051,363	240,026
Total transportation	<b>4,681,764</b>	<b>4,947,511</b>	<b>4,686,554</b>	<b>260,957</b>

## City of Oxnard, California

### General Fund

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

For the Year Ended June 30, 2006

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Community development:				
Planning and environmental services	1,787,510	5,222,039	2,049,196	3,172,843
Economic development and tourism service	641,998	641,998	641,998	—
Development and construction services	3,267,589	3,529,732	3,344,976	184,756
Development support/public projects	463,606	476,695	395,334	81,361
Housing services	221,246	228,233	205,850	22,383
Neighborhood services	255,528	274,883	284,254	(9,371)
Human services	2,447,267	2,565,109	2,509,719	55,390
Total community development	<b>9,084,744</b>	<b>12,938,689</b>	<b>9,431,327</b>	<b>3,507,362</b>
Culture and leisure:				
Recreation services	2,447,601	2,616,435	2,821,509	(205,074)
Carnegie art museum	383,305	410,860	379,021	31,839
Parks and public grounds	6,776,131	7,268,106	9,272,045	(2,003,939)
Total culture and leisure	<b>9,607,037</b>	<b>10,295,401</b>	<b>12,472,575</b>	<b>(2,177,174)</b>
Library services:				
Library services	4,022,579	4,174,491	4,214,038	(39,547)
Total library services	<b>4,022,579</b>	<b>4,174,491</b>	<b>4,214,038</b>	<b>(39,547)</b>
Capital outlay:				
General government				
Legislative	5,500	5,500	—	5,500
Administration and support services	55,000	76,835	27,235	49,600
Public safety				
Police	867,427	1,428,573	1,240,913	187,660
Fire	142,509	77,509	30,030	47,479
Transportation	90,000	90,000	16,814	73,186
Community development				
Development and construction services	40,000	60,291	—	60,291
Human services	—	40,000	450	39,550
Neighborhood services	5,000	5,000	—	5,000
Culture and leisure				
Recreation services	—	40,000	40,000	—
Parks and public grounds	171,365	186,365	164,414	21,951

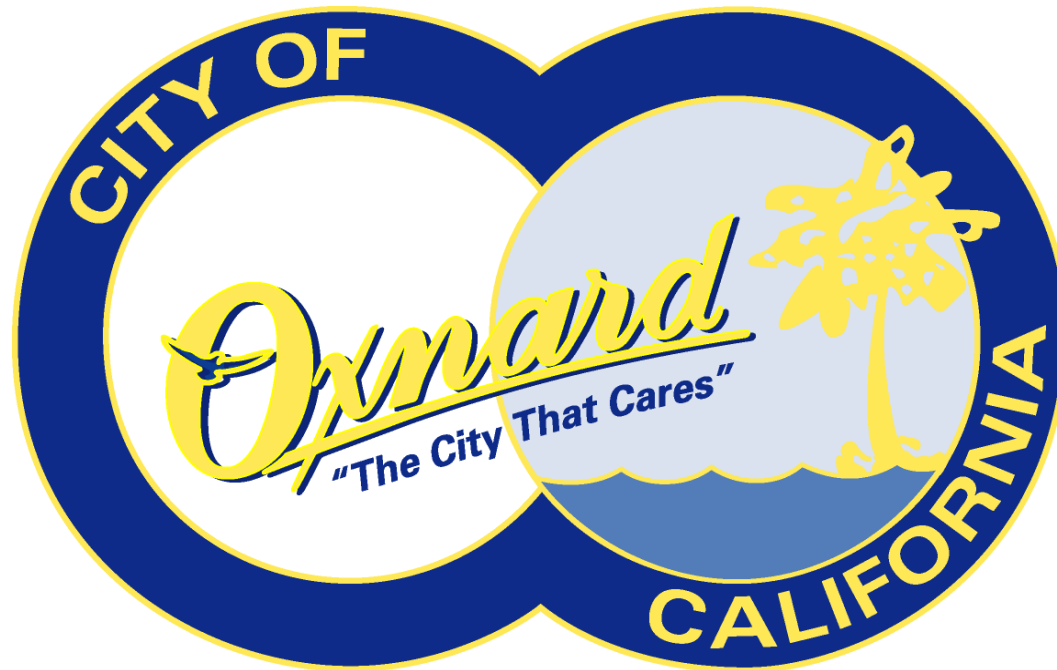
## City of Oxnard, California

### General Fund

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

For the Year Ended June 30, 2006

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
Library services	7,708	7,708	—	7,708
Savings carryover	—	336,510	78,492	258,018
Total capital outlay	1,384,509	2,354,291	1,598,348	755,943
Total operating expenditures	95,814,456	101,140,564	100,411,122	729,442
Excess (deficiency) of revenues over expenditures and other financing uses	7,093,721	2,579,648	9,469,031	6,889,383
Other financing uses:				
Transfers in:	2,311,750	2,311,750	2,430,023	118,273
Transfers out:				
Capital outlay fund	(1,184,220)	(1,358,720)	(1,553,194)	194,474
City of Oxnard financing authority	(2,749,810)	(2,749,810)	(2,749,810)	—
Traffic safety fund	(1,179,773)	(1,179,773)	(1,179,773)	—
Golf course fund	(550,000)	(550,000)	(550,000)	—
PACC operating fund	(1,563,632)	(1,575,867)	(1,575,867)	—
Internal service fund	(506,500)	(506,500)	(506,500)	—
Total transfers out	(7,733,935)	(7,920,670)	(8,115,144)	194,474
Total other financing uses	(5,422,185)	(5,608,920)	(5,685,121)	76,201
Net change in fund balances	1,671,536	(3,029,272)	3,783,910	6,813,182
Fund balances, July 1	25,744,810	10,799,055	23,398,395	12,599,340
Fund balances, budgetary basis, June 30	\$ 27,416,346	\$ 7,769,783	\$ 27,182,305	\$ 19,412,522





## MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

## City of Oxnard, California

### Development Fees Special Revenue Funds Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual For the Year Ended June 30, 2006

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>REVENUES:</b>				
Licenses and permits	\$ 651,896	\$ 651,896	\$ 546,418	\$ (105,478)
Intergovernmental	32,810	32,810	32,810	—
Growth and development fees	9,211,000	10,711,000	9,601,485	(1,109,515)
Charges for services	566,421	566,421	1,346,203	779,782
Miscellaneous	—	21,460	32,382	10,922
Total Revenues	10,462,127	11,983,587	11,559,298	(424,289)
<b>EXPENDITURES</b>				
Public safety	636,896	637,798	625,176	12,622
Community development	2,520	635,084	620,021	15,063
Capital outlay	4,812,274	35,621,478	6,435,575	29,185,903
Total expenditures	5,451,690	36,894,360	7,680,772	29,213,588
Excess (deficiency) of revenues over (under) expenditures	5,010,437	(24,910,773)	3,878,526	28,789,299
Other financing sources (uses):				
Transfers out	(670,970)	(670,970)	(670,970)	—
Total other financing sources (uses):	(670,970)	(670,970)	(670,970)	—
Net change in fund balances	4,339,467	(25,581,743)	3,207,556	28,789,299
Fund balances, July 1	4,182,324	(39,781,717)	38,508,376	78,290,093
Fund balances, June 30	\$ 8,521,791	\$ (65,363,460)	\$ 41,715,932	\$ 107,079,392

**City of Oxnard, California**

**HUD & CDBG Grants Special Revenue Funds**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)**

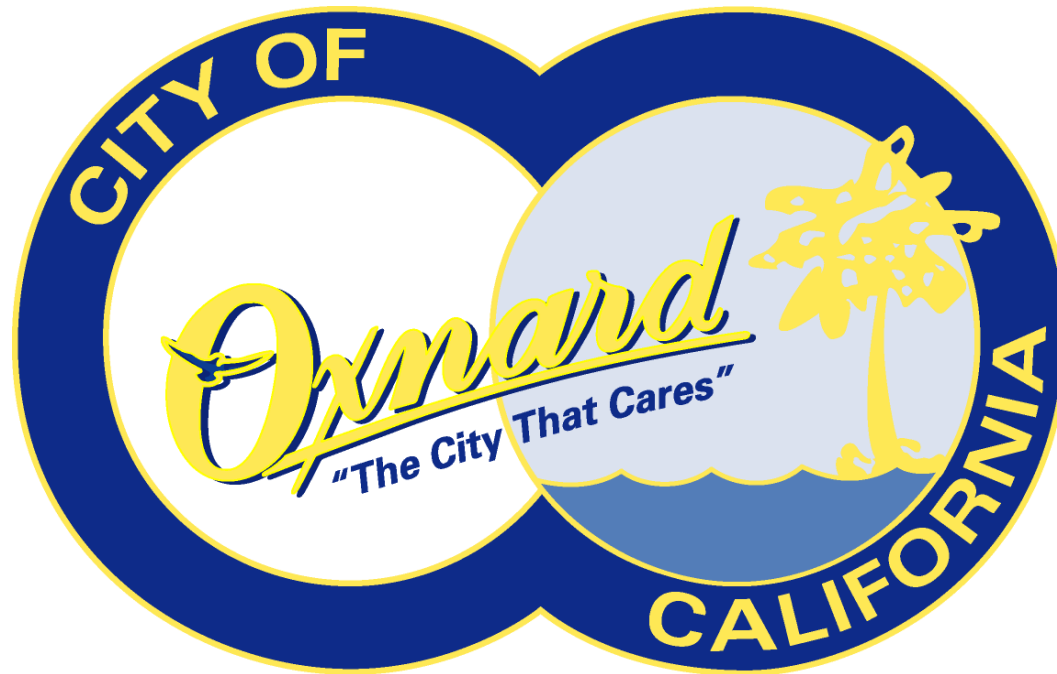
**For the Year Ended June 30, 2006**

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 4,308,587	\$ 5,869,614	\$ 4,316,996	\$ (1,552,618)
Total revenues	<u>4,308,587</u>	<u>5,869,614</u>	<u>4,316,996</u>	<u>(1,552,618)</u>
<b>EXPENDITURES</b>				
General government	—	—	247,554	(247,554)
Public safety	—	—	186,330	(186,330)
Community development	2,943,142	3,994,576	1,611,878	2,382,698
Culture and leisure	20,368	20,368	217,896	(197,528)
Capital outlay	1,582,450	4,180,440	2,053,338	2,127,102
Total expenditures	<u>4,545,960</u>	<u>8,195,384</u>	<u>4,316,996</u>	<u>3,878,388</u>
Net change in fund balances	(237,373)	(2,325,770)	—	(2,325,770)
Fund balances, July 1	<u>718,628</u>	<u>(14,674,817)</u>	<u>—</u>	<u>(14,674,817)</u>
Fund balances (deficit), June 30	<u>\$ 481,255</u>	<u>\$ (17,000,587)</u>	<u>\$ —</u>	<u>\$ (17,000,587)</u>

