NEW ISSUE – BOOK-ENTRY ONLY **INSURED RATING (INSURED BONDS ONLY): S&P: "AA+"**
UNINSURED RATING: S&P: "A+"
(See "RATINGS.")

In the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of federal individual or corporate alternative minimum taxes, although Bond Counsel expresses no opinion regarding whether such interest is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$21,580,000
CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2011

Dated: Date of Delivery **Due: June 1, as shown on the inside cover**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011 (the "Bonds"), are being issued in the aggregate principal amount of $21,580,000 by the City of Oxnard Financing Authority (the "Authority") pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) and the provisions of a Trust Agreement, dated as of June 1, 2011 (the "Trust Agreement"), by and among the Authority, the City of Oxnard, California (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee").

Proceeds from the sale of the Bonds will be used (i) to provide a portion of the moneys required to pay the principal of and interest on the 2010 Notes (as defined herein) at maturity in accordance with the terms of the 2010 Trust Agreement (as defined herein), (ii) to fund the reserve fund established for the Bonds under the Trust Agreement, and (iii) to pay certain costs of issuance related to the Bonds. See "THE REFINANCING PLAN AND THE 2009 PROJECT," "THE BONDS – Estimated Sources and Uses of Bond Proceeds," and "SECURITY FOR THE BONDS – Reserve Fund." Capitalized terms used on this cover page and not otherwise defined shall have the meanings ascribed to them elsewhere in this Official Statement. See in particular "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions."

The Bonds will be delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "THE BONDS – Book-Entry Only System."

Payments of interest on the Bonds will be made by the Trustee to DTC, which will in turn remit such interest to its participants for subsequent dispersal to beneficial owners of the Bonds as described herein. Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2011, until the maturity or the earlier redemption thereof. Principal and any redemption premiums with respect to each Bond will be paid upon surrender of such Bond at the principal corporate office of the Trustee upon maturity or the earlier redemption thereof.

The Bonds are subject to optional redemption, extraordinary redemption from insurance or condemnation proceeds, extraordinary redemption upon the sale or nongovernmental use of the 2009 Project, and mandatory sinking account redemption, as described herein. See "THE BONDS – Redemption of Bonds."

The scheduled payment of principal of and interest on the Bonds maturing on June 1 of the years 2018 through 2031, inclusive (collectively, the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP.

[BOND INSURER LOGO]

The Bonds are payable from Base Rental payments to be made by the City to the Authority pursuant to a Master Lease and Option to Purchase, dated as of June 1, 2011 (the "Lease"), by and between the Authority, as lessor, and the City, as lessee, and from amounts held in certain funds and accounts established under the Trust Agreement. Pursuant to the Trust Agreement, the Authority's right to receive Base Rental payments will be assigned to the Trustee for the benefit of the registered owners of the Bonds. Pursuant to the Lease, the City will lease from the Authority the Components of the Property, as such terms are defined in the Lease and described herein under the heading "THE PROPERTY." The City will covenant in the Lease that, as long as the Property is available for the City's use, it will make all Base Rental payments and other payments provided for in the Lease, it will include all such payments in its annual budget, and it will make the necessary annual appropriations for such payments. The City's obligation to make Base Rental payments is subject to abatement in the event of damage to, destruction or condemnation of, or a title defect with respect to, any Component of the Property.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE BASE RENTAL PAYMENTS AND AMOUNTS HELD IN CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE TRUST AGREEMENT. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OF VENTURA (THE "COUNTY"), THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS UNDER THE LEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

[Maturity Schedule set forth on inside cover]

The Bonds are offered when, as, and if delivered to and received by the Underwriter, subject to the approval of legality by Goodwin Procter LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the Authority and the City by the City Attorney and by Disclosure Counsel, Goodwin Procter LLP, Los Angeles, California, and for the Underwriter by Jones Hall, San Francisco, California. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC in New York, New York on or about June 23, 2011.

RBC Capital Markets, LLC

Dated: June 9, 2011.

MATURITY SCHEDULE

UNINSURED BONDS

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] No.	Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] No.
2012	$260,000	3.000%	1.000%	691875 AT5	2015	$290,000	3.500%	2.600%	691875 AW8
2013	225,000	2.000	1.850	691875 AU2	2016	330,000	3.000	2.900	691875 AX6
2014	260,000	3.000	2.200	691875 AV0	2017	370,000	4.000	3.300	691875 AY4

$8,495,000 5.750% Term Bond due June 1, 2036 Price: 98.049% CUSIP[1] No. 691875 BD9

INSURED BONDS

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] No.	Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] No.
2018	$410,000	4.000%	3.500%	691875 AZ1	2022	$ 620,000	4.250%	4.500%	691875 BE7
2019	455,000	3.750	3.850	691875 BA5	2023	675,000	4.500	4.700	691875 BF4
2020	505,000	5.000	4.100	691875 BB3	2028	1,045,000	5.200	5.300	691875 BG2
2021	560,000	5.000	4.300	691875 BC1	2029	1,130,000	5.300	5.390	691875 BH0

$1,550,000 4.750% Term Bond due June 1, 2025 Price: 97.508% CUSIP[1] No. 691875 BJ6

$1,840,000 5.100% Term Bond due June 1, 2027 Price: 98.921% CUSIP[1] No. 691875 BK3

$2,560,000 5.375% Term Bond due June 1, 2031 Price: 99.091% CUSIP[1] No. 691875 BL1

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CITY OF OXNARD, CALIFORNIA

MAYOR AND CITY COUNCIL

Dr. Thomas E. Holden, *Mayor*,
Dr. Irene G. Pinkard, *Mayor Pro Tem*
Bryan A. MacDonald, *Councilman*
Timothy B. Flynn, *Councilman*
Carmen Ramirez, *Councilmember*

GOVERNING BOARD OF THE AUTHORITY

Dr. Thomas E. Holden, *Chairman*
Dr. Irene G. Pinkard, *Vice Chair*
Bryan A. MacDonald, *Board Member*
Timothy Flynn, *Board Member*
Carmen Ramirez, *Board Member*

CITY OFFICIALS

Edmund F. Sotelo, *City Manager*
Karen R. Burnham, *Assistant City Manager*
Alan Holmberg, *City Attorney*
Daniel Martinez, *City Clerk*
Danielle Navas, *City Treasurer*
James Cameron, *Chief Financial Officer*
Michael J. More, *Financial Services Manager*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel
Goodwin Procter LLP
Los Angeles, California

Trustee
Wells Fargo Bank, National Association
Los Angeles, California

Financial Advisor
First Southwest Company
Santa Monica, California

No dealer, broker, salesperson, or other person has been authorized by the City, the Authority, or RBC Capital Markets, LLC (the "Underwriter") to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

This Official Statement is not to be construed to be a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described as such herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth in this Official Statement has been obtained from the Authority, the City, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by the Authority or the City. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "Appendix F – Specimen Bond Insurance Policy."

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OFFICIAL STATEMENT

$21,580,000
CITY OF OXNARD FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2011

INTRODUCTION

General

This Official Statement, which includes the cover page, Table of Contents, and Appendices (the "Official Statement"), provides certain information concerning the issuance of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011, in the aggregate principal amount of $21,580,000 (the "Bonds"). Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive and reference is made to each such document for complete details of all terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Selected Definitions."

Authorization

The Bonds are being issued by the City of Oxnard Financing Authority (the "Authority"), a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California, pursuant the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Act") and the provisions of a Trust Agreement, dated as of June 1, 2011 (the "Trust Agreement"), by and among the Authority, the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee").

Purpose of Issuance

Proceeds from the sale of the Bonds will be used (i) to provide a portion of the moneys required to pay the principal of and interest on the City of Oxnard Financing Authority Bond Anticipation Notes, Series 2010 (the "2010 Notes"), at maturity on June 25, 2011, in accordance with the terms of the Trust Agreement, dated as of June 1, 2010 (the "2010 Trust Agreement"), by and among the City, the Authority, and Wells Fargo Bank, National Association, as trustee (the "2010 Trustee"), (ii) to fund the reserve fund (the "Reserve Fund") established for the Bonds under the Trust Agreement, and (iii) to pay certain costs of issuance related to the Bonds. See "THE REFINANCING PLAN AND THE 2009 PROJECT," "THE BONDS – Estimated Sources and Uses of Bond Proceeds," and "SECURITY FOR THE BONDS – Reserve Fund."

Registration, Date, and Maturity of Bonds

The Bonds will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, which will act as securities depository for the Bonds. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside cover page hereof.

Payment of the Bonds

Interest on the Bonds is payable semiannually on June 1 and December 1, commencing December 1, 2011, and will be paid by check, mailed by first class mail to the registered owners thereof (each, an "Owner") as of the applicable Record Date; provided, however, that any Owner of $1,000,000 or more aggregate principal amount of Bonds may request in writing payment of such interest by wire transfer in immediately available funds to a designated account. Principal and any redemption premium with respect to each Bond will be paid upon surrender of such Bond at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier redemption thereof. See "THE BONDS – Authorization and Payment of Bonds."

Redemption of Bonds

The Bonds are subject to optional redemption, extraordinary redemption from insurance or condemnation proceeds, extraordinary redemption upon the sale or nongovernmental use of the 2009 Project (as defined herein), and mandatory sinking account redemption, as described herein. See "THE BONDS – Redemption of Bonds."

Security and Source of Payment for the Bonds

The Bonds are payable from base rental ("Base Rental") payments to be made by the City pursuant to a Master Lease and Option to Purchase, dated as of June 1, 2011 (the "Lease"), by and between the Authority, as lessor, and the City, as lessee, and from amounts held in certain funds and accounts established under the Trust Agreement.

Pursuant to the Lease, the City will lease from the Authority the Components of the Property, as such terms are defined in the Lease and described herein under "THE PROPERTY." A portion of the 2009 Project constitutes one of the Components of the Property. See "THE REFINANCING PLAN AND THE 2009 PROJECT." Pursuant to the Trust Agreement, the Authority will assign to the Trustee, for the benefit of the Owners of the Bonds, certain of its rights, title, and interest in and to the Lease and the Property Lease, dated as of June 1, 2011 (the "Property Lease"), by and between the City and the Authority, including, without limitation, the right to receive Base Rental payments and the right to enforce payment of Base Rental payments when due, but excluding certain rights to payment of expenses, to indemnification, and to receive notices under the Lease.

Pursuant to the Lease, the City will be required, subject to its abatement rights, to pay Base Rental and, as Additional Rental, any taxes, assessments, and insurance premiums with respect to the Property and the fees, costs, and expenses incurred by the Authority and the Trustee in connection with the Lease, the Trust Agreement, or the Property. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Base Rental." Base Rental payments are payable five business days prior to each June 1 and December 1, commencing five business days prior to December 1, 2011. Each Base Rental payment shall apply to the immediately preceding six month period. Upon the issuance of the Bonds, the City will certify as to the fair rental value of the Components of the Property as of the date of such issuance.

Base Rental payments are subject to abatement during any period in which, by reason of a material title defect or material damage, destruction, or condemnation, there is substantial interference with the City's right to use and occupancy of the Property or any portion thereof.

Under the Lease, the City is required to maintain rental interruption insurance covering a period of 24 months, in an amount equal to two times the Reserve Requirement. In addition, the Property will be insured, through insurers meeting certain requirements set forth in the Lease, against loss or damage. Any net insurance proceeds and condemnation awards will be applied to repair or replace the Property or to redeem all or a portion of the Bonds. See "THE BONDS – Redemption of Bonds – Extraordinary Redemption From Insurance or Condemnation Proceeds" and "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Lease."

The City has covenanted in the Lease to take such action as may be necessary to include and maintain all Base Rental payments and Additional Rental payments due under the Lease in its annual budget, and to make the necessary annual appropriations for all such payments, as long as a portion of the Property with fair rental value sufficient to support such Base Rental payments and Additional Rental payments is available for the City's use. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Base Rental," "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIB of the California Constitution: Limits on Appropriations," and "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents."

Reserve Fund and Reserve Policy

Pursuant to the Trust Agreement, the City is required to maintain amounts on deposit in the Reserve Fund, which is held by the Trustee and pledged to the payment of principal of and interest on the Bonds, in an amount equal to the Reserve Requirement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BOND – Reserve Fund" and "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Trust Agreement."

On the date of initial delivery of the Bonds, Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer") shall provide a Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Policy") guaranteeing certain payments into the Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth in the Trust Agreement. See "SECURITY FOR THE BONDS – Reserve Policy."

Bond Insurance

Concurrently with the issuance of the Bonds, the Bond Insurer will issue its municipal bond insurance policy (the "Bond Insurance Policy") for the Bonds maturing on June 1 of the years 2018 through 2031, inclusive (collectively, the "Insured Bonds"). The Bond Insurance Policy guarantees the scheduled payment of principal and interest with respect to the Insured Bonds when due as set forth in the form of the Bond Insurance Policy included as Appendix F to this Official Statement. See "BOND INSURANCE."

Continuing Disclosure

In connection with the issuance of the Bonds, the Authority will covenant in the Continuing Disclosure Agreement, dated the date of delivery of the Bonds (the "Continuing Disclosure Agreement"), by and between the Authority and the Trustee, as dissemination agent, to provide certain financial information and operating data relating to the Authority and the City and notices of certain events listed therein. See "CONTINUING DISCLOSURE" and "APPENDIX E – Form of Continuing Disclosure Agreement."

Limited Obligations

The Bonds are limited obligations of the Authority payable solely from and secured solely by the Base Rental payments and amounts held in certain funds and accounts established under the Trust Agreement. Neither the full faith and credit nor the taxing power of City, the County of Ventura (the "County"), the State of California (the "State"), or any political subdivision of the State is pledged to the payment of the Bonds. The Authority has no taxing power. The obligation of the City to make Base Rental payments under the Lease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental payments constitutes an indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory debt limitation or restriction.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "propose," "estimate," "project," "budget," "anticipate," or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. No updates or revisions to these forward-looking statements are expected to be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

References Qualified

The summaries of and references to all documents, statutes, reports, and other instruments referred to in this Official Statement do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

THE REFINANCING PLAN AND THE 2009 PROJECT

The Authority previously issued the City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009, in the aggregate principal amount of $20,005,000 (the "2009 Notes"), pursuant to the Trust Agreement, dated as of August 1, 2009 (the "2009 Trust Agreement"), by and among the City, the Authority, and Wells Fargo Bank, as trustee. Proceeds from the sale of the 2009 Notes were used to finance the purchase of the approximately 14 acres of land located at the northwest corner of Ventura Road and Vineyard Avenue adjacent to the City's River Ridge Golf Club, as more fully described in the 2009 Trust Agreement (the "2009 Project"). Approximately four acres of the 2009 Project is developed as a football field and locker facilities; these four acres constitute one of the Components of the Property.

See "THE PROPERTY." The remaining approximate 10 acres of the 2009 Project is largely undeveloped. The City intends to use the entire 14 acres for public recreational purposes.

The Authority previously issued the 2010 Notes in the aggregate principal amount of $20,520,000 pursuant to the 2010 Trust Agreement. Proceeds from the sale of the 2010 Notes were used to pay in full the principal and interest due with respect to the 2009 Notes at maturity. All of the 2010 Notes are currently outstanding.

Proceeds from the sale of the Bonds will be used (i) to provide a portion of the moneys required to pay the principal of and interest on the 2010 Notes at maturity on June 25, 2011, in accordance with the terms of the 2010 Trust Agreement, (ii) to fund the reserve fund established for the Bonds under the Trust Agreement, and (iii) to pay certain costs of issuance related to the Bonds. See "THE BONDS – Estimated Sources and Uses of Bond Proceeds."

THE BONDS

Authorization and Payment of Bonds

The Bonds are being issued pursuant to the Act and the provisions of the Trust Agreement. The Bonds will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the cover page hereof. Interest on the Bonds will be paid semiannually on each June 1 and December 1, commencing December 1, 2011 (each, an "Interest Payment Date"), to Owners recorded in the registration books kept by the Trustee as of the fifteenth day of the month preceding the applicable Interest Payment Date (the "Record Date"). Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Bonds will be issued as fully registered bonds in the denomination of $5,000 each or any integral multiple thereof. Principal of and redemption premium, if any, on each Bond will be payable upon surrender of such Bond at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier redemption thereof. Interest will be payable by check, mailed to the Owners of the Bonds as of the applicable Record Date at their addresses as they appear on the Bond register maintained by the Trustee; provided, however, that interest payable to an Owner of $1,000,000 or more aggregate principal amount of Bonds will be paid by wire transfer to such account within the United States as such Owner shall have specified in writing prior to the applicable Record Date to the Trustee for such purpose. Certain of the provisions described above will not apply as long as the Bonds are in a book-entry only system. See "THE BONDS – Book-Entry Only System" below.

Redemption of Bonds

Optional Redemption. Bonds maturing on or before June 1, 2021, are not subject to optional redemption prior to their stated maturities. Bonds maturing on or after June 1, 2022, are subject to optional redemption prior to maturity on or after June 1, 2021, at the option of the City, as a whole or in part on any Business Day, at a redemption price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued but unpaid interest to the redemption date, from amounts deposited with the Trustee by the City in furtherance of the exercise of the City of its option to purchase the Authority's right, title, and interest in the Property or a Component thereof in accordance with the Lease and from any other funds available therefor.

Extraordinary Redemption From Insurance or Condemnation Proceeds. The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount equal to the proceeds of insurance or condemnation awards or other amounts deposited in the Debt Service Fund pursuant to the Trust Agreement. See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents –Trust Agreement."

Extraordinary Redemption upon the Sale or Nongovernmental Use of the 2009 Project. The Bonds are subject to extraordinary redemption prior to maturity in whole or in part on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest to the redemption date, without premium, in an amount determined as necessary by the City after consultation with Bond Counsel in order to maintain the exclusion from gross income of interest on the Bonds, in connection with any sale, lease, or other transfer of all or any portion of the 2009 Project or any use of all or any portion of the 2009 Project in the trade or business of any nongovernmental persons, from any available funds of the City deposited in the Debt Service Fund pursuant to the Lease. See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents – Lease."

Mandatory Sinking Account Redemption. The Bonds maturing on June 1, 2025 (the "2025 Term Bonds"), are subject to mandatory redemption before maturity, in part, from mandatory sinking account payments, on the first Business Day of each June, commencing June 1, 2024, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium, as follows:

Mandatory Redemption Date (June 1)	Sinking Account Payment Amount
2024	$740,000
2025 (maturity)	810,000

The Bonds maturing on June 1, 2027 (the "2027 Term Bonds"), are subject to mandatory redemption before maturity, in part, from mandatory sinking account payments, on the first Business Day of each June, commencing June 1, 2026, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium, as follows:

Mandatory Redemption Date (June 1)	Sinking Account Payment Amount
2026	$880,000
2027 (maturity)	960,000

The Bonds maturing on June 1, 2031 (the "2031 Term Bonds"), are subject to mandatory redemption before maturity, in part, from mandatory sinking account payments, on the first Business Day of each June, commencing June 1, 2030, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium, as follows:

Mandatory Redemption Date (June 1)	Sinking Account Payment Amount
2030	$1,230,000
2031 (maturity)	1,330,000

The Bonds maturing on June 1, 2036 (the "2036 Term Bonds" and, together with the 2025 Term Bonds, the 2027 Term Bonds, and the 2031 Term Bonds, the "Term Bonds"), are subject to mandatory redemption before maturity, in part, from mandatory sinking account payments, on the first Business Day of each June, commencing June 1, 2032, at the principal thereof plus accrued interest thereon to the date fixed for redemption, without premium, as follows:

Mandatory Redemption Date (June 1)	Sinking Account Payment Amount
2032	$1,440,000
2033	1,560,000
2034	1,690,000
2035	1,830,000
2036 (maturity)	1,975,000

If some but not all of the applicable Term Bonds have been redeemed pursuant to optional or extraordinary redemption, the sinking account payments to be made subsequent to such redemption shall be reduced proportionately in accordance with the Trust Agreement.

Selection of Bonds for Redemption

Whenever provision is made in the Trust Agreement for the redemption of Bonds and less than all of the outstanding Bonds are to be called for redemption, the Trustee will select Bonds for redemption *pro rata* among maturities, as specified by the Authority, such that substantially equal debt service results for the remaining years of the term of the Lease and such that Base Rental to become due in each remaining year of the term of the Lease will be as nearly equal as possible to Base Rental to come due in every other such year. As to any Bond, such redemption will be in the amount of $5,000 or any integral multiple thereof.

Notice of Redemption

When redemption is authorized or required pursuant to the Trust Agreement, the Trustee shall give notice (the "Redemption Notice"), at the expense of the City, of the redemption of the Bonds; provided, however, that neither failure of any Owner to receive a Redemption Notice nor any defect in a Redemption Notice shall affect the sufficiency of the proceedings for the redemption of Bonds. Notice of the optional or extraordinary redemption of Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue, may be given only if sufficient funds have been deposited with the Trustee to pay the applicable redemption price of the Bonds to be redeemed. The Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) that are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of any paying agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) if less than all Outstanding Bonds are to be redeemed, the numbers of the Bonds of the maturities to be redeemed in whole or in part and, in any case, the principal amount of Bonds of each maturity to be redeemed in whole or in part, and (g) the original issue date, interest rate, and stated maturity date of each Bond to be redeemed in whole or in part. The Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with interest accrued thereon to the redemption date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Book-Entry Only System

The following information regarding DTC and its book-entry system has been provided by DTC and has not been verified for accuracy or completeness by the Authority or the City, and neither the Authority nor the City take any responsibility for the accuracy thereof. Neither the Authority nor the City shall have any responsibility or liability for any aspects of the records maintained by DTC relating to, or *payments made on account of, beneficial ownership, or for maintaining, supervising, or reviewing any records maintained by DTC relating to beneficial ownership, of interests in the Bonds.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate, and municipal debt issues, and money market instruments ("MMI") (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the City as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee or the City or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority, the City, or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered in accordance with the terms of the Trust Agreement.

The Authority or the City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC in accordance with the terms of the Trust Agreement.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY AND THE CITY BELIEVE TO BE RELIABLE, BUT NEITHER THE AUTHORITY NOR THE CITY TAKES ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY NOR THE CITY GIVES ANY ASSURANCES THAT DTC WILL DISTRIBUTE PAYMENTS TO DTC PARTICIPANTS OR THAT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS WITH RESPECT TO THE BONDS RECEIVED BY DTC OR ITS NOMINEES AS THE REGISTERED

OWNER, ANY REDEMPTION NOTICES, OR OTHER NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Estimated Sources and Uses of Bond Proceeds

The following table details the estimated sources and uses of the proceeds from the sale of the Bonds and moneys held under the 2010 Trust Agreement.

Table 1
Estimated Sources and Uses of Funds

Estimated Sources:	
Principal Amount	$21,580,000.00
Less: Net Original Issue Discount	(185,331.35)
Less: Underwriter's Discount	(84,801.44)
Balance in 2010 Note Payment Fund	12,677.04
Total Sources	$21,322,544.25
Estimated Uses:	
Transfer to 2010 Trustee for deposit into 2010 Note Payment Fund (1)	$20,927,982.96
Amount on Deposit in 2010 Note Payment Fund	12,677.44
Payment of Costs of Issuance (2)	381,884.25
Total Uses	$21,322,544.25

(1) To pay in full the principal and interest due with respect to the 2010 Notes at maturity on June 25, 2011.
(2) Such moneys are expected to be used to pay the fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, and the Trustee, as well as the Bond Insurance Policy premium, the Reserve Policy premium, printing costs, and other miscellaneous costs related to the Bonds.

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Debt Service Schedule

The table below presents the annual debt service on the Bonds (including sinking account redemptions), assuming that there are no optional or extraordinary redemptions:

Table 2
Debt Service Schedule

Year Ending June 1	Principal of Bonds	Interest on Bonds	Total Debt Service on Bonds
2012	$ 260,000.00	$ 1,038,547.25	$ 1,298,547.25
2013	225,000.00	1,098,345.00	1,323,345.00
2014	260,000.00	1,093,845.00	1,353,845.00
2015	290,000.00	1,086,045.00	1,376,045.00
2016	330,000.00	1,075,895.00	1,405,895.00
2017	370,000.00	1,065,995.00	1,435,995.00
2018	410,000.00	1,051,195.00	1,461,195.00
2019	455,000.00	1,034,795.00	1,489,795.00
2020	505,000.00	1,017,732.50	1,522,732.50
2021	560,000.00	992,482.50	1,552,482.50
2022	620,000.00	964,482.50	1,584,482.50
2023	675,000.00	938,132.50	1,613,132.50
2024	740,000.00	907,757.50	1,647,757.50
2025	810,000.00	872,607.50	1,682,607.50
2026	880,000.00	834,132.50	1,714,132.50
2027	960,000.00	789,252.50	1,749,252.50
2028	1,045,000.00	740,292.50	1,785,292.50
2029	1,130,000.00	685,952.50	1,815,952.50
2030	1,230,000.00	626,062.50	1,856,062.50
2031	1,330,000.00	559,950.00	1,889,950.00
2032	1,440,000.00	488,462.50	1,928,462.50
2033	1,560,000.00	405,662.50	1,965,662.50
2034	1,690,000.00	315,962.50	2,005,962.50
2035	1,830,000.00	218,787.50	2,048,787.50
2036	1,975,000.00	113,562.50	2,088,562.50
Totals	$21,580,000.00	$20,015,937.25	$41,595,937.25

Source: Underwriter.

SECURITY FOR THE BONDS

Base Rental

The Bonds are payable from Base Rental payments to be made by the City to the Authority pursuant to the Lease and from amounts held in certain funds and accounts established under the Trust Agreement. Pursuant to the Trust Agreement, certain of the rights, title, and interest of the Authority under the Lease and under the Property Lease will be assigned to the Trustee for the benefit of the Owners, including, without limitation, the right to receive Base Rental payments under the Lease, but excluding certain rights to payment of the Authority's expenses, its right to indemnification and its right to receive certain notices under the Lease and the Property Lease. Pursuant to the Trust Agreement, the Trustee will receive Base Rental payments for the benefit of the Owners. The City is required under the Lease, subject to its abatement rights discussed below, to make semiannual Base Rental payments from legally available funds, which payments are to be calculated to be sufficient to pay the principal of and interest on the Bonds as and when due.

Additional Rental payments due from the City under the Lease include amounts sufficient to pay certain taxes and assessments charged with respect to the Property, amounts necessary to replenish the Reserve Fund to the Reserve Requirement, insurance premiums, any rebate amounts required to be paid to the United States Treasury, all fees, costs, and expenses of the Trustee, and certain other administrative expenses due under the Trust Agreement and the Lease. The City is also responsible for the repair and maintenance of the Property required as a result of ordinary wear and tear and want of care on the part of the City during the term of the Lease.

Base Rental payments will be abated in the event of material damage to, material destruction or condemnation of, or a material title defect with respect to, the Property if and to the extent that the fair rental value of the remaining portion of the Property is less than the remaining Base Rental payments. Upon the issuance of the Bonds, the City will certify as to the fair rental value of each Component of the Property.

The City has covenanted in the Lease to take such action as may be necessary to include and maintain all Base Rental and Additional Rental in its annual budget and to make the necessary annual appropriations therefor, as long as a portion of the Property with a fair rental value sufficient to support rental payments under the Lease is available for the City's use.

Should the City default under the Lease, the Lease and the Trust Agreement provide that the Trustee may, with or without terminating the Lease, re-let the Property for the account of the City. In the event the Trustee re-lets the Property without terminating the Lease, the Trustee may hold the City liable for semiannual payments of any cumulative net deficiency in Base Rental payments or Additional Rental under the Lease. In lieu of the foregoing, so long as the Trustee does not terminate the Lease or the City's right to possession of the Property, the Trustee may sue to recover Base Rental payments as they become due. The Trustee may not accelerate the City's obligation to make Base Rental payments.

For a discussion of the terms of the Base Rental payments and Additional Rental payments, and the risks associated therewith, see "RISK FACTORS," "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS," and "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Lease."

Reserve Fund

Pursuant to the Trust Agreement, the City is required to maintain amounts on deposit in the Reserve Fund in an amount equal to the Reserve Requirement, which Reserve Fund is to be held by the Trustee and pledged to the payment of principal of and interest on the Bonds. Amounts in the Reserve Fund are to be used only for the payment of principal of and interest on the Bonds in the event amounts in the Debt Service Fund are insufficient to make such payments. The Reserve Fund will be replenished from amounts received as delinquent Base Rental payments, Additional Rental payments, proceeds of certain insurance, and earnings on amounts held in such fund. The Reserve Requirement is equal to, as of any date of calculation, an amount equal to the least of (i) 10% of the aggregate principal amount of the Bonds originally issued, (ii) maximum annual Base Rental payments coming due and payable, or (iii) 125% of the average annual Base Rental payments coming due and payable. As of the date of issuance of the Bonds, the Reserve Requirement will be $2,084,893.27.

The Authority, upon notice to Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("Standard & Poor's" or "S&P"), reserves the right to substitute, at any time and from time to time, one or more letters of credit, surety bonds, financial guaranty insurance policies, or other form of guaranty from a financial institution, the long-term unsecured obligations of which are rated not less than "Aa" by Moody's or "AA" by Standard & Poor's in substitution for or in place of all or any portion of the Reserve Requirement, under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes of the Trust Agreement. See "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Trust Agreement."

Reserve Policy

On the date of initial delivery of the Bonds, the Bond Insurer shall provide the Reserve Policy to satisfy the Reserve Requirement for the Reserve Fund. As long as the Reserve Policy shall be in full force and effect, the Authority and the Trustee, as appropriate, shall comply with the following provisions:

(a) The Authority shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Bond Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Bond Insurer shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due, and then to principal due. As and to the extent that payments are made to the

Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Fund shall be transferred to the Debt Service Fund for payment of debt service on Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Reserve Fund in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(b) If the Authority shall fail to pay any Policy Costs in accordance with the requirements of subsection (a) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Trust Agreement other than remedies that would adversely affect owners of the Bonds.

(c) The Trust Agreement shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The Authority's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

(d) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subsection (a) above and provide notice to the Bond Insurer in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due with respect to the Bonds.