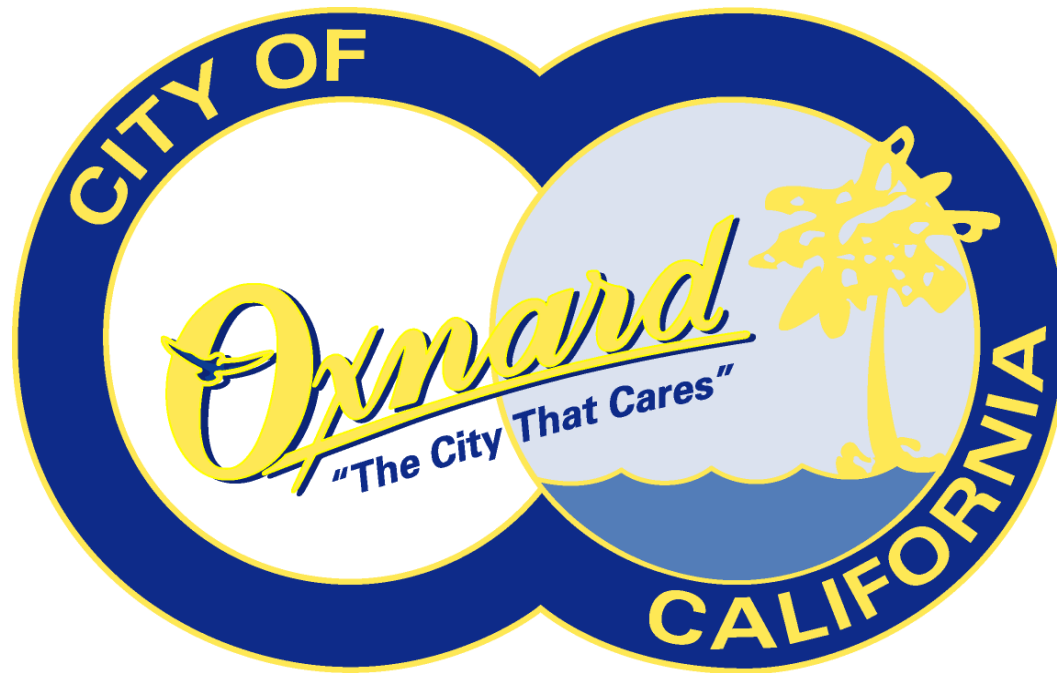
# City of Oxnard, California

*State and Federal Grants Special Revenue Funds*  
*Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued)*  
*For the Year Ended June 30, 2006*

	<u>Final Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b>REVENUES:</b>				
Taxes	\$ 11,012,962	\$ 11,012,962	\$ 11,097,143	\$ 84,181
Intergovernmental	28,000	9,779,366	8,275,048	(1,504,318)
Fines and forfeitures	—	40,456	70,101	29,645
Interest	—	139,543	261,617	122,074
Miscellaneous	118,000	124,402	692,598	568,196
Total revenues	<u>11,158,962</u>	<u>21,096,729</u>	<u>20,396,507</u>	<u>(700,222)</u>
<b>EXPENDITURES</b>				
Public safety	10,973,564	12,912,021	11,911,888	1,000,133
Transportation	282,000	1,343,256	141,456	1,201,800
Community development	—	124,000	336,616	(212,616)
Culture and leisure	67,398	1,658,865	1,267,269	391,596
Capital outlay	96,173	2,498,302	6,350,440	(3,852,138)
Total expenditures	<u>11,419,135</u>	<u>18,536,444</u>	<u>20,007,669</u>	<u>(1,471,225)</u>
Net change in fund balances	(260,173)	2,560,285	388,838	2,171,447
Other financing sources (uses):				
Operating transfers out:	—	—	(808,273)	(808,273)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(808,273)</u>	<u>(808,273)</u>
Net change in fund balances	(260,173)	2,560,285	(419,435)	(2,979,720)
Fund balances, July 1	<u>(23,721,789)</u>	<u>(23,721,789)</u>	<u>10,612,406</u>	<u>34,334,195</u>
Fund balances (deficit), June 30	<u>\$ (23,981,962)</u>	<u>\$ (21,161,504)</u>	<u>\$ 10,192,971</u>	<u>\$ 31,354,475</u>



## **NON-MAJOR SPECIAL REVENUE FUNDS**





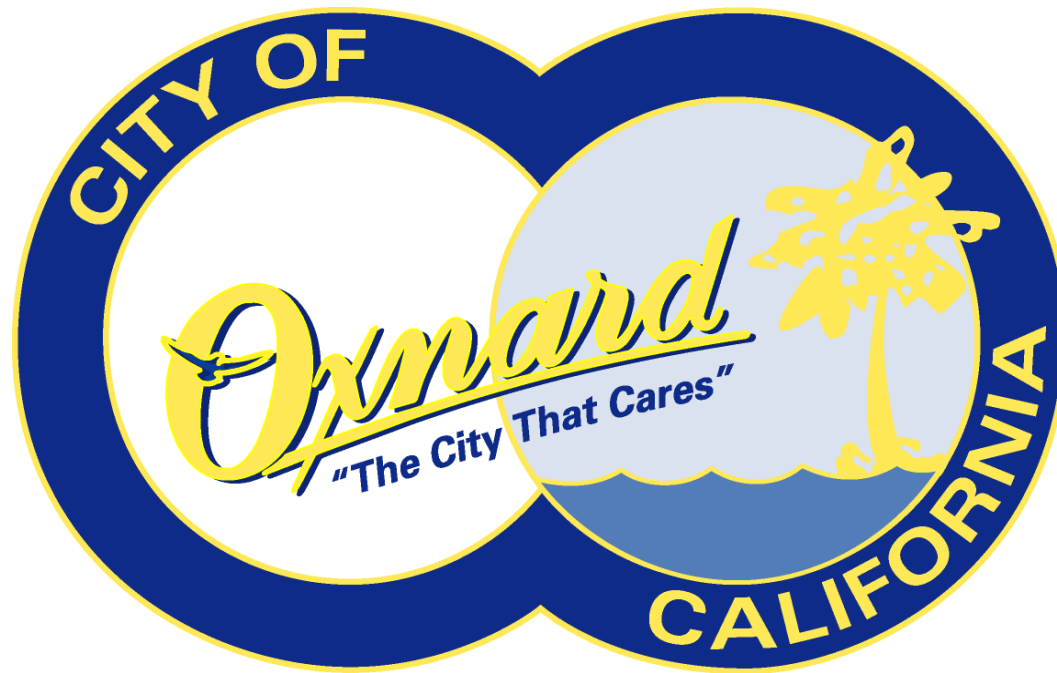
## NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

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



**City of Oxnard, California**

*Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2006*

	<b>State Gas Tax Fund</b>	<b>Traffic Safety Fund</b>	<b>Transportation Development Fund</b>	<b>Maintenance Assessment Districts Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 795,115	\$ 111,384	\$ 2,849,784	\$ 3,185,428	\$ 6,941,711
Accounts and other receivables	7,795	(1)	3,283	—	11,077
Total assets	<u>802,910</u>	<u>111,383</u>	<u>2,853,067</u>	<u>3,185,428</u>	<u>6,952,788</u>
<b>LIABILITIES</b>					
Accounts payable	141,040	—	98,128	132,346	371,514
Other liabilities	—	—	(1,735)	—	(1,735)
Deferred revenues	—	—	84,304	—	84,304
Total liabilities	<u>141,040</u>	<u>—</u>	<u>180,697</u>	<u>132,346</u>	<u>454,083</u>
<b>FUND BALANCES</b>					
Unreserved:					
Designated for authorized projects	2,478,861	—	2,618,691	—	5,097,552
Undesignated	(1,816,991)	111,383	53,679	3,053,082	1,401,153
Total fund balances	<u>661,870</u>	<u>111,383</u>	<u>2,672,370</u>	<u>3,053,082</u>	<u>6,498,705</u>
Total liabilities and fund balances	<u>\$ 802,910</u>	<u>\$ 111,383</u>	<u>\$ 2,853,067</u>	<u>\$ 3,185,428</u>	<u>\$ 6,952,788</u>

# City of Oxnard, California

## Combining Statements of Revenues, Expenditures and Changes in Fund Balances Governmental Non-Major Funds For the Year Ended June 30, 2006

	State Gas Tax Fund	Traffic Safety Fund	Transportation Development Fund	Maintenance Assessment Districts Fund	Total
<b>REVENUES</b>					
Intergovernmental	\$ 3,463,867	\$ —	\$ 3,850,688	\$ 287,955	\$ 7,602,510
Charges for services	—	114,866	150,286	—	265,152
Fines and forfeitures	—	513,989	—	—	513,989
Interest	25,347	—	82,374	86,946	194,667
Special assessments	—	—	—	2,346,088	2,346,088
Miscellaneous	522,806	—	—	177,964	700,770
Total revenues	<u>4,012,020</u>	<u>628,855</u>	<u>4,083,348</u>	<u>2,898,953</u>	<u>11,623,176</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	—	271,483	—	149,050	420,533
Transportation	3,475,342	682,949	573,113	694,910	5,426,314
Community development	—	—	—	1,683,251	1,683,251
Culture and leisure	—	—	—	100,753	100,753
Capital outlay	584,852	—	2,307,208	—	2,892,060
Total expenditures	<u>4,060,194</u>	<u>954,432</u>	<u>2,880,321</u>	<u>2,627,964</u>	<u>10,522,911</u>
Excess (deficiency) of revenues over expenditures	(48,174)	(325,577)	1,203,027	270,989	1,100,265
<b>OTHER FINANCING SOURCES (USES)</b>					
Contributions from property owners	—	—	—	1,085,000	1,085,000
Transfers in	—	1,179,773	—	—	1,179,773
Transfers out	—	—	—	(1,085,000)	(1,085,000)
Total other financing sources (uses)	<u>—</u>	<u>1,179,773</u>	<u>—</u>	<u>—</u>	<u>1,179,773</u>
Net change in fund balance	<u>(48,174)</u>	<u>854,196</u>	<u>1,203,027</u>	<u>270,989</u>	<u>2,280,038</u>
<b>Fund balances, July 1</b>	<u>710,044</u>	<u>(742,813)</u>	<u>1,469,343</u>	<u>2,782,093</u>	<u>4,218,667</u>
<b>Fund balances (deficit), June 30</b>	<u>\$ 661,870</u>	<u>\$ 111,383</u>	<u>\$ 2,672,370</u>	<u>\$ 3,053,082</u>	<u>\$ 6,498,705</u>

**City of Oxnard, California****Gas Tax - Non-major Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2006**

	<b>Original Budget</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 4,367,878	\$ 4,367,878	\$ 3,463,867	\$ (904,011)
Interest	107,980	107,980	25,347	(82,633)
Miscellaneous	226,000	226,000	522,806	296,806
Total revenues	4,701,858	4,701,858	4,012,020	(689,838)
<b>EXPENDITURES</b>				
Transportation	3,438,858	3,466,185	3,475,342	(9,157)
Capital outlay	1,263,000	3,063,723	584,852	2,478,871
Total expenditures	4,701,858	6,529,908	4,060,194	2,469,714
Excess (deficiency) of revenues over expenditures	—	(1,828,050)	(48,174)	1,779,876
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Total other financing sources (uses)	—	—	—	—
Net change in fund balances	—	(1,828,050)	(48,174)	1,779,876
Fund balance, July 1	2,017,677	(9,196,634)	710,044	9,906,678
Fund balance (deficit), June 30	\$ 2,017,677	\$ (11,024,684)	\$ 661,870	\$ 11,686,554

**City of Oxnard, California****Traffic Safety - Non-major Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2006**

	<b>Original Budget</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Charges for services	\$ —	\$ —	\$ 114,866	\$ 114,866
Fines and forfeitures	550,000	550,000	513,989	(36,011)
Interest	—	—	—	—
Total revenues	<b>550,000</b>	<b>550,000</b>	<b>628,855</b>	<b>78,855</b>
<b>EXPENDITURES</b>				
Public safety	375,333	375,333	271,483	103,850
Transportation	602,014	602,014	682,949	(80,935)
Total expenditures	<b>977,347</b>	<b>977,347</b>	<b>954,432</b>	<b>22,915</b>
Excess (deficiency) of revenues and expenditures	(427,347)	(427,347)	(325,577)	(101,770)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,179,773	1,179,773	1,179,773	—
Transfers out	—	—	—	—
Total other financing sources (uses)	<b>1,179,773</b>	<b>1,179,773</b>	<b>1,179,773</b>	<b>—</b>
Net change in fund balances	752,426	752,426	854,196	101,770
Fund balances, July 1	708,944	53,099	(742,813)	(795,912)
Fund balances (deficit), June 30	<b>\$ 1,461,370</b>	<b>\$ 805,525</b>	<b>\$ 111,383</b>	<b>\$ (694,142)</b>

Continued -

**City of Oxnard, California****Transportation Development - Non-major Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2006**

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 2,941,500	\$ 2,773,461	\$ 3,850,688	\$ 1,077,227
Charges for services	165,000	165,000	150,286	(14,714)
Interest	69,842	69,842	82,374	12,532
Total revenues	<u>3,176,342</u>	<u>3,008,303</u>	<u>4,083,348</u>	<u>1,075,045</u>
<b>EXPENDITURES</b>				
Transportation	536,785	560,246	573,113	(12,867)
Capital outlay	2,439,000	5,034,897	2,307,208	2,727,689
Total expenditures	<u>2,975,785</u>	<u>5,595,143</u>	<u>2,880,321</u>	<u>2,714,822</u>
Excess (deficiency) of revenues over expenditures	200,557	(2,586,840)	1,203,027	(3,789,867)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	200,557	(2,586,840)	1,203,027	3,789,867
Fund balances, July 1	(547,117)	(3,244,878)	1,469,343	4,714,221
Fund balances (deficit), June 30	<u>\$ (346,560)</u>	<u>\$ (5,831,718)</u>	<u>\$ 2,672,370</u>	<u>\$ 8,504,088</u>

Continued -

**City of Oxnard, California****Maintenance Assessment District - Non-major Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2006**

	<b>Original Budget</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental	\$ —	\$ —	\$ 287,955	\$ 287,955
Interest	25,000	25,000	86,946	61,946
Special assessments	3,095,129	3,095,129	2,346,088	(749,041)
Miscellaneous	—	—	177,964	177,964
Total revenues	<u>3,120,129</u>	<u>3,120,129</u>	<u>2,898,953</u>	<u>(221,176)</u>
<b>EXPENDITURES</b>				
Public safety	—	—	149,050	(149,050)
Transportation	347,917	954,567	694,910	259,657
Community development	2,101,354	2,142,000	1,683,251	458,749
Culture and leisure	—	—	100,753	(100,753)
Capital outlay	25,000	25,000	—	25,000
Total expenditures	<u>2,474,271</u>	<u>3,121,567</u>	<u>2,627,964</u>	<u>493,603</u>
Excess (deficiency) of revenues over expenditures	645,858	(1,438)	270,989	272,427
<b>OTHER FINANCING USES</b>				
Transfers in	—	—	1,085,000	1,085,000
Transfers out	—	—	(1,085,000)	(1,085,000)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	645,858	(1,438)	270,989	272,427
Fund balances, July 1	3,717,069	125,332	2,782,093	2,656,761
Fund balances (deficit), June 30	<u>\$ 4,362,927</u>	<u>\$ 123,894</u>	<u>\$ 3,053,082</u>	<u>\$ 2,929,188</u>

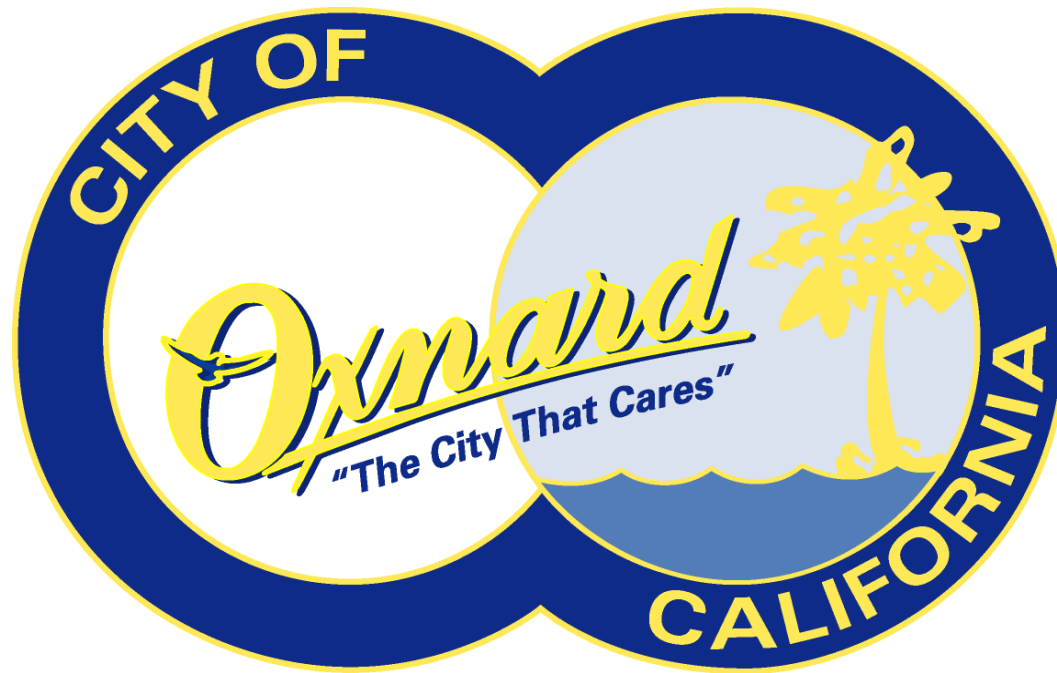


## DEBT SERVICE FUNDS

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

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

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



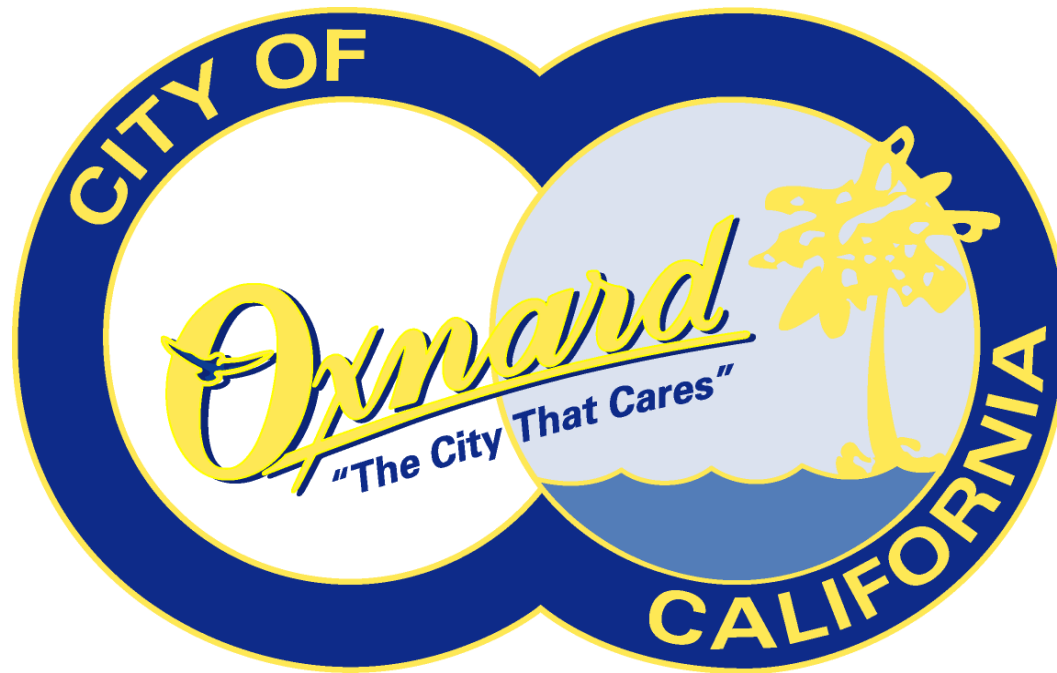
# City of Oxnard, California

## Debt Service Fund

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

For the Year Ended June 30, 2006

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Over (Under)
<b>REVENUES</b>				
Taxes increments	\$ 1,370,948	\$ 1,370,948	\$ 1,370,948	\$ —
Interest	—	—	210,386	210,386
Total revenues	1,370,948	1,370,948	1,581,334	210,386
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,777,640	2,777,640	7,983,492	(5,205,852)
Interest	1,865,893	1,865,893	1,920,662	(54,769)
Total expenditures	4,643,533	4,643,533	9,904,154	(5,260,621)
Excess (deficiency) of revenues over expenditures	(3,272,585)	(3,272,585)	(8,322,820)	5,050,235
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,236,004	3,236,004	8,496,625	5,260,621
Transfers out	—	—	—	—
Total other financing sources (uses)	3,236,004	3,236,004	8,496,625	5,260,621
Net change in fund balances	(36,581)	(36,581)	173,805	210,386
Fund balances, July 1	—	1,171,941	1,024,025	(147,916)
Fund balances (deficit), June 30	\$ (36,581)	\$ 1,135,360	\$ 1,197,830	\$ 62,470