Insurance

Pursuant to the Lease, the City is required to secure and maintain (or cause to be secured and maintained) at all times with insurers of recognized responsibility or through a program of self-insurance (which may include risk sharing pools), insurance coverage on the Property as specified in the Lease, including (1) "all risk" insurance against loss or damage to the Property (excluding damage caused by earthquake and flood), (2) general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from operations involving the Property, with a combined single limit of not less than $2,000,000 per occurrence (or such greater amount as may from time to time be recommended by the City's risk management officer or an independent insurance consultant retained by the City for that purpose); provided, however, that the City's obligations under this clause (2) may be satisfied by self-insurance, (3) workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover liability for compensation under the California Labor Code or any act supplemental thereto or in lieu thereof; provided, however, that the City's obligations under this clause (3) may be satisfied by self-insurance, (4) rental interruption insurance to cover loss, total or partial, of the use of any Component of the Property as a result of any of the hazards covered by the "all risk" insurance described above, covering a period of 24 months, in an amount equal to two times the then-applicable Reserve Requirement, and (5) a CLTA policy or policies of title insurance for the Property in an amount not less than the initial aggregate principal amount of the Bonds. Pursuant to the Lease, all policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, are required to provide that such policies or certificates shall not be cancelled or materially changed without at least 30 days prior written notice to the Trustee. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – LEASE – Insurance."

Investment of Moneys

Amounts on deposit in any fund or account held pursuant to the Trust Agreement will be invested in Permitted Investments, subject to the conditions provided for in the Trust Agreement. All investment earnings on moneys on deposit in the Rebate Fund shall be retained therein and all investment earnings on moneys on deposit in any fund or account held under the Trust Agreement will be transferred to the Debt Service Fund, subject to the obligation of the City and/or the Authority to maintain the Reserve Fund at the Reserve Requirement and to rebate certain amounts to the United States government as required under the Internal Revenue Code of 1986, as amended. See "APPENDIX A — Summary of Certain Provisions of Principal Legal Documents – Trust Agreement."

BOND INSURANCE

The following information has been furnished by the Bond Insurer for use in this Official Statement. Reference is made to Appendix F for a specimen of the Bond Insurance Policy.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, the Bond Insurer will issue its Bond Insurance Policy for the Insured Bonds, which consist of Bonds maturing on June 1 of the years 2018 through 2031, inclusive. The Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Bond Insurance Policy included as Appendix F to this Official Statement.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("Holdings"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

AGM's financial strength is rated "AA+" (stable outlook) by S&P and "Aa3" (negative outlook) by Moody's Investors Service, Inc. ("Moody's"). An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell, or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by AGM. AGM does not guarantee the market price of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On January 24, 2011, S&P published a Request for Comment: Bond Insurance Criteria (the "Bond Insurance RFC") in which it requested comments on its proposed changes to its bond insurance ratings criteria. In the Bond Insurance RFC, S&P notes that it could lower its financial strength ratings on existing investment-grade bond insurers (including AGM) by one or more rating categories if the proposed bond insurance ratings criteria are adopted, unless those bond insurers (including AGM) raise additional capital or reduce risk. Reference is made to the Bond Insurance RFC, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

On October 25, 2010, S&P published a Research Update in which it downgraded AGM's counterparty credit and financial strength rating from "AAA" (negative outlook) to "AA+" (stable outlook). Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

On December 18, 2009, Moody's issued a press release stating that it had affirmed the "Aa3" insurance financial strength rating of AGM, with a negative outlook. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments.

There can be no assurance as to any further ratings action that Moody's or S&P may take with respect to AGM.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which was filed by AGL with the Securities and Exchange Commission (the "SEC") on March 1, 2011, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, which was filed by AGL with the SEC on May 10, 2011.

Capitalization of AGM

At March 31, 2011, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,058,791,206 and its total net unearned premium reserve was approximately $2,285,987,748, in each case, in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (which was filed by AGL with the SEC on March 1, 2011); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (which was filed by AGL with the SEC on May 10, 2011).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

RISK FACTORS

Investment in the Bonds involves risks that may not be appropriate for certain investors. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the Bonds for investment. The information set forth below does not purport to be an exhaustive listing of the risks and other considerations that may be relevant to an investment in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Bonds are Limited Obligations

The Bonds are limited obligations of the Authority payable solely from and secured solely by the Base Rental payments and amounts held in certain funds and accounts established under the Trust Agreement. Neither the full faith and credit nor the taxing power of City, the County, the State, or any political subdivision of the State is pledged to the payment of the Bonds. The Authority has no taxing power. The obligation of the City to make Base Rental payments under the Lease does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental payments constitutes an indebtedness of the Authority, the City, the County, the State, or any political subdivision of the State, within the meaning of any constitutional or statutory debt limitation or restriction.

The obligation of the City to make Base Rental payments is in consideration of the right of the City to continued use and occupancy of the Property. In the event of substantial interference with the City's use and occupancy of the Property, the obligation of the City to make Base Rental payments may be abated in whole or in part as described herein. See "RISK FACTORS – Abatement."

Availability of Moneys for Base Rental Payments

The City's Base Rental payments and other payments due under the Lease (including insurance, payment of costs of improvements, repair, and maintenance of the Property, and taxes and other governmental charges and assessments levied against the Property) are not secured by any pledge of any form of taxation or revenues of the City but are payable from any funds lawfully available to the City. Additionally, the City may pledge such revenues to other obligations or purposes in the future, thus making them unavailable as a source of payment of the Base Rental. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other City services or obligations prior to making Base Rental payments. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIB of the California Constitution: Limits on Appropriations" and "APPENDIX C – City of Oxnard Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010."

Limited Recourse on Default

If the City defaults on its obligations to make Base Rental payments with respect to the Property, the Trustee has the right to re-enter and re-let the Property. In the event such re-letting occurs, the City would be liable for any deficiency in Base Rental payments that results therefrom. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – LEASE."

No assurance can be given, however, that the Trustee will be able to re-let the Property so as to provide rental income sufficient to pay principal of and interest on the Bonds in a timely manner. The Trustee is not empowered to sell a fee simple interest in the Property for the benefit of the owners of the Bonds. It is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect thereto. Any suit for money damages would be subject to limitations on legal remedies against cities in California, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

Abatement

Except to the extent of amounts held in the Reserve Fund or otherwise available to the Trustee for payments with respect to the Bonds, the obligation of the City to make Base Rental payments will be abated proportionately during any period which by reason of any damage or destruction or taking by eminent domain or by condemnation there is substantial interference with the City's right to use and occupy the Property, such that the resulting payments of Base Rental represent fair rental value for the right of use and possession of the item or portion of the Property not damaged, destroyed, or taken. Such abatement would continue for the period commencing with such damage, destruction, or taking and ending with the substantial completion of the replacement, repair, or reconstruction permitting use and occupancy by the City. In the event of any such damage, destruction, or taking, the Lease will continue in full force and effect and the City has waived any right to terminate the Lease by virtue of any such damage or destruction or taking. The Trustee cannot terminate the Lease in the event of such damage, destruction, or taking.

In the event the Property is not repaired or replaced during the period that proceeds of the City's rental interruption insurance are available in lieu of related Base Rental payments (the City has covenanted to maintain rental interruption insurance covering a period of 24 months in an amount equal to two times the then-applicable Reserve Requirement, except no such insurance must be maintained for damage or destruction due to or caused by flood or earthquake) plus the period for which funds are available from the Reserve Fund, or in the event that casualty insurance proceeds or condemnation award proceeds are insufficient to provide for complete repair of the Property, as the case may be, there could be insufficient funds to cover payments to Owners in full. See "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Lease."

The obligation of the City to make Base Rental payments shall also be abated permanently in connection with any extraordinary redemption of Bonds in part in connection with any sale, lease, or other transfer of a portion of the 2009 Project or any use of a portion of the 2009 Project in the trade or business of any nongovernmental persons. See " – Sale of 2009 Project Component of Property; Extraordinary Redemption of Bonds; Abatement" below and "THE BONDS – Redemption of Bonds -- Extraordinary Redemption upon the Sale or Nongovernmental Use of the 2009 Project."

Sale of 2009 Project Component of Property; Extraordinary Redemption of Bonds; Abatement

One of the Components of the Property is the approximately four acres of the 2009 Project that is developed as a football field and locker facilities. See "THE PROPERTY." At any time while the Bonds are Outstanding, the City may determine to sell, lease, or otherwise transfer all or any portion of the 2009 Project that does not constitute a portion of the 2009 Project or permit the use of all or any part of such portion of the 2009 Project in the trade or business of nongovernmental persons. In addition, the Lease permits the City, at any time during the term of the Lease, to sell, lease, or otherwise transfer all or any portion of the 2009 Project constituting a Component of the Property or permit the use of all or any portion of such Component of the Property in the trade or business of nongovernmental persons. The Lease requires, however, that that, in connection with any sale or nongovernmental use of any portion of the 2009 Project (including, without limitation, the portion of the 2009 Project constituting a Component of the Property), all or a portion of the Bonds, in an amount determined as necessary by the City after consultation with Bond Counsel in order to maintain the exclusion from gross income of interest on the Bonds, must be redeemed pursuant to the Trust Agreement. See "THE BONDS – Redemption of Bonds -- Extraordinary Redemption upon the Sale or Nongovernmental Use of the 2009 Project."

In connection with any such extraordinary redemption of Bonds in part pursuant to the Trust Agreement, Base Rental and Additional Rental payments due under the Lease shall be permanently abated and the City shall acquire from the Authority, free and clear of the Authority's rights under the Lease, the Component of the Property comprising a portion of the 2009 Project. If necessary, a new Component shall be substituted in accordance with the Lease for the Component of the Property comprising a portion of the 2009 Project; provided, however, that the required amount of the fair rental value of any such new Component shall take into account the fair rental value of the other remaining Component of the Property and be based upon the amount of Base Rental and Additional Rental payments, as abated after such extraordinary redemption of Bonds in part pursuant to the Trust Agreement. See " – Substitution of Property" below. The Lease shall terminate in connection with any extraordinary redemption of all Outstanding Bonds pursuant to the Trust Agreement. The Lease requires the City to transfer to the Trustee for deposit into the Debt Service Fund held by the Trustee under the Trust Agreement all legally available funds necessary to effectuate any such extraordinary redemption of Bonds in whole or in part pursuant to the Trust Agreement. See "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Lease."

Substitution of Property

The Lease provides that, upon satisfaction of certain conditions, the City may substitute other real property for one or more of the Components. See "APPENDIX A – Summary of Certain Provisions of Principal Legal Documents – Lease." Although the Lease requires that the substitute property have an annual fair rental value at least equal to the annual fair rental value of the Component being substituted, the Lease does not require that the substituted property be of any particular type. Consequently, upon the occurrence of an event of default under the Lease, a substituted Component could be more difficult to re-let than the original Component.

No Acceleration Upon Default

In the event of a default in the payment of the Base Rental or the Bonds, there is no available remedy of acceleration of the Bonds or of the total Base Rental payments due over the term of the Lease. The City will only be liable for Base Rental payments on an annual basis and the Trustee would be required to seek a separate judgment in each Fiscal Year for that Fiscal Year's Base Rental payments.

Bond Insurance Risk

In the event of a default in the payment when due of all or a portion of the principal or interest with respect to the Insured Bonds, Owners of the Insured Bonds shall have a claim under the Bond Insurance Policy for such payments. However, in the event of an acceleration of the due date of such principal or interest by reason of a mandatory or optional redemption of the Insured Bonds, or an acceleration of the Insured Bonds resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, payments under the Bond Insurance Policy will be made by the Bond Insurer in such amounts and at such times as such payments would have been made had there not been any such acceleration. The Bond Insurance Policy will not insure the payment of any redemption premiums. The payment of principal and interest with respect to the Insured Bonds in connection with a mandatory or an optional redemption of Insured Bonds by the Authority that is recovered by the Authority from the Owners of the applicable Insured Bonds as a voidable preference under applicable bankruptcy law is covered by the Bond Insurance Policy; however, payments under the Bond Insurance Policy for such recovered amounts will be made by the Bond Insurer at such times and in such amounts as such payments would have been made absent such payment by the City, unless the Bond Insurer chooses to pay such amounts at an earlier date.

The Bond Insurer may direct and must consent to any remedies for a default in the payment of principal or interest with respect to the Insured Bonds. The Bond Insurer's consent may also be required in connection with amendments to the Trust Agreement, the Lease, and the Property Lease.

In the event the Bond Insurer is unable to make the payment of principal and interest with respect to the Insured Bonds as such payments become due under the Bond Insurance Policy, the Insured Bonds are payable solely from the moneys received pursuant to the Trust Agreement and the Lease. In the event the Bond Insurer is unable to make payments of principal or interest with respect to the Insured Bonds if obligated to do so, no assurance is given that such nonpayment will not adversely affect the market price, marketability, or liquidity of the Insured Bonds.

The long-term rating on the Insured Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability are predicated on a number of factors that could change over time. No assurance is given that the long-term ratings of the Insured Bonds or the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price, marketability, and liquidity of the Insured Bonds.

The obligations of the Bond Insurer are contractual obligations and in the event of a default by the Bond Insurer, the remedies available to Owners may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Authority nor the Underwriter has made an independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Therefore, when making an investment decision, potential investors should carefully consider the ability of the Authority to pay principal and interest with respect to the Insured Bonds and the claims paying ability of the Bond Insurer, if any, particularly over the life of the investment.

Seismic Activity; Flood Zone

The Lease does not require the City to maintain earthquake insurance on the Property. The City area, however, along with much of the State, shares a history of seismic activity and is thus listed as a "Zone 4" earthquake area in the Uniform Building Code. A Zone 4 designation has the most restrictive design requirements for new construction. The City standards for development, to which the Components of the Property were subject, have been designed to reduce the risk to the public and adequately mitigate seismic hazards.

There are no known major earthquake faults within the boundaries of the City; however, there are several faults, including the San Andreas Fault and the San Gabriel Fault, that are considered active faults and that are located within a radius of approximately 50 miles from the City. Activity along these faults could potentially result in damage to the buildings, roads, bridges, and property within the City, including the Property, in the event of a major earthquake.

If a major earthquake were to occur, it may substantially damage or destroy all or a portion of the Property, which could result in abatement of the Base Rental payments and, in turn, a default in the payment of principal of and interest on the Bonds. The chance that the occurrence of severe seismic activity in the area of the Property could result in substantial damage and interference with the City's right to use all or a portion of the Property, and thereby result in an abatement of the Base Rental payments and a default in the payment of principal of and interest on the Bonds, is mitigated by the development standards discussed above.

The Property is located in a flood insurance rate zone designated by the Federal Emergency Management Agency ("FEMA") as "Zone C." According to FEMA, Zones B, C, and X refer to flood insurance rate zones that are not within the 100-year floodplain and are therefore not considered to pose a flood hazard. Consequently, no flood insurance has been or will be obtained by the City with respect to the Property. The term "100-year flood" refers to the flood elevation that has a one percent chance of being equaled or exceeded in any given year. A base flood may also be referred to as a "100-year storm" and the area inundated during the base flood is sometimes called the "100-year floodplain." The 100-year flood, which is the standard used by most federal and state agencies, is used by the National Flood Insurance Program as the standard for floodplain management and to determine the need for flood insurance.

Bankruptcy

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement and Lease may be limited by and are subject to the provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights.

Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the City, there are no involuntary petitions in bankruptcy. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee, and the Authority could be prohibited from taking any steps to enforce their rights under the Lease, and from taking any steps to collect amounts due from the City under the Lease.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of acts or omissions of the Authority or the City in violation of the Internal Revenue Code of 1986, as amended. Should such an event of taxability occur, the Bonds are not subject to acceleration or special redemption and will remain outstanding until maturity or until redeemed in accordance with the provisions of the Trust Agreement.

Economic, Political, Social, and Environmental Conditions

Prospective investors are encouraged to evaluate current and prospective economic, political, social, and environmental conditions as part of an informed investment decision. Changes in economic, political, social, or environmental conditions on a local, state, federal, or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State of federal revenues, fluctuations in business production, consumer prices, or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism, environmental damage and natural disasters.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIIIA of the California Constitution

Section 1(a) of Article XIIIA of the California Constitution ("Article XIIIA") limits the maximum *ad valorem* tax on real property to one percent (1%) of full cash value (as defined in Section 2 of Article XIIIA), to be collected by each county and apportioned among the county and other public agencies and funds according to law. Section 1(b) of Article XIIIA provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on (a) indebtedness approved by the voters prior to July 1, 1978, (b) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, or (c) bonded indebtedness incurred by a school district or a community college district for the construction, reconstruction, rehabilitation, or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Section 2 of Article XIIIA defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975/76 tax bill under full cash value or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year or to reflect a reduction in the consumer price index or comparable data for the area under the taxing jurisdiction, or reduced in the event of declining property values caused by substantial damage, destruction, or other factors.

Legislation enacted by the State Legislature to implement Article XIIIA provides that notwithstanding any other law, local agencies may not levy any *ad valorem* property tax that exceeds the 1% limitation imposed by Article XIIIA except to pay debt service on indebtedness approved by the voters as described above. In addition, legislation enacted by the California Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. Prior to fiscal year 1981-82, assessed valuations were reported at 25% of the full value of the property. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for voter-approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

In the June 1990 election, the voters of the State approved amendments to Article XIIIA permitting the State Legislature to extend the replacement dwelling provisions applicable to persons over 55 to severely disabled homeowners for a replacement dwelling purchased or newly constructed on or after June 5, 1990, and to exclude from the definition of "new construction" triggering reassessment improvements to certain dwellings for the purpose of making the dwelling more accessible to severely disabled persons. In the November 1990 election, the voters of the State approved an amendment of

Article XIIIA to permit the State Legislature to exclude from the definition of "new construction" seismic retrofitting improvements or improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990. Since 1990, the voters have approved several other minor exemptions from the reassessment provisions of Article XIIIA.

Future assessed valuation growth allowed under Article XIIIA (new construction, change of ownership, 2% annual value growth) will be allocated among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of revenue from the tax rate area. Each year's growth allocation becomes part of each agency's allocation the following year. Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIIIB of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the so-called Gann Initiative, which added Article XIIIB to the California Constitution ("Article XIIIB"). In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB of the California Constitution limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and cost of services rendered by the governmental entity. The "base year" for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (i) if financial responsibility for providing services is transferred to the governmental entity or (ii) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations of an entity of local government subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (ii) the investment of tax revenues, and (iii) certain State subventions received by local governments. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Proposition 111

In June 1990, the voters of the State approved Proposition 111, which amended the method of calculating State and local appropriations limits. As amended in June 1990, the appropriations limit for an entity of local government in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The "change in the cost of living," with respect to an entity of local government other than a school district or a community college district is, at such entity of local government's option, either (A) the change in the California per capita personal income ("CPCPI") from the preceding year, or (B) the change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction, as selected annually by such entity of local government by a recorded vote of such entity's governing body. Previously, the lower of the CPCPI or the United States Consumer Price Index was used. The "change in population" for a local agency for a calendar year for each city and county, means the change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the State Department of Finance pursuant to Section 2227 of the California Revenue and Taxation Code, for either (A) within its own jurisdiction, or (B) for a city only, within the county in which the city is located. Previously, a city only could use the change of population within its own jurisdiction. Each city shall select its change in population annually by a recorded vote of the governing body of the City.

As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

Proposition 111 also recomputed the appropriations limit for the fiscal year by adjusting the fiscal year 1986-87 limit by the CPCPI for the three subsequent years. Proposition 111 also excluded appropriation for "all qualified capital outlay Expansion Projects, as defined by the Legislature" from the definition of "appropriations subject to limitation."

Article XIIIB allows voters to approve a temporary waiver of a government's Article XIIIB limit. Such a waiver is often referred to as a "Gann limit waiver." The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to the City or allow the City to finance additional services.

Base Rental and Additional Rental payments are subject to the Article XIIIB appropriations limitations. According to the City's resolution establishing appropriation limits for Fiscal Year 2009-10, the City calculated its appropriations limit at $249,384,344. For Fiscal Year 2010-11, the City calculated its appropriations limit at $246,900,315. The City's appropriations have never exceeded the limitation on appropriations under Article XIIIB of the California Constitution. The impact of the appropriations limit on the City's financial needs in the future is unknown.

Articles XIIIC and XIIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 added Article XIIIC ("Article XIIIC") and Article XIIID ("Article XIIID") to the California Constitution, which contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the City's ability to meet certain obligations.

Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund such as the City's General Fund, require a two-thirds vote. Article XIIIC further provides that any general purpose tax imposed, extended, or increased, without voter approval, after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election which must be held within two years of November 5, 1996. The City has not so imposed, extended or increased any such taxes which are currently in effect.

Article XIIIC also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees and charges were imposed. Article XIIIC expands the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIIC to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, or fees and charges. No assurance can be given that the voters of the City will not, in the future, approve initiatives which reduce or repeal, or prohibit the future imposition or increase of, local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. "Assessments," "fees" and "charges" are not defined in Article XIIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIIC as for Article XIIID described below. If not, the scope of the initiative power under Article XIIIC potentially could include any General Fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

The City does not levy any property related "fees" or "charges" that it considers subject to challenge under Article XIIIC.

The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIIID also added several new provisions relating to how local agencies may levy and maintain "assessments" for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that the assessment must confer a "special benefit," as defined in Article XIIID, over and above any general benefits conferred, and (iii) a majority protest procedure which involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. "Assessment" in Article XIIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights and parks. The City has followed all of the requirements of Article XIIID in connection with the formation of all of its existing landscape and lighting districts through which it has financed open space areas, street medians, street lights and parks, and intends to continue such compliance.

In addition, Article XIIID added several provisions affecting "fees" and "charges," defined for purposes of Article XIIID to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) are used for general governmental services, including police, fire, ambulance, or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a "property related fee" under Article XIIID, there could be future restrictions on the ability of the City's General Fund to charge its enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for wastewater, water and refuse collection services, or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIIID, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area.

Proposition 62

A statutory initiative ("Proposition 62") was adopted by the voters of the State at the November 4, 1986 general election which (a) requires that any tax for general governmental purposes imposed by local governmental entities be approved by resolution or ordinance adopted by two-thirds vote of the governmental agency's legislative body and by a majority of the electorate of the governmental entity, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within the jurisdiction, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax is imposed, (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIIIA, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988. The requirements imposed by Proposition 62 were generally upheld by the California Supreme Court in Santa Clara County Local Transportation Authority v. Guardino, 11 Ca1.4th 220; 45 Cal .Rptr.2d 207 (1995).

Proposition 62 applies to the imposition of any taxes or the effecting of any tax increases after its enactment in 1986, but the requirements of Proposition 62 are subsumed by the requirements of Proposition 218 for the imposition of any taxes or the effecting of any tax increases after November 5, 1996. See " – Articles XIIIC and XIIID of the California Constitution" above.

The City has not imposed any taxes or effected any tax increases after the enactment of Proposition 62 in 1986 and prior to the effective date of Proposition 218 on November 5, 1996, other than special taxes that were approved by a vote of two-thirds of the applicable electorate.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, and Article XIIID, and Propositions 62, 111, and 218, were each adopted as measures that qualified for the ballot pursuant to California's constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of the City to increase revenues and to increase appropriations.

THE AUTHORITY

The Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California pursuant to a Joint Exercise of Powers Agreement, dated as of October 8, 1991, as amended on April 21, 1992, by and among the City, the Oxnard Community Development Commission (as successor to the Redevelopment Agency of the City of Oxnard), and the Housing Authority of the City of Oxnard. The Authority was created to finance the cost of any capital improvement, working capital, or liability and other insurance needs, or projects wherever there are significant public benefits, as determined by the City.

The Authority is governed by a five-member Governing Board. The current members of the Board, who are the members of the City Council, are listed below:

Name	**Office**
Dr. Thomas E. Holden	Chairman
Dr. Irene G. Pinkard	Vice Chair
Bryan A. MacDonald	Board Member
Timothy Flynn	Board Member
Carmen Ramirez	Board Member

The Authority is also served by the officers listed below who, in the case of the Authority Controller and General Counsel, serve in these capacities by virtue of their duties as Chief Financial Officer and City Attorney, respectively or, in the case of the Authority Secretary, is appointed by the Board and serves at the pleasure of the Board. The officers of the Authority are listed below:

Name	**Position**
James Cameron	Controller
Michael More	Assistant Controller
Alan Holmberg	General Counsel
Daniel Martinez	Secretary

Neither the Authority nor its Board members have any obligations or liability to the Owners of the Bonds with respect to the payment of Base Rental by the City under the Lease, or with respect to the performance of the City of other covenants made by it in the Lease.

THE PROPERTY

The Property is comprised of two separate Components located within the City. The first Component is a building located at 214 South "C" Street and 360 West Second Street, which building currently encompasses approximately 37,000 square feet of floor space and houses a development permit center and the Fire Department Administration. The building was completed in April 2008. Its insured value, as estimated by the City, is approximately $21,000,000.

The second Component is the approximately four acres of the 2009 Project that is developed as a football field and locker facilities. Its current value, as estimated by the City, is approximately $4,320,000.

TAX MATTERS

Bond Counsel Opinion

In the opinion of Goodwin Procter LLP, Los Angeles, California, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings, and judicial decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants and requirements, interest on the Bonds is excluded from gross income for United States federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from State of California personal income taxes. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the United States federal individual or corporate alternative minimum taxes, although Bond Counsel expresses no opinion regarding whether such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income. A copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is set forth in Appendix D attached hereto and will accompany the Bonds.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for United States federal income tax purposes of interest received by persons such as the Owners of the Bonds. The Authority has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the Bonds will not be included in gross income for United States federal income tax purposes. Inaccuracy of these representations or failure to comply with those covenants may result in interest on the Bonds being included in gross income for United States federal income tax purposes, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of those representations and compliance with those covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds may affect the United States federal or State tax status of interest on the Bonds or the tax consequences of ownership of the Bonds. No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, will not contain provisions that could directly or indirectly reduce the benefit of the excludability of the interest on the Bonds from gross income for United States federal income tax purposes.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for United States federal and State personal income tax purposes, a U.S. holder's United States federal and State tax liability may otherwise be affected by the ownership or disposition of the Bonds. The nature and extent of such other tax consequences will depend upon the U.S. holder's particular circumstances, including other items of income or deduction. Bond Counsel has expressed no opinion regarding any such other tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors concerning collateral tax consequences with respect to the Bonds.

Risk of Audit by Internal Revenue Service

The Internal Revenue Service (the "IRS") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the Owners thereof for United States federal income tax purposes. No assurances can be given as to whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS is likely to treat the Authority as the taxpayer and the Owners of the Bonds may have no right to participate in such procedure.

Bond Counsel's opinion represents its legal judgment based upon its review of existing law, regulations, rulings, judicial decisions, and other authorities, and upon the covenants and representations of the parties and such other facts as it has deemed relevant to render such opinion, and is not a guarantee of a result. Bond Counsel is not obligated to defend the tax-exempt status of the Bonds. Neither the

Authority nor Bond Counsel is responsible to pay or reimburse the costs of any Owner with respect to any audit or litigation relating to the Bonds.

Original Issue Discount and Premium

If the Bonds' "stated redemption price at maturity" (generally the sum of all payments required under the Bonds other than payments of stated interest payable at least annually over the term of such Bonds) exceeds their issue price by more than a de minimis amount, the difference constitutes "original issue discount" or "OID" the accrual of which, to the extent properly allocable to each Owner thereof, is treated as interest on the Bonds that is excluded from gross income for United States federal income tax purposes. OID with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). Any accruing OID is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. U.S. holders of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount.

In general, if the Bonds are issued for an amount greater than the stated principal amount of the Bonds, the Bonds will be considered to have "amortizable bond premium." No deduction is allowable for the amortizable bond premium in the case of bonds, like the Bonds, the interest on which is excluded from gross income for United States federal income tax purposes. However, the amount of tax-exempt interest received, and a U.S. holder's basis in a Bond issued with acquisition premium, would be reduced by the amount of amortizable bond premium properly allocable to such U.S. holder. U.S. holders of Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor, with a Form W-9 "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

RATINGS

S&P has assigned its municipal bond rating of "AA+" to the Insured Bonds, based on the issuance of the Bond Insurance Policy by the Bond Insurer. In addition, S&P has assigned an underlying municipal bond rating of "A+" to the Bonds. Such ratings reflect only the views of the rating agency furnishing the same and any desired explanation of the significance of such ratings should be obtained from the rating agency at the following address: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the foregoing ratings may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The Authority will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the City and the Authority and notices of certain events listed therein. Such information and notices will be filed by the Authority with the Municipal Securities Rulemaking Board. The specific nature of the information to be provided is set forth in the Continuing Disclosure Agreement, a form of which is attached hereto as Appendix E. This covenant has been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended. The Authority has never failed to provide any previous continuing disclosure or notices of material events. See "APPENDIX E – Form of Continuing Disclosure Agreement."

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $21,309,867.21 (which represents the aggregate principal amount of the Bonds, less an Underwriter's discount of $84,801.44, less a net original issue discount of $185,331.35).

The contract of purchase pursuant to which the Bonds are being purchased by the Underwriter provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the contract of purchase.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices or yields different from the prices or yields stated on the cover page of this Official Statement. In addition, the offering prices or yields may be changed from time to time by the Underwriters.

Although the Underwriter expects to maintain a secondary market in the Bonds after the initial offering, no guarantee can be made that such a market will develop or be maintained by the Underwriter or others.

FINANCIAL ADVISOR

First Southwest Company is employed as Financial Advisor to the Authority and the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Authority and the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority and the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

LITIGATION

The City and the Authority will certify, and the City Attorney will render opinions on behalf of the City and the Authority upon the issuance of the Bonds to the effect that, there is no action, suit or proceeding known to the City or the Authority to be pending or threatened, restraining, or enjoining the execution or delivery of the Bonds, the Trust Agreement, the Lease, or the Property Lease, or in any way contesting or affecting the validity of the foregoing or any proceeding of the City or the Authority taken with respect to any of the foregoing or that will materially adversely affect the City's ability to pay Base Rental payments when due.

CERTAIN LEGAL MATTERS

Goodwin Procter LLP, Los Angeles, California, Bond Counsel, will render an opinion with respect to the Bonds in substantially the form set forth in Appendix D hereto. Copies of such opinion will be furnished to the Underwriter at the time of delivery of the Bonds. Certain legal matters will be passed upon for the City and the Authority by the City Attorney and by Disclosure Counsel, Goodwin Procter LLP, Los Angeles, California, and for the Underwriter by Jones Hall, San Francisco, California.

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MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds and of statutes and documents contained in this Official Statement do not purport to be complete, and reference is made to such statutes and documents for full and complete statements of their provisions.

The preparation and distribution of this Official Statement have been authorized by the Authority and the City.

CITY OF OXNARD FINANCING AUTHORITY

By: /s/ James Cameron
Controller

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of certain provisions of the Trust Agreement, the Lease, and the Property Lease. This summary does not purport to be complete and is qualified in its entirety by reference to said documents.

SELECTED DEFINITIONS

"Additional Rental" means the amounts specified as such in the Lease.

"Authority Representative" means the Chairman, the Vice Chairman, or the Controller of the Authority, or another official designated by such officer and authorized to act on behalf of the Authority under or with respect to the Trust Agreement, the Lease, the Property Lease, and all other agreements related thereto.

"Authorized Denomination" means $5,000 or any integral multiple thereof.

"Base Rental" means the amounts specified as such in the Lease, as such amounts may be adjusted from time to time in accordance with the terms of the Lease, but does not include Additional Rental.

"Beneficial Owner" means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Insurance Policy" means the municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment when due of the principal of and interest on the Bonds as provided therein.

"Bond Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

"Bond Register" means the registration books referred to in the Trust Agreement.

"Bond Year" means the period of twelve consecutive months commencing on June 2 and ending on June 1 in any year during which Bonds are or will be Outstanding; provided, however, that the first Bond Year will commence on the Closing Date and end on June 1, 2012, and that the final Bond Year will end on the date on which the Bonds are fully paid or redeemed.

"Business Day" means any day other than (1) a Saturday, a Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed, (2) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed, or (3) a day on which commercial banks are authorized or obligated by law or executive order to be closed in the city in which the Principal Office of the Trustee or the principal office of the Bond Insurer is located.

"Certificate of the Authority" means an instrument in writing signed by an Authority Representative.

"Certificate of the City" means an instrument in writing signed by a City Representative.

"City Representative" means the City Manager (or his or her designee) or the Chief Financial Officer (or his or her designee) of the City, or by any other official of the City duly authorized by the City to act on behalf of the City under or with respect to the Trust Agreement, the Lease, the Property Lease, and all other agreements related thereto.

"Closing Date" means June 23, 2011, the date of delivery of the Bonds to the initial purchasers thereof.

"Code" means the Internal Revenue Code of 1986, as amended.

"Component" means each Component of the Property, the legal description of which Component is described in Exhibit A of the Lease, or any property substituted therefor pursuant to the Lease.

"Computation Year" means with respect to the Bonds the period beginning on the Closing Date and ending on June 1, 2012, and thereafter each successive twelve month period commencing on each June 2 and ending on the following June 1.

"Costs of Issuance" means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with the Trust Agreement, the Lease, the Property Lease, the Bonds, and the preliminary and final official statements pertaining to the Bonds; rating agency fees; the Bond Insurance Policy premium, the Reserve Policy Premium, CUSIP Service Bureau charges; consultant fees; market study fees; any computer and other expenses incurred in connection with the issuance of the Bonds; the initial fees and expenses of the Trustee and any paying agent (including, without limitation, origination fees and first annual fees payable in advance); and other fees and expenses incurred in connection with the issuance, execution, and delivery of the Bonds, including the initial rental interruption insurance premium, to the extent such fees and expenses are approved by the City.

"Costs of Issuance Fund" means the fund of that name established pursuant to the Trust Agreement.

"Debt Service Fund" means the fund of that name established pursuant to the Trust Agreement.

"Depository" means DTC and its successors and assigns or, if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the City discontinues use of the Depository pursuant to the Trust Agreement, any other securities depository that agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and that is selected by the City with the consent of the Trustee.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Independent Counsel" means an attorney or firm of attorneys of recognized national standing in the field of municipal finance selected by the City.

"Information Services" means Financial Information, Inc.'s "Financial Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' "Called Bond Service," 65 Broadway Street, 16th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bond Department; Standard and Poor's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addressees providing information with respect to called bonds as the Authority may designate in writing to the Trustee.

"Insurance Proceeds Fund" means the fund of that name established pursuant to the Trust Agreement.

"Interest Payment Date" means each June 1 and December 1, commencing on December 1, 2011, so long as any Bonds remain Outstanding under the Trust Agreement.

"Investment Earnings" means interest received in respect of the investment of money on deposit in any fund or account maintained under the Trust Agreement.

"Lease Term" means the term of the Lease as provided therein.

"Lease Year" means the period from the Closing Date through June 1, 2012, and thereafter the period from each June 2 to and including the following June 1, during the Lease Term.

"Mandatory Sinking Account Payment" means the principal amount of Bonds required to be paid on each applicable June 1 pursuant to the Trust Agreement.

"Mandatory Sinking Account Payment Date" means June 1 of each year commencing in 2024 and terminating in 2036, but excluding 2028 and 2029.

"Moody's" means Moody's Investors Service, Inc., and its successors and assigns.

"Nominee" means, initially, Cede & Co., as nominee of the Depository, as determined from time to time pursuant to the Trust Agreement.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Trust Agreement) all Bonds except:

(a) Bonds previously cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds no longer entitled to the benefits of the Trust Agreement;

(c) Bonds paid or deemed to have been paid within the meaning of the Trust Agreement;

(d) Bonds described as no longer Outstanding in the Trust Agreement; and

(e) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered by the Trustee pursuant to the Trust Agreement.

Notwithstanding anything in the Trust Agreement to the contrary, in the event that the principal and/or interest due with respect to the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not be considered paid by the Authority.

"Owner" means the registered owner, as indicated in the Bond Register, of any Bond.

"Participant" means a member of, or participant in, the Depository.

"Permitted Investments" means any of the following investments, provided at the time of investment the investment is a legal investment under the laws of the State of California for the moneys proposed to be invested therein:

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America ("U.S. Government Securities").

(2) Direct obligations[1] of the following federal agencies which are fully guaranteed by the full faith and credit of the United States of America:

(a) Export-Import Bank of the United States - Direct obligations and fully guaranteed certificates of beneficial interest

(b) Federal Housing Administration - debentures

(c) General Services Administration - participation certificates

(d) Government National Mortgage Association ("GNMAs") - guaranteed mortgage-backed securities and guaranteed participation certificates

(e) Small Business Administration - guaranteed participation certificates and guaranteed pool certificates

(f) U.S. Department of Housing & Urban Development - local authority bonds

(g) U.S. Maritime Administration - guaranteed Title XI financings

(h) Washington Metropolitan Area Transit Authority - guaranteed transit bonds

(3) Direct obligations[1] of the following federal agencies which are not fully guaranteed by the faith and credit of the United States of America:

(a) Federal National Mortgage Association ("FNMAs") - senior debt obligations rated Aaa by Moody's and AAA by S&P

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[1] The following are explicitly excluded from the securities enumerated in clauses (2) and (3):

(a) All derivative obligations, including without limitation inverse floaters, residuals, interest-only, principal-only and range notes;

(b) Obligations that have a possibility of returning a zero or negative yield if held to maturity;

(c) Obligations that do not have a fixed par value or those whose terms do not promise a fixed dollar amount at maturity or call date; and

(d) Collateralized Mortgage-Backed Obligations ("CMOs").

(b) Federal Home Loan Mortgage Corporation ("FHLMCs") - participation certificates and senior debt obligations rated Aaa by Moody's and AAA by S&P

(c) Federal Home Loan Banks - consolidated debt obligations

(d) Student Loan Marketing Association - debt obligations

(e) Resolution Funding Corporation - debt obligations

(4) Direct, general obligations of any state of the United States of America or any subdivision or agency thereof whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision, or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A2 or better by Moody's and A or better by S&P.

(5) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1 by Moody's and A-1 or better by S&P.

(6) Certificates of deposit, savings accounts, deposit accounts, or money market deposits in amounts that are continuously and fully insured by the Federal Deposit Insurance Corporation ("FDIC"), including the Bank Insurance Fund and the Savings Association Insurance Fund.

(7) Certificates of deposit, deposit accounts, federal funds, or bankers' acceptances (in each case having maturities of not more than 365 days following the date of purchase) of any domestic commercial bank, which may include the Trustee or its affiliates, or United States branch office of a foreign bank, provided that such bank's short-term certificates of deposit are rated P-1 by Moody's and A-1 or better by S&P (not considering holding company ratings).

(8) Investments in money-market funds rated AAAm or AAAm-G by S&P. Such money market funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(9) State-sponsored investment pools rated AA- or better by S&P.

(10) Repurchase agreements that meet the following criteria:

(a) A master repurchase agreement or specific written repurchase agreement, substantially similar in form and substance to the Public Securities Association or Bond Market Association master repurchase agreement, governs the transaction.

(b) Acceptable providers shall consist of (i) registered broker/dealers subject to Securities Investors' Protection Corporation ("SIPC") jurisdiction or commercial banks insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed rating of A3/P-1 or better by Moody's and A-/A-1 or better by S&P, or (ii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

(c) The repurchase agreement shall require termination thereof if the counterparty's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's, or A- or A-1 from S&P. Within ten (10) days, the counterparty shall repay the principal amount plus any accrued and unpaid interest on the investments.

(d) The repurchase agreement shall limit acceptable securities to U.S. Government Securities and to the obligations of GNMA, FNMA or FHLMC described in clauses 2(d), 3(a) and 3(b) above. The fair market value of the securities in relation to the amount of the repurchase obligation, including principal and accrued interest, is equal to a collateral level of at least 104% for U.S. Government Securities and 105% for GNMAs, FNMAs, or FHLMCs. The repurchase agreement shall require (i) the Trustee or an independent third party acting solely as agent for the Trustee (the "Agent") to value the collateral securities no less frequently than weekly, (ii) the delivery of additional securities if the fair market value of the securities is below the required level on any valuation date, and (iii) liquidation of the repurchase securities if any deficiency in the required percentage is not restored within two (2) Business Days of such valuation.

(e) The repurchase securities shall be delivered free and clear of any lien to the Trustee or the Agent, and such Agent is (i) a Federal Reserve Bank or (ii) a bank which is a member of the FDIC and which has combined capital, surplus, and undivided profits or, if appropriate, a net worth, of not less than $50 million, and the Trustee shall have received written confirmation from such third party that such third party holds such securities, free and clear of any lien, as agent for the Trustee.

(f) A perfected first security interest in the repurchase securities shall be created for the benefit of the Trustee, and the Authority and the Trustee shall receive an opinion of counsel as to the perfection of the security interest in such repurchase securities and any proceeds thereof.

(g) The repurchase agreement shall have a term of one year or less, or shall be due on demand.

(h) The repurchase agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the repurchase securities, unless the Bond Insurer directs otherwise:

i. insolvency of the broker/dealer or commercial bank serving as the counterparty under the repurchase agreement;

ii. failure by the counterparty to remedy any deficiency in the required collateral level or to satisfy the margin maintenance call under clause 10(d) above; or

iii. failure by the counterparty to repurchase the repurchase securities on the specified date for repurchase.

(11) Investment agreements (also referred to as guaranteed investment contracts) that meet the following criteria:

(a) A master agreement or specific written investment agreement governs the transaction.

(b) Acceptable providers of uncollateralized investment agreements shall consist of (i) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Aa2 by Moody’s and AA by S&P; (ii) domestic insurance companies rated Aaa by Moody’s and AAA by S&P; and (iii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

(c) Acceptable providers of collateralized investment agreements shall consist of (i) registered broker/dealers subject to SIPC jurisdiction, if such broker/dealer has an uninsured, unsecured, and unguaranteed rating of Al or better by Moody’s and A+ or better by S&P; (ii) domestic FDIC-insured commercial banks, or U.S. branches of foreign banks, rated at least Al by Moody’s and A+ by S&P; (iii) domestic insurance companies rated at least Al by Moody’s and A+ by S&P; and (iv) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P. Required collateral levels shall be as set forth in clause 11(f) below.

(d) The investment agreement shall provide that, if the provider’s ratings fall below Aa3 by Moody’s or AA- by S&P, the provider shall within ten (10) days either (i) repay the principal amount plus any accrued and interest on the investment; or (ii) deliver Permitted Collateral as provided below.

(e) The investment agreement must provide for termination thereof if the provider’s ratings are suspended, withdrawn, or fall below A3 from Moody’s or A- from S&P. Within ten (10) days, the provider shall repay the principal amount plus any accrued interest on the agreement, without penalty.

(f) The investment agreement shall provide for the delivery of collateral described in clause i or ii below (“Permitted Collateral”) which shall be maintained at the following collateralization levels at each valuation date:

i. U.S. Government Securities at 104% of principal plus accrued interest; or

ii. Obligations of GNMA, FNMA, or FHLMC (described in clauses 2(d), 3(a), and 3(b) above) at 105% of principal and accrued interest.

(g) The investment agreement shall require the Trustee or the Agent to determine the market value of the Permitted Collateral not less than weekly and notify the investment agreement provider on the valuation day of any deficiency. Permitted Collateral may be released by the Trustee to the provider only to the extent that there are excess amounts over the required levels. Market value, with respect to collateral, may be determined by any of the following methods:

i. the last quoted "bid" price as shown in Bloomberg, Interactive Data Systems, Inc., The Wall Street Journal, or Reuters;

ii. valuation as performed by a nationally recognized pricing service, whereby the valuation method is based on a composite average of various bid prices; or

iii. the lower of two (2) bid prices by nationally recognized dealers. Such dealers or their parent holding companies shall be rated investment grade and shall be market makers in the securities being valued.

(h) Securities held as Permitted Collateral shall be free and clear of all liens and claims of third parties, held in a separate custodial account, and registered in the name of the Trustee or the Agent.

(i) The provider shall grant the Trustee or the Agent a perfected first security interest in any collateral delivered under an investment agreement. For investment agreements collateralized initially and in connection with the delivery of Permitted Collateral under clause 11(f) above, the Trustee and the Bond Insurer shall receive an opinion of counsel as to the perfection of the security interest in the collateral.

(j) The investment agreement shall provide that moneys invested under the agreement must be payable and putable at par to the Trustee without condition, breakage fee, or other penalty, upon not more than two (2) Business Days notice, or immediately on demand for any reason for which the funds invested may be withdrawn from the applicable fund or account established under the authorizing document, as well as the following:

i. In the event of a deficiency in the debt service account;

ii. Upon acceleration after an event of default;

iii. Upon refunding of the Bonds in whole or in part;

iv. Reduction of the Reserve Requirement for the Bonds; or

v. If a determination is later made by a nationally recognized bond counsel that investments must be yield-restricted.

Notwithstanding the foregoing, the agreement may provide for a breakage fee or other penalty that is payable in arrears and not as a condition of a draw by the Trustee if the Authority's obligation to pay such fee or penalty is subordinate to its obligation to pay debt service on the Bonds and to make deposits to the Reserve Fund.

(k) The investment agreement shall establish the following as events of default, the occurrence of any of which shall require the immediate liquidation of the investment securities, unless:

i. Failure of the provider or the guarantor (if any) to make a payment when due or to deliver Permitted Collateral of the character, at the times, or in the amounts described above;

ii. Insolvency of the provider or the guarantor (if any) under the investment agreement;

iii. Failure by the provider to remedy any deficiency with respect to required Permitted Collateral;

iv. Failure by the provider to make a payment or observe any covenant under the agreement;

v. The guaranty (if any) is terminated, repudiated, or challenged; or

vi. Any representation of warranty furnished to the Trustee or the Authority in connection with the agreement is false or misleading.

(l) The investment agreement must incorporate the following general criteria:

i. "Cure periods" for payment default shall not exceed two (2) Business Days;

ii. The agreement shall provide that the provider shall remain liable for any deficiency after application of the proceeds of the sale of any collateral, including costs and expenses incurred by the Trustee or the Bond Insurer;

iii. Neither the agreement or guaranty agreement, if applicable, may be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior consent of the Bond Insurer;

iv. If the investment agreement is for the Reserve Fund, reinvestments of funds shall be required to bear interest at a rate at least equal to the original contract rate;

v. The provider shall be required to immediately notify the Trustee and the Bond Insurer of any event of default or any suspension, withdrawal, or downgrade of the provider's ratings;

vi. The agreement shall be unconditional and shall expressly disclaim any right of set-off or counterclaim; and

vii. The agreement shall require the provider to submit information reasonably requested by the Trustee or the Bond Insurer, including balance invested with the provider, type and market value of collateral, and other pertinent information.

(12) Forward delivery agreements in which the securities delivered mature on or before each interest payment date (for debt service or debt service reserve funds) or draw down date (construction funds) that meet the following criteria:

(a) A specific written investment agreement governs the transaction.

(b) Acceptable providers shall be limited to (i) any registered broker/dealer subject to the SIPC jurisdiction, if such broker/dealer or bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; (ii) any commercial bank insured by the FDIC, if such bank has an uninsured, unsecured, and unguaranteed obligation rated A3/P-1 or better by Moody's and A-/A-1 or better by S&P; and (iii) domestic structured investment companies approved by the Bond Insurer and rated, or domestic structured investment companies with a guarantor rated, Aaa by Moody's and AAA by S&P.

(c) The forward delivery agreement shall provide for termination or assignment (to a qualified provider under the Trust Agreement) of the agreement if the provider's ratings are suspended, withdrawn, or fall below A3 or P-1 from Moody's or A- or A-1 from S&P. Within ten (10) days, the provider shall fulfill any obligations it may have with respect to shortfalls in market value. There shall be no breakage fee payable to the provider in such event.

(d) Permitted securities shall include the investments listed in clauses 1, 2, and 3 above.

(e) The forward delivery agreement shall include the following provisions:

i. The permitted securities must mature at least one (1) Business Day before a debt service payment date or scheduled draw. The maturity amount of the permitted securities must equal or exceed the amount required to be in the applicable fund on the applicable valuation date.

ii. The agreement shall include market standard termination provisions, including the right to terminate for the provider's failure to deliver qualifying securities or otherwise to perform under the agreement. There shall be no breakage fee or penalty payable to the provider in such event.

iii. Any breakage fees shall be payable only on Interest Payment Dates and shall be subordinated to the payment of Debt Service Fund and Reserve Fund replenishments.

iv. The provider must submit at closing a bankruptcy opinion to the effect that upon any bankruptcy, insolvency, or receivership of the provider, the securities will not be considered to be a part of the provider's estate, and shall otherwise be acceptable to the Bond Insurer.

v. The agreement may not be assigned (except to a provider that would otherwise be acceptable under these guidelines) or amended without the prior written consent of the Bond Insurer.

(13) Forward delivery agreements in which the securities delivered mature after the funds may be required but provide for the right of the issuer or the Trustee to put the securities back to the provider under a put, guaranty, or other hedging arrangement, only with the prior written consent of the Bond Insurer.

(14) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of the State of California or of any agency, instrumentality, or local governmental unit of the State of California which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on an irrevocable escrow account or fund, in the highest rating category of S&P and Moody's, or as otherwise permitted by the Bond Insurer.

(15) Shares in any money market mutual fund registered under the Investment Company Act of 1940 whose investment portfolio consists solely of direct obligations of the United States Government, provided that any such fund has been rated in the highest category by a nationally recognized rating agency and, provided further, that such mutual funds may include funds for which the Trustee or its affiliates or subsidiaries provide investment advisory or other management services.

(16) The Local Agency Investment Fund ("LAIF").

(17) Maturity of investments shall be governed by the following:

(a) Investments of monies (other than reserve funds) shall be in securities and obligations maturing not later than the dates on which such monies will be needed to make payments.

(b) Investments shall be considered as maturing on the first date on which they are redeemable without penalty at the option of the holder or the date on which the Trustee may require their repurchase pursuant to repurchase agreements.

(c) Investments of monies in reserve funds not payable upon demand shall be restricted to maturities of five (5) years or less.

(18) Other forms of investments approved in writing by the Bond Insurer with notice by the Authority to S&P.

"Pledged Assets" means the Lease, the Property Lease, the Base Rental payments, and the amounts on deposit from time to time in the funds and accounts established under the Trust Agreement (except for amounts on deposit in the Rebate Fund).

"Principal Office of the Trustee" means the principal corporate trust office of the Trustee located in Los Angeles, California, or such other office as the Trustee may designate.

"Principal Payment Date" means each of the June 1 maturity dates set forth in the Trust Agreement, with a final maturity date of June 1, 2036.

"Property" means, collectively, all Components, including all buildings and improvements thereon and equipment; the legal descriptions of which Components are described in Exhibit A to the Lease, or any property substituted therefor pursuant to the Lease, but excluding such Component of the Property for which a new Component has been substituted in accordance with the Lease.

"Rebate Fund" means the fund of that name established pursuant to the Trust Agreement.

"Record Date" means the close of business on the fifteenth (15th) day of the month preceding an Interest Payment Date, whether or not such day is a Business Day.

"Redemption Notice" means the notice required to be given by the Trustee under the Trust Agreement when redemption of the Bonds is authorized or required pursuant thereto.

"Reserve Fund" means the fund of that name established pursuant to the Trust Agreement.

"Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Bond Insurer guaranteeing certain payments into the Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

"Reserve Requirement" means, as of any date of calculation, an amount equal to the least of (i) 10% of the aggregate principal amount of the Bonds originally issued, (ii) maximum annual Base Rental payments coming due and payable, or (iii) 125% of the average annual Base Rental payments coming due and payable. As of the Closing Date, the Reserve Requirement is $2,084,893.27.

"Rule" means Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

"Securities Depositories" means the following registered securities depositories: The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York 10041-0099, Attn. Call Notification Department, Fax (212) 855-7232; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as the Authority may indicate in a Certificate of the Authority delivered to the Trustee.

"Special Fund" means the fund of that name established pursuant to the Trust Agreement.

"Tax Certificate" means the Tax Certificate delivered by the Authority and the City on the Closing Date, as the same may be amended or supplemented in accordance with its terms.

"Written Request of the Authority" means an instrument in writing signed by an Authority Representative.

"Written Request of the City" means an instrument in writing signed by a City Representative.

TRUST AGREEMENT

Assignment. Pursuant to the Trust Agreement, the Authority will sell, assign, and transfer to the Trustee, for the benefit of the Owners, all of the Authority's rights, title, and interest in and to the Lease and the Property Lease (excluding the Authority's right to payment of its expenses under the Lease, its right to indemnification pursuant to the Lease, and its right to receive certain notices under the Lease and the Property Lease), including, without limitation, the Authority's right to receive Base Rental, as well as its rights to enforce payment of such Base Rental when due or otherwise to protect its interest in the event of a default by the City under the Lease, in accordance with the terms thereof. The Base Rental and other rights of the Authority assigned under the Trust Agreement shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Trust Agreement.

Funds and Accounts. Under the Trust Agreement, the Trustee will establish and hold the Costs of Issuance Fund, the Debt Service Fund, the Reserve Fund, and the Rebate Fund and will invest, transfer, and disburse moneys on deposit therein. Subject to the terms of the Trust Agreement, the Authority has pledged all amounts deposited from time to time in the funds established pursuant to the Trust Agreement (except for amounts on deposit in the Rebate Fund) to be held in trust for the benefit of the Owners of the Bonds.

<u>Costs of Issuance Fund</u>. Pursuant to the Trust Agreement, the Cost of Issuance Fund shall be established in trust , shall be held by the Trustee, and shall be kept separate and apart from all other funds and moneys held by the Trustee. There shall be deposited in the Costs of Issuance Fund that portion of the proceeds of the Bonds required to be deposited therein pursuant to the Trust Agreement and such other amounts as specified by the Authority. The Trustee shall disburse money from the Costs of Issuance Fund on such dates and in such amounts as are necessary to pay Costs of Issuance, in each case, promptly after receipt of, and in accordance with, a Written Request of the Authority in the form attached to the Trust Agreement, together with invoices therefor. Each such Written Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any amounts remaining in the Costs of Issuance Fund on the earlier of (i) six months after the Closing Date, or (ii) the date on which the Authority has notified the Trustee in writing that all Costs of Issuance have been paid, shall be transferred to the Debt Service Fund and be applied from time to time on behalf of the City as a credit against the next Base Rental payments due.

<u>Debt Service Fund</u>. Pursuant to the Trust Agreement, the Debt Service Fund shall be established in trust, shall be held by the Trustee, and shall be kept separate and apart from all other funds, accounts, and moneys held by the Trustee. The Debt Service Fund shall be maintained by the Trustee until all required Base Rental is paid in full pursuant to the terms of the Lease and the Trust Agreement is discharged in accordance with the Trust Agreement.

Except as otherwise provided in the Trust Agreement, Base Rental and proceeds of rental interruption insurance with respect to the Property, if any, received by the Trustee shall be deposited in the Debt Service Fund. Any delinquent Base Rental payments and any proceeds of rental interruption insurance with respect to the Property deposited in the Debt Service Fund shall be applied first to the immediate payment of interest payments past due and then to the immediate payment of principal payments past due according to the tenor of any Bond, and then to the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement. Any remaining money representing delinquent Base Rental payments and any proceeds of insurance shall remain on deposit in the Debt Service Fund to be applied in the manner provided in the Trust Agreement.

Amounts, if any, transferred from the Costs of Issuance Fund or the Reserve Fund to the Debt Service Fund shall constitute a credit against the portion of the Base Rental payments otherwise due and owing on the next applicable Interest Payment Date.

The Trustee shall pay from the Debt Service Fund on each Interest Payment Date an amount that, together with monies on deposit therein, equals the interest then due and the principal then due or required to be redeemed on such Interest Payment Date with respect to the Bonds, for payment of the Bonds in accordance with the terms of the Trust Agreement. Any amounts remaining in the Debt Service Fund on the day following an Interest Payment Date if the payments of interest or interest and principal have been paid shall be deposited into the Reserve Fund to the extent that the amount therein is less than the Reserve Requirement and the balance shall be retained in the Debt Service Fund.

Any proceeds of insurance (other than rental interruption or workers' compensation insurance) or awards in respect of a taking under the power of eminent domain not required pursuant to the Lease to be used for repair, reconstruction, or replacement, and any other amounts provided for the redemption of Bonds in accordance with the Trust Agreement, shall be deposited by the Trustee in the Debt Service Fund. The Trustee shall, on the scheduled redemption date, withdraw from the Debt Service Fund and pay to the Owners entitled thereto an amount equal to the redemption price of the Bonds to be redeemed on such date for the payment of such redemption price in accordance with the terms of the Trust Agreement.

All moneys transferred by the City to the Trustee pursuant to the Lease shall be deposited by the Trustee in the Debt Service Fund. The Trustee shall, on the scheduled redemption date, withdraw from the Debt Service Fund and pay to the Owners entitled thereto an amount equal to the redemption price of the Bonds to be redeemed on such date for the payment of such redemption price in accordance with the terms of the Trust Agreement.

Reserve Fund. Pursuant to the Trust Agreement, the Reserve Fund shall be established in trust, shall be held by the Trustee, and shall be kept separate and apart from all other funds, accounts, and moneys held by the Trustee. The Reserve Fund shall be maintained by the Trustee until the Base Rental is paid in full pursuant to the Lease and the Trust Agreement is discharged in accordance with its terms. There shall be deposited in the Reserve Fund all amounts required to be deposited therein pursuant to the Trust Agreement. So long as the amount deposited in the Reserve Fund satisfies the Reserve Requirement, no deposit need be made in the Reserve Fund. All Investment Earnings received by the Trustee on investment of moneys in the Reserve Fund shall be retained therein to the extent necessary to increase the amount on deposit in the Reserve Fund to the Reserve Requirement. Any balance shall be transferred to the Debt Service Fund and be applied from time to time on behalf of the City as a credit against the next Base Rental payments due. Subject to the foregoing, all Investment Earnings on amounts in the Reserve Fund shall be transferred as provided in the Trust Agreement. The Trustee shall promptly notify the Authority and the City if the amount on deposit in the Reserve Fund is less than the Reserve Requirement. In such event, the City is required, pursuant to the Lease, to deposit with the Trustee amounts sufficient to maintain the Reserve Fund at the Reserve Requirement. Any amount deposited in the Reserve Fund in excess of the Reserve Requirement shall be transferred and deposited in the Debt Service Fund and be applied from time to time on behalf of the City as a credit against the next Base Rental payments due.

If, on any Interest Payment Date, the amounts in the Debt Service Fund are less than the principal and interest payments due with respect to the Bonds on such date, the Trustee shall transfer from the Reserve Fund for credit to the Debt Service Fund amounts sufficient to make up such deficiencies. In the event of any such transfer, the Trustee shall, within five (5) days thereafter, provide written notice to the Authority, the Bond Insurer, and the City of the amount and the date of such transfer.

The Authority, upon the written direction of the City, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and upon notice to S&P, reserves the right to substitute, at any time and from time to time, one or more letters of credit, surety bonds, insurance policies, or other form of guaranty from a financial institution, the long-term unsecured obligations of which are rated not less than "Aa" by Moody's or "AA" by S&P in substitution for or in place of all or any portion of the Reserve Requirement, under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes of the Trust Agreement. Upon deposit by the Authority, upon the written direction of the City, with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, with the Trustee of any such letter of credit, surety bond, insurance policy, or other form of guaranty, the Trustee shall transfer to the City from the Reserve Fund an amount equal to the principal amount of such letter of credit, surety bond, bond insurance policy, or other form of guaranty for deposit in a special fund to be established by the City (the "Special Fund"). The City shall use amounts on deposit in the Special Fund, (i) to purchase Bonds in the secondary market or (ii) for other capital projects of the City that Independent Counsel has determined will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

<u>Rebate Fund</u>. Pursuant to the Trust Agreement, the Rebate Fund shall be created and held by the Trustee. The Authority shall comply with the requirements in the Trust Agreement and in the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by the Trust Agreement and the Tax Certificate, unless the Authority obtains an opinion of Independent Counsel to the effect that certain specified requirements in the Trust Agreement or the Tax Certificate no longer need to be satisfied.