## INTERNAL SERVICE FUNDS

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

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

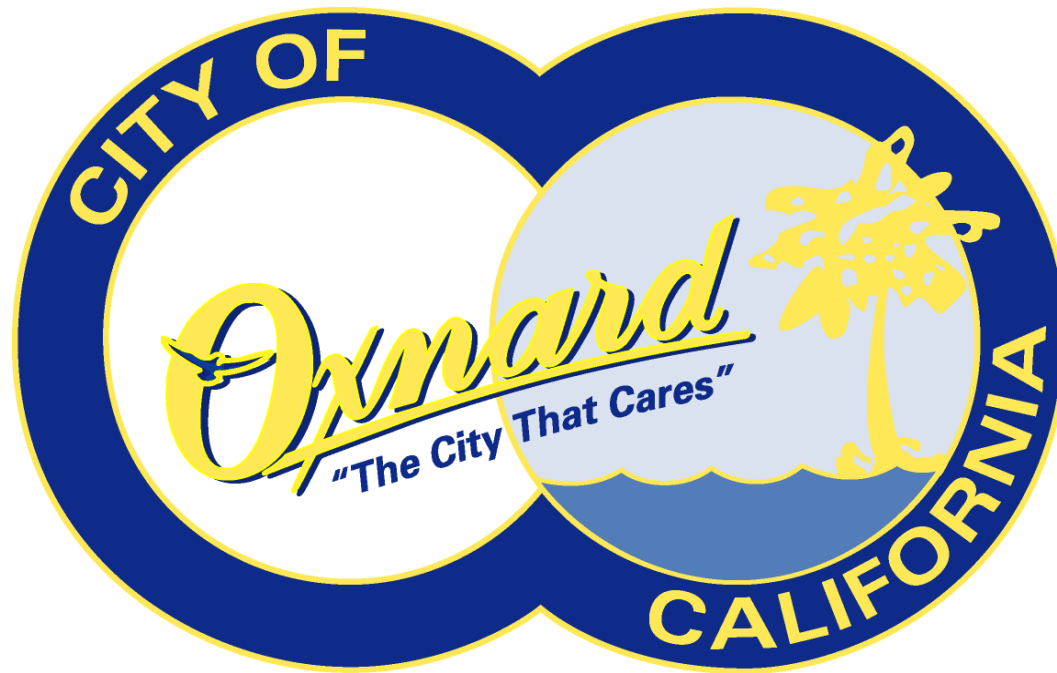
**Public Liability and Property Damage**—This fund is used to account for the City's self-insurance program of providing public liability and property damage insurance coverage and claims adjustment services to the City's operating funds.

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

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

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

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



# City of Oxnard, California

## Internal Service Funds Combining Statement of Net Assets June 30, 2006

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 9,224,350	\$ 6,040,537	\$ 658,841	\$ 1,408,955	\$ 1,071,400	\$ 442,324	\$ 18,846,407
Accounts and other receivables	60,000	800	—	—	18,252	8,577	87,629
<b>Capital assets:</b>							
Property, plant and equipment	64,460	651,914	48,632	892,592	626,397	558,075	2,842,070
Less: accumulated depreciation	(39,764)	(13,136)	(40,879)	(650,236)	(363,262)	(416,750)	(1,524,027)
Net capital assets	24,696	638,778	7,753	242,356	263,135	141,325	1,318,043
Total assets	9,309,046	6,680,115	666,594	1,651,311	1,352,787	592,226	20,252,079
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	180,315	36,340	19,234	23,409	45,682	258,235	563,215
<b>Non-current liabilities:</b>							
Self-insurance claims liabilities	11,809,973	4,790,033	—	—	—	—	16,600,006
Compensated absences	15,112	—	108,614	175,169	229,668	223,980	752,543
Total liabilities	12,005,400	4,826,373	127,848	198,578	275,350	482,215	17,915,764
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	24,696	638,778	7,753	242,356	363,635	141,324	1,418,542
Restricted, for authorized projects	—	—	—	955,686	—	—	955,686
Unrestricted	(2,721,050)	1,214,964	530,993	254,691	713,802	(31,313)	(37,913)
Total net assets	\$ (2,696,354)	\$ 1,853,742	\$ 538,746	\$ 1,452,733	\$ 1,077,437	\$ 110,011	\$ 2,336,315

# City of Oxnard, California

## Internal Service Funds

### Combining Statement of Revenues, Expenses, and Changes in Net Assets

For the Year June 30, 2006

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
<b>OPERATING REVENUES</b>							
Charges for services	\$ 7,966,989	\$ 3,787,534	\$ 1,269,002	\$ 3,257,249	\$ 2,909,028	\$ 6,658,658	\$ 25,848,460
<b>OPERATING EXPENSES:</b>							
Salaries and wages	297,418	54,294	558,235	1,552,103	1,720,739	2,677,557	6,860,346
Contractual services	388,794	225,334	3,742	110,421	115,821	51,785	895,897
Operating supplies	—	—	263,213	261,256	312,190	2,794,480	3,631,139
Utilities	4,600	2,830	7,272	778,445	517,165	15,868	1,326,180
Depreciation and amortization	7,067	9,343	672	92,365	40,959	30,821	181,227
General and administrative	696,757	187,565	395,900	320,826	71,620	156,419	1,829,087
Repairs and maintenance	18,484	—	21,406	215,840	111,225	1,098,278	1,465,233
Claims expenses	3,308,837	3,146,330	—	—	—	—	6,455,167
Total operating expenses	4,721,957	3,625,696	1,250,440	3,331,256	2,889,719	6,825,208	22,644,276
Net operating income (loss)	3,245,032	161,838	18,562	(74,007)	19,309	(166,550)	3,204,184
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest income	231,425	199,545	21,979	47,980	37,484	12,030	550,443
Interest (expense)	—	—	—	—	—	—	—
Total nonoperating revenues (expenses)	231,425	199,545	21,979	47,980	37,484	12,030	550,443
Income (loss) before contributions and transfers	3,476,457	361,383	40,541	(26,027)	56,793	(154,520)	3,754,627
Transfers in	1,500,000	—	—	—	—	6,500	1,506,500
Transfers out	—	(1,500,000)	—	—	—	—	(1,500,000)
Net transfers	1,500,000	(1,500,000)	—	—	—	6,500	6,500
Change in net assets	4,976,457	(1,138,617)	40,541	(26,027)	56,793	(148,020)	3,761,127
<b>Net assets - July 1</b>	<b>(7,672,811)</b>	<b>2,992,359</b>	<b>498,205</b>	<b>1,478,760</b>	<b>1,020,644</b>	<b>258,031</b>	<b>(1,424,812)</b>
<b>Net assets - June 30</b>	<b>\$ (2,696,354)</b>	<b>\$ 1,853,742</b>	<b>\$ 538,746</b>	<b>\$ 1,452,733</b>	<b>\$ 1,077,437</b>	<b>\$ 110,011</b>	<b>\$ 2,336,315</b>