Surplus. After (a) payment or redemption or provision for payment or redemption of all amounts due with respect to the Bonds as provided in the Trust Agreement, and payment of all fees, reimbursement amounts, and expenses of the Trustee and the Bond Insurer, and (b) the transfer of any additional amounts required to be deposited into the Rebate Fund pursuant to the written instructions from an Authority Representative or a City Representative in accordance with the Trust Agreement and the Tax Certificate, any amounts remaining in any of the funds or accounts established under the Trust Agreement (other than in the Rebate Fund) and not required for such purposes shall after payment of any amounts due to the Trustee and the Bond Insurer be remitted to the Authority and used for any lawful purpose.

Additional Rental. In the event the Trustee receives Additional Rental pursuant to the Lease, such Additional Rental shall be applied by the Trustee solely to the payment of any costs in respect of which such Additional Rental was received, and shall not be commingled in any way with any other funds received by the Trustee pursuant to the Lease or the Trust Agreement.

Repair or Replacement; Application of Insurance Proceeds and Condemnation Awards. If any portion of the Property shall be damaged or destroyed, or shall be taken by eminent domain proceedings, the City shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Property in accordance with the provisions of the Trust Agreement.

The proceeds of any insurance (other than any rental interruption or workers' compensation insurance), including the proceeds of any self-insurance fund and of any condemnation award, received on account of any damage, destruction, or taking of the Property or portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in the Insurance Proceeds Fund to be then established therefor and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or affected portion thereof upon receipt of a Written Request of the City. Pending such application, such proceeds shall be invested by the Trustee solely at the written direction of a City Representative in Permitted Investments that mature not later than such times moneys are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, a City Representative shall, within 90 days of the occurrence of the event of damage, destruction, or taking, notify the Trustee in writing of whether the City intends to replace or repair the Property or the portions of the Property that were damaged or destroyed. If the City elects to replace or repair the Property or portions thereof, the City shall deposit with the Trustee the full amount of any insurance deductible to be credited to the Insurance Proceeds Fund.

If the damage, destruction, or taking was such that there resulted a substantial interference with the City's right to the use or possession of the Property or any portion thereof and an abatement of rental payments will result from such damage or destruction pursuant to the Lease, then the City shall be required either to (i) apply sufficient funds from the insurance proceeds, condemnation award, and other legally available funds to the replacement or repair of the Property or portions thereof that have been damaged, destroyed, or taken so that such Property or any portion thereof will be restored to its former condition and fair rental value, or (ii) transfer to the Debt Service Fund and apply sufficient funds from the insurance proceeds, condemnation award, and other legally available funds to the redemption, as set forth in the Trust Agreement, in full of all the Outstanding Bonds or all of those Outstanding Bonds that would have been payable from that portion of the Base Rental payments that are abated as a result of the damage, destruction, or taking, such that the Base Rental payable on the remaining portions of the Property is sufficient to pay all principal and interest due with respect to the Bonds to remain Outstanding after such redemption. Any amounts received by the Trustee as described above in excess of the amount needed to either repair or replace a damaged, destroyed, or taken portion of the Property or to redeem Bonds shall be transferred to the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement and thereafter any excess shall be deposited in the Debt Service Fund.

Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) If the Authority and the City (i) determine that the title defect giving rise to such proceeds has not materially affected the use and possession of the Property and will not result in an abatement of Base Rental payable by the City under the Lease, and (ii) has provided the Trustee with written evidence of such determination, such proceeds shall be deposited into the Reserve Fund to the extent necessary to make the amount on deposit therein equal to the Reserve Requirement. Amounts not required to be so deposited shall be remitted to the City.

(b) If the Authority and the City determine that such title defect will result in an abatement of Base Rental payable by the City under the Lease, then the Trustee shall immediately deposit such proceeds in the Debt Service Fund and such proceeds and any other legally available funds, if any, shall be applied to the redemption of Bonds in the manner specified in the Trust Agreement.

Application of Amounts After Default by City. All damages or other payments received by the Trustee from the enforcement of any rights and powers of the Trustee under the Lease, after a default by the City under the Lease or the Trust Agreement, shall be applied promptly to the payment of reasonable fees and expenses of the Trustee (including fees and expenses of counsel) pertaining to the performance of its powers and duties under the Trust Agreement and the remainder shall be deposited into the Debt Service Fund and applied in the manner specified in the Trust Agreement.

Investments Authorized. Money held by the Trustee in any fund or account under the Trust Agreement shall be invested by the Trustee in Permitted Investments pending application as provided in the Trust Agreement, solely at the written direction of a City Representative, shall be registered in the name of the Trustee, as Trustee, and shall be held by the Trustee. The City shall direct the Trustee prior to 12:00 p.m. Los Angeles time on the last Business Day before the date on which a Permitted Investment matures or is redeemed as to the reinvestment of the proceeds thereof. In the absence of such direction, the Trustee shall invest in Permitted Investments described in clause (15) of the definition thereof. Money held in any fund or account under the Trust Agreement may be commingled for purposes of investment only. The obligations in which moneys in the said funds are invested shall mature on or prior to the date on which such moneys are estimated to be required to be paid out under the Trust Agreement. The obligations in which moneys in the Reserve Fund are so invested shall be invested in obligations maturing no later than five (5) years after the date of investment; provided no such investment shall mature later than the final maturity date of the Bonds; provided further, if such investments may be redeemed at par so as to be available on each Interest Payment Date, any amount of the Reserve Fund may be invested in such redeemable investments of any maturity on or prior to the final maturity date of the Bonds.

All Investment Earnings with respect to amounts in the Rebate Fund shall be retained therein. All Investment Earnings with respect to amounts in the Debt Service Fund shall be retained therein. The Trustee shall transfer all Investment Earnings on deposit in all other funds and accounts established under the Trust Agreement (except, to the extent required by the Trust Agreement, in the Reserve Fund) to the Debt Service Fund. For purposes of determining the amount of deposit in any fund held under the Trust Agreement, all Permitted Investments credited to such fund shall be valued at the cost thereof.

The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the Trust Agreement, provided that the Trustee has given prior notice to the City of its intent to do so. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may commingle moneys in funds and accounts for purposes of investment.

For the purpose of determining the amount in any fund or account under the Trust Agreement all Permitted Investments shall be valued at the end of each month calculated in the manner as provided in the definition of Permitted Investments. The Trustee may sell, or present for redemption, any Permitted Investment purchased by the Trustee whenever it shall be necessary in order to provide money to meet any required payment, transfer, withdrawal, or disbursement from any fund or account under the Trust Agreement, and the Trustee shall not be liable or responsible for any loss resulting from such investment or sale, except any loss resulting from its own negligence or willful misconduct.

The City and the Authority acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the City and the Authority the right to receive brokerage confirmations of security transactions as they occur, the City and the Authority specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City and the Authority periodic cash transaction statements that include detail for all investment transactions made by the Trustee under the Trust Agreement.

Reports. The Trustee shall furnish monthly to the Authority a report, which may be its customary account statements, of all investments made by the Trustee and of all amounts on deposit in each fund and account maintained under the Trust Agreement.

The Trustee. The Authority shall, from time to time, on demand, pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its reasonable advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents, and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties under the Trust Agreement. To the extent permitted by law, compensation and reimbursement to the Trustee shall not be limited by any statutory provisions that limit compensation to trustees of express trusts.

The City may at any time, provided no event of default has occurred and is continuing, or the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, at any time, may by Written Request of the City, for any reason, remove the Trustee and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall be a bank, national banking association, or trust company in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers, having (or be a member of a bank holding company system with a bank holding company that has) a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000, shall be subject to supervision or examination by federal or state banking authority. If such bank, national banking association, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then, for the purposes of the Trust Agreement, the combined capital and surplus of such bank, national banking association, or trust company shall be deemed to be its combined capital and surplus set forth in its most recent report of condition so published. Any removal of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

The Trustee or any successor may at any time resign by giving not less than 60 days prior written notice to the Authority, the Bond Insurer, and the City and by giving mailed notice to the Owners of its intention to resign and of the proposed date of resignation. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the City fails to appoint a successor Trustee within 60 days following receipt of such written notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor. Any resignation of the Trustee shall become effective upon acceptance of appointment by the successor Trustee. Any successor Trustee approved by the City or any court shall satisfy the qualifications set forth in the Trust Agreement.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (provided such company is eligible under the Trust Agreement), shall be the successor to the Trustee without the execution or filing of any paper or further act, anything in the Trust Agreement to the contrary notwithstanding.

The Trust Agreement further describes the duties of the Trustee. It also provide provisions that protect the Trustee and limit the liability of the Trustee.

Paying Agents. Pursuant to the Trust Agreement, the Trustee is appointed as paying agent for the Bonds. The Trustee, upon written consent of the Authority, may appoint such other paying agents with respect to the Bonds as it may deem advisable. Any paying agent appointed shall be a bank, national banking association, or trust company, having a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000 and shall be subject to supervision by federal or state banking authorities.

Appointment of Co-Trustee or Agent. It is the purpose of the Trust Agreement that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in the case of litigation under the Trust Agreement, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies granted in the Trust Agreement to the Trustee or hold title to the properties, in trust, as granted in the Trust Agreement, or take any other action that may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The Trustee includes provisions related to these ends.

Amendments to Trust Agreement. Except as set forth therein, the Trust Agreement may be amended only in writing by agreement among the City, the Authority, and the Trustee, and the approval in writing by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. In addition, no such modification or amendment shall (i) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest, or redemption premium (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (ii) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (iii) without its written consent thereto, modify any of the rights or obligations of the Trustee or the Bond Insurer, as applicable.

Notwithstanding the foregoing paragraph, the Trust Agreement and the rights and obligations provided thereby may also be modified or amended at any time without the consent of any Owners upon the written agreement of the City, the Authority, and the Trustee, with written notice to the Bond Insurer, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting, or supplementing any defective provision contained in the Trust Agreement, (2) in regard to questions arising under the Trust Agreement that the City, the Authority, and the Trustee may deem necessary or desirable and not inconsistent with the Trust Agreement and that shall not adversely affect the interests of the Owners of the Bonds then Outstanding or the Bond Insurer, (3) to qualify the Trust Agreement under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (4) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding; provided that the City, the Authority, and the Trustee may rely in entering into any such amendment or modification of the Trust Agreement upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification. No amendment shall impair the right of any Owner to receive principal and interest in accordance with the terms of such Owner's Bond.

The Trustee may in its discretion, but shall not be obligated to, enter into any such amendment authorized by the Trust Agreement as described in the foregoing paragraphs that adversely affects the Trustee's own rights, duties, or immunities under the Trust Agreement or otherwise.

The Bond Insurer reserves the right to charge the Authority or the City a fee for any consent or amendment to the Trust Agreement while the Bond Insurance Policy is outstanding, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy.

Amendments to Lease or Property Lease. The Lease or the Property Lease may be amended in writing by agreement between the Authority and the City, with the consent of the Trustee, but no such amendment shall become effective as to the Owners unless and until approved in writing by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. Notwithstanding the foregoing, the Lease or the Property Lease and the rights and obligations provided thereby may also be modified or amended at any time, with notice to the Bond Insurer, without the consent of any Owners, upon the written agreement of the City and the Authority, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting, or supplementing any defective provision contained in the Lease or the Property Lease, (2) in regard to questions arising under the Lease or the Property Lease that the City and the Authority may deem necessary or desirable and not inconsistent with the Lease or the Property Lease, as applicable, and that shall not adversely affect the interests of the Owners of the Bonds then Outstanding or the Bond Insurer, (3) to effect any substitution of the Property or any portion thereof in accordance with the Lease or the Property Lease, or (4) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Bonds then Outstanding or the Bond Insurer; provided that the City and the Authority may rely in entering into any such amendment or modification thereof, upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification. No such amendment shall (i) reduce the percentage of Bonds required for the written consent to any such amendment or modification, (ii) without its written consent thereto, modify any of the rights or obligations of the Trustee or the Bond Insurer, as applicable, or (iii) impair the right of any Owner to receive principal and interest in accordance with the terms of such Owner's Bond.

Covenants. The Authority and the City have covenanted in the Trust Agreement as set forth below:

Authority and City to Perform Pursuant to Property Lease and Lease. The Authority and the City covenant and agree with the Owners to perform all obligations and duties imposed under the Lease and the Property Lease.

Extension of Payment of Bonds. The Authority shall not directly or indirectly extend the dates upon which the Base Rental payments are required to be paid or prepaid, or the time of payment of interest with respect thereto. Nothing in the Trust Agreement shall be deemed to limit the right of the Authority or the City to issue any securities for the purpose of providing funds for the redemption of the Bonds and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds.

Offices for Servicing Bonds. The Authority (itself or via one or more agents) shall at all times maintain one or more offices or agencies where Bonds may be presented for payment, and shall at all times maintain one or more agencies where Bonds may be presented for registration of transfer or exchange, and where notices, demands, and other documents may be served upon the Authority in respect of the Bonds.

Access to Books and Records. The Trustee shall, at all reasonable times and upon reasonable notice, have access to those books and records of the Authority and the City that may be reasonably required by the Trustee to fulfill its duties and obligations under the Trust Agreement.

General. The Authority and the City shall do and perform or cause to be done and performed all respective acts and things required to be done or performed by or on behalf of the Authority or the City, respectively, under the provisions of the Trust Agreement.

The Authority and the City certify in the Trust Agreement that, upon the date of execution and delivery of any of the Bonds, all things, conditions, and acts required by the Constitution and laws of the State and the Trust Agreement to exist, to have happened, and to have been performed precedent to and in the execution and the delivery of such Bonds do exist, have happened, and have been performed in due time, form, and manner, as required by law.

Tax Matters. Each of the Authority and the City covenants as follows:

(a) Private Activity. Neither the Authority nor the City shall take any action or refrain from taking any action or make any use of the proceeds of the Bonds or of any other moneys or property that would cause any Bond to be a "private activity bond" within the meaning of Section 141 of the Code.

(b) Arbitrage. Neither the Authority nor the City shall make any use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action that will cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

(c) Federal Guaranty. Neither the Authority nor the City shall make any use of the proceeds of the Bonds or take or omit to take any action that would cause any Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The Authority and the City shall take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(e) Hedge Bonds. Neither the Authority nor the City shall make any use of the proceeds of the Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Authority or the City, as applicable, takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code.

(f) Miscellaneous. Neither the Authority nor the City shall take any action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed by the Authority and the City in connection with the issuance of the Bonds and each shall comply with the covenants and requirements stated therein and incorporated by reference in the Trust Agreement.

(g) Taxable Bonds. This provision and the covenants set forth in the Trust Agreement shall not be applicable to, and nothing contained in the Trust Agreement shall be deemed to prevent the Authority or the City from issuing, bonds, the interest on which has been determined by the Authority or the City, as applicable, to be subject to federal income taxation.

Performance. Each of the Authority and the City shall faithfully observe all covenants and other provisions contained in the Trust Agreement, in each Bond issued and delivered under the Trust Agreement, and in the Lease and the Property Lease. Except as provided in the Trust Agreement and in the Lease, neither the Authority nor the City shall agree to any amendment to the Lease that would either lengthen the term thereof or reduce the amount of Base Rental or Additional Rental payable thereunder, or change the time or times of payment of such Base Rental or Additional Rental, or agree to any other amendment detrimental to the rights of the Owners or the Bond Insurer.

Prosecution and Defense of Suits. The Authority and the City shall promptly take such action as may be necessary to cure any defect in the title to the Property or any part thereof, whether now existing or hereafter occurring, and shall prosecute and defend all such suits, actions, and all other proceedings as may be appropriate for such purpose.

Further Assurances. The Authority and the City will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Trust Agreement, and for the better assuring and confirming to the Owners and the Bond Insurer the rights and benefits provided therein.

Street Access. So long as Bonds are Outstanding, the Authority and the City shall take or cause to be taken all necessary action to assure adequate street access to and from all Components of the Property.

Continuing Disclosure. Pursuant to the Trust Agreement, the Authority and the Trustee covenant and agree that they shall each comply with and carry out their respective obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of the Trust Agreement, failure of the Authority or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an event of default under the Trust Agreement; however, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Owner or Beneficial Owner, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Trustee, as the case may be, to comply with its obligations under the Trust Agreement as described in this paragraph. For purposes of this paragraph, "Beneficial Owner" means any person that (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

Observance of Laws and Regulations. The Authority, the City, and the Trustee will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right, or privilege now owned or hereafter acquired by them, including their right to exist and carry on their respective businesses, to the end that such franchises, rights, and privileges shall be maintained and preserved and shall not become abandoned, forfeited, or in any manner impaired.

Other Liens. So long as any Bonds are Outstanding, none of the Trustee, the Authority, or the City shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created under the Trust Agreement, other than the pledge and lien thereof. The City, the Authority, and the Trustee shall not encumber the Property other than in accordance with the Property Lease, the Lease Agreement, and the Trust Agreement.

Recordation. The City will record, or cause to be recorded, with the appropriate county recorder, the Lease Agreement and the Property Lease, or memoranda thereof.

Events of Default. Each of the following shall be an "event of default" under the Trust Agreement and the terms "events of default" and "default" shall mean, whenever they are used in the Trust Agreement, any one or more of the following events:

(a) An event of default shall have occurred under the Lease; provided, however, no effect shall be given to payments made under the Bond Insurance Policy in determining whether an event of default exists under the Trust Agreement.

(b) Failure by the Authority or the City to observe and perform any covenant, condition, or agreement on its part to be observed or performed under the Trust Agreement or the Lease, other than such failure as may constitute an event of default under clause (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Authority and the City by the Trustee or the Bond Insurer or to the Authority, the City, and the Trustee by the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, or by the Owners of not less than a majority in aggregate principal amount of Bonds then

Outstanding, or if the failure stated in the notice cannot be corrected within such 30-day period, then the grace period described in this paragraph shall not extend for more than sixty (60) days without the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy.

Notice of Events of Default. In the event that an event of default has occurred and is continuing under the Trust Agreement, the Trustee shall give notice of such default to the Owners. Such notice shall state that an event of default has occurred and is continuing under the Trust Agreement and shall provide a brief description of such default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Owners. The notice described in this paragraph shall be given by first-class mail, postage prepaid, to the Owners within 30 days of such occurrence of default.

Remedies on Default. (a) Upon the occurrence and continuance of any event of default specified under the Trust Agreement, the Trustee may, and shall, at the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding, proceed to exercise the remedies set forth in the Lease or available to the Trustee under the Trust Agreement. Upon the occurrence and continuance of an event of default under the Trust Agreement that would require the Bond Insurer to make payments with respect to the Insured Bonds under the Bond Insurance Policy, the Bond Insurer and its designated agent shall be provided with access to inspect and copy the Bond Register held by the Trustee.

(b) In addition to the remedies described in paragraph (a) above and upon the occurrence and continuance of any event of default specified in the Trust Agreement, the Trustee may, and shall, at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding, after receiving indemnification satisfactory to it, proceed to protect and enforce the rights vested in Owners by the Trust Agreement by appropriate judicial proceedings or proceedings as the Trustee deems most effectual. The provisions of the Trust Agreement and all resolutions or orders in the proceedings for the issuance of the Bonds shall constitute a contract with the Owners of the Bonds, and such contract may be enforced by any Owner by mandamus, injunction, or other applicable legal action, suit, proceeding, or other remedy.

(c) Upon an event of default and prior to the curing thereof, the Trustee shall exercise the rights and remedies vested in it by the Trust Agreement with the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

Action by Owners. In the event the Trustee fails to take any action to eliminate an event of default under the Lease or the Trust Agreement, the Owners of a majority in aggregate principal amount of Bonds then Outstanding may institute any suit, action, mandamus, or other proceeding in equity or at law for the protection or enforcement of any right under the Lease and the Trust Agreement, but only if such Owners shall have first made written request of the Trustee after the right to exercise such powers or right of action shall have arisen, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted therein or otherwise granted by law or to institute such action, suit, or proceeding in its name, and unless, also, the Trustee shall have been offered reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Application of Moneys. Any moneys received by the Trustee pursuant to the Trust Agreement, together with any moneys that upon the occurrence of an event of default under the Trust Agreement, are held by the Trustee in any of the funds under the Trust Agreement (other than the Rebate Fund and other than moneys held for Bonds not presented for payment) shall, after payment of reasonable fees and expenses of the Trustee, and the reasonable fees and expenses of its counsel pertaining to the performance of its powers and duties under the Trust Agreement, be applied to the payment of the whole amount then owing and unpaid with respect to the Outstanding Bonds for principal, premium, if any, and interest, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid on the Bonds, to the payment of the principal, premium, if any, and interest then due and unpaid upon the Outstanding Bonds without preference or priority of any of principal, premium, or interest over the others or of any installment of interest, or of any Outstanding Bond over any other Outstanding Bond, ratably, according to the amounts due respectively for principal, premium, and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective amounts of interest specified in the Outstanding Bonds.

Whenever moneys are to be applied pursuant to the provisions of the Trust Agreement, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The Trustee shall give, by mailing by first class mail as it may deem appropriate, such notice of the deposit with it of any such moneys.

Defeasance. If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of any Outstanding Bonds the interest thereon, the principal thereof, and the redemption premiums, if any, thereon at the times and in the manner stipulated therein and in the Trust Agreement, then the Owners of such Bonds shall cease to be entitled to the pledge of the Pledged Assets as provided in the Trust Agreement, and all agreements, covenants, and other obligations of the Authority to the Owners of such Bonds under the Trust Agreement shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant to the Trust Agreement that are not required for the payment of the interest on, principal of, and redemption premiums, if any, on such Bonds.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the Authority and the City, as applicable, shall have kept, performed, and observed all the covenants and promises in such Bonds and in the Trust Agreement required or contemplated to be kept, performed, and observed by the Authority or the City, as applicable, or on its part on or prior to that time, then the Trust Agreement shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of the Trust Agreement and such lien and all covenants, agreements, and other obligations of the Authority and the City under the Trust Agreement shall cease, terminate, become void, and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of the Trust Agreement or the discharge of the Trust Agreement in respect of any Bonds, those provisions of the Trust Agreement relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of, redemption premium, if any, on, and interest on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of the Trust Agreement or the discharge of the Trust Agreement in respect of any Bonds, those provisions of the Trust Agreement relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Authority.

Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed above if (1) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of the Trust Agreement, a Redemption Notice for such Bonds on said redemption date, such Redemption Notice to be given in accordance with the Trust Agreement, (2) there shall have been deposited with the Trustee either (A) money in an amount that shall be sufficient or (B) (i) non-callable direct obligations of the United States of America ("Treasuries"), (ii) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (iii) subject to the prior written consent of the Bond Insurer, pre refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (iv) subject to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P, or any combination thereof, or (v) any such other obligations or securities as shall be approved in writing by the Bond Insurer, the interest on and principal of which when paid will provide money that, together with the money, if any, deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and redemption premiums, if any, on such Bonds, (3) in the event such Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owners of such Bonds and the Bond Insurer that the deposit required by clause (2) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Trust Agreement and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and redemption premiums, if any, on such Bonds, and (4) in the case of Bonds subject to the book-entry system, the Trustee shall give notice to the Depository of the redemption of all or part of such Bonds on the date proceeds or other funds are deposited in escrow with respect to Bonds. Nothing described above shall preclude redemptions pursuant to the Trust Agreement.

After the payment of all the interest of and principal on all Outstanding Bonds as described above, the Trustee shall execute and deliver to the City and the Authority all such instruments as may be necessary or desirable to evidence the discharge and satisfaction of the Trust Agreement, and the Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant to the Trust Agreement that are not required for the payment of the interest and principal represented by such Bonds. Notwithstanding the discharge and satisfaction of the Trust Agreement, Owners of Bonds shall thereafter be entitled to payments due under the Bonds pursuant to the Lease, but only from amounts deposited pursuant to the Trust Agreement and from no other source.

As a precondition to the defeasance of the Insured Bonds pursuant to subsection (b) above, the Authority shall cause to be delivered: (i) a report of an independent certified public accountant acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date (the "Verification Report"); (ii) an escrow deposit agreement that shall be acceptable in form and substance to the Bond Insurer; and (iii) an opinion of Independent Counsel to the effect that the Insured Bonds are no longer Outstanding. Each such Verification Report and opinion of Independent Counsel shall be acceptable in form and substance to the Authority and shall be addressed to the Authority, the Trustee, and the Bond Insurer, and final drafts of such documents shall be provided to the Bond Insurer not less than five Business Days prior to the funding of the escrows.

Notwithstanding anything in the Trust Agreement to the contrary, in the event that the principal and/or interest due with respect to the Insured Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Insured Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not be considered paid by the Authority, and the assignment and pledge of the Pledged Assets and all covenants, agreements, and other obligations of the Authority to the Owners of the Insured Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners of Insured Bonds.

Provisions Relating to the Bond Insurer and the Bond Insurance Policy.

Payment Procedures Pursuant to the Bond Insurance Policy. If, on the third Business Day prior to the related scheduled Interest Payment Date or Principal Payment Date (each, a "Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Trust Agreement, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity, or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner of the Insured Bond, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Authority on any Insured Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of the Owners of the Insured Bonds referred to as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of the Owners of the Insured Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Owners of the Insured Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections of the Trust Agreement regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Trust Agreement to the contrary, the Authority will agree to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Bond Insurer shall specify. The Authority will covenants and agree in the Trust Agreement that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses, or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Insured Bond payment date shall promptly be remitted to the Bond Insurer.

Bond Insurer as Third-Party Beneficiary. To the extent that the Trust Agreement confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of the Trust Agreement, the Bond Insurer is explicitly recognized as being a third-party beneficiary under the Trust Agreement and may enforce any such right remedy or claim conferred, given, or granted thereunder.

Miscellaneous Bond Insurer Provisions.

(a) Notwithstanding anything in the Trust Agreement or in the Lease to the contrary and so long as the Bond Insurer is not then in default under the Bond Insurance Policy, the Bond Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured Bonds are entitled to take pursuant to the Trust Agreement or the Lease pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee.

(b) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Authority to the Bond Insurer under the Trust Agreement, the Lease, and the Property Lease shall survive discharge or termination of the Trust Agreement, the Lease, or the Property Lease.

(c) The City shall pay or reimburse the Bond Insurer any and all charges, fees, costs, and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense, or preservation of any rights or security in the Trust Agreement, the Lease, or the Property Lease; (ii) the pursuit of any remedies under the Trust Agreement, the Lease, or the Property Lease or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to, or related to, the Trust Agreement, the Lease, or the Property Lease whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Trust Agreement, the Lease, or the Property Lease or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of the Trust Agreement, the Lease, and the Property Lease.

(d) The rights granted to the Bond Insurer under the Trust Agreement, the Lease, or the Property Lease to request, consent to, or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Insured Bonds and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Owners of the Insured Bonds or any other person is required in addition to the consent of the Bond Insurer.

(e) The Bond Insurer shall be entitled to pay principal of or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Trust Agreement, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Bond Insurance Policy.

(f) The Authority and the City will permit the Bond Insurer to discuss the affairs, finances, and accounts of the Authority and the City or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Authority and the City and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books, and records of the Authority and the City on any Business Day upon reasonable prior notice.

(g) The Trustee shall notify the Bond Insurer of any failure of the Authority or the City to provide notices, certificates, and other information under the Trust Agreement, the Lease, or the Property Lease.

(h) Notwithstanding any other provision in the Trust Agreement, the Lease, or the Property Lease to the contrary, the term "Bonds," when used in connection with the Bond Insurance Policy or the Bond Insurer's rights, interests, duties, or obligations thereunder or under the Trust Agreement, the Lease, or the Property Lease (exclusive of the Bond Insurer's rights, interests, duties, or obligations with respect to the Reserve Policy), shall mean and include only the "Insured Bonds."

Notices/Information to be Given to Bond Insurer. The Bond Insurer shall be provided with the following information by the Authority, the City, or the Trustee, as the case may be:

(a) From the City, annual audited financial statements within 270 days after the end of the City's fiscal year (together with a certification of the City that it is not aware of any default or Event of Default under the Trust Agreement, the Lease, or the Property Lease), and the City's annual budget within 30 days after the approved annual budget becomes available together with such other information, data, or reports as the Bond Insurer shall reasonably request from time to time;

(b) From the Trustee, notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of Insured Bonds;

(c) From the Trustee or the Authority, notice of any default known to the Trustee or Authority within five Business Days after knowledge thereof;

(d) From the Trustee, prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities, and CUSIP numbers thereof;

(e) From the Authority, notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(f) From the Authority or the City, notice of the commencement of any proceeding by or against the Authority or the City commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation, or similar law (an "Insolvency Proceeding");

(g) From the Authority or the City, notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(h) From the Authority, a full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Trust Agreement, the Lease, or the Property Lease;

(i) From the Authority, all reports, notices and correspondence to be delivered to Owners of the Insured Bonds under the terms of the Trust Agreement, the Lease, or the Property Lease;

(j) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

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Lease Term; Transfer of Title to City. Pursuant to the Lease, the Authority will sublease all Components of the Property to the City, and the City will sublease all Components of the Property from the Authority, and the City will agree to pay the Base Rental and the Additional Rental as provided in the Lease for the right to the use and possession of the Property, all on the terms and conditions set forth in the Lease.

The term of the Lease shall begin on the Closing Date and end on the earliest of (a) June 1, 2036 (which is the final maturity date of the Bonds); provided that in the event the principal of and interest on the Bonds and all other amounts payable under the Lease and the Trust Agreement shall not be fully paid, or if the Base Rental or Additional Rental due under the Lease shall have been abated at any time as permitted by the terms of the Lease, then the term of the Lease shall be extended, except that the term shall in no event be extended beyond June 1, 2046, or (b) at such date as the Trust Agreement shall have been discharged in accordance with the Trust Agreement, or (c) the date of termination of the Lease due to condemnation in accordance with the terms of the Lease, or (d) the date on which (i) the City has exercised its right to purchase all the Components of the Property pursuant to the Lease and (ii) the Trust Agreement shall have been discharged in accordance with its terms, or (e) the date of termination of the Lease due to a redemption of all Outstanding Bonds pursuant to the Trust Agreement from moneys provided by the City in accordance with the Lease.

Pursuant to the exercise of the option to purchase the Property or any Component thereof pursuant to the Lease, and upon defeasance of the allocable portion of the Bonds related to such Component or Components of the Property in accordance with the Trust Agreement; title to the Component or Components of the Property that is purchased, and any improvements thereon or additions thereto, shall be transferred directly to the City or, at the option of the City, to any assignee or nominee of the City, in accordance with the provisions of the Lease, free and clear of any interest of the Authority.

The City covenants in the Lease that, on the Closing Date, the City shall be in possession of the Property.

Rental Payments. Pursuant to the Lease, the City agrees, subject to the terms of the Lease, to pay to the Authority, on a parity basis, the Base Rental and Additional Rental in an amount no greater than the aggregate fair rental value of all the Components of the Property in each Lease Year. For purposes of the Lease, the term "fair rental value" shall refer to the maximum amount of rental payments payable with respect to each Component that may be supported by the fair market value of such Component, as estimated by the City, initially, and thereafter as provided in the Lease. On the Closing Date, the City shall deliver a certificate to the Authority, the Bond Insurer, and the Trustee that shall set forth the fair rental value of each Component of the Property. In satisfaction of its obligations under the Lease, the City shall pay the Base Rental and Additional Rental in the amounts, at the times, and in the manner set forth in the Lease, such amounts constituting in the aggregate the rent payable under the Lease.

Base Rental. The City agrees to pay, from legally available funds, aggregate Base Rental in the amounts set forth in the Lease, a portion of which Base Rental constitutes principal payable with respect to the Bonds and a portion of which constitutes interest payable with respect to the Bonds, as determined in accordance with the terms of the Lease. The Base Rental payable by the City shall be due five Business Days prior to each Interest Payment Date during the Lease Term. Each Base Rental payment shall be with respect to the immediately preceding six month period.

To secure the performance of its obligation to pay Base Rental, the City shall deposit the Base Rental with the Trustee on or before the date on which such Base Rental is due, for application by the Trustee in accordance with the terms of the Trust Agreement. In the event any such date of deposit is not a Business Day, such deposit shall be made on the next succeeding Business Day. In no event shall the amount of Base Rental payable on any date exceed the aggregate amount of principal and interest required to be paid or prepaid on such date with respect to the Outstanding Bonds, according to their tenor.

The obligation of the City to pay Base Rental shall commence on the Closing Date, subject to any reductions or credits described in the Lease.

Additional Rental. In addition to the Base Rental set forth in the Lease, the City agrees to pay as Additional Rental all of the following:

(i) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments, and gross receipts taxes, if any, levied upon the Property or upon any interest of the Authority, the Trustee, or the Owners therein or in the Lease;

(ii) On or before each Interest Payment Date, the City shall deposit or cause to be deposited, from its legally available funds, such amounts as are necessary to increase the amount on deposit in the Reserve Fund to an amount equal to the Reserve Requirement. Furthermore, in the event that the Trustee notifies the Authority or the City that the amount on deposit in the Reserve Fund is less than the Reserve Requirement, the City shall deposit or cause to be deposited, from its legally available funds, in the Reserve Fund such amounts as are necessary to increase the amount on deposit therein to the Reserve Requirement. The foregoing deposits by the City shall include, without limitation, the repayment of any drawings under the Reserve Policy.

(iii) Insurance premiums, if any, on all insurance required under the provisions of the Lease;

(iv) Any rebate amounts required to be paid to the United States Treasury;

(v) All fees, costs, and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Bonds) of the Trustee and any paying agent in connection with the Trust Agreement;

(vi) All fees, costs, expenses, and other amounts due to the Bond Insurer under the Lease and the Trust Agreement;

(vii) All amounts required to be paid by the Authority, other than from Pledged Assets, under the Trust Agreement; and

(viii) Any other fees, costs, or expenses incurred by the Authority, the Bond Insurer, or the Trustee in connection with the execution, performance, or enforcement of the Lease or any assignment of the Lease or of the Trust Agreement or any of the transactions contemplated by the Lease or the Trust Agreement related to the Property.

Amounts constituting Additional Rental payable under the Lease shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or, in any other case, within 30 days after notice in writing from the Trustee, the Bond Insurer, or the Authority to the City stating the amount of Additional Rental then due and payable and the purpose thereof.

Consideration. The payments of Base Rental and Additional Rental under the Lease for each Fiscal Year or portion thereof during the Lease Term shall constitute the total rental for such Fiscal Year or portion thereof and shall be paid by the City for and in consideration of the right to the use and possession of the Property by the City for and during such Fiscal Year or portion thereof; provided that, the Base Rental and Additional Rental payments shall be subject to abatement as provided in the Lease during any period in which by reason of damage, destruction, or taking by eminent domain or condemnation of, or defects in the title with respect to, the Property or any portion thereof, there is substantial interference with the use and possession by the City of all or a portion of the Components comprising the Property. The parties to the Lease have agreed and determined that such total rental is not in excess of the total fair rental value of the Property. In making such determination, consideration has been given to the uses and purposes served by the Property and the benefits therefrom that will accrue to the parties by reason of the Lease and to the general public by reason of the City's right to the use of the Property.

Budget. Pursuant to the Lease, the City covenants to take such action as may be necessary to include all Base Rental and Additional Rental due under the Lease as a separate line item in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental, subject to the Lease. The covenants on the part of the City contained in the Lease shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the City to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the City to carry out and perform the covenants and agreements on the part of the City contained in the Lease. The obligation of the City to make Base Rental or Additional Rental payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. Neither the Bonds nor the obligation of the City to make Base Rental or Additional Rental payments constitutes an indebtedness of the City, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Payment; Credit. Amounts necessary to pay Base Rental shall be deposited by the City on the dates set forth in the Lease in lawful money of the United States of America, at the Principal Office of the

Trustee, or at such other place or places as may be established in accordance with the Trust Agreement. Any amount necessary to pay any Base Rental or portion thereof that is not so deposited shall remain due and payable until received by the Trustee and shall continue to bear interest at the rate or rates applicable thereto from the date when the same is due under the Lease until the same shall be paid. Notwithstanding any dispute between the City and the Authority under the Lease, the City shall make all Base Rental and Additional Rental payments when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute or for any other reason whatsoever. The City's obligation to make Base Rental and Additional Rental payments in the amount and on the terms and conditions specified under the Lease shall be absolute and unconditional without any right of set-off or counterclaim, and without abatement, subject only to the provisions of the Lease. Amounts required to be deposited with the Trustee as described in this paragraph on any date shall be reduced to the extent of amounts on deposit on such date in the Debt Service Fund held by the Trustee under the Trust Agreement and that are available to pay Base Rental on the applicable Interest Payment Date, except for amounts being held therein for the payment of Bonds that have matured or been called but have not been surrendered for payment.

Rental Abatement. Except to the extent of amounts available to the City for payments under the Lease (including amounts on deposit in the Reserve Fund and the proceeds of condemnation awards, casualty, title, or rental interruption insurance), during any period in which, by reason of material damage or destruction, there is substantial interference with the right to the use and occupancy by the City of any Component of the Property, or in accordance with the provisions of the Lease, Base Rental and Additional Rental payments due under the Lease shall be abated proportionately, and the City waives the benefits of California Civil Code Sections 1932(1), 1932(2), and 1933(4) and any and all other rights to terminate the Lease by virtue of any such interference and the Lease shall continue in full force and effect. The amount of such abatement shall be agreed upon by the City and the Trustee, subject to the Lease. The City and the Authority shall calculate such abatement and shall provide the Trustee and the Bond Insurer with a certificate setting forth such calculation and the basis therefor. Such abatement shall continue for the period commencing with the date of such damage or destruction and ending with the substantial completion of the work of repair or replacement of the Component of the Property so damaged or destroyed; and the term of the Lease shall be extended as provided in the Lease, except that the term shall in no event be extended beyond the maximum term provided in the Lease. Notwithstanding the immediately preceding sentence, any abatement in connection with a redemption of Bonds in part as described in the Lease shall be permanent throughout the remaining term of the Lease.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Base Rental or Additional Rental in any of the funds and accounts established under the Trust Agreement, such rental payments shall not be abated as provided above but, rather, shall be payable by the City as a special obligation payable solely from said funds and account.

If an event of abatement shall occur during the term of the Lease, upon cessation of the event of abatement, the Property, or any portion thereof, subject to abatement shall be appraised to determine its current fair rental value. If such value has increased since the Closing Date, Base Rental and Additional Rental payments shall be increased for the remaining term to reflect such increase so that the abated Base Rental and Additional Rental payments are fully paid.

Affirmative Covenants of the Authority and the City. The Authority and the City are entering into the Lease in consideration of, among other things, the following covenants:

Maintenance and Ordinary Repairs. The City shall, at its own expense, during the Lease Term, maintain the Property, or cause the same to be maintained, in good order, condition, and repair and shall repair or replace any portion of the Property resulting from ordinary wear and tear and want of care on the part of the City or any sublessee thereof. The City shall provide or cause to be provided all security service, custodial service, janitorial service, and other services necessary for the proper upkeep and maintenance of the Property. It is understood and agreed that in consideration of the payment by the City of the rental payments provided for in the Lease, the City is entitled to the right of possession of the Property and the Authority shall have no obligation to incur any expense of any kind or character in connection with the management, operation, or maintenance of the Property during the Lease Term. The Authority shall not be required at any time to make any improvements, alterations, changes, additions, repairs, or replacements of any nature whatsoever in or to the Property. Pursuant to the Lease, the City expressly waives the right to make repairs or to perform maintenance of the Property at the expense of the Authority and (to the extent permitted by law) waives the benefit of Sections 1932, 1941, and 1942 of the California Civil Code relating thereto. The City shall keep the Property free and clear of all liens, charges, and encumbrances other than Permitted Encumbrances and those encumbrances existing on or prior to the Closing Date or on or prior to the date any property is substituted for any of the Property pursuant to the Lease and covered by the exceptions and exclusions set forth in the title policies delivered pursuant to the Lease, and any liens of mechanics, materialmen, suppliers, vendors, or other persons or entities for work or services performed or materials furnished in connection with the Property that are not due and payable or the amount, validity, or application of which is being contested in accordance with the Lease as expressly approved by the City and the Authority prior to the Closing Date, subject only to the provisions of the Lease.

Taxes, Other Governmental Charges, and Utility Charges. The Authority and the City contemplate that the Property will be used for a governmental or proprietary purpose of the City and, therefore, that the Property will be exempt from all taxes presently assessed and levied with respect to the Property. Nevertheless, pursuant to the Lease, the City agrees to pay during the Lease Term, as the same respectively become due, all taxes (except for income or franchise taxes of the Authority), utility charges, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Property; provided, however, that, with respect to any governmental charges that may lawfully be made in installments over a period of years, the City shall be obliged to pay only such installments as are accrued during such time as the Lease is in effect; and, provided further, that the City may contest in good faith the validity or application of any tax, utility charge, or governmental charge in any reasonable manner that does not adversely affect the right, title, and interest of the Authority in and to any portion of the Property or its rights or interests under the Lease or subject any portion of the Property to loss or forfeiture. Any such taxes or charges shall constitute Additional Rental under the Lease and shall be payable directly to the entity assessing such taxes or charges.

Insurance. The City shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance (which shall be deemed for purposes of the Lease to include risk sharing pools) to the extent specifically permitted in the Lease, all insurance coverage on the Property required by the Lease. Such insurance or self insurance shall consist of:

(1) A policy or policies of insurance (excluding earthquake and flood insurance) against loss or damage to the Property known as "all risk." Such insurance shall be provided by an insurer rated no less than "A" by A. M. Best or such lower rating as otherwise approved by the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, and shall be maintained at all times in an amount not less than the greater of the full replacement value of the Property or the aggregate principal amount of Bonds at such time Outstanding;

(2) General liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Property. Such

insurance shall afford protection with a combined single limit of not less than $2,000,000 per occurrence with respect to bodily injury, death, or property damage liability, or such greater amount as may from time to time be recommended by the City's risk management officer or an independent insurance consultant retained by the City for that purpose; provided, however, that the City's obligations under this clause (2) may be satisfied by self-insurance;

(3) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the California Labor Code, or any act hereafter enacted as an amendment or supplement thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the City in connection with the Property and to cover liability for compensation under any such act; provided, however, that the City's obligations under this clause (3) may be satisfied by self insurance;

(4) Rental interruption insurance to cover loss, total or partial, of the use of any Component of the Property as a result of any of the hazards covered by the insurance required pursuant to clause (1) above, covering a period of 24 months, in an amount equal to the product obtained by multiplying the maximum annual Base Rental payments coming due and payable by 2.0.

(5) A CLTA policy or policies of title insurance for the Property in an amount not less than the initial aggregate principal amount of the Bonds. Such policy or policies of title insurance shall show fee simple title to the Property in the name of the City and a leasehold estate in the name of the Authority, subject to Permitted Encumbrances as will not, in the opinion of the Authority, materially adversely affect the use and possession of the Property and will not result in the abatement of Base Rental payable by the City under the Lease.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be cancelled or materially changed without at least 30 days prior written notice to the Trustee. The City shall deliver to the Trustee and the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, on the Closing Date and on or prior to July 1 of each year thereafter a certificate signed by a duly authorized City Representative stating whether the City is in compliance with the requirements of the Lease and, in the event it is not in compliance, specifying the nature of the noncompliance, and what action the City is taking to remedy such noncompliance. The City shall further provide the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, with copies of such insurance policies upon request.

All policies or certificates of insurance held by the City provided for in the Lease shall name the City as a named insured, and the policies and certificates described in clauses (1) and (4) above shall name (in addition to the City) the Authority and the Trustee as additional insureds. All proceeds of insurance maintained under clauses (1), (4), and (5) above shall be deposited with the Trustee for application pursuant to the Trust Agreement. All proceeds of insurance maintained under clauses (2) and (3) shall be deposited with the City.

Notwithstanding the generality of the foregoing, the City shall not be required to maintain or cause to be maintained more insurance than is specifically referred to above or any policies of insurance other than standard policies of insurance with standard deductibles offered by reputable insurers on the open market.

All permitted self-insurance shall be biannually reviewed by the Chief Financial Officer, who shall provide the Trustee a report as to the sufficiency thereof.

Liens. The City shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies, or equipment alleged to have been furnished or to be furnished to, for, in, upon, or about the Property and that may be secured by any mechanic's, materialman's, or other lien against the Property, or the interest of the Authority therein, and shall cause each such lien to be fully discharged and released; provided, however, that the City or the Authority, in good faith, (i) may contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in any such event the City shall forthwith pay and discharge such judgment or lien, or (ii) may delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty or forfeiture.

Laws and Ordinances. The City shall observe and comply with all rules, regulations, and laws applicable to the City with respect to the Property and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the City, and the Authority shall not be liable therefor. The City shall place, keep, use, maintain, and operate the Property in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees, and the public.

Flood Plain. The City covenants in the Lease that no Component of the Property is located in a 100 year flood plain.

Application of Insurance Proceeds.

General. Proceeds of insurance received in respect of destruction of or damage to any portion of the Property by fire or other casualty or event (excluding earthquake or flood) shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement. If there is an abatement of rental payments pursuant to the Lease as a result of such casualty or event, and the City elects pursuant to the Trust Agreement to apply such insurance to the redemption of Bonds rather than to the replacement or repair of the destroyed or damaged portion of the Property, then the Base Rental, with respect to the applicable Component or Components, shall be adjusted in accordance with such redemption of Bonds. If the City elects pursuant to the Trust Agreement to apply such proceeds to the repair or replacement of the portion of the Property that has been damaged or destroyed, in the event there has been an abatement of rental payments pursuant to the Lease, then rental payments shall again begin to accrue with respect thereto upon restoration of the City to its right to the use and possession of such portion of the Property.

Title Insurance. Proceeds of title insurance received with respect to the Property shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement.

Eminent Domain. If the Property, or so much thereof as to render the remainder of the Property unusable for the City's purposes under the Lease, shall be taken under the power of eminent domain, then the Lease shall terminate as of the day possession shall be so taken.

If less than a substantial portion of the Property shall be taken under the power of eminent domain, and the remainder is useable for the City's purposes, then the Lease shall continue in full force and effect as to the remaining portions of the Property, subject only to such rental abatement as is required by the Lease. Pursuant to the Lease, the City and the Authority waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement. If the City elects pursuant to the Trust Agreement, to apply such proceeds to the replacement of the condemned portion of the Property (in the event there has been an abatement of rental payments pursuant to the Lease), then rental payments shall again begin to accrue with respect the replacement portion of the Property upon restoration of the City to its right to use and possess such replacement portion of the Property.

The City covenants and agrees in the Lease, to the extent it may lawfully do so, that so long as any of the Bonds remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the Property. The City further covenants and agrees in the Lease, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the Property, the appraised value of the Property shall not be less that the greater of (i) if the Bonds are then subject to redemption, the principal and interest portions of the Bonds outstanding through the date of their redemption, or (ii) if the Bonds are not then subject to redemption, the amount necessary to defease such Bonds to the first available redemption date in accordance with the Trust Agreement.

Assignment and Lease. The City shall not sell, mortgage, pledge, assign, or transfer any interest of the City in the Lease by voluntary act or by operation of law, or otherwise; provided, however, that the City may sublease all or any portion of the Property and may grant concessions to others involving the use of any portion of the Property, whether such concessions purport to convey a subleasehold interest or a license to use a portion of the Property; provided, however, that such sublease or grant shall be subject to the terms of the Lease. The City shall at all times remain primarily liable for the performance of the covenants and conditions on its part to be performed under the Lease, notwithstanding any subletting or granting of concessions that may be made. Nothing contained in the Lease shall be construed to relieve the City of its obligation to pay Base Rental and Additional Rental as provided in the Lease or to relieve the City from any other obligations contained therein. In no event shall the City sublease to or permit the use of all or any part of the Property by any person so as to adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The Authority shall, concurrently with the execution of the Lease, assign all of its right, title, and interest in and to the Lease (except for its right to payment of its expenses under the Lease, its right to indemnification pursuant to the Lease, and its right to receive certain notices under the Lease), including without limitation its right to receive Base Rental payable under the Lease, to the Trustee pursuant to the Trust Agreement, and the City consents to and approves such assignment. The parties to the Lease further agree to execute any and all documents necessary and proper in connection therewith.

Notwithstanding the foregoing, if no default or event of default has occurred and is continuing under the Lease, the City may acquire from the Authority, free and clear of the Authority's rights under the Lease, any Component upon substituting therefor, and subjecting to the terms of the Lease, another Component that has an annual fair rental value at least equal to 100% of the maximum amount of Base Rental payments with respect to the Component being replaced becoming due in the then current Lease Year or in any subsequent Lease Year and a remaining useful life that is at least equal to the remaining term of the Lease. As soon as practicable after the Authority has received from the City (i) a written notice of the City's intention to substitute for any Component and subject to the terms of the Lease a new Component, (ii) a certificate of a City Representative that the total annual fair rental value of the new Component is at least equal to 100% of the maximum amount of Base Rental payments with respect to the Component being replaced becoming due in the then current Lease Year or in any subsequent Lease Year, (iii) evidence that an amendment to the Lease reflecting a new Component description has been recorded in the Office of the Recorder of the County of Ventura, (iv) a CLTA policy or policies of title insurance for the new Component in an amount not less than the aggregate principal amount of Outstanding Bonds to be secured by Base Rental payments made with respect to the new Component (such policy or policies of title insurance shall show fee simple title to the new Component in the name of the City and a leasehold estate in the name of the Authority, subject to Permitted Encumbrances that will not, in the opinion of the Authority, materially adversely affect the use and possession of the new Component and will not result in the abatement of Base Rental payable by the City under the Lease), and (v) an opinion of Independent Counsel to the effect that such substitution will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, the Authority shall execute and deliver to the City a quitclaim deed conveying to the City or its nominee the Authority's right, title, and interest in the Component for which substitution was sought. In no event shall the Authority transfer title to the Component to the City if any amounts are then due to the Authority, the Bond Insurer, or the Trustee pursuant to the terms of the Lease or the Trust Agreement.

Nothing in the Lease shall prohibit the City at any time during the term of the Lease from selling, leasing, or otherwise transferring all or any portion of the 2009 Project that does not constitute a Component of the Property to any nongovernmental persons or permitting any use of all or any portion of the 2009 Project that does not constitute a Component of the Property in the trade or business of any nongovernmental persons. Notwithstanding anything in the Lease to the contrary, nothing in the Lease shall prohibit the City at any time during the term of the Lease from selling, leasing, or otherwise transferring all or any portion of the portion of the 2009 Project constituting a Component of the Property to any nongovernmental persons or permitting any use of all or any portion of the portion of the 2009 Project constituting a Component of the Property in the trade or business of any nongovernmental persons. In connection with any such sale, lease, or transfer or nongovernmental use of any portion of the 2009 Project (including, without limitation, the portion of the 2009 Project constituting a Component of the Property), however, all or a portion of the Bonds, in an amount determined as necessary by the City after consultation with Bond Counsel in order to maintain the exclusion from gross income of interest on the Bonds, shall be redeemed pursuant to the Trust Agreement. In connection with any redemption of Bonds in part pursuant to the Trust Agreement, Base Rental and Additional Rental payments due under the Lease shall be permanently abated in accordance with the Lease and the City shall acquire from the Authority, free and clear of the Authority's rights under the Lease, the Component of the Property comprising a portion of the 2009 Project. If necessary, a new Component shall be substituted, in accordance with the immediately preceding paragraph, for the portion of the 2009 Project constituting a Component of the Property so acquired by the City; provided, however, that the required amount of the fair rental value of any such new Component shall take into account the fair rental value of all other remaining Components of the Property and be based upon the amount of Base Rental and Additional Rental payments, as abated after the redemption of Bonds in part pursuant to the Trust Agreement. In connection with any redemption of Bonds in whole pursuant to the Trust Agreement, the Lease shall terminate as provided therein and the City shall acquire from the Authority, free and clear of the Authority's rights under the Lease, the Component of the Property comprising a portion of the 2009 Project. The City shall transfer to the Trustee for deposit into the Debt Service Fund held by the Trustee under the Trust Agreement all legally available funds necessary to effectuate any redemption of Bonds in whole or in part pursuant to the Trust Agreement.

Additions and Improvements; Removal. The City shall have the right during the Lease Term to make any additions or improvements to any Component, to attach fixtures, structures, or signs, and to affix any personal property to any Component, so long as the fair rental value of the Component is not thereby reduced. Title to all equipment or personal property placed by the City on any Component shall remain in the City; provided, however title to additions, improvements, and fixtures shall be subject to the provisions of the Lease and the Property Lease. Title to any personal property or equipment placed on any Component by any sublessee or licensee of the City shall be controlled by the sublease or license agreement between such sublessee or licensee and the City, which sublease or license agreement shall not be inconsistent with the Lease. The City shall not remove or cause to be removed any equipment or personal property that may cause damage to the applicable Component or Components.

Events of Default. If (i) the City shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to the Lease by the close of business on the day such deposit is due and payable; (ii) the City shall fail to pay any item of Additional Rental as and when the same shall become due and payable pursuant to the Lease; (iii) the City shall breach any other terms, covenants, or conditions contained in the Lease or in the Trust Agreement, and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof shall have been given to the City from the Authority, the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, or the Trustee, or, if such breach cannot be remedied within such 30-day period, the City shall fail to institute corrective action within such 30-day period and diligently pursue the same to completion (provided that in the event such breach as provided in this clause (iii) is not cured within 60 days, the City shall obtain the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, to, and thereafter the City shall pursue the same to completion beyond the grace period provided in this paragraph); or (iv) the City shall file a case in bankruptcy, or any right or interest of the City under the Lease shall be subjected to any execution, garnishment, or attachment, or the City shall be adjudicated as bankrupt, or any assignment shall be made by the City for the benefit of creditors, or the City shall enter into an agreement of composition with creditors, or a court of competent jurisdiction shall approve of a petition applicable to the City in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act that may hereafter be enacted, then and in any such event the City shall be deemed to be in default under the Lease.

Remedies on Default. Upon any such default, the Authority, and the Trustee, as its assignee, in addition to all other rights and remedies either may have at law, may:

(i) terminate the Lease in the manner hereinafter provided on account of default by the City, notwithstanding any re-entry or re-letting of the Property as hereinafter provided for in subparagraph (ii), and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place located within the geographical boundaries of the City, for the account of and at the expense of the City. In the event of such termination, the City shall surrender immediately possession of the Property, without let or hindrance, and shall pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the City, including, without limitation, any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions of the Lease. Neither notice to pay rent or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under the Lease shall of itself operate to terminate the Lease, and no termination of the Lease on account of default by the City shall be or become effective by operation of law or acts of the parties to the Lease, or otherwise, unless and until the Authority shall have given written notice to the City of the election on the part of the Authority to terminate the Lease. The City covenants and agrees that no surrender of the Property or of the remainder of the Lease Term or any termination of the Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(ii) Without terminating the Lease, (A) collect each installment of Base Rental and Additional Rental as it becomes due and enforce any other terms or provisions of the Lease to be kept or performed by the City, regardless of whether or not the City has abandoned the Property or (B) exercise any and all rights of entry and re-entry upon the Property. In the event the Authority does not elect to terminate the Lease in the manner provided for in subparagraph (i) above, the City shall remain liable and shall keep or perform all covenants and conditions contained in the Lease to be kept or performed by the City and, if the Property is not re-let, to pay the full amount of the rent to the end of the Lease Term or, in the event that the Property is re-let, to pay any deficiency in rent that results therefrom; and the City shall pay said rent or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent under the Lease, notwithstanding that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental specified in the Lease, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Authority elect to re-enter as provided in the Lease, the City irrevocably appoints the Authority as the agent and attorney-in-fact of the City to re-let the Property, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place located within the geographical boundaries of the City, for the account of and at the expense of the City, and the City indemnifies and agrees to save harmless the Authority from any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions of the Lease. The City agrees that the terms of the Lease constitute full and sufficient notice of the right of the Authority to re-let the Property in the event of such re-entry without effecting a surrender of the Lease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of the Lease, irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the City, the right to terminate the Lease shall vest in the Authority, to be effected in the sole and exclusive manner provided for in subparagraph (i) above. The City further waives the right to any rental obtained by the Authority in excess of the rental specified in the Lease and conveys and releases such excess to the Authority as compensation to the Authority for its services in re-letting the Property. The City further agrees to pay the Authority the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the City of the completion and installation of such additions or alterations.

Pursuant to the Lease, the City waives any and all claims for damages caused or that may be caused by the Authority in reentering and taking possession of the Property as provided in the Lease and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City, or any other person, that may be in or upon the Property.

In addition to the other remedies set forth in the Lease, upon the occurrence of an event of default as described in the Lease, the Authority and the Trustee, as its assignee, shall be entitled to proceed to protect and enforce the rights vested in the Authority and its assignee by the Lease or by law. The provisions of the Lease and the duties of the City and of its council members, officers, or employees shall be enforceable by the Authority or its assignee by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority and its assignee may bring the following actions:

Accounting. By action or suit in equity to require the City and its council members, officers, and employees and its assigns to account as the trustee of an express trust.

Injunction. By action or suit in equity to enjoin any acts or things that may be unlawful or in violation of the rights of the Authority or its assignee.

Mandamus. By mandamus or other suit, action, or proceeding at law or in equity to enforce the Authority's or its assignee's rights against the City (and its council members, officers, and employees) and to compel the City to perform and carry out its duties and obligations under the law and its covenants and agreements with the Authority as provided in the Lease.

The termination of the Lease by the Authority and its assignees on account of a default by the City under the Lease shall not affect or result in a termination of the lease of the Property by the City to the Authority pursuant to the Property Lease.

Each and every remedy of the Authority or any assignee of the rights of the Authority under the Lease is cumulative and the exercise of one remedy shall not impair the right of the Authority or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Authority or any assignee of the rights of the Authority under the Lease, the Authority or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

All damages and other payments received by the Authority pursuant to the Lease shall be applied in the manner set forth in the Trust Agreement.

Notwithstanding anything to the contrary contained in the Lease, in no event shall the Authority re-let the Property or any Component thereof to any lessee that is not itself a governmental entity without first obtaining an opinion of Independent Counsel to the effect that such re-letting will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Option to Purchase. The City shall have the exclusive right and option, which shall be irrevocable during the Lease Term, to purchase all of the Authority's right, title, and interest in the Property or any Component thereof on any Business Day, upon payment of the respective option price for the Property or such Component thereof, as further described below, but only if the City is not in default under the Lease or the Trust Agreement and only in the manner provided in the Lease.

The option price for each Component in any Lease Year shall be an amount equal to the redemption price of Outstanding Bonds, including redemption premium, if any, as set forth in the Trust Agreement, in the principal amount equal to the principal components of the Base Rental payments remaining, as of the date such option will be exercised, with respect to such Component, plus the applicable prepayment premium, if any, as set forth in the Trust Agreement, plus accrued interest to the date of redemption of the Bonds to be redeemed. Such option price is intended to represent the then fair value of such Component.

If the Business Day on which the City intends to exercise its option under the Lease is, in accordance with the terms of the Trust Agreement, a date on which the Bonds are subject to optional redemption, then the City shall exercise its option to purchase by giving notice to the Trustee of its intention to exercise its option under the Lease not less than 45 days prior to the Business Day on which it intends to exercise its option under the Lease and shall arrange for the deposit with the Trustee by the date on which it intends to exercise its option to purchase under the Lease an amount equal to the option price.