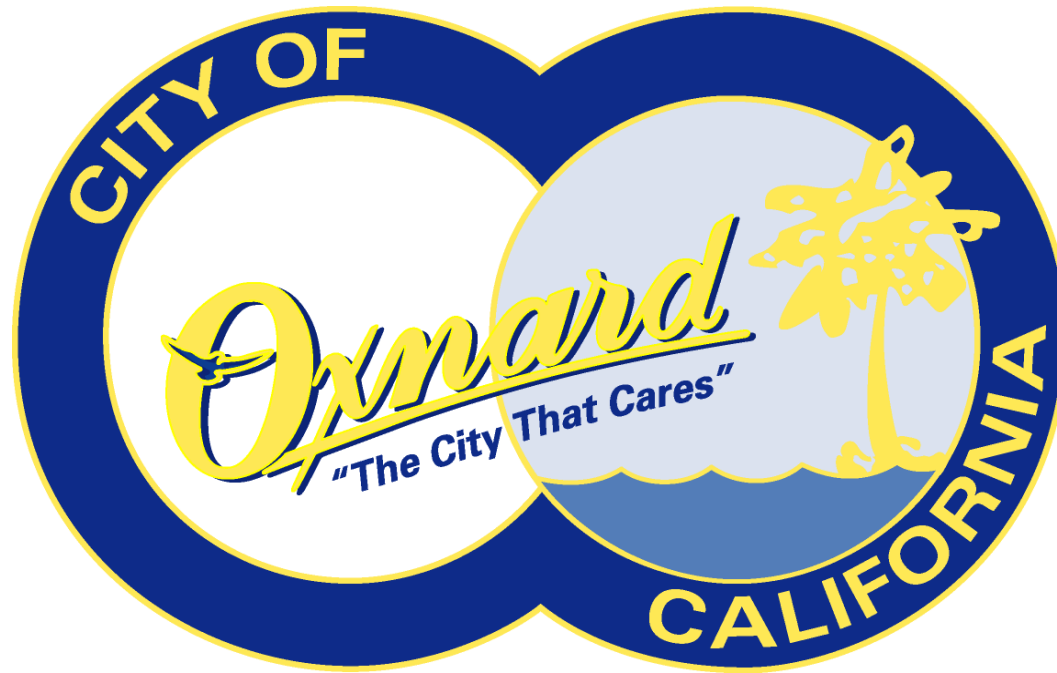
# City of Oxnard, California

## Internal Service Funds

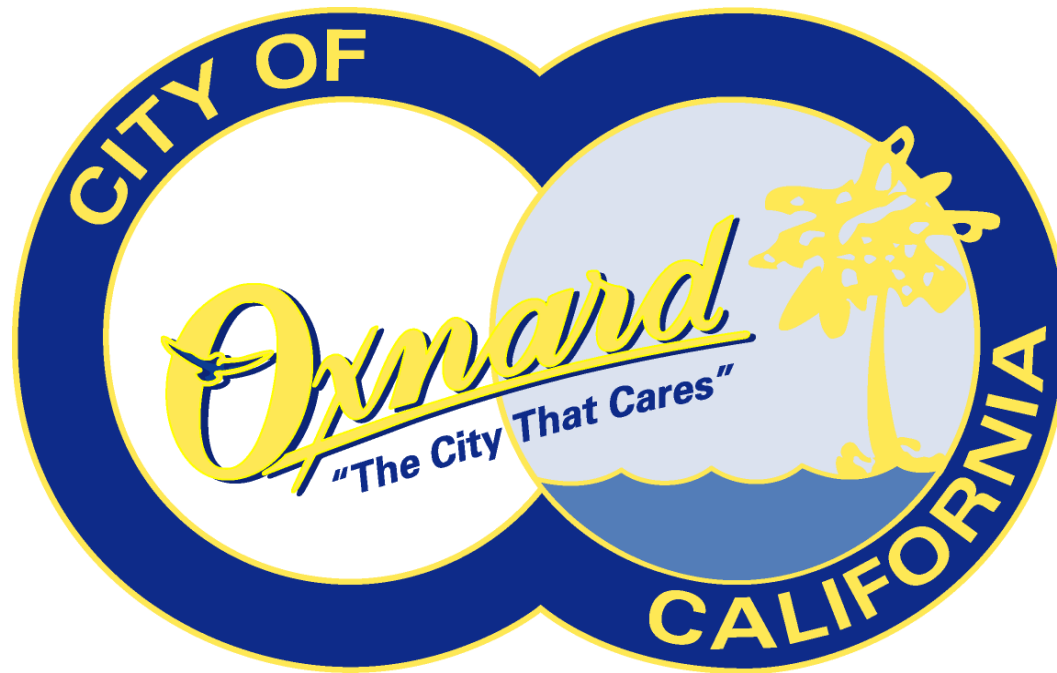
### Combining Statement of Cash Flows

For the Year Ended June 30, 2006

	Workers' Compensation	Public Liability/Property Damage	Utility Customer Services	Information Services	Facilities Maintenance	Equipment Maintenance	Total
<b>Cash flows from operating activities:</b>							
Receipts from customers	\$ 7,941,989	\$ 3,787,534	\$ 1,269,001	\$ 3,257,249	\$ 2,890,776	\$ 6,650,082	\$ 25,796,631
Payments to suppliers	(962,566)	(546,289)	(709,241)	(1,803,144)	(1,180,850)	(4,207,678)	(9,409,768)
Payments to employees	(316,444)	(54,294)	(547,455)	(1,503,810)	(1,687,262)	(2,625,470)	(6,734,735)
Claims paid	(3,880,763)	(2,400,737)	—	—	—	—	(6,281,500)
Net cash flows from operating activities	2,782,216	786,214	12,305	(49,705)	22,664	(183,066)	3,370,628
<b>Cash flows from noncapital financing activities:</b>							
Transfers in	1,500,000	—	—	—	—	6,500	1,506,500
Transfers out	—	(1,500,000)	—	—	—	—	(1,500,000)
Net cash flows from noncapital financing activities	1,500,000	(1,500,000)	—	—	—	6,500	6,500
<b>Cash flows from capital and related financing activities:</b>							
Acquisition of capital assets	(16,880)	(648,121)	(8,063)	(119,510)	(39,971)	(85,576)	(918,121)
Proceeds from capital lease	—	—	—	—	—	—	—
Net cash flows from capital and related financing activities	(16,880)	(648,121)	(8,063)	(119,510)	(39,971)	(85,576)	(918,121)
<b>Cash flows from investing activities:</b>							
Interest on investments	231,425	199,545	21,979	47,980	37,484	12,030	550,443
Cash flows from investing activities	231,425	199,545	21,979	47,980	37,484	12,030	550,443
Net increase(decrease) in cash and cash equivalents	4,496,761	(1,162,362)	26,221	(121,235)	20,177	(250,112)	3,009,450
Cash and investments at beginning of period	4,727,589	7,202,899	632,620	1,530,192	1,051,223	692,434	15,836,957
Cash and investments at end of period	\$ 9,224,350	\$ 6,040,537	\$ 658,841	\$ 1,408,957	\$ 1,071,400	\$ 442,322	\$ 18,846,407
Reconciliation of operating income (loss) to net cash flows from operating activities:							
Operating income (loss)	\$ 3,245,032	\$ 161,838	\$ 18,562	\$ (74,006)	\$ 19,309	\$ (166,551)	\$ 3,204,184
Adjustments to reconcile operating income to net cash flows from operating activities:							
Depreciation	7,067	9,343	672	92,365	40,959	30,821	181,227
Change in assets and liabilities:							
Decrease (increase) in accounts receivable	(25,000)	—	—	—	(18,252)	(8,577)	(51,829)
Increase (decrease) in accounts payable	146,069	(130,560)	(17,709)	(116,357)	(52,829)	(90,846)	(262,232)
Increase (decrease) in self-insured claims liabilities	(571,926)	745,593	—	—	—	—	173,667
Increase (decrease) in compensated absences	(19,026)	—	10,780	48,293	33,477	52,087	125,611
<b>Cash flows from operating activities</b>	<b>\$ 2,782,216</b>	<b>\$ 786,214</b>	<b>\$ 12,305</b>	<b>\$ (49,705)</b>	<b>\$ 22,664</b>	<b>\$ (183,066)</b>	<b>\$ 3,370,628</b>



## **FIDUCIARY FUNDS**



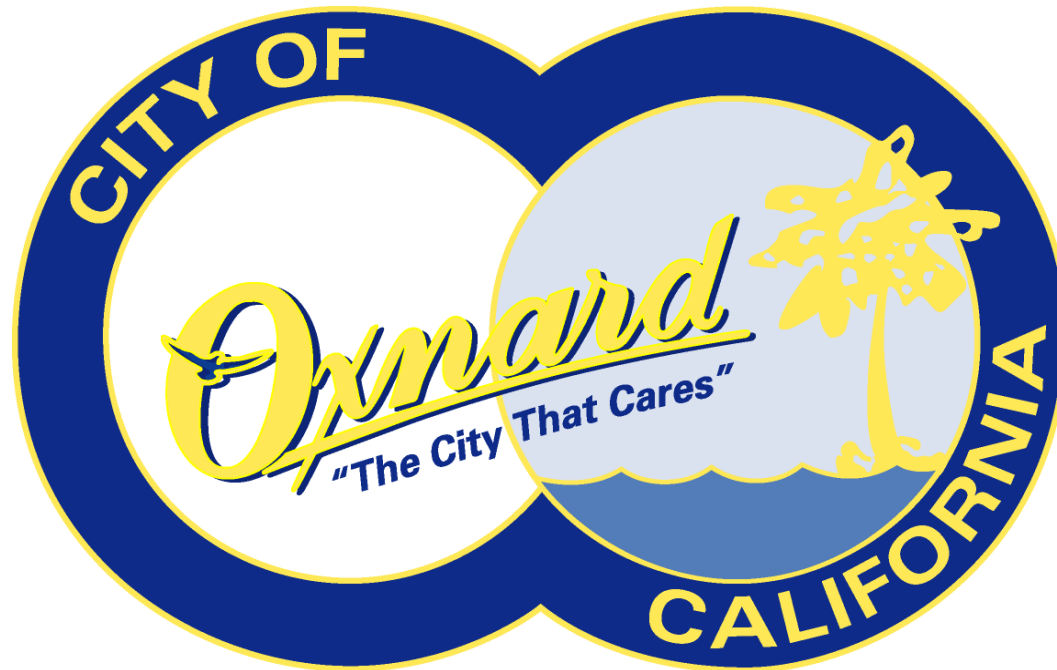
## City of Oxnard, California

### Fiduciary Funds

#### Combined Statement of Changes in Assets and Liabilities

For the Fiscal Year ended June 30, 2006

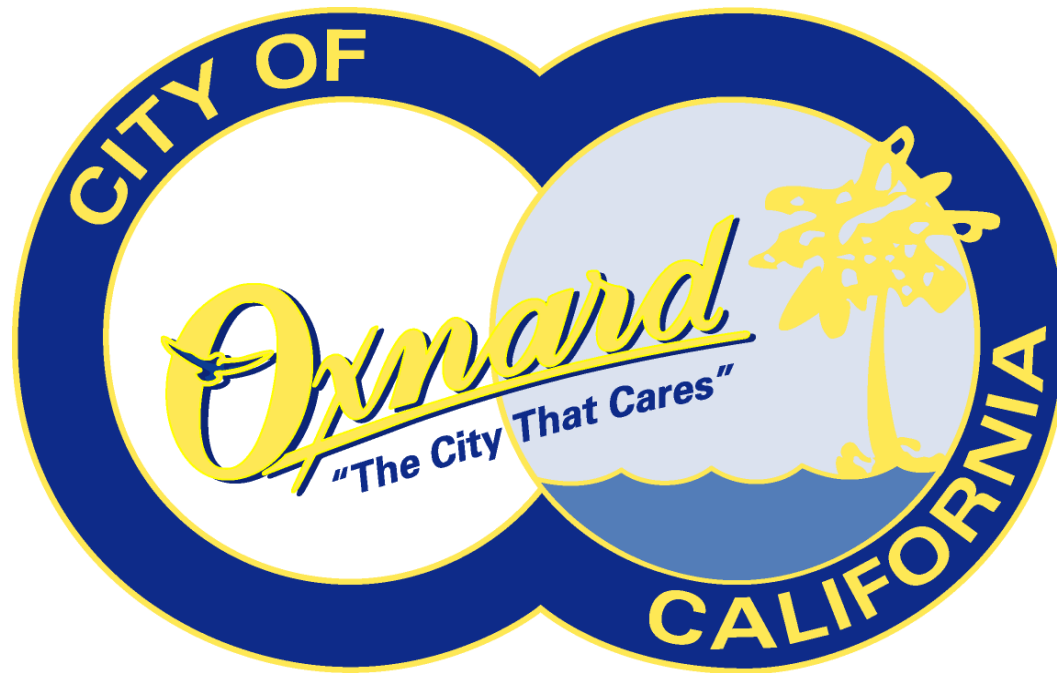
	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
<b>ARTWORKS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 46,851	\$ 1,552	\$ —	\$ 48,403
Total assets	<u>\$ 46,851</u>	<u>\$ 1,552</u>	<u>\$ —</u>	<u>\$ 48,403</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 46,851	\$ 1,552	\$ —	\$ 48,403
Total liabilities	<u>\$ 46,851</u>	<u>\$ 1,552</u>	<u>\$ —</u>	<u>\$ 48,403</u>
<b>IMPROVEMENT DISTRICTS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,153,917	\$ 26,897,970	\$ 29,124,557	\$ 10,927,330
Investments with fiscal agents	26,954,120	38,388,406	26,318,877	39,023,649
Total assets	<u>\$ 40,108,037</u>	<u>\$ 65,286,376</u>	<u>\$ 55,443,434</u>	<u>\$ 49,950,979</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 40,108,037	\$ 65,286,376	\$ 55,443,434	\$ 49,950,979
Total liabilities	<u>\$ 40,108,037</u>	<u>\$ 65,286,376</u>	<u>\$ 55,443,434</u>	<u>\$ 49,950,979</u>
<b>TOTAL - ALL FIDUCIARY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,200,768	\$ 26,899,522	\$ 29,124,557	\$ 10,975,733
Investments with fiscal agents	26,954,120	38,388,406	26,318,877	39,023,649
Total assets	<u>\$ 40,154,888</u>	<u>\$ 65,287,928</u>	<u>\$ 55,443,434</u>	<u>\$ 49,999,382</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 40,154,888	\$ 65,287,928	\$ 55,443,434	\$ 49,999,382
Total liabilities	<u>\$ 40,154,888</u>	<u>\$ 65,287,928</u>	<u>\$ 55,443,434</u>	<u>\$ 49,999,382</u>



## STATISTICAL SECTION

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

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





**City of Oxnard, California**

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

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
<b>Governmental activities:</b>						
Investments in capital assets, net of related debt	\$ 53,182,282	\$ 56,440,149	\$ 105,248,878	\$ 104,613,981	\$ 131,874,401	\$ 1,313,161,486
Restricted	15,555,288	18,239,533	59,123,684	12,510,935	16,183,475	15,902,180
Unrestricted	48,584,003	71,775,592	16,356,191	91,002,589	80,742,442	95,688,754
Total governmental activities net assets	<u><u>\$ 117,321,573</u></u>	<u><u>\$ 146,455,274</u></u>	<u><u>\$ 180,728,753</u></u>	<u><u>\$ 208,127,505</u></u>	<u><u>\$ 228,800,318</u></u>	<u><u>\$ 1,424,752,420</u></u>
<b>Business-type activities:</b>						
Investments in capital assets, net of related debt	\$ 158,107,742	\$ 161,339,177	\$ 171,973,198	\$ 59,252,770	\$ 97,741,991	\$ 154,777,148
Restricted	5,841,492	2,931,639	2,714,603	7,380,620	7,696,523	13,405,164
Unrestricted	41,672,083	42,906,594	38,624,788	159,369,013	138,793,254	83,556,063
Total business-type activities net assets	<u><u>\$ 205,621,317</u></u>	<u><u>\$ 207,177,410</u></u>	<u><u>\$ 213,312,589</u></u>	<u><u>\$ 226,002,403</u></u>	<u><u>\$ 244,231,768</u></u>	<u><u>\$ 251,738,375</u></u>
<b>Primary government:</b>						
Investments in capital assets, net of related debt	\$ 211,290,024	\$ 217,779,326	\$ 277,222,076	\$ 163,866,751	\$ 229,616,392	\$ 1,467,938,634
Restricted	21,396,780	21,171,172	61,838,287	19,891,555	23,879,998	29,307,344
Unrestricted	90,256,086	114,682,186	54,980,979	250,371,602	219,535,696	179,244,817
Total primary government net assets	<u><u>\$ 322,942,890</u></u>	<u><u>\$ 353,632,684</u></u>	<u><u>\$ 394,041,342</u></u>	<u><u>\$ 434,129,908</u></u>	<u><u>\$ 473,032,086</u></u>	<u><u>\$ 1,676,490,795</u></u>

Source: Finance Department, City of Oxnard

*City of Oxnard, California*

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

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

**City of Oxnard, California**

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

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
<b>Business-type activities:</b>						
Charges for services:						
Water	16,226,461	17,206,345	20,465,812	28,401,190	34,334,436	32,150,667
Wastewater	18,254,171	20,495,040	22,130,759	23,532,305	33,709,319	26,139,278
Solid waste	29,697,676	28,432,860	29,811,773	32,965,746	36,071,999	36,704,264
Performing arts and convention center	422,078	296,295	364,053	371,553	468,732	483,475
Oxnard housing authority	18,292,175	18,040,124	20,342,572	23,024,813	21,411,579	23,197,945
Municipal golf course	3,351,431	3,207,541	2,687,299	7,487,215	3,119,621	3,899,645
Operating grants and contributions	4,777,822	3,881,547	3,422,902	—	—	—
Capital grants and contributions	—	—	—	—	—	1,306,910
Total business-type activities program revenues	91,021,814	91,559,752	99,225,170	115,782,822	129,115,686	123,882,184
Total primary government program revenues	\$ 141,089,022	\$ 153,079,357	\$ 169,896,153	\$ 187,006,866	\$ 192,418,753	\$ 215,372,074
 Net expense (revenue):						
Governmental activities	(32,045,521)	(32,840,430)	(39,812,899)	(45,056,320)	(65,973,201)	(57,522,068)
Business-type activities	874,558	(2,448,035)	2,970,716	9,120,815	12,261,546	472,301
Total primary government net expense	\$ (31,170,963)	\$ (35,288,465)	\$ (36,842,183)	\$ (35,935,505)	\$ (53,711,655)	\$ (57,049,767)
 <b>GENERAL REVENUE AND OTHER CHANGES IN NET ASSETS</b>						
<b>Governmental activities:</b>						
Taxes:						
Property taxes	23,484,567	25,873,406	30,115,989	35,245,432	49,096,920	58,537,770
Sales taxes	18,140,143	19,846,352	20,775,896	22,772,358	23,212,641	23,985,182
Transient occupancy taxes	2,328,218	2,321,758	2,247,831	2,222,553	2,445,468	3,309,716
Franchise taxes	4,807,104	7,085,201	2,830,462	3,718,917	4,572,206	3,914,317
Deed transfer taxes	583,617	555,249	573,234	1,159,215	1,196,393	1,230,768
Business license taxes	2,203,188	3,194,683	—	4,386,245	3,967,972	4,470,841
Penalties on delinquent taxes	90,164	182,230	190,546	181,655	126,250	132,403
Investment earnings	4,389,201	4,588,082	3,858,978	4,547,276	3,911,106	4,860,461
Sale of capital assets	—	—	—	—	—	7,146,270
Transfers	(1,463,398)	(1,672,830)	(1,236,947)	(1,778,579)	(1,882,942)	(2,280,393)
Total governmental activities	54,562,804	61,974,131	59,355,989	72,455,072	86,646,014	105,307,335

*City of Oxnard, California*

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

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

***City of Oxnard, California***

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

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

1. The increase in reserved fund balance in Fiscal Year 2005-06 is explained in the Management Discussion and Analysis.

Source: Finance Department, City of Oxnard

**City of Oxnard, California**

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

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
<b>REVENUES</b>						
Taxes	\$ 51,637,001	\$ 59,058,879	\$ 59,303,485	\$ 69,686,376	\$ 84,617,850	\$ 95,580,997
Licenses and permits	2,211,303	1,987,392	2,862,476	2,182,715	2,116,934	5,937,172
Intergovernmental	27,714,568	37,691,308	38,508,559	40,834,560	27,036,948	31,543,392
Growth and development fees	8,049,376	7,432,528	8,796,590	9,004,335	10,061,956	9,616,234
Charges for services	6,070,045	7,908,643	12,022,652	11,105,208	15,358,432	14,721,778
Fines and forfeitures	1,284,259	1,411,837	853,188	1,198,456	1,248,242	1,320,782
Interest	4,389,201	4,588,082	3,858,978	4,547,276	3,911,106	4,860,461
Special assessments	1,250,930	1,515,592	1,727,674	2,089,097	2,240,492	2,346,088
Miscellaneous	3,486,727	3,572,305	3,055,944	4,809,675	5,240,064	10,352,424
Total revenues	<u>106,093,410</u>	<u>125,166,566</u>	<u>130,989,546</u>	<u>145,457,698</u>	<u>151,832,024</u>	<u>176,279,328</u>
<b>EXPENDITURES</b>						
General government	7,713,044	9,786,593	9,781,192	11,444,213	11,788,754	11,994,048
Public safety	40,353,308	44,560,812	48,494,541	55,856,590	64,312,956	69,405,713
Transportation	5,384,755	4,743,755	8,409,737	8,108,305	9,709,306	10,254,324
Community development	13,031,954	17,413,069	20,454,657	17,912,245	18,597,956	22,100,626
Culture and leisure	7,799,434	10,362,084	7,811,085	10,824,801	11,520,103	14,366,317
Library services	—	—	2,991,509	3,818,769	3,731,437	4,214,038
Capital outlay	16,294,274	23,794,668	22,199,380	31,640,247	29,924,300	41,227,891
Debt service:						
Principal	2,370,096	2,412,335	4,525,483	2,908,600	2,999,393	7,983,492
Interest	2,250,368	1,988,947	2,178,355	2,102,073	2,072,111	1,920,662
Total expenditures	<u>95,197,233</u>	<u>115,062,263</u>	<u>126,845,939</u>	<u>144,615,843</u>	<u>154,656,316</u>	<u>183,467,111</u>
Excess (deficiency) of revenues over expenditures	<u>10,896,177</u>	<u>10,104,303</u>	<u>4,143,607</u>	<u>841,855</u>	<u>(2,824,292)</u>	<u>(7,187,783)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from loans payable	—	2,705,584	7,435,000	—	—	—
Proceeds from financing sources	—	—	—	34,750,209	—	—
Payment to escrow agent	—	—	(6,380,000)	(13,601,060)	—	—
Proceeds from sale of property	—	—	—	—	—	1,885,649
Contributions from property owners	—	—	—	—	—	1,085,000
Payment to escrow agent	—	—	—	—	—	14,567,020
Transfers in	5,177,295	6,374,102	6,989,190	6,475,027	10,770,253	13,659,615
Transfers out	<u>(6,640,693)</u>	<u>(8,046,932)</u>	<u>(8,064,156)</u>	<u>(8,253,606)</u>	<u>(12,653,195)</u>	<u>(10,679,387)</u>
Total other financing sources (uses)	<u>(1,463,398)</u>	<u>1,032,754</u>	<u>(19,966)</u>	<u>19,370,570</u>	<u>(1,882,942)</u>	<u>20,517,897</u>
Net change in fund balances	<u>\$ 9,432,779</u>	<u>\$ 11,137,057</u>	<u>\$ 4,123,641</u>	<u>\$ 20,212,425</u>	<u>\$ (4,707,234)</u>	<u>\$ 13,330,114</u>
Debt service as a percentage of noncapital expenditures	5.86%	4.82%	6.41%	4.44%	4.07%	6.96%

*City of Oxnard, California*

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Transient Occupancy Tax</b>	<b>Franchise Tax</b>	<b>Deed Transfer Tax</b>	<b>Business License Tax</b>	<b>Penalties and Interest</b>	<b>Total</b>
2001	23,484,567	18,140,143	2,328,218	4,807,104	583,617	2,203,188	90,164	51,637,001
2002	25,873,406	19,846,352	2,321,758	7,085,201	555,249	3,194,683	182,230	59,058,879
2003	30,115,989	20,775,896	2,247,831	2,830,462	849,413	3,366,003	190,546	60,376,140
2004	35,245,432	22,772,358	2,222,553	3,718,917	1,159,215	4,386,245	181,655	69,686,375
2005	49,096,920	23,212,641	2,445,468	4,572,206	1,196,393	3,967,972	126,250	84,617,850
2006	58,537,770	23,985,182	3,309,716	3,914,317	1,230,768	4,470,841	132,403	95,580,997