If the Business Day on which the City intends to exercise its option under the Lease is not a date on which the Bonds are subject to optional redemption pursuant to the terms of the Trust Agreement, the City shall exercise its option to purchase by giving notice thereof to the Trustee not later than 10 days prior to the Business Day on which it desires to purchase the Authority's right, title, and interest in a Component and the option price shall be payable in installments. Each such installment (a) shall be payable at each time at which a payment of Base Rental would have been payable had such option not been exercised until the due date of the final installment referred to in the proviso set forth below in this paragraph, and (b) shall equal the principal component and the interest component of each Base Rental payment referred to in clause (a) above; provided, however, that the final installment shall be payable on the first date on which Bonds are subject to optional redemption pursuant to the terms of the Trust Agreement and shall be in an amount equal to the option price on such date for that Component. Each such installment shall bear interest until paid at a rate equal to the rate that would have been payable with respect to the payments of Base Rental referred to in clause (a) above. In order to secure its obligations to pay the installments referred to above, and to cause the defeasance of the allocable portion of the Bonds relating to such Component, the City, concurrently with the exercise of its option under the Lease, shall satisfy the provisions in the Trust Agreement, including the deposit of amounts that will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay the installments (including all principal and interest) and the option price referred to above at the times at which such installments and the option price are required to be paid. Such deposit shall be in addition to the Base Rental due on such date.

On any Business Day as to which the City shall properly have exercised the option granted it pursuant to the Lease with respect to a Component and shall have paid or made provision (as set forth in the preceding paragraphs) for the payment of the required option price and provided for the defeasance of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of the Trust Agreement or shall have caused the redemption of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of the Trust Agreement, as applicable, the Authority shall execute and deliver to the City a quitclaim deed conveying to the City or its nominee the Authority's right, title, and interest in that Component. If (A) the City shall (i) properly exercise the option provided in the Lease prior to the expiration of the Lease Term and (ii) provide for the defeasance of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of the Trust Agreement or shall have caused the redemption of the allocable portion of the Bonds relating to such Component or Components in accordance with the terms and provisions of the Trust Agreement, as applicable, and (B) the Authority shall execute and deliver the quitclaim deed to the Component as aforesaid, then the Lease shall terminate with respect to that Component, but such termination shall not affect the City's obligation to pay the option price on the terms set forth in the Lease and shall not affect the City's obligation to pay Base Rental and Additional Rental with respect to any other Component.

Third-Party Beneficiaries. To the extent that the Lease confers upon or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of the Lease, the Bond Insurer is explicitly recognized as being a third-party beneficiary under the Lease and may enforce any such right remedy or claim conferred, given, or granted thereunder.

PROPERTY LEASE

The Property Lease will be entered into between the Authority and the City and, pursuant to its terms, the Authority will agree to lease all the Components of the Property from the City.

Term. The Property Lease shall commence on the Closing Date and end on the earlier to occur of (i) June 1, 2036 (which is the final maturity date of the Bonds); provided that in the event the principal of and interest on the Bonds and all other amounts payable under the Lease and the Trust Agreement shall not be fully paid, or if the Base Rental or Additional Rental due under the Lease shall have been abated at any time as permitted by the terms of the Lease, then the term of the Property Lease shall be extended, except that the term shall in no event be extended beyond June 1, 2046, or (ii) the date upon which the Trust Agreement shall have been discharged in accordance with the Trust Agreement.

Right of Substitution of Property. Pursuant to the Property Lease, the City reserves the right at any time to substitute real property and/or improvements thereon owned by the City for all or any Component of the Property, provided that:

(a) subject to the provisions of the Lease, the City obtains the prior written consent of the Authority and any municipal bond rating agency that has, at the request of the City, rated the Bonds issued pursuant to the Trust Agreement;

(b) the City finds (and delivers a certificate to the Authority and Trustee setting forth its findings) that the substituted Component or Components of the Property and improvements thereon has the same or greater fair rental value than that Component or Components of the Property for which it is being substituted and that the Base Rental payments being made by the City for the then current Lease Year and subsequent Lease Year thereafter pursuant to the Lease will not be reduced.

Upon the substitution of any Component or Components of the Property for the Component or Components constituting the Property, the City, the Authority, and the Trustee shall execute and record with the Office of the County Recorder, County of Ventura, California, any document necessary to release any Component or Components of the Property substituted pursuant to the provisions of the Property Lease and the Lease and to include the substituted Component or Components to constitute the released Component or Components of the Property under the Property Lease and the Lease.

Assignment and Lease. So long as no event of default has occurred and is continuing under the Lease, subject to the provisions of the Lease, the Authority shall not sell, assign, mortgage, hypothecate, or otherwise encumber the Property Lease and any rights thereunder, and the leasehold created thereby, by trust agreement, indenture, or deed of trust or otherwise or sublet any Component of the Property without the prior written consent of the City, except that the City expressly approves and consents to the assignment and transfer of the Authority's right, title, and interest in the Property Lease to the Trustee pursuant to the Trust Agreement. Upon the occurrence of an event of default under the Lease, the Trustee may mortgage, sell, assign, or encumber the Property Lease and the City shall not have any consent rights in respect thereto.

Third-Party Beneficiary. To the extent that the Property Lease confers upon or gives or grants to the Bond Insurer, any right, remedy, or claim under or by reason of the Property Lease, the Bond Insurer is explicitly recognized as being a third-party beneficiary under the Property Lease and may enforce any such right remedy or claim conferred, given, or granted thereunder.

APPENDIX B

GENERAL INFORMATION CONCERNING THE CITY OF OXNARD

The Bonds do not constitute a general obligation debt of the City of Oxnard (the "City"), and the City has not pledged its full faith and credit or its taxing power to the repayment of the Bonds. The following information is presented for informational purposes only.

General

The City is located in western Ventura County (the "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 county seat of the County. The City is the largest city in the County, with a population estimated at 197,899 in 2010, accounting for over 24% of the County's population. The City has a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies.

The City was incorporated as a general law city on June 30, 1903, and operates under a council-manager form of government. The City is governed by a five-member City Council elected at large for four-year alternating terms, with the exception of the Mayor, who is directly elected for a two-year term.

Population

The City's population has grown from approximately 177,700 people in 2001 to approximately 197,899 in 2010. The following table shows the approximate changes in population in the City, the County, the State, and the United States for the years 2001 through 2010.

Population of
City, County, State, and United States
2000 through 2010 [(1)]

Year	City	County	State	United States
2001	177,700	673,028	34,430,970	285,081,556
2002	182,027	689,788	35,063,959	287,803,914
2003	181,800	709,124	35,652,700	290,326,418
2004	186,122	730,875	36,199,342	293,045,739
2005	188,941	753,863	36,676,931	295,753,151
2006	189,990	777,664	37,087,005	298,593,212
2007	192,997	798,784	37,463,609	301,579,895
2008	194,905	815,023	37,871,509	304,374,846
2009	197,067	827,475	38,255,508	307,006,550
2010 [(2)]	197,899	823,318	37,253,956	308,745,538

(1) Unless otherwise noted, estimates for City, County, and State are as of January 1, and for the United States are as of July 1.
(2) Estimates for City, County, State, and United States are as of April 1, 2010.
Sources: For City: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010; for State and County: California Department of Finance (Report E-4 Population Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark); for United States: United States Bureau of the Census.

Property Tax Rates

In June of 1978, California voters approved Proposition 13 (the Jarvis-Gann Initiative), which added Article XIIIA to the California Constitution. Article XIIIA limits ad valorem taxes on real property to 1% of the full cash value, plus taxes necessary to repay indebtedness approved by the voters prior to July 1, 1978. Voter-approved obligations of the City are comprised of an obligation of the City referred to as the "Public Safety Retirement Debt." The following table details the City's property tax rates for the last 10 fiscal years.

City of Oxnard
Property Tax Rates
Fiscal Years 2000-01 through 2009-10

Year Ended June 30	Article XIIIA Basic Tax Rate	City District (Public Safety Retirement Debt)	School Districts	Water Districts	Total Tax Rates
2001	1.00%	0.17277%	0.11070%	0.06399%	1.34746%
2002	1.00	0.20417	0.10420	0.05690	1.36527
2003	1.00	0.21447	0.10790	0.05120	1.37357
2004	1.00	0.20384	0.09770	0.04476	1.34630
2005	1.00	0.19624	0.08410	0.04224	1.32258
2006	1.00	0.17614	0.09850	0.03691	1.31155
2007	1.00	0.16564	0.08220	0.03272	1.28056
2008	1.00	0.17864	0.10500	0.02922	1.31286
2009	1.00	0.19334	0.11160	0.01290	1.31784
2010	1.00	0.20384	0.11470	0.01290	1.33144

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010.

Property Tax Levies, Collections, and Delinquencies

The Ventura County Tax Collector collects ad valorem property tax levies representing taxes levied for each fiscal year on taxable real and personal property that is situated in the County as of the preceding March 1. Unsecured taxes are assessed and payable on March 1 and become delinquent August 31 in the next fiscal year. Accordingly, unsecured taxes are levied at the rate applicable to the fiscal year preceding the one in which they are paid.

One half of the secured tax levy is due November 1 and becomes delinquent December 10; the second installment is due February 1 and becomes delinquent April 10. A 10% penalty is added to any late installment.

Property owners may redeem property upon payment of delinquent taxes and penalties. Tax-delinquent properties are subject to a redemption penalty of 1½% of the delinquent amount every month commencing on July 1 following the date on which the property became tax-delinquent. Properties may be redeemed under an installment plan by paying current taxes, plus 20% of delinquent taxes each year for five years, with interest accruing at 1½% per month on the unpaid balance.

The following table details the City's property tax levies, collections, and delinquencies for the last 10 fiscal years.

City of Oxnard
Property Tax Levies, Collections and Delinquencies
Fiscal Years 2000-01 through 2009-10

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percentage of Tax Levy
2001	$23,380,000	$23,484,567	100.45%	$ 90,164	$23,574,731	100.83%
2002	25,900,000	25,718,029	99.30	284,711	26,002,740	100.40
2003	30,040,000	29,892,747	99.51	190,546	30,083,293	97.32
2004	35,432,169	35,281,916	99.58	344,390	35,626,306	99.99
2005	44,743,658	49,223,170	110.01	126,250	49,349,420	110.29
2006	54,511,910	58,537,770	107.39	132,403	58,670,173	107.63
2007	59,401,879	68,429,117	115.20	129,679	68,558,796	115.42
2008	69,931,705	75,726,668	108.29	121,075	75,847,743	108.46
2009	69,147,624	76,681,392	110.90	145,945	76,827,337	111.11
2010	75,929,128	71,755,189	94.50	136,565	71,891,754	94.68

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010.

Assessed Property Values

The following table details the unequalized assessed value of the property within the City for the last 11 fiscal years.

City of Oxnard
Assessed Property Values
Fiscal Years 2000-01 through 2010-11

Fiscal Year June 30	Assessed Value
2001	$7,562,524,170
2002	8,287,476,748
2003	8,894,790,465
2004	9,787,326,328
2005	11,058,336,869
2006	12,726,781,676
2007	14,562,928,520
2008	15,918,112,344
2009	16,158,716,867
2010	15,176,505,240
2011	15,058,226,607

Source: County Assessor's Office.

Principal Taxpayers

The following table lists the principal taxpayers in the City as of June 30, 2011.

City of Oxnard
Principal Taxpayers

Taxpayer	Assessed Valuation	Percentage of Total Assessed Valuation
Procter & Gamble Paper Products	$ 266,561,813	2.16%
Haas Automation Inc.	78,230,500	0.63
SI VIII LLC	77,354,636	0.63
RRI Energy Mandalay	74,418,584	0.60
Essex Tierra Vista Limited Partnership	72,312,800	0.59
GS Paz Mar LP	68,962,228	0.56
MEF Realty LLC	67,257,103	0.55
Duesenberg Investment Company	65,811,827	0.53
RECP RI Oxnard	50,913,700	0.41
PEGH Investments	47,133,214	0.38
Other Taxpayers	11,468,916,683	92.96
Totals	$12,337,873,088	100.00%

Source: County of Ventura.

Outstanding Debt

The City uses a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. The outstanding balances for indebtedness during the last 10 fiscal years are set forth in the following table:

City of Oxnard
Outstanding Debt
(Fiscal Years 2000-01 through 2009-10)

	Governmental Activities				Business-Type Activities		
Year Ended June 30	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Revenue Bonds	Capital Leases	Total Outstanding Debt
2001	$10,705,000	$ 8,625,000	$15,065,000	$ 891,305	$ 85,646,884	$1,401,008	$122,334,197
2002	9,080,000	8,440,000	14,475,000	604,201	88,945,000	1,215,752	122,759,953
2003	9,535,000	8,245,000	13,850,000	307,187	84,030,000	2,824,171	118,791,358
2004	22,874,301	8,045,000	19,185,000	1,729,354	214,035,699	2,916,139	268,785,493
2005	21,607,009	7,835,000	18,635,000	1,412,398	236,943,314	2,469,070	288,901,791
2006	19,975,756	7,620,000	18,030,000	1,086,013	298,559,567	2,010,676	347,282,012
2007	43,109,750	7,395,000	37,940,000	749,911	292,625,260	1,536,788	383,356,709
2008	41,746,367	34,835,000	37,040,000	493,471	286,428,643	4,603,874	405,147,355
2009	40,337,356	34,350,000	47,755,000	293,886	278,427,654	4,053,370	405,217,266
2010	38,877,717	33,600,000	46,475,000	1,436,151	370,257,293	3,632,411	494,278,572

Source: City's Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2010.

Direct and Overlapping Debt

The following table describes the City's direct and overlapping debt as of May 1, 2011:

City of Oxnard
Direct and Overlapping Debt
(As of May 1, 2011)

2010-11 Assessed Valuation:	$15,174,819,604
Redevelopment Incremental Valuation:	1,892,646,121
Adjusted Assessed Valuation:	$13,282,173,483

	Total Debt 5/1/11	% Applicable (1)	City's Share of Debt 5/1/11	
OVERLAPPING TAX AND ASSESSMENT DEBT:				
Metropolitan Water District	$227,670,000	0.737%	$ 1,677,928	
Ventura County Community College District	314,522,814	14.023	44,105,534	
Oxnard Union High School District	92,889,913	44.356	41,202,250	
Oxnard School District	119,203,139	91.686	109,292,590	
Rio School District	15,653,540	84.081	13,161,653	
Rio School District Community Facilities District No. 1	30,140,000	100.	30,140,000	
Hueneme School District	23,944,708	46.434	11,118,486	
Ocean View School District	11,950,247	31.774	3,797,071	
City of Oxnard Rose Avenue/Highway 101 Assessment District No. 96-1	3,580,000	100.	3,580,000	
City of Oxnard Rice Avenue/Highway 101 Assessment District No. 2001-1	13,195,000	100.	13,195,000	
City of Oxnard Oxnard Boulevard/Highway 101 Assessment District No. 2000-1	2,060,000	100.	2,060,000	
City of Oxnard Community Facilities District No. 1	9,220,000	100.	9,220,000	
City of Oxnard Community Facilities District No. 3	31,465,000	100.	31,465,000	
City of Oxnard Community Facilities District No. 88-1	660,000	100.	660,000	
City of Oxnard Oxnard Boulevard Highway Interchange Community Facilities District	8,820,000	100.	8,820,000	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$323,495,512	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:				
Ventura County General Fund Obligations	$101,290,000	14.018%	$14,198,832	
Ventura County Superintendent of Schools Certificates of Participation	12,140,000	14.018	1,701,785	
Oxnard Union High School District Certificates of Participation	9,280,000	44.356	4,116,237	
Ocean View School District Certificates of Participation	1,701,500	31.774	540,635	
Oxnard School District Certificates of Participation	5,285,900	91.686	4,846,430	
Rio School District Certificates of Participation	7,930,000	84.081	6,667,623	
City of Oxnard Financing Authority	**51,280,000**	**100.**	**51,280,000**	(2)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$83,351,542	
TOTAL DIRECT DEBT			$51,280,000	
TOTAL OVERLAPPING DEBT			$355,567,054	
TOTAL DIRECT AND OVERLAPPING DEBT			$406,847,054	
	(3)			

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the city.
(2) Excludes issue to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2010-11 Assessed Valuation:
Total Overlapping Tax and Assessment Debt..............................2.13%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($51,280,000) 0.39%
Total Direct and Overlapping Debt 3.06%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: $0

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Source: California Municipal Statistics, Inc.

Employment and Personal Income

The following table sets forth the unemployment rate, total personal income, and per capita income in the City for the calendar years 2000 through 2009.

City of Oxnard
Employment and Personal Income
(Calendar Years 2000 through 2009)

Year	Unemployment Rate	Personal Income (in thousands)	Per Capita Income
2000	6.3%	$2,602,979	$15,279
2001	6.7	2,701,082	15,468
2002	8.0	2,774,931	15,522
2003	8.0	2,886,966	15,886
2004	7.4	3,093,466	16,645
2005	6.6	3,261,107	17,376
2006	5.9	3,494,586	18,463
2007	6.7	3,680,019	19,185
2008	8.6	3,751,908	19,352
2009	13.5	3,707,181	18,829

Source: HdL Coren & Cone.

Taxable Retail Sales

Consumer spending in calendar year 2009 resulted in $1,856,434,000 in taxable sales in the City, which is approximately 14.3% below calendar year 2008. The following table sets forth information regarding taxable sales in the City for each type of business for calendar years 2005 through 2009.

City of Oxnard
Taxable Retail Sales by Type of Business
2005 – 2009
(in thousands)

	2005	2006	2007	2008	2009
Motor Vehicles and Parts Dealers	$ 535,695	$ 500,410	$ 463,496	$ 372,288	$ 306,123
Home Furnishings and Appliance Stores	103,361	96,648	89,654	114,394	140,752
Building Materials and Garden Equipment and Supplies	242,899	232,493	116,237	93,118	92,975
Food and Beverage Stores	88,779	92,362	101,283	94,066	94,150
Gasoline Stations	150,908	172,834	183,742	223,783	174,508
Clothing and Clothing Accessories Stores	52,493	53,269	53,950	58,524	74,067
General Merchandise Stores	318,237	332,808	333,691	317,481	264,085
Food Services and Drinking Places	170,252	178,192	184,228	185,258	181,251
Other Retail Group	231,290	234,260	283,043	189,550	108,148
Total Retail and Food Services	1,893,914	1,893,276	1,809,324	1,648,461	1,436,959
All Other Outlets	405,811	496,311	507,784	517,015	419,475
Total All Outlets	$2,299,725	$2,389,587	$2,317,108	$2,165,477	$1,856,434

Source: California State Board of Equalization.

Transportation

Oxnard is served by all major modes of transportation. Both U.S. Highway 101 and State Highway 1 pass through the City, linking it with the Los Angeles metropolitan area and Santa Barbara County. Rail passenger service is provided by AMTRAK, which has a station in the City. Two trains daily pass through each direction and stop at the Oxnard station. Metrolink provides commuters from the

Oxnard Transportation Center with several daily routes to the Los Angeles basin, including downtown Los Angeles. Union Pacific Railroad provides freight rail service through the City. The Ventura County Railroad Company connects Port Hueneme, the Ormond Beach Industrial Area, the Naval Construction Battalion Center, and surrounding industrial areas to the Union Pacific line. The Port of Hueneme, owned and operated by the Oxnard Harbor District, is the only commercial deep-draft harbor between Los Angles and San Francisco. The port has five 600 to 700 foot berths and a 35-foot entrance channel depth. Completed in 1989 was an $18 million expansion of the harbor that included the addition of an automobile terminal and the construction of a new wharf. The Port's acquisition of approximately 33 acres from the Navy in 1997 has enabled it to increase facilities for importing foreign automobiles. Automobile imports increased by 12.7% in 1997, making the Port one of the top 10 entry points in the United States for foreign automobiles. The Channel Islands Harbor is a modern 3,000 slip boat marina, which also serves the Oxnard area in the capacity of a recreational marina and covers approximately 310 acres. The Oxnard Airport is operated by Ventura County as a general and commercial aviation air field. The Oxnard Airport handles passenger as well as cargo services. Local bus service is provided by South Coast Area Transit System (SCAT), a regional public transit agency funded by the County and member cities. Service is available in Ojai, Ventura, Oxnard, and Port Hueneme. The Greyhound bus line provides passenger and parcel service from its Oxnard station. A multi-modal transportation center located in downtown Oxnard brings together all these forms of transportation.

Education

There are 35 elementary, 8 junior high, and 5 senior high schools located in and immediately around the City, plus eight parochial and private schools. The City is served by Oxnard College, a California community college. The 119-acre campus is located on Rose Avenue between Channel Island Boulevard and Pleasant Valley Road. Oxnard College currently offers degree and certificate programs. The California State University campus at Channel Islands (CSUCI) opened in fall 2002, and has a current enrollment of over 3,700 students. In addition, two campuses of the University of California, Santa Barbara (UCSB) and Los Angeles (UCLA), one campus of the California State University, Northridge (CSUN), and two private universities, Pepperdine and California Lutheran University, are within a 50 minute drive.

Recreation

The City offers its residents a wide range of recreational facilities. The beach parks, marina and neighborhood and regional parks add up to nearly 1,500 acres of park land. McGrath State Beach Park, located south of the Santa Clara River mouth, covers approximately 295 acres and includes over a mile of ocean frontage. Overnight camping and day picnics are the main use of that park. Oxnard Beach Park includes approximately 62 acres with concession stands and facilities for day picnics and sports. Silver Strand Beach, south of the Harbor entrance, and Hollywood Beach, north of the entrance, are day beach facilities. Channel Islands Harbor is a recreational boating marina administered by Ventura County. The City has over 30 neighborhood parks located throughout the City. A tennis and softball center is located at Community Center Park. Additionally, Wilson Park contains the largest senior citizen center in the Tri-County area.

The City owns River Ridge Golf Club, consisting of two 18-hole championship golf courses, the Vineyard Course and the Victoria Lakes Course. The City also owns a 1,600-seat Performing Arts Center located on Hobson Way in the center of the City.

City's Investment Policy

The following is a summary of the City's investment policy (the "Investment Policy") applicable to certain of the City's funds and accounts, as described below, in effect as of the date of this Official

Statement. Reference is made to the entire Investment Policy, including the appendices and attachments thereto, which is available upon request from the City.

Introduction. The following statement of 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. It is the policy of the City 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 entity and conforming to all state and local statutes governing the investment of public funds.

Scope. This investment policy applies to the City's pooled investment fund, which encompasses all moneys under the direct oversight of the City Treasurer. These include the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Trust and Agency Funds, and Internal Service Funds. This policy is generally applicable to bond proceeds with consideration given to specific provisions of each issuance. Reports of the investment of bond proceeds are issued monthly by the Trustee and are not included in the City Treasurer's monthly report of the pooled investment fund. The employee's retirement and deferred compensation funds are not included.

Prudence. Investments shall be made with judgment and 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. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Objectives. The City's cash management system is designed to accurately monitor and forecast revenues and expenditures thus enabling the City Treasurer to invest funds to the fullest extent possible. The City Treasurer maintains a diversified portfolio to accomplish the primary objectives of safety, liquidity, and yield (in that order of priority).

Safety. The safety/risk associated with an investment refers to the potential loss of principal, accrued interest, or a combination of these. The City seeks to mitigate credit risk by prequalifying and continual monitoring of financial institutions with which it will do business, and by careful scrutiny of the credit worthiness of the investment instruments as well as the institutions. Such resources as the Sheshunoff Performance Report, Moody's, and Standard & Poor's may be utilized for this review. The City seeks to mitigate rate risk through diversification of instruments as well as maturities.

Liquidity. The portfolio will be structured with sufficient liquidity to allow the City to meet anticipated cash requirements. This will be accomplished through diversity of instruments to include those with active secondary markets, those that match maturities to expected cash needs, and the State Local Agency Investment Fund with immediate withdrawal provision.

Yield. A competitive market rate of return is the third objective of the investment program after the fundamental requirements of safety and liquidity have been met.

Delegation of Authority. California Government Code Section 53607 provides the authority for the legislative body of the local agency to invest the funds of the local agency or to delegate that authority to the treasurer of the local agency. Effective January 1, 1997, such delegation is to be reviewed each year and may be renewed by the City Council.

City Council. Under City of Oxnard Resolution No. 10455, the City Council has authorized the City Treasurer to invest City funds in accordance with California Government Code Section 53600, *et. seq*. The City Treasurer will include review of the delegation of authority in the annual presentation of the Investment Policy to the City Council.

City Treasurer. The execution of investment transactions on a daily basis will be conducted by the City Treasurer. The Assistant City Treasurer will execute transactions, only as directed by the City Treasurer, in the absence of the City Treasurer. The City Treasurer has established a system of controls and a segregation of responsibilities of investment functions to assure maintenance of internal control over the investment function.

Amendment of Investment Policy. The City Treasurer retains the authority to amend the Investment Policy and related guidelines and procedures at any time in order to carry out the duties as chief investment officer for the City of Oxnard. Notice of any such required amendment will be given to the Investment Review Committee and the City Council.

Ethics and Conflicts of Interest. The City Treasurer shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions. The City Treasurer is governed by The Political Reform Act of 1974 regarding disclosure of material financial interests.

Authorized Financial Dealers and Institutions. The City Treasurer shall transact business only with banks, savings and loans, and securities dealers.

Authorization. The City may conduct business with major registered broker/dealers and with dealers designated Primary by the Federal Reserve provided all the following criteria are met. Broker/Dealers must: (1) have offices located in the State, (2) be adequately capitalized, (3) make markets in securities appropriate to the City's needs, and (4) agree to abide by the conditions set forth in the City's Investment Policy. The City Treasurer shall investigate all institutions which wish to do business with the City and shall require that each financial institution complete and return the appropriate questionnaire and required documentation. An annual review of the financial condition and registrations of qualified bidders will be conducted by the City Treasurer.

Rating. With the exception of the Local Agency Investment Fund ("LAIF") and U.S. Treasury and Government Agency issues, investments shall be placed only in those instruments and institutions rated favorably as determined by the City Treasurer with the assistance of bank rating services and nationally recognized rating services (*i.e.*, Moody's or Standard & Poor's).

Authorized and Suitable Investments. California Government Code Section 53601 defines eligible securities for the investment of surplus funds by local agencies. Surplus funds of the City of Oxnard are invested in compliance with this statute and as further limited in the Investment Policy.

U.S. Government. United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio invested in this category. Maturities are limited to a maximum of five years.

U.S. Agencies. The purchase of instruments of, or issued by, a federal agency or a United States government-sponsored enterprise will be limited to a maximum maturity of five years.

Such agencies include, but are not limited to, the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Tennessee Valley Authority, and the Federal National Mortgage Corporation.

Other Bonds, Notes, or Evidences of Indebtedness. Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

- Registered state warrants or treasury notes or bonds of the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.

- Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

A maximum of 15% of the portfolio may be so invested with the approval of the Investment Review Committee.

Bankers' Acceptances. Bills of exchange or time drafts drawn on and accepted by commercial banks that are eligible for purchase by the Federal Reserve System are known as bankers' acceptances. Purchases of these instruments may not exceed 180 days to maturity or 40% of an agency's surplus funds. A maximum of 30% may be invested in the bankers' acceptances of any one commercial bank.

Commercial Paper. This short-term unsecured promissory note is issued to finance short-term credit needs. Eligible paper is that which is ranked "P1" by Moody's or "A1" by Standard & Poor's, issued by a domestic corporation having assets in excess of $500,000,000, and having an "A" or better rating on issuer's debt. Purchases of commercial paper may not exceed 270 days or represent more than 10% of the outstanding paper of an issuing corporation. Commercial paper purchases will be limited to 15% of the City's portfolio.

Negotiable Certificates of Deposit ("NCDs"). Allowable NCDs are issued by a nationally or state-chartered bank or a state or federal association or by a state-licensed branch of a foreign bank. The City Treasurer may invest up to 30% of surplus funds in NCDs limited to institutions rated "Aa" or better by Moody's or "AA-" or better by Standard & Poor's. A rating equivalent to Sheshunoff performance rating of "A" or better is required for those institutions not rated by Moody's or Standard & Poor's. NCDs are considered liquid, trading actively in the secondary market.

Certificates of Deposit ("CDs"). CDs or "time deposits" of up to $100,000 are federally insured. Beyond that amount, these CDs must be collateralized with the collateral held separately from the issuing institution. The value of the investment must have collateral of at least 110% if government securities, or collateral of at least 150% if mortgage-backed securities. Statute does not limit CDs, however, the Investment Policy shall limit such investments to a maximum of 40% of the portfolio and to a maximum of 15% deposited in any one institution. In addition, time deposits shall be placed in institutions meeting all capital requirements and which maintain a rating equivalent to Sheshunoff performance rating of "A" or better.

Repurchase Agreements. The City may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the City has entered into a master repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored by the City Treasurer's office and will not be allowed to fall below 102% of the value of the repurchase agreement. In order to conform with provisions of the Federal Bankruptcy Code, which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be eligible negotiable certificates of deposit, bankers' acceptances, commercial paper, or securities that are direct obligations of or that are fully guaranteed by the United States or any agency of the United States. These eligible securities are further defined by California Government Code Section 53651.

Medium Term Notes. A maximum of 30% of the City's portfolio may be invested in medium-term notes issued by corporations organized and operating within the United States. Note maturities may not exceed five years. Securities eligible for investment must be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (*i.e.*, Moody's or Standard & Poor's).

Mutual Funds. Shares of beneficial interest (mutual funds) issued by diversified management companies investing in securities/obligations authorized by California Government Code Section 53600, *et seq.*, and complying with California Government Code Section 53630, are permitted investments. California Government Code Section 53601(k) further defines requirements. A maximum of 15% of the portfolio may be so invested.

LAIF. LAIF (the Local Agency Investment Fund) has been established by the State Treasurer for the benefit of local agencies. The City may invest up to the maximum permitted by the LAIF.

Ineligible Investments. Investments not described in the Investment Policy, including but not limited to common stocks and financial futures contracts and options, are prohibited in this fund.

Short Term Loans. With the approval of the City Council and concurrence of the City Treasurer, funds may be invested in short term loans to provide specific funding to City programs.