*City of Oxnard, California*

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

Fiscal Year	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial						
1997	4,485,815,079	1,822,016,387	101,123,835	720,506,163	5,688,449,138	1.11737%	5,688,449,138	100.00%
1998	4,594,240,080	1,878,967,522	94,844,935	722,494,121	5,845,558,416	1.14647%	5,845,558,416	100.00%
1999	4,653,629,276	1,951,680,008	95,463,165	737,477,086	5,963,295,363	1.14497%	5,963,295,363	100.00%
2000	4,830,144,691	2,014,131,847	91,597,348	874,969,634	6,060,904,252	1.18067%	6,060,904,252	100.00%
2001	5,378,551,952	2,267,262,765	97,930,553	846,810,724	6,896,934,546	1.17277%	6,896,934,546	100.00%
2002	5,857,044,851	2,494,786,288	111,351,225	905,863,935	7,557,318,429	1.20417%	7,557,318,429	100.00%
2003	6,420,500,506	2,673,117,741	124,301,084	1,110,078,014	8,107,841,317	1.21447%	8,107,841,317	100.00%
2004	7,253,159,544	2,975,719,097	117,948,102	1,346,099,223	9,000,727,520	1.20384%	9,000,727,520	100.00%
2005	8,168,388,379	3,341,067,161	114,301,049	1,537,114,090	10,086,642,499	1.19624%	10,086,642,499	100.00%
2006	9,405,951,581	3,814,788,282	120,544,440	1,835,609,239	11,505,675,064	1.17614%	11,505,675,064	100.00%



*City of Oxnard, California*

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

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates
	Basic	Debt Service	Total Direct	School Districts	Water Districts	Total Overlapping	
1997	1.00000%	0.11737%	1.11737%	—	0.06380%	0.06380%	1.18117%
1998	1.00000%	0.14647%	1.14647%	0.02620%	0.06694%	0.09314%	1.23961%
1999	1.00000%	0.14497%	1.14497%	0.10040%	0.08362%	0.18402%	1.32899%
2000	1.00000%	0.18067%	1.18067%	0.14920%	0.06067%	0.20987%	1.39054%
2001	1.00000%	0.17277%	1.17277%	0.11070%	0.06399%	0.17469%	1.34746%
2002	1.00000%	0.20417%	1.20417%	0.10420%	0.05690%	0.16110%	1.36527%
2003	1.00000%	0.21447%	1.21447%	0.10790%	0.05120%	0.15910%	1.37357%
2004	1.00000%	0.20384%	1.20384%	0.09770%	0.04476%	0.14246%	1.34630%
2005	1.00000%	0.19624%	1.19624%	0.08410%	0.04224%	0.12634%	1.32258%
2006	1.00000%	0.17614%	1.17614%	0.09850%	0.03691%	0.13541%	1.31155%

*City of Oxnard, California*

*Schedule VIII  
Principal Property Taxpayers  
June 30, 2006*

Taxpayer	2006			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Proctor & Gamble Paper Products Company	271,274,723	1	2.036%	285,208,162	1	4.135%
St. John's Regional Medical Center	201,681,487	2	1.514%	146,803,106	2	2.129%
RiverPark A LLC	123,180,205	3	0.925%			
K & G of Seabridge I LLC	95,535,353	4	0.717%			
SI VIII LLC (1)	76,666,310	5	0.575%			
Essex Tierra Vista	76,496,888	6	0.574%			
Centro Watt Operating Partners LLC	67,023,874	7	0.503%			
Centex Homes	62,253,314	8	0.467%			
Fred Kavli	61,937,650	9	0.465%			
Duesenberg Investment Company	61,459,198	10	0.461%			
Channel Islands Harbor Investment Company	61,280,393	11	0.460%	46,501,245	6	0.674%
Seminis Vegetable Seeds Inc.	56,498,976	12	0.424%	32,215,842	10	0.467%
Weyerhaeuser Company	52,834,200	13	0.397%			
Terminal Freezers Inc.	41,784,904	14	0.314%			
BMW of North America Inc.	35,843,329	15	0.269%	29,868,119	13	0.433%
Willamette Industries Inc.				68,998,598	3	1.000%
CHW Central Coast				56,821,100	4	0.824%
Tiger Ventura County				51,687,562	5	0.749%
AT&T Credit Corp Trust				43,778,328	7	0.635%
Ormond Beach Power				39,712,544	8	0.576%
Donwen Corporation				36,659,711	9	0.532%
Other Taxpayers	11,976,429,348		89.898%	6,058,680,229		87.846%
Totals	13,322,180,152		100.000%	6,896,934,546		100.000%

***City of Oxnard, California***

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

<b>Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1997	18,233,366	17,033,821	93.42%	487,301	17,521,122	96.09%
1998	18,113,687	17,712,334	97.78%	250,440	17,962,774	99.17%
1999	15,014,300	14,868,769	99.03%	189,551	15,058,320	100.29%
2000	17,038,470	17,317,763	101.64%	99,032	17,416,795	102.22%
2001	23,380,000	23,484,567	100.45%	90,164	23,574,731	100.83%
2002	25,900,000	25,718,029	99.30%	284,711	26,002,740	100.40%
2003	30,040,000	29,892,747	99.51%	190,546	30,083,293	97.32%
2004	35,432,169	35,281,916	99.58%	344,390	35,626,306	99.99%
2005	44,743,658	49,223,170	110.01%	126,250	49,349,420	110.29%
2006	54,511,910	58,537,770	107.39%	132,403	58,670,173	107.63%

Source: Finance Department, City of Oxnard

*City of Oxnard, California*

*Schedule X  
Ratio of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Estimated Actual Value of Property</b>	<b>General Gross Bonded Debt</b>	<b>Less: Certain Debt Service Fund</b>	<b>Total</b>	<b>Ratio of Debt/Capita</b>
1997	153,700	5,688,449,138	—	—	—	—
1998	156,000	5,845,558,416	—	—	—	—
1999	158,300	5,963,295,363	—	—	—	—
2000	170,358	6,060,904,252	—	—	—	—
2001	177,700	6,896,934,546	—	—	—	—
2002	182,027	7,557,318,429	—	—	—	—
2003	181,800	8,107,841,317	—	—	—	—
2004	186,122	9,000,727,520	—	—	—	—
2005	188,849	10,086,642,499	—	—	—	—
2006	189,990	11,505,675,064	—	—	—	—

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

(2) Ventura County Assessor's Office

Source: Finance Department, City of Oxnard

***City of Oxnard, California***

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	(1) Percentage of Personal Income	(1) Per Capita
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Revenue Bonds	Capital Leases			
1997	17,718,000	—	17,100,000	921,390	100,098,256	—	135,837,646	6.180%	884
1998	16,193,000	—	16,630,000	1,693,752	96,662,129	—	131,178,881	5.478%	841
1999	14,541,000	8,980,000	16,140,000	1,425,696	93,118,592	—	134,205,288	5.126%	848
2000	12,285,000	8,805,000	15,620,000	1,163,893	89,448,949	—	127,322,842	4.133%	794
2001	10,705,000	8,625,000	15,065,000	891,305	85,646,884	1,401,008	122,334,197	3.507%	688
2002	9,080,000	8,440,000	14,475,000	604,201	88,945,000	1,215,752	122,759,953	3.410%	674
2003	9,535,000	8,245,000	13,850,000	307,187	84,030,000	2,824,171	118,791,358	2.985%	653
2004	22,874,301	8,045,000	19,185,000	1,729,354	214,035,699	2,916,139	268,785,493	6.389%	1,444
2005	21,607,009	7,835,000	18,635,000	1,412,398	236,943,314	2,469,070	288,901,791	6.553%	1,530
2006	19,975,756	7,620,000	18,030,000	1,086,013	298,559,567	2,010,676	347,282,012	7.464%	1,828

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

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping Debt:</b>			
Metropolitan Water District	3,069,772	0.788%	24,190
Ventura County Community College District	21,532,626	14.678%	3,160,559
Ventura County Superintendent of Schools - COP	1,992,729	14.674%	292,413
Ventura County General Fund Obligations	13,248,421	14.674%	1,944,073
Ventura County Pension Obligation	5,163,047	14.674%	757,626
Oxnard Union High School District	22,776,862	45.838%	10,440,458
Oxnard Union High School District - COP	10,574,827	45.838%	4,847,289
Oxnard School District	68,402,847	91.649%	62,690,525
Oxnard School District - COP	5,824,294	91.649%	5,337,907
Rio School District	14,842,006	83.948%	12,459,567
Rio School District - COP	4,495,415	83.948%	3,773,811
Hueneme School District	9,681,715	49.259%	4,769,116
Ocean View School District	1,419,529	40.616%	576,556
Ocean View School District - COP	861,059	40.616%	349,728
Subtotal - Overlapping Debt	183,885,149		111,423,818
<b>City of Oxnard Direct Debt:</b>			
City of Oxnard Financing Authority			22,710,000
City of Oxnard Pooled Insurance Obligation			577,940
Rio School District - Community Facilities District 1			30,725,000
City of Oxnard - Mandalay Bay Assessment District 85-5R			1,535,000
City of Oxnard - Rose Avenue/Hwy 101 Assessment District 96-1			5,855,000
City of Oxnard - Pacific Commerce Center Assessment District 97-1-R			3,580,000
City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1			14,390,000
City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1			2,270,000
City of Oxnard Community Facilities District 1			9,740,000
City of Oxnard Community Facilities District 3			32,275,000
City of Oxnard Community Facilities District 88-1			3,145,000
Oxnard Boulevard Interchange Community District			9,955,000
Subtotal - Direct Debt			136,757,940
<b>Total direct and overlapping debt</b>			<b>248,181,758</b>

Source: California Municipal Statistics, Inc.