Collateral. The issue of collateral requirements is addressed in California Government Code Section 53652. All active and inactive deposits must be secured at all times with eligible securities in securities pools pursuant to California Government Code Sections 53656 and 53657. Eligible securities held as collateral shall have a market value in excess of the total amount of all deposits of a depository as follows:

-- government securities, at least 10% in excess.

-- mortgage backed securities, at least 50% in excess.

-- letters of credit, at least 5% in excess.

Safekeeping and Custody. Security transactions entered into by the City shall be conducted on a delivery-versus-payment basis. Securities of duration exceeding 30 days to maturity shall be held by a third party custodian designated by the City Treasurer. Evidence of account for each time deposit will be held in the Treasury vault.

Diversification. The City's portfolio will be suitably diversified by type and institution in an effort to reduce portfolio risk while attaining market average rates.

Security Type and Institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total portfolio will be invested in a single security type and no more than 15% with a single financial institution. Investments are further limited by specific language relating to each investment type as stated in the Investment Policy.

Maximum Maturities. To the extent possible, the City Treasurer will attempt to match investments with anticipated cash flow requirements. The City's portfolio will not be directly invested in securities that mature more than five years from the date of purchase. Reserve funds may be invested in securities exceeding the five years (maturity of such investments should coincide as nearly as practicable with expected use of funds).

Internal Controls. A system of internal controls will be maintained to assure compliance with federal and State regulations, City Council direction, and prudent cash management procedures.

Investment Review Committee. The City Manager, Chief Financial Officer, and City Treasurer are the members of the Investment Review Committee tasked with quarterly review of procedures and adherence to the Investment Policy.

Investment Portfolio Guidelines. Guidelines have been established for procedures within the City Treasurer's Office to assure internal investment controls and a segregation of responsibilities of investment functions.

Annual Audit. The City's portfolio is included in the annual review of the City's financial management performed by an independent (as defined by the Financial Accounting Standards Board) outside audit firm.

Performance Standards. The investment portfolio will be designed to obtain a market-average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The market-average rate of return is defined as the average return on three-month Treasury bills. In addition, the City portfolio will be compared with LAIF and expected to maintain an annual yield within 0.50 (1/2 of 1%) basis points of LAIF's annual yield.

Reporting. The City Treasurer shall provide investment information to City Council.

Periodic Reports. The City Treasurer will provide detailed reports of the investments in the pooled investment fund portfolio on a monthly basis to the City Council, City Manager, and Chief Financial Officer. Within 30 days of the end of each quarter, these reports will be provided with additional information such as market pricing. Summarized reports from Trustees regarding investments of bond proceeds, deferred compensation, and retirement funds are available for review.

Annual Report. The Investment Policy will be presented annually, following the close of the fiscal year, to the City Council for approval. A detailed report of the current status of the portfolio will be included in this presentation.

Financial Statements per GASB 31. City Treasurer will provide the portfolio's market value gains/losses to Finance to be incorporated in the fiscal year end balance sheet in accordance with Rule 31 of the Government Accounting Standards Board ("GASB").

California Debt and Investment Advisory Commission. Effective January 1, 2001, investment reports issued to City Council will also be distributed semiannually to the California Debt and Investment Advisory Commission.

Financial Statements per GASB 40. Effective June 30, 2005, additional disclosure is required. City Treasurer will provide detailed maturity and rating information to Finance to be incorporated in the Comprehensive Annual Financial Report in accordance with GASB Rule 40.

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APPENDIX C

CITY OF OXNARD
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2010

Prepared by
Finance Department
James Cameron
Chief Financial Officer

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Fiduciary Funds:

STATISTICAL SECTION (Unaudited)

INTRODUCTORY SECTION

300 West Third Street, Oxnard, CA 93030

November 29, 2010

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Oxnard, California (City) for the fiscal year ended June 30, 2010. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

Mayer Hoffman McCann PC, a firm of licensed certified public accountants, has issued an unqualified opinion on the City's financial statements for the year ended June 30, 2010. The independent auditor's report is located on page 1 in the financial section of this report. Mayer Hoffman McCann PC also performed the federally mandated "Single Audit", the results of which are presented under separate cover.

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

Profile of the City of Oxnard

The City, incorporated in 1903, is located in western Ventura County (County) on the shores of the Pacific Ocean. The City is approximately 65 miles northwest of the City of Los Angeles. Oxnard is the financial hub and the largest city in the County, with a population of 200,004 in 2010, representing over 24 percent of the County's population.

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

The City provides a full range of municipal services from a variety of funding sources. Services funded from general fund sources include police and fire protection, parks and recreational activities, library services, and cultural events. In addition, the city funds the construction and maintenance of streets, parks, and other public buildings. The City operates municipal water and wastewater treatment systems, refuse collection and a solid waste transfer and recycling facility, and a municipal golf course. In addition, the City oversees the Performing Arts and Convention Center. This report includes all funds of the City, as well as all governmental organizations and activities for which the City Council has financial accountability. These organizations include the Oxnard Community Development Commission, the Oxnard Housing Authority and the City of Oxnard Financing Authority.

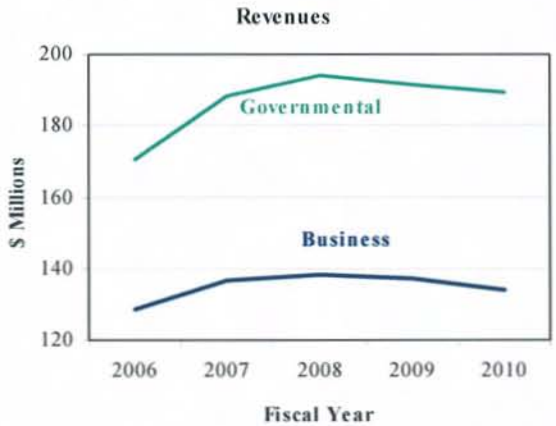
The annual budget, adopted by resolution of the City Council, serves as the foundation for the City's financial planning and control. The City Council approves operating and capital appropriations at the fund and department levels. Budgetary control is maintained at the department level and the department head may transfer resources within a department. While the City Manager may approve the transfer of funds between departments, special approval by the Council is required for adjustments to fund budgets. Although the budget must be adopted annually, the Council approves a balanced two-year operating budget and capital improvement plan. As part of the annual budget resolution, the Council reauthorizes appropriations for continuing projects and activities.

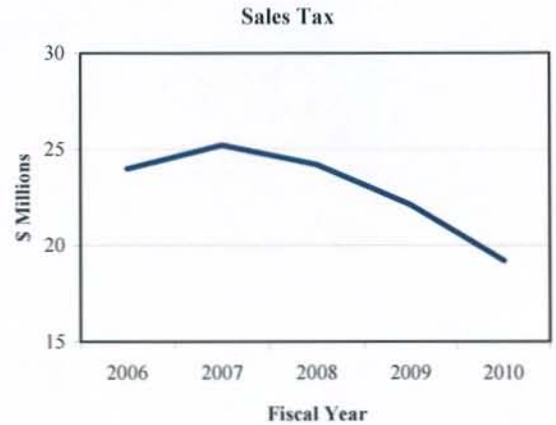
Local Economy

The City of Oxnard enjoys a diversified economic base composed of agriculture and related business, retail, various services, and governmental agencies. The services group provides the largest source of employment with agriculture providing an important source of employment in the City of Oxnard. The population of Oxnard continued to grow 1.5%, as a result of employment opportunities and low housing costs relative to other regions of the State.

At the same time, the City was impacted by the housing and credit crisis and the resulting economic slow down experienced throughout the State of California and the nation. The unemployment rate (annual average) for fiscal year 2009-2010 has jumped to just over 10.6% from a low of 4% just five years ago. The unemployment rate in June 2010 was in excess of 14%. Much of the employment decline has been in housing related industries such as construction and financial services; however, manufacturing and wholesale trades also experienced significant declines.

City governmental funds experienced a reduction in revenues in 2010. Sales taxes, excluding the new ½ cents sales tax, decreased 12% or $2.9 million. Oxnard was particularly impacted by the decline in auto sales. Transient occupancy tax and business privilege tax collections also declined as tourism and business development were impacted by the recession. Property taxes decreased as the lag in valuation adjustments finally caught up with other economic trends. The other governmental revenues significantly impacted by the recession were fees and charges related to development activity. Business activity revenues were generally flat.





Long-term Financial Planning

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

Because it is difficult to fully anticipate dramatic changes in the national and local economies, the Council has set a general fund unreserved, undesignated fund balance goal of 18% of the general fund's operating expenditures. The City ended the fiscal year at 17% or $18.4 million. As the economy improves in the coming years, it is anticipated that the 18% goal will be achieved.

Major Initiatives

In November of 2008, the voters of Oxnard approved a ½ cent sales tax increase. Fiscal year 2010 was the first full year of collecting the sales tax, which began in April of 2009. The following summarizes the financial status of these funds:

Measure O 1/2 Cent Sales Tax
June 30, 2010

	Balance Sheet	
ASSETS		
Cash and cash equivalents	$	9,711,571
Due from other government		1,226,900
Total assets	**$**	**10,938,471**
LIABILITIES AND FUND BALANCES		
Liabilities:		-
Total liabilities		-
Fund balances		10,938,471
Total liabilities and fund balances	**$**	**10,938,471**
	Income Statement	
REVENUES		
Taxes	$	8,908,667
Interest Earnings		83,388
Total revenues		8,992,055
EXPENDITURES		
State Board of Equalization*		(8,820)
Street Repair - Materials		11,007
Total expenditures		2,187
Net change in fund balances	$	8,989,868

* $8,820 refunded by SBOE in FY 2009-10.

While this is a general purpose tax, the City's policy is to use this additional revenue to improve services to the community by adding and improving City facilities and programs. This initiative includes a citizen oversight committee and requires that revenues and the projects and programs funded from the ½ cent sales tax be audited and reported annually to the community. The ½ cent sales tax will require reauthorization by the voters in 20 years.

The State of California is in its fourth year of a drought and many Cities are experiencing reductions in supply from state managed sources. The City is addressing both the short term drought conditions as well as long-term supply issues through two initiatives. First, the City continues to implement its recycled water program and began construction of the Advance Water Purification Facility and recycled water distribution system during fiscal year 2010. The City received $20 million from the American Recovery and Reinvestment Act and issued $83.7 million of Build America Bonds authorized under the Act.

Single Audit

In accordance with the Single Audit Act of 1997, the City's grant programs which utilize federal funds, either directly or passed through from State agencies, are subject to the audit requirements of the Federal Office of Management and Budget (OMB) Circular A-133. This includes tests of compliance with federal laws and regulations. The results of the single audit performed by Mayer Hoffman McCann PC are available under separate cover.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the 21st consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR, whose content conforms to program standards. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes the current CAFR continues to conform to the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to Marichu Maramba and to all members of the department as well as staff from other departments who contributed to the preparation of this annual financial report. We would also like to acknowledge the Mayor and Council Members, the City Manager's staff, and department directors for their consistent support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Edmund F. Sotelo	James Cameron
City Manager	Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Oxnard California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2009

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

City of Oxnard, California

CITY COUNCIL

ANDRES HERRERA
Mayor Pro Tem

DR. THOMAS E. HOLDEN
Mayor

DEAN MAULHARDT
Councilmember

DR. IRENE G. PINKARD
Councilwoman

BRYAN A. MACDONALD
Councilman

EDMUND F. SOTELO
City Manager

City of Oxnard
Organizational Chart

Residents

City Treasurer
Danie Navas

Customer Service
(Eden Alomeri)
Business Licensing

Utility Billing

City Council
Dr. Thomas E. Holden, Mayor
Andres Herrera, Mayor Pro Tem
Dean Maulhardt, Councilmember
Dr. Irene G. Pinkard, Councilwoman
Bryan A. MacDonald, Councilman

City Clerk
Daniel Martinez
Elections
Information Resources

City Attorney
Alan Holmberg
Debt Collection
Legal Assistance
Special Litigation

City Manager
Edmund Sotelo

CDC
Curtis Cannon
Central Business Dist.
Harbor District
H.E.R.O
Ormond Beach
Southwinds
Special Projects

Assistant City Manager
Karen Burnham

KAREN BURNHAM
Assistant City Manager

Police
John Crombach
- **Administrative Services** (Jason Benites)
  - Emergency Communications
  - Professional Standards
  - Support Services
- **Field Operations** (Scott Whitney)
  - Code Compliance
  - Community Patrol
- **Investigative Services** (Vacant)
  - Investigative Services
  - Special Services

Fire
Joe Milligan
- **Disaster Preparedness** (Deborah Shane)
- **Emergency Services** (Darwin Base) (Michael O'Malia) (Chris Donabedian)
- **Fire Prevention** (Gary Sugich)
- **CUPA** (Miguel Trujillo)

Housing
Bill Wilkins
- **Administrative Services** (Carrie Sabatini)
- **Affordable Housing** (Melissa Hettena)
- **Housing Assistance** (Will Reed)
- **Capital Fund Asset Management** (Rick Shear)
- **Grants Management** (Norma Owens)
  - Grants Assistance

Finance
Jim Cameron
- **Budget and Capital Improvement** (Beth Vo)
  - Budget
  - Capital Improvement Projects
- **Financial Resources** (Mike More)
  - Debt & Property Management
  - Liability Management
- **General Accounting** (Marichu Maramba)
  - Accounting
  - Payroll & Benefits
- **Purchasing** (Bruce Dandy)
  - Mail Service
  - Purchasing

Recreation and Community Services
VACANT
- **Community Facilities** (Bob Holden)
  - Performing Arts and Convention Center
- **Recreation & Community Services** (Gil Ramirez)
  - Recreation Services
  - Senior/Special Population Services
  - South Oxnard Center
  - Special Events
  - Youth Development

Development Services
Matt Winegar
- Development Support
- Transportation Planning & Services
- **Building and Engineering** (Rob Roshanian)
  - Building and Engineering
- **Planning** (Sue Martin)
  - Planning & Environmental Services

Public Works
Rob Roshanian (Acting)
- **Administration**
- **Construction and Design Services** (Lou Balderrama)
  - Construction Services
  - Design
  - Street Maintenance & Repair
  - Traffic Signs & Markings
- **Utilities Services** (Mark Norris)
  - Water
  - Wastewater
  - Environmental Resources

City Manager
Edmund Sotelo
- **Operations**
  - Budget
  - Cable Television
  - Community Relations
  - Neighborhood Services
  - Public Information
  - Special Projects
- **Legislative Affairs** (Martin Erickson)
- **Information Systems** (Grace Hoffman)
  - Citywide Network Support
  - Document Publishing Services
  - Geographic Information Systems
  - Help Desk
  - Municipal Software Support
  - Telecommunications Support
- **General Services** (Michael Henderson)
  - Facilities Maintenance
  - Landscape Assessment & Graffiti Removal
  - Park/Facility Development
  - Parks Maintenance
  - River Ridge Golf Course
  - Street Lighting
  - Fleet Services

Human Resources
Michelle Tellez
- Employee Benefits
- Employee Training
- Human Resources
- Labor Negotiations
- Safety & Wellness
- Workers' Compensation

Library
Barbara Murray
- Circulation Services
- Branch Services
- Community Outreach
- Public Services
- Support Services
- *Carnegie Art Museum

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

*The Carnegie Art Museum will be managed by the Cornerstones Board of Directors.

REV: 07/01/10

FINANCIAL SECTION

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

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Bakersfield, CA 93309
PH 661.325.7500
FAX 661.325.7004

INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Oxnard, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oxnard, California, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Oxnard, California's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California, as of June 30, 2010, 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.

During the year ended June 30, 2010, the City changed the manner in which it accounts for derivative instruments as a result of the implementation of GASB Statement No. 53, as discussed further in the notes to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2010, on our consideration of the City of Oxnard, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedule of funding progress on pages 3 through 15 and 81 through 82, are not a required part of the basic financial statements but are supplementary

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300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220

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 financial statements as a whole. The introductory section, budgetary comparison information combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Mayer Hoffman McCann P.C.

Bakersfield, California
November 24, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of the City of Oxnard's annual financial report presents management's discussion and analysis of the financial performance of the City for the fiscal year ended June 30, 2010. Please read this information in conjunction with the transmittal letter, which can be found in the introductory section of this report (pages i to v), and the City's financial statements, beginning on page 17.

Financial Highlights

- The assets of the City exceeded its liabilities by $1.81 billion (net assets) at the close of the fiscal year. In the previous year, net assets were $1.8 billion.

- The City's total net assets increased by $10.1 million, primarily from investments in capital assets.

- As of the close of the fiscal year, the City's governmental activities reported combined net assets of $1.5 billion, an increase of $4.1 million from the prior year. The unrestricted net assets of $97.1 million reflect a decrease of $14.5 million from the prior year, primarily due to a reduction in amounts invested with fiscal agents.

- At the end of the fiscal year, the unreserved/undesignated fund balance of the General Fund was $18.4 million, which is 17% of the general fund's operating expenditures.

- The City's total debt (excluding compensated absences) increased by $89.8 million during the current fiscal year. Water Revenue Bonds, Series 2010 in the amount of $100.1 million were issued, including $83.7 million of Build America Bonds. Repayment of other outstanding debt offset the additional bonds.

Overview of the Financial Statements

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

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

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

- *Governmental activities* include most of the City's basic services such as general government, public safety, public works, community development, parks, recreation, and library services. Property and sales taxes, franchise fees, user fees, interest income, and State and Federal grants finance these activities.
- *Business-type activities* consist of the City's water and wastewater systems, environmental resources, housing services, and the operations of the Performing Arts and Convention Center and River Ridge Golf Course. The City charges fees to customers to recover the cost of these services.

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

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

- *Governmental funds.* As with the governmental activities reported in the government wide financial statements, most of the City's basic services are reported in governmental funds. Governmental fund statements use the modified accrual basis of accounting and focus on the flow of financial resources to and from those funds and the balances of spendable resources that are available at year-end. As a result, governmental funds provide a short-term view that can be used to evaluate near-term requirements for financial resources. Because governmental fund statements do not encompass the long-term focus of the government-wide statements, a reconciliation of these statements is included following the governmental funds statements. The basic governmental fund financial statements begin on page 19.

- *Proprietary funds*. The City maintains two types of proprietary funds to report services for which customer fees are intended to finance the costs of operations. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds report activities that provide supplies and services for the City's programs and services. Internal service funds include the City's self-insurance, utility customer services, information services, facilities maintenance and equipment maintenance services. While these internal service funds are combined into a single presentation for the proprietary funds financial statements, they are allocated to the appropriate function in the government-wide financial statements. The major funds of the enterprise funds are presented separately in the proprietary funds financial statements. Proprietary funds financial statements use similar accounting methods and focus, both long-term and short-term, as the government-wide statements. The basic proprietary fund financial statements begin on page 24.

- *Fiduciary funds.* The City is the trustee, or fiduciary, for certain funds established to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The method of accounting for these funds is similar to that of proprietary funds. The City's fiduciary activities are reported in a separate Statements of Fiduciary Net Assets. These activities are excluded from the City's government-wide financial statements because they do not support the City's own programs and operations. The basic fiduciary fund financial statements begin on page 32.

Notes to the financial statements. The notes provide additional information to the government-wide and fund financial statements that are important in fully understanding the data presented in the financial statements. The notes to the financial statements begin on page 33.

Government-wide Financial Analysis

A city's net assets may serve over time as a useful indicator of a government's financial position. As shown in the following table, the City of Oxnard's assets exceeded liabilities by $1.81 billion at the close of the fiscal year, an increase of $10.1 million.

Summary of Net Assets
($thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Current assets	$ 209,971	$ 221,051	$ 191,072	$ 87,942	$ 401,043	$ 308,993
Capital assets (net of accumulated depreciation)	1,470,859	1,454,991	541,279	502,807	2,012,138	1,957,798
Properties held for resale	6,076	6,076	-	-	6,076	6,076
Other assets	7,606	1,894	6,069	2,339	13,675	4,233
Total assets	**1,694,512**	**1,684,012**	**738,420**	**593,088**	**2,432,932**	**2,277,100**
Current liabilities	41,405	33,054	13,484	7,094	54,889	40,148
Non-current liabilities	153,146	155,117	417,785	284,848	570,931	439,965
Total liabilities	**194,551**	**188,171**	**431,269**	**291,942**	**625,820**	**480,113**
Net assets:						
Invested in capital assets, net of related debt	1,377,785	1,371,346	250,720	238,067	1,628,505	1,609,413
Restricted	25,081	12,852	17,706	7,811	42,787	20,663
Unrestricted	97,095	111,643	38,725	55,268	135,820	166,911
Total net assets	**$ 1,499,961**	**$ 1,495,841**	**$ 307,151**	**$ 301,146**	**$ 1,807,112**	**$ 1,796,987**

A significant portion of the City's net assets (90%) reflects its investment in capital assets net of accumulated depreciation, less any related debt outstanding used to acquire those assets. The net investment in capital assets increased $19.1 million as the City continued to invest in infrastructure. Because these assets are tied up in land, buildings, equipment, and other infrastructure that support the services provided to citizens, these amounts are not available for future spending. The remainder of net assets is divided between restricted and unrestricted categories. Restricted net assets that are subject to external limitations on how they may be used make up 2% of the total. The remaining balance of $135.8 million (8%) consists of unrestricted net assets of the City which may be used to meet future needs of the community.

As in prior fiscal years, the City reported positive balances for both governmental and business-type activities, as well as the government as a whole. Net assets of governmental activities increased $4.1 million, while business activities increased $3 million.

The following table presents a summary of the changes in the City's net assets for the year ended June 30, 2010.

Summary of Changes in Net Assets
($thousands)

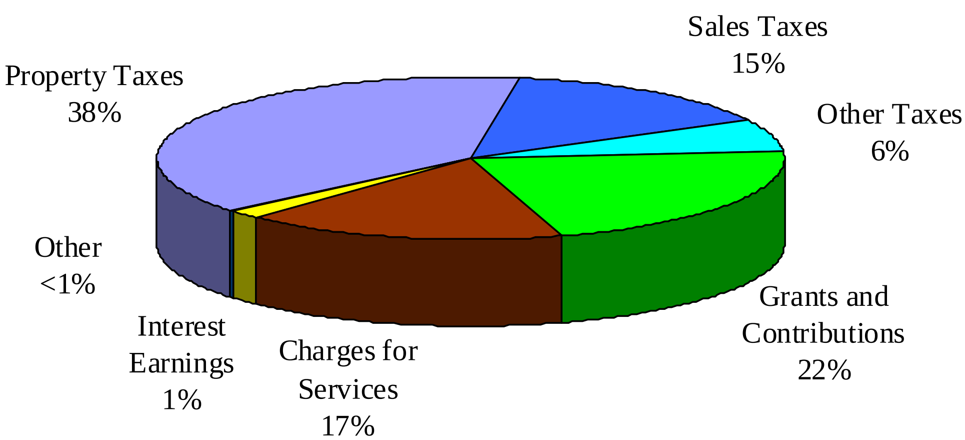
	Governmental Activities		Business-Type Activities		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Program revenues:						
Charges for services	$ 31,508	$ 36,186	$ 110,953	$ 114,007	$ 142,461	$ 150,193
Operating grants and contributions	24,380	25,875	20,781	19,636	45,161	45,511
Capital grants and contributions	17,106	9,420	192	543	17,298	9,963
General revenues:						
Taxes	112,760	114,469	-	-	112,760	114,469
Interest on investments	2,770	5,556	1,912	3,299	4,682	8,855
Sale of capital assets	694	59	-	2,863	694	2,922
Total revenues	**189,218**	**191,565**	**133,838**	**140,348**	**323,056**	**331,913**
Expenses:						
General government	18,695	19,718	-	-	18,695	19,718
Public safety	92,555	86,249	-	-	92,555	86,249
Transportation	10,321	10,600	-	-	10,321	10,600
Community development	32,863	26,990	-	-	32,863	26,990
Culture and leisure	19,017	20,945	-	-	19,017	20,945
Libraries	5,177	5,341	-	-	5,177	5,341
Interest on long-term debt	5,584	6,519	-	-	5,584	6,519
Water	-	-	36,798	29,837	36,798	29,837
Wastewater	-	-	24,206	22,338	24,206	22,338
Environmental Resource	-	-	39,296	41,117	39,296	41,117
Performing Arts and Convention Center	-	-	1,652	1,800	1,652	1,800
Oxnard Housing Authority	-	-	25,260	26,154	25,260	26,154
Municipal Golf Course	-	-	4,507	7,601	4,507	7,601
Total expenses	**184,212**	**176,362**	**131,719**	**128,847**	**315,931**	**305,209**
Change in Net Assets before Transfers	5,006	15,203	2,119	11,501	7,125	26,704
Transfers	(886)	(3,765)	886	3,765	-	-
Changes in net assets	**4,120**	**11,438**	**3,005**	**15,266**	**7,125**	**26,704**
Net Assets - July 1 (Restated)	1,495,841	1,484,403	304,146	285,880	1,799,987	1,770,283
Net Assets - June 30	**$ 1,499,961**	**$ 1,495,841**	**$ 307,151**	**$ 301,146**	**$ 1,807,112**	**$ 1,796,987**

Governmental Activities. The net assets of governmental activities increased by $4.1 million during the fiscal year as follows:

- Taxes, which make up the largest source of governmental revenues at 60%, decreased $1.7 million. This decrease was primarily due to a $3.9 million (5%) decrease in property taxes as a result of falling valuations and a $1.2 million decrease in franchise fees, primarily from the gas franchise. Sales taxes increased $4.1 million due to the ½ cent sales tax approved by the voters in November of 2008. The base sales tax decreased by more than $2 million due to the economic downturn.
- Charges for services, which include various building permits and other development related fees as well as various user fees, make up 17% of governmental revenues. Decreases of $4.7 million were primarily in development and growth fees resulting in a continuing slow down in residential development projects as a result of the housing and financial crisis.
- Grants and contributions for both capital and operating purposes make up 22% of revenues with the remaining 2% from interest on investments and sale of assets. Grants increased as a result of successful efforts for American Recovery and Reinvestment Act funding as well as reclassification of various developer fees from the category of charges for services.

Governmental Activities

Revenues

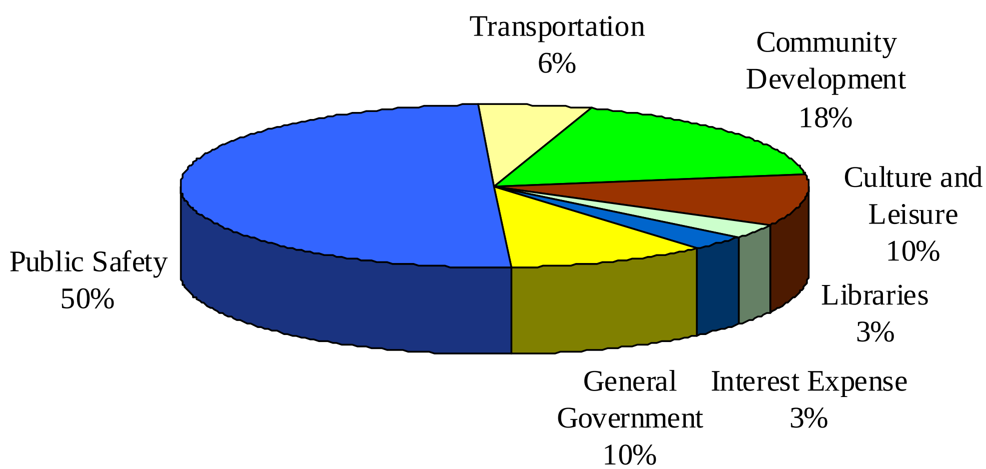


Of the $184.2 million in total governmental expenses, 87% supports programs that provide direct services to the community.

- At 50%, Public Safety, which includes Police and Fire, receives the largest share of governmental revenues. Public Safety increased $6.3 million primarily due to salary and benefit costs and grant funding. In addition, the prior year included a one-time adjustment that decreased FY 2009 expenditures.
- Other service programs include Community Development at 18%, Culture and Leisure at 10%, Transportation at 6%, and Library at 3%. Community Development increased $5.9 million resulting from the required shift of redevelopment agency tax increment to the State of $6.2 million. The other service areas decreased a combined $2.4 million as a result of program savings.
- The remaining 13% includes General Government, which decreased $1 million and Interest Expenses, which decreased $0.9 million.

Total expenses increased close to $7.9 million.

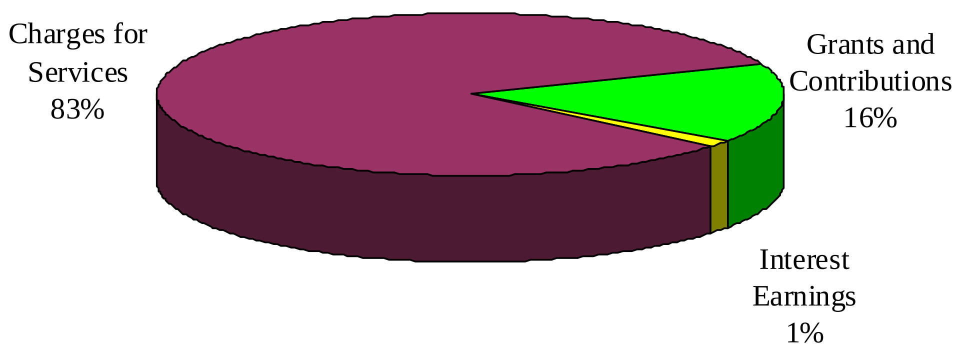
Expenses



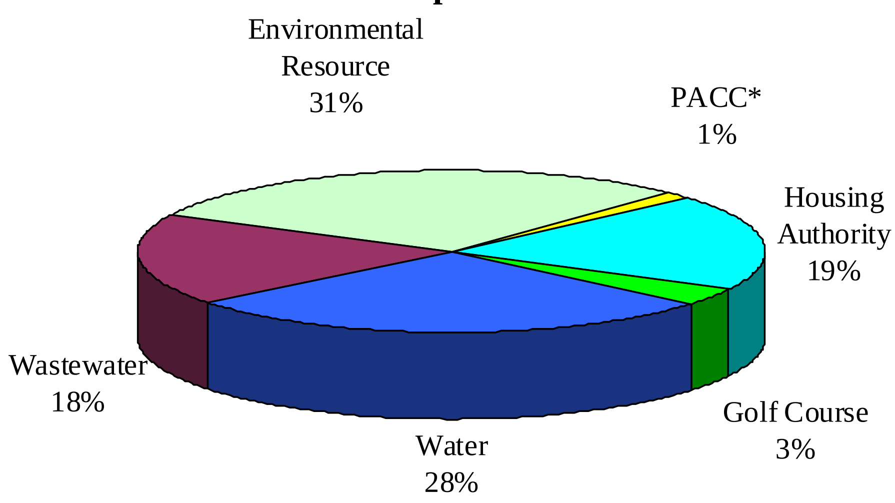
Business-type Activities. Business-type activities increased the City's net assets by $3 million.