***City of Oxnard, California***

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

	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Debt limit	\$ 961,343	\$ 985,208	\$ 1,005,116	\$ 1,040,381	\$ 1,161,562	\$ 1,269,477	\$ 1,382,688	\$ 1,534,332	\$ 1,726,418	\$ 1,983,111
Total net debt applicable to limit	921	2,060	2,216	—	—	—	—	—	—	—
Legal debt margin	<u>\$ 960,422</u>	<u>\$ 983,148</u>	<u>\$ 1,002,900</u>	<u>\$ 1,040,381</u>	<u>\$ 1,161,562</u>	<u>\$ 1,269,477</u>	<u>\$ 1,382,688</u>	<u>\$ 1,534,332</u>	<u>\$ 1,726,418</u>	<u>\$ 1,983,111</u>
Total net debt applicable to the limit as a percentage of debt limit	0.10%	0.21%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2006**

Assessed value	\$ 11,385,131
Add back: exempt real property	<u>1,835,609</u>
Total assessed value	13,220,740
Debt limit (15% of total assessed value)	1,983,111
Debt applicable to limit:	
General obligation bonds	344,185
Less: assets in debt service funds for principal payments:	
Revenue bonds - governmental activities	(19,975)
Revenue bonds - business-type activities	(298,560)
Tax allocation bond - community development commission	(18,030)
Certificates of participation	<u>(7,620)</u>
Total net debt applicable limit	<u>0</u>
Legal debt margin	<u><u>\$ 1,983,111</u></u>

Source: Finance Department

**City of Oxnard, California**

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

<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>	<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>
<b>Water Revenue Bonds</b>							<b>Wastewater Revenue Bonds</b>						
1997	13,594,356	12,875,166	719,190	745,000	115,295	0.84	1997	17,132,675	9,555,298	7,577,377	1,560,000	3,220,618	1.59
1998	13,508,174	13,364,858	143,316	551,127	157,283	0.20	1998	17,180,389	9,964,354	7,216,035	1,615,000	3,158,218	1.51
1999	14,980,803	13,780,587	1,200,216	543,537	128,855	1.78	1999	18,371,484	11,561,115	6,810,369	1,685,000	2,843,492	1.50
2000	16,529,128	15,057,247	1,471,881	534,642	230,776	1.92	2000	17,749,682	11,315,240	6,434,442	1,760,000	2,653,560	1.46
2001	16,226,461	15,347,727	878,734	522,065	224,747	1.18	2001	18,254,171	11,591,100	6,663,071	1,840,000	2,568,810	1.51
2002	17,856,094	18,141,656	(285,562)	794,388	709,225	(0.19)	2002	22,005,625	11,978,948	10,026,677	1,925,000	2,484,277	2.27
2003	20,602,479	16,782,851	3,819,628	225,000	730,142	4.00	2003	23,515,790	16,445,581	7,070,209	1,805,000	1,883,286	1.92
2004	28,898,906	19,899,216	8,999,690	235,000	1,315,783	5.80	2004	23,182,456	12,958,128	10,224,328	1,750,000	1,924,826	2.78
2005	34,609,573	18,351,471	16,258,102	1,150,000	2,682,330	4.24	2005	36,892,293	14,715,076	22,177,217	1,815,000	5,969,101	2.85
2006	34,212,012	21,865,005	12,347,007	1,202,083	2,699,580	3.16	2006	28,512,017	16,185,708	12,326,309	1,885,000	6,682,905	1.44
<b>Solid Waste Revenue Bonds</b>							<b>Golf Course Revenue Bonds</b>						
1997	21,661,953	16,837,171	4,824,782	760,000	1,369,880	2.27	1997	2,523,123	2,035,187	487,936	455,000	755,479	0.40
1998	26,475,373	20,914,785	5,560,588	790,000	1,339,478	2.61	1998	2,626,560	2,306,205	320,355	480,000	748,627	0.26
1999	28,438,658	25,275,245	3,163,413	820,000	1,306,299	1.49	1999	2,723,616	2,276,404	447,212	495,000	726,181	0.37
2000	32,195,190	28,050,828	4,144,362	860,000	1,403,617	1.83	2000	3,320,623	2,850,761	469,862	515,000	709,281	0.38
2001	29,697,676	26,728,446	2,969,230	1,096,492	1,303,060	1.24	2001	3,351,431	3,301,596	49,835	545,000	755,229	0.04
2002	28,714,969	26,240,998	2,473,971	1,012,756	1,570,081	0.96	2002	3,346,000	2,925,226	420,774	565,000	708,995	0.33
2003	30,031,391	25,682,146	4,349,245	1,617,980	1,499,922	1.39	2003	2,819,557	1,140,989	1,678,568	11,870,000	534,805	0.14
2004	33,200,540	30,574,399	2,626,141	1,433,833	1,216,797	0.99	2004	7,535,430	2,589,926	4,945,504	678,500	408,221	4.55
2005	36,529,711	34,228,035	2,301,676	19,001,588	1,155,331	0.11	2005	3,165,439	3,530,958	(365,519)	693,186	394,652	(0.34)
2006	36,878,690	36,342,348	536,342	2,033,392	1,117,677	0.17	2006	4,014,843	3,529,775	485,068	713,747	373,856	0.45
<b>Oxnard Housing Authority</b>													
2004	21,823,107	22,305,475	(482,368)		181,708	(2.65)							
2005	21,515,845	23,235,370	(1,719,525)	205,000	231,660	(3.94)							
2006	23,321,917	22,699,304	622,613	205,000	227,758	1.44							

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

SOURCE: Finance Department, City of Oxnard



*City of Oxnard, California*

*Schedule XV  
Demographic Statistics  
Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
1997	153,700	2,197,910	14,300	33	37,211	8.40%
1998	156,000	2,394,444	15,349	34	38,073	7.00%
1999	158,300	2,617,965	16,538	34	38,793	6.40%
2000	160,300	3,080,485	19,217	32	40,238	6.38%
2001	177,700	3,488,251	19,630	30	39,865	4.90%
2002	182,027	3,599,948	19,777	30	42,106	5.20%
2003	181,800	3,979,057	21,887	30	41,936	7.40%
2004	186,122	4,207,288	22,605	30	42,276	5.60%
2005	188,941	4,408,869	23,346	30	38,372	4.90%
2006	189,990	4,652,855	24,490	28	37,196	4.00%

**SOURCES:**

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

*City of Oxnard, California*

*Schedule XVI  
Principal Employers  
Current Year*

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

Source: Economic Development Corporation of Oxnard

*City of Oxnard, California*

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

<b>Function</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
General Government	174	174	176	178	196	197	200	207	211	217
Public safety										
Police										
Officers	178	195	196	198	200	202	208	220	229	235
Civilians	114	115	119	119	127	128	131	134	138	152
Fire										
Firefighters & officers	76	76	83	83	85	86	87	89	91	100
Civilians	3	3	2	3	2	2	4	5	4	4
Transportation	34	34	34	34	36	36	36	36	36	45
Community development	46	48	49	55	47	50	53	56	57	57
Culture and recreation	67	68	71	69	70	72	78	79	79	74
Utilities										
Water	29	29	35	34	34	41	45	44	44	48
Wastewater	69	70	70	71	67	67	67	67	72	72
Solid Waste	63	71	76	77	76	76	80	80	80	81
Housing	66	66	67	74	76	77	80	80	80	80
<b>Total</b>	919	949	978	995	1,016	1,034	1,069	1,097	1,121	1,165

Source: Finance Department, City of Oxnard

*City of Oxnard, California*

*Schedule XVIII  
Operating Indicators by Function  
Last Two Fiscal Years*

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

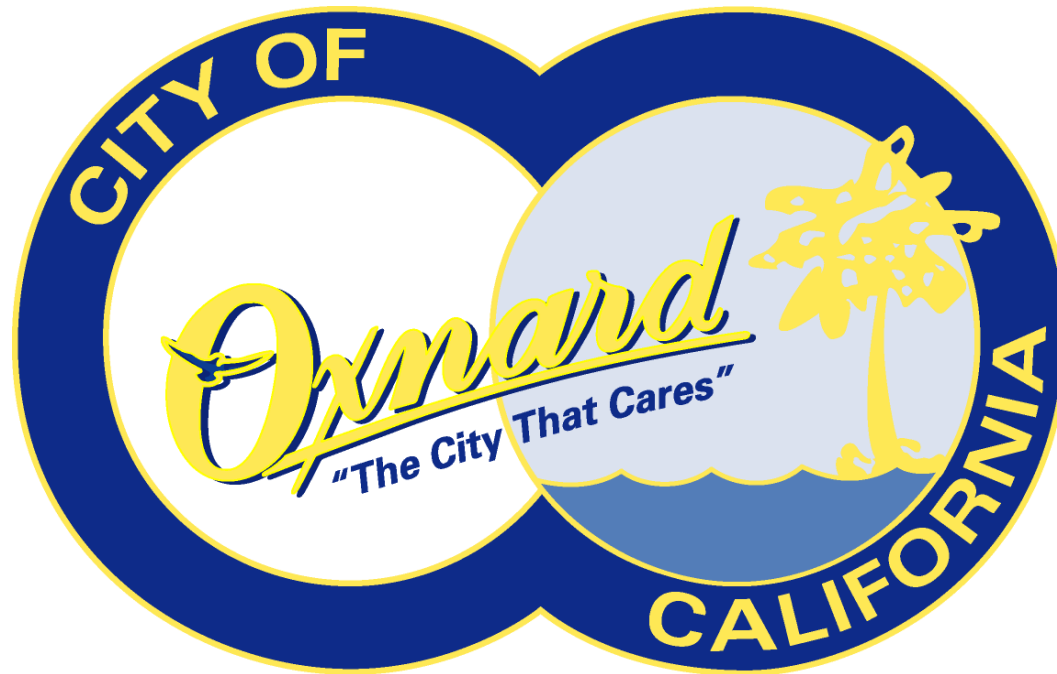
Source: Various departments, City of Oxnard

*City of Oxnard, California*

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










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

Sources: Various City departments





## LEGEND

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

## CITY OF OXNARD



November 14, 2006

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



**Mayer Hoffman McCann P.C.**  
An Independent CPA Firm

**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE WITH THE PROPOSITION 111  
2005-2006 APPROPRIATION LIMIT INCREMENT**

Honorable Mayor and Members of the City Council  
City of Oxnard

We have applied the procedures enumerated below to the Appropriations Limitation Worksheet for the City of Oxnard for the year ended June 30, 2006. These procedures, which were suggested by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is intended for the information of management and the Honorable Mayor and Members of the City Council; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

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

- A. We obtained the Appropriations Limitation Worksheet and determined that the 2005-2006 Appropriations Limit and annual adjustment factors were adopted by resolution of City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.
- B. We recomputed the 2005-2006 Appropriations Limit to be \$147,103,877 by multiplying the 2004-2005 Prior Year Appropriations Limit by the annual adjustment factors. The City calculated a 2004-2005 appropriations limit of \$138,093,741.
- C. For the Appropriations Limitation Worksheet, we agreed the Per Capita Income, County and City Population Factors to California State Department of Finance Worksheets.

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

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

*Mayer Hoffman McCann P.C.*  
September 21, 2006  
Oxnard, CA

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