- Charges for services, which make up 83% of business-type revenues, decreased $3 million. Increased utility rates were offset by falling connection fees charged to new users due to the slow down in residential housing development.
- Interest earnings decreased $1.4 million due to a more difficult investment climate, while the Wasco Farm Property sale provided one-time revenues of $2.9 million to the Wastewater fund in the prior year.
- Net Transfers decreased $2.9 million, primarily due to a one-time $3.9 million transfer into the golf course fund in the prior fiscal year.

Revenues



Expenses



- Business-type activity expenses increased $2.9 million due to increases in the cost of water purchases. Environmental Service costs were reduced based on service demand. In the prior year, the Golf fund reflected a one-time charge.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows and outflows and balances of spendable resources. At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of $164.8 million, a decrease of $6.4 million from the prior year. Of this year-end total, approximately $151 million is unreserved and available for funding continuing city service requirements. Reserved fund balances include:

- $5.3 million committed for noncurrent notes receivable,
- $2.4 million committed for repayment of debt,
- $6.1 million committed for capital projects

The major governmental funds are the General Fund, State and Federal Grant Fund, and Community Development Commission (CDC) Fund.

Governmental Funds Balance Sheet Summary
($thousands)

	General Fund		Other Governmental		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Assets	$ 38,598	$ 33,138	$ 162,134	$ 175,015	$ 200,732	$ 208,153
Liabilities and Fund Balance						
Liabilities	8,871	9,343	27,030	27,533	35,901	36,876
Fund Balances						
Reserved	-	-	13,812	12,852	13,812	12,852
Unreserved	29,727	23,795	121,292	134,630	151,019	158,425
Total fund balances	29,727	23,795	135,104	147,482	164,831	171,277
Total Liabilities and Fund Balance	**$ 38,598**	**$ 33,138**	**$ 162,134**	**$ 175,015**	**$ 200,732**	**$ 208,153**

Governmental Funds Summary of Revenues, Expenditures, and Changes in Fund Balances ($thousands)

	General Fund		Other Governmental		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Taxes	$ 80,279	$ 79,844	$ 32,481	$ 34,624	$ 112,760	$ 114,468
Other Revenues	28,986	29,126	49,444	44,966	78,430	74,092
Total revenues	**109,265**	**108,970**	**81,925**	**79,590**	**191,190**	**188,560**
Expenditures						
Current	105,797	102,787	54,763	43,740	160,560	146,527
Capital outlay	158	795	34,581	42,910	34,739	43,705
Debt service	-	-	8,974	9,535	8,974	9,535
Total expenditures	**105,955**	**103,582**	**98,318**	**96,185**	**204,273**	**199,767**
Excess of revenues over (under) expenditures	3,310	5,388	(16,393)	(16,595)	(13,083)	(11,207)
Other Financing Sources (Uses)						
Bond issuance net of discount	-	-	1,396	11,673	1,396	11,673
Net Transfers	2,622	(2,046)	2,618	(1,719)	5,240	(3,765)
Total other financing sources (uses)	**2,622**	**(2,046)**	**4,014**	**9,954**	**6,636**	**7,908**
Net change in fund balances	5,932	3,342	(12,379)	(6,641)	(6,447)	(3,299)
Fund balances, July 1	23,795	20,453	147,482	154,123	171,277	174,576
Fund balances, June 30	**$ 29,727**	**$ 23,795**	**$ 135,103**	**$ 147,482**	**$ 164,830**	**$ 171,277**

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unreserved balance of the General Fund was $29.7 million. The unreserved/undesignated fund balance of the General Fund was $18.4 million, which is 17% of general fund operating expenditures.

General fund operating revenues exceeded expenditures by $3.3 million. While total operating revenues only increased $0.3 million, the ½ cent sales tax approved by the voters in November 2008, which began in April 2009, increased $6.2 million. Other general fund revenues decreased; however, expenditures reflected a net increase of $2.4 million even after the implementation of savings plans.

- General taxes and fees, including charges for services, decreased $6 million (excludes ½ cent sales tax). These decreases were driven by economic conditions, primarily impacting sales taxes, down $2.9 million, property taxes, down $1.7 million, and other taxes, down $1.9 million. Charges for services and intergovernmental revenue were up $0.7 million.
- Expenditures were generally reduced in response to the economic downturn, including reductions in hiring and deferral or elimination of projects and acquisitions in all program areas. Apart from the impact of the one-time prior reclassification of $2.8 million, Public Safety expenditures increased $2.2 million. All other department expenditures were reduced $2.6 million.

Net transfers increased $4.7 million as reductions to capital project funds reduced transfers out by $1.6 million, while transfers from other funds were increased $3.1 million from internal service funds to correct for excess charges to operating funds.

For other major funds, the CDC fund balance decreased $11.4 million and State and Federal Grants increased $3.5 million, less a $3 million reclassification of prior year revenues. The decrease in the CDC fund balance was the result of a $2.8 million decrease in revenues and the $6.2 million shift of tax revenues to the State. Capital improvements expended fund balances as anticipated. The total fund balance for non-major funds decreased $4.4 million, primarily due to the use of certificates of participation issued in a prior year.

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

The enterprise operations ended the fiscal year with combined unrestricted net assets of $34.6 million, a decrease of $17.4 million. Total net assets increased $3 million after a prior year adjustment for enterprise funds and decreased $2 million for internal service funds.

- Enterprise operating revenues decreased $3.1 million primarily in wastewater and the housing authority. Interest earnings fell by $1.4 million due to lower interest rates.
- Enterprise operating expenses increased $2.3 million to $122.9 million primarily due to water purchases as well as salary and benefit costs.
- Internal service charges were refunded to operating funds in FY 2010 based on unrestricted fund balances.

General Fund Budgetary Highlights

General Fund appropriations were increased $1.2 million from the original budget of $112.3 million (including transfers) and actual expenditures and transfers were $4.3 million lower than the final budget.

- While operating department budgets were decreased a combined $4.4 million in response to lower revenues, re-appropriation of encumbrances added $0.5 million and an allocation of ½ cent sales taxes added $0.7 million. A net $5.1 million was transferred as capacity to non-departmental and to offset budgeted credits for vacancy savings.
- The $4.3 million difference between the final budget for expenditures and transfers out and actual amounts includes budget savings of $2.3 million that were retained as capacity in non-departmental were not expended. In addition, savings from vacant positions and deferred acquisitions, as well as transfers, exceeded anticipated savings in several departments by $1 million. Finally, a short term transfer of $1 million to and from CDC are not reflected in actual amounts.

General Fund Budgetary Summary
($thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 77,825	$ 77,825	$ 80,279	$ 2,454
Other Revenues	28,823	29,502	28,986	(516)
Total revenues	**106,648**	**107,327**	**109,265**	**1,938**
Expenditures				
Current	106,946	108,714	105,797	2,917
Capital outlay	383	442	158	284
Total expenditures	**107,329**	**109,156**	**105,955**	**3,201**
Excess of revenues over (under) expenditures	(681)	(1,829)	3,310	5,139
Other Financing Sources (Uses)				
Net Transfers	588	1,300	2,622	1,322
Total other financing sources (uses)	**588**	**1,300**	**2,622**	**1,322**
Net change in fund balances	**$ (93)**	**$ (529)**	**$ 5,932**	**$ 6,461**

Actual revenues were $1.9 million higher than the final budget. Part of the variance in actual revenues and expenditures from final budgets was related to the ½ cent sales tax. Only the $0.7 million allocation was budgeted based on City Council action, while actual revenues were $8.9 million. Revenue shortfalls, excluding the ½ cent sales tax, were primarily driven by the slowing economy, which impacted property and sales taxes, as well as various other taxes and fees. The reduction in property and base sales taxes was $4.4 million. Total revenues, excluding the ½ cent sales tax, were $7 million lower than budget.

Capital Assets and Debt Administration

Capital assets. The City's investments in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2010, were $1.47 billion and $0.54 billion respectively. The increase for these investments was 1.1% for governmental and 7.7% for business-type activities. Increases included construction in progress for water and wastewater projects, as well as street and park improvements.

Capital Assets
Net of Accumulated Depreciation
($thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 988,044	$ 988,044	$ 47,688	$ 24,040	$ 1,035,732	$ 1,012,084
Buildings	22,467	23,377	27,401	28,886	49,868	52,263
Other improvements	64,413	64,015	24,908	4,350	89,321	68,365
Machinery and equipment	7,568	7,913	3,677	4,143	11,245	12,056
Infrastructure	230,933	228,571	168,478	162,145	399,411	390,716
Construction in progress	157,435	143,072	269,128	279,244	426,563	422,316
Total	**$ 1,470,860**	**$ 1,454,992**	**$ 541,280**	**$ 502,808**	**$ 2,012,140**	**$ 1,957,800**

Long-term debt. The City uses a variety of tax increment, revenue and lease indebtedness to finance various capital acquisitions. As of June 30, 2010, the City's long-term debt outstanding was $493 million. Of this total, $120 million was in governmental activities and $373 million was in business-type activities. More detailed information about the City's long-term liabilities is presented in Note II-F to the financial statements, beginning on page 53. The following provides a breakdown of the City's outstanding indebtedness:

Outstanding Debt
($thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Tax Allocation Bonds	$ 46,066	$ 47,279	$ -	$ -	$ 46,066	$ 47,279
Revenue Bonds	38,878	40,337	369,890	277,466	408,768	317,803
Capital Leases	1,436	294	3,632	4,053	5,068	4,347
Certificates of Participation	33,194	33,893	-	-	33,194	33,893
Total	**$ 119,574**	**$ 121,803**	**$ 373,522**	**$ 281,519**	**$ 493,096**	**$ 403,322**

Tax allocation bonds are paid from the increment revenues of property taxes levied within the City's redevelopment and renewal areas. The Central City Revitalization Project and other redevelopment areas currently are accounted for by the Oxnard Community Development Commission (CDC). CDC debt is rated A by Standard and Poor's (S&P).

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

During the fiscal year, the City issued Water Revenue Bonds, Series 2010 in the amount of $100.1 million, including $83.7 million of Build America Bonds to construct the recycled water system.

The total outstanding debt is limited by statute to 15% of assessed valuation, or $2.49 billion.

Economic Factors and Next Year's Budgets and Rates

Although the Oxnard metro area has a diverse economy and growing population, City revenues continue to be impacted by the economic slow down experienced throughout the State of California and the nation. City's unemployment rate (annual average) has jumped to just over 10.6% from a low of 4% just five years ago. The unemployment rate in June 2010 was in excess of 14%.

The fiscal year 2011 budget was developed based on a slow economy. Property taxes were budgeted below 2010 budgeted amounts. The budget includes an allowance for retirement incentive savings of $2.6 million. No increases were programmed for user charges; however, a rate study has been completed for the City's utilities and a combined rate adjustment of 5% has been approved.

Contacting the City's Financial Management

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

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BASIC FINANCIAL STATEMENTS

City of Oxnard, California
STATEMENT OF NET ASSETS
June 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 146,119,842	$ 36,461,703	$ 182,581,545
Investments with fiscal agents	26,500,190	141,404,561	167,904,751
Accounts and other receivables (net of allowance for uncollectibles)	24,066,174	13,649,821	37,715,995
Notes receivable	5,288,246	1,388,518	6,676,764
Internal balances	1,832,183	(1,832,183)	-
Due from other government	6,164,684	-	6,164,684
Properties held for resale	6,075,959	-	6,075,959
Other assets	1,662,003	1,635,647	3,297,650
Deferred outflow	5,944,346	4,201,563	10,145,909
Restricted assets:			
Investments with fiscal agents	-	232,109	232,109
Capital assets not being depreciated:			
Land	988,043,659	47,687,538	1,035,731,197
Construction in progress	157,435,247	269,128,010	426,563,257
Capital assets, net of accumulated depreciation:			
Buildings	22,466,596	27,400,548	49,867,144
Other Improvements	64,413,013	24,908,297	89,321,310
Machinery and equipment	7,567,526	3,677,002	11,244,528
Infrastructure	230,932,523	168,478,150	399,410,673
Total assets	**$ 1,694,512,191**	**$ 738,421,284**	**$ 2,432,933,475**
LIABILITIES			
Current liabilities:			
Accounts payable	11,470,014	5,085,058	16,555,072
Other liabilities	13,140,325	4,197,504	17,337,829
Deferred revenues	7,509,008	-	7,509,008
Due to other agencies	3,341,278	-	3,341,278
Self insurance claims - due within one year	5,949,000	-	5,949,000
Compensated absences payable - current	8,476,000	1,265,268	9,741,268
Bonds and capital leases	3,867,920	49,698,374	53,566,294
Interest rate swap	5,944,346	4,201,563	10,145,909
Noncurrent liabilities:			
Notes Payable	-	28,984	28,984
Self insurance claims	6,394,163	-	6,394,163
Compensated absences payable	8,533,403	1,527,459	10,060,862
Post employment retirement payable	4,220,007	916,720	5,136,727
Bonds & capital leases	115,706,025	364,348,639	480,054,664
Total liabilities	**194,551,489**	**431,269,569**	**625,821,058**
NET ASSETS			
Invested in capital assets, net of related debt	1,377,784,811	250,720,062	1,628,504,873
Restricted for:			
Debt service	2,447,319	16,132,674	18,579,993
Other purposes	22,633,392	1,573,645	24,207,037
Unrestricted	97,095,180	38,725,334	135,820,514
Total net assets	**1,499,960,702**	**307,151,715**	**1,807,112,417**
Total liabilities and net assets	**$ 1,694,512,191**	**$ 738,421,284**	**$ 2,432,933,475**

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, 2010

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets — Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Primary government:							
Governmental activities:							
General government	$ 18,695,220	$ 10,203,810	$ 10,993,737	$ -	$ 2,502,327	$ -	$ 2,502,327
Public safety	92,554,917	4,202,162	2,215,263	393,970	(85,743,522)	-	(85,743,522)
Transportation	10,321,184	5,068,843	4,065,869	12,843,739	11,657,267	-	11,657,267
Community development	32,863,176	6,366,499	6,854,115	2,835,197	(16,807,365)	-	(16,807,365)
Culture and leisure	19,016,619	5,237,167	180,236	1,033,205	(12,566,011)	-	(12,566,011)
Libraries	5,176,704	428,872	70,798	-	(4,677,034)	-	(4,677,034)
Interest on long-term debt	5,583,856	-	-	-	(5,583,856)	-	(5,583,856)
Total governmental activities	184,211,676	31,507,353	24,380,018	17,106,111	(111,218,194)	-	(111,218,194)
Business-type activities:							
Water	36,797,806	38,439,653	-	-	-	1,641,847	1,641,847
Wastewater	24,205,554	22,566,372	-	192,400	-	(1,446,782)	(1,446,782)
Environmental Resource	39,296,115	40,468,627	-	-	-	1,172,512	1,172,512
Performing arts and convention center	1,651,658	513,857	-	-	-	(1,137,801)	(1,137,801)
Oxnard housing authority	25,259,519	4,686,681	20,781,204	-	-	208,366	208,366
Municipal golf course	4,507,360	4,278,241	-	-	-	(229,119)	(229,119)
Total business-type activities	**131,718,012**	**110,953,431**	**20,781,204**	**192,400**	**-**	**209,023**	**209,023**
Total primary government	**315,929,688**	**142,460,784**	**45,161,222**	**17,298,511**	**(111,218,194)**	**209,023**	**(111,009,171)**

	Governmental Activities	Business-type Activities	Total
General revenues:			
Taxes:			
Property tax	72,817,719	-	72,817,719
Sales tax	28,103,051	-	28,103,051
Transient occupancy tax	3,061,163	-	3,061,163
Franchise tax	3,439,645	-	3,439,645
Deed transfer tax	509,370	-	509,370
Business license tax	4,692,615	-	4,692,615
Penalties and interest	136,565	-	136,565
Interest on investments	2,769,250	1,911,510	4,680,760
Sale of capital assets	694,185	-	694,185
Transfers	(885,679)	885,679	-
Total general revenues and transfers	115,337,884	2,797,189	118,135,073
Change in net assets	4,119,690	3,006,212	7,125,902
Restated Net assets - July 1	**1,495,841,012**	**304,145,503**	**1,799,986,515**
Net assets - June 30	**$ 1,499,960,702**	**$ 307,151,715**	**$ 1,807,112,417**

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

City of Oxnard,California
Balance Sheet
Governmental Funds
June 30, 2010

	General	State & Federal Grants	Community Development Commission	Non Major	Total Governmental
ASSETS					
Cash and cash equivalents	$ 22,387,807	$ 5,980,701	$ 41,247,666	$ 55,070,530	$ 124,686,704
Investments with fiscal agents	-	-	16,467,543	10,032,647	26,500,190
Accounts and other receivables	2,994,596	14,949,176	283,548	5,747,481	23,974,801
Notes receivable	-	-	5,288,246	-	5,288,246
Due from other funds	7,871,572	-	-	-	7,871,572
Due from other government	5,343,610	-	-	821,074	6,164,684
Properties held for resale	-	-	6,075,959	-	6,075,959
Other assets	-	-	-	169,432	169,432
Total assets	**$ 38,597,585**	**$ 20,929,877**	**$ 69,362,962**	**$ 71,841,164**	**$ 200,731,588**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	2,675,563	3,589,458	3,562,718	1,158,334	10,986,073
Other liabilities	5,593,442	859,348	83,496	426,870	6,963,156
Due to other funds	-	-	2,000,000	4,039,389	6,039,389
Due to other agencies	-	-	3,341,278	-	3,341,278
Deferred revenues	601,786	1,769,110	-	6,200,642	8,571,538
Total liabilities	**8,870,791**	**6,217,916**	**8,987,492**	**11,825,235**	**35,901,434**
Fund balances					
Reserved for:					
Receivables	-	-	5,288,246	-	5,288,246
Repayment of debt	-	-	2,189,231	258,088	2,447,319
Capital project funds	-	-	6,075,959	-	6,075,959
Unreserved					
Undesignated	18,457,607	-	-	-	18,457,607
Designated	11,269,187	5,980,701	16,467,543	2,086,442	35,803,873
Unreserved reported in:					
Special revenue funds	-	8,731,260	-	45,097,602	53,828,862
Capital project funds	-	-	30,354,491	12,573,797	42,928,288
Total fund balances	**29,726,794**	**14,711,961**	**60,375,470**	**60,015,929**	**164,830,154**
Total liabilities and fund balances	**$ 38,597,585**	**$ 20,929,877**	**$ 69,362,962**	**$ 71,841,164**	**$ 200,731,588**

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

City of Oxnard, California
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2010

Fund balances of governmental funds	$	164,830,154
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of $1,785,748,602 net of accumulated depreciation of ($318,354,522) are not financial resources and, therefore, are not reported in the funds.		1,467,394,080
Long term liabilities, claims and compensated absences have not been included in the governmental fund activity:		
Long-term liabilities of $120,388,866 net of unamortized discount ($814,921)		(119,573,945)
Self insurance claims		(12,343,163)
Compensated absences		(16,073,813)
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds		(1,246,936)
Unamortized issuance cost, Other assets, not available to pay current-period expenditures		1,492,571
Other post employment liability, other long term liability, not due and payable in the current period		(3,938,806)
Grants receivable that were not received within the availability period were recorded as deferred revenue in the governmental funds		1,062,530
Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, facilities and equipment maintenance. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets		18,358,030
Net assets of governmental activities	**$**	**1,499,960,702**

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

City of Oxnard
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General	State & Federal Grants	Community Development Commission	Non Major	Total Governmental
REVENUES					
Taxes	$ 80,279,089	$ 13,516,568	$ 15,558,631	$ 3,405,840	$ 112,760,128
Licenses and permits	1,523,926	-	-	743,655	2,267,581
Intergovernmental	11,093,447	22,951,974	-	8,186,704	42,232,125
Growth and development fees	-	-	268,918	1,233,863	1,502,781
Charges for services	10,917,704	-	(40,672)	130,960	11,007,992
Fines and forfeitures	627,327	144,716	-	441,612	1,213,655
Interest on investments	663,552	80,890	1,047,702	977,106	2,769,250
Special assessments	-	-	-	9,168,150	9,168,150
Miscellaneous	4,159,988	524,439	180,266	3,403,380	8,268,073
Total revenues	**109,265,033**	**37,218,587**	**17,014,845**	**27,691,270**	**191,189,735**
EXPENDITURES					
Current:					
General government	10,769,139	-	-	376,583	11,145,722
Public safety	63,054,917	18,405,336	-	3,358,737	84,818,990
Transportation	4,539,680	239	-	5,597,649	10,137,568
Community Development	10,867,404	1,703,519	17,268,164	2,234,738	32,073,825
Culture and leisure	11,954,916	793,655	-	5,003,184	17,751,755
Library Services	4,611,497	20,680	-	-	4,632,177
Capital outlay	157,863	12,768,202	11,034,542	10,778,544	34,739,151
Debt service:					
Principal	-	-	-	3,743,020	3,743,020
Interest and fiscal charges	-	-	-	5,230,494	5,230,494
Total expenditures	**105,955,416**	**33,691,631**	**28,302,706**	**36,322,949**	**204,272,702**
Excess of revenues over (under) expenditures	3,309,617	3,526,956	(11,287,861)	(8,631,679)	(13,082,967)
OTHER FINANCING SOURCES(USES)					
Proceeds from sale of bonds	-	-	-	1,395,646	1,395,646
Transfers in	5,952,395	21,120	-	4,576,875	10,550,390
Transfers out	(3,329,955)	(78,712)	(117,000)	(1,784,627)	(5,310,294)
Total other financing sources (uses)	**2,622,440**	**(57,592)**	**(117,000)**	**4,187,894**	**6,635,742**
Net change in fund balances	5,932,057	3,469,364	(11,404,861)	(4,443,785)	(6,447,225)
Fund balances, July 1	23,794,737	11,242,597	71,780,331	64,459,714	171,277,379
Fund balances, June 30	**$ 29,726,794**	**$ 14,711,961**	**$ 60,375,470**	**$ 60,015,929**	**$ 164,830,154**

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

City of Oxnard, California
Reconciliation of the Change in Fund Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds	$	(6,447,225)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays $34,017,304 (net of reclass of $721,847) exceeded depreciation expense ($18,764,363) in the current period.		15,252,941
In the statement of activities, the loss on disposal of assets is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the change in fund balance by the cost of the assets disposed $666,588 net of accumulated depreciation ($636,183)		(30,405)
Some expenses reported in the statement of activities do not require the use of financial resources and are not reported as expenditures in governmental funds. These include the decrease in accrued interest $13,343 net increase in compensated absences ($710,781) and other post employment benefits ($1,045,877).		(1,743,315)
The proceeds of debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt proceeds of ($1,395,646) add cost of issuance ($248,440) and bond discount ($118,265) exceeded repayments of $3,743,020.		1,980,669
Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(1,942,285)
Net expenditures of internal service funds of $2,022,008 is reported with governmental activities, plus $928,682 allocated to business-type activities.		(2,950,690)
Change in net assets of governmental activities (page 17)	**$**	**4,119,690**

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

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City of Oxnard, Caliornia
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Water	Wastewater	Environmental Resource	Performing Arts and Convention Center
ASSETS				
Current assets:				
Cash and cash equivalents	$ 18,258,080	$ 15,247,497	$ 1,832,940	$ -
Cash with fiscal agent	111,891,694	1,068,496	2,263,797	35,000
Accounts and other receivable (net of allowance for uncollectibles)	4,749,650	3,410,982	4,567,835	3,124
Notes Receivable	-	-	-	-
Due from other funds	86,837	-	64,689	-
Deferred outlfow	-	4,201,563	-	-
Other assets	353,297	839,716	249,155	-
Total currents assets	**135,339,558**	**24,768,254**	**8,978,416**	**38,124**
Noncurrent assets:				
Investments with fiscal agent	-	-	-	-
Notes Receivable	-	1,350,500	-	-
Advances to other funds	13,300,000	-	-	-
Capital assets:				
Land	3,880,432	3,145,160	3,811,166	-
Buildings	5,795,000	6,380,938	22,859,740	-
Improvements	-	-	-	-
Machinery and equipment	2,824,580	17,626,651	21,593,164	15,370
Construction in progress	102,349,802	161,817,716	4,728,423	-
Infrastructure	115,291,780	169,061,310	1,757,129	42,615
Less accumulated depreciation	(49,677,617)	(95,487,150)	(25,802,825)	(14,647)
Total capital assets (net of accumulated depreciation)	180,463,977	262,544,625	28,946,797	43,338
Total noncurrent assets	**193,763,977**	**263,895,125**	**28,946,797**	**43,338**
Total assets	**329,103,535**	**288,663,379**	**37,925,213**	**81,462**
LIABILITIES				
Current liabilities:				
Accounts payable	6,091,551	799,938	1,771,330	68,008
Other liabilities	1,749,515	983,770	532,873	32,709
Due to other funds	-	-	-	1,183,507
Advances from other funds	-	120,000	-	-
Interest rate swap	-	4,201,563	-	-
Compensated absences payable - current	270,000	495,000	425,000	41,000
Self insurance claims - due within one year	-	-	-	-
Revenue bonds payable-current	2,200,236	3,355,000	2,511,653	-
Total current liabilities	**10,311,302**	**9,955,271**	**5,240,856**	**1,325,224**
Noncurrent liabilities:				
Revenue bonds, net of current portion and discount	202,640,478	138,644,869	10,846,962	-
Compensated absences payable	291,098	184,814	438,854	47,499
Advances from other funds	-	3,880,000	9,300,000	-
Notes payable	-	-	-	-
Self insurance claims	-	-	-	-
Capital leases payable	88,418	-	2,977,104	-
Advances from other funds	-	-	-	-
Post employment retirement payable	167,402	262,042	267,496	12,786
Total noncurrent liabilities	**203,187,396**	**142,971,725**	**23,830,416**	**60,285**
Total liabilities	**213,498,698**	**152,926,996**	**29,071,272**	**1,385,509**
NET ASSETS				
Invested in capital assets, net of related debt	73,274,504	121,065,410	13,446,292	43,338
Restricted for Housing	-	-	-	-
Restricted for debt service	14,002,074	-	2,130,600	-
Unrestricted	28,328,259	14,670,973	(6,722,951)	(1,347,385)
Total net assets	**$ 115,604,837**	**$ 135,736,383**	**$ 8,853,941**	**$ (1,304,047)**

City of Oxnard, Caliornia
Statement of Net Assets
Proprietary Funds
June 30, 2010

Oxnard Housing Authority	Municipal Golf Course	Totals Current Year	Governmental Activities Internal Service Funds	
				ASSETS
				Current assets:
$ 1,123,186	$ -	$ 36,461,703	$ 21,433,138	Cash and cash equivalents
5,590,702	20,554,872	141,404,561	-	Cash with fiscal agent
602,378	315,852	13,649,821	91,373	Accounts and other receivable (net of allowance for uncollectibles)
38,018	-	38,018	-	Notes Receivable
-	-	151,526	-	Due from other funds
-	-	4,201,563		Deferred outflow
193,479	-	1,635,647	-	Other assets
7,547,763	**20,870,724**	**197,542,839**	**21,524,511**	**Total currents assets**
				Noncurrent assets:
232,109	-	232,109	-	Investments with fiscal agent
-	-	1,350,500	-	Notes Receivable
-	-	13,300,000	-	Advances to other funds
				Capital assets:
8,920,208	27,930,572	47,687,538	595,500	Land
38,753,244	3,247,033	77,035,955	-	Buildings
-	26,387,689	26,387,689	-	Improvements
1,533,952	-	43,593,717	2,956,407	Machinery and equipment
232,069	-	269,128,010	2,202,690	Construction in progress
-	-	286,152,834	-	Infrastructure
(34,780,853)	(2,943,106)	(208,706,198)	(2,290,113)	Less accumulated depreciation
14,658,620	54,622,188	541,279,545	3,464,484	Total capital assets (net of accumulated depreciation)
14,890,729	**54,622,188**	**556,162,154**	**3,464,484**	**Total noncurrent assets**
22,438,492	**75,492,912**	**753,704,993**	**24,988,995**	**Total assets**
				LIABILITIES
				Current liabilities:
484,506	21,058	9,236,391	483,941	Accounts payable
872,286	26,351	4,197,504	456,464	Other liabilities
-	800,202	1,983,709	-	Due to other funds
-	-	120,000	-	Advances from other funds
-	-	4,201,563		Interest rate swap
34,268	-	1,265,268	576,000	Compensated absences payable - current
-	-	-	5,949,000	Self insurance claims - due within one year
240,000	41,391,485	49,698,374	-	Revenue bonds payable-current
1,631,060	**42,239,096**	**70,702,809**	**7,465,405**	**Total current liabilities**
				Noncurrent liabilities:
4,275,000	4,875,808	361,283,117	-	Revenue bonds, net of current portion and discount
565,194	-	1,527,459	359,590	Compensated absences payable
-	-	13,180,000	-	Advances from other funds
28,984	-	28,984	-	Notes payable
-	-	-	6,394,163	Self insurance claims
-	-	3,065,522	-	Capital leases payable
-	-	-	-	Advances from other funds
206,994	-	916,720	281,201	Post employment retirement payable
5,076,172	**4,875,808**	**380,001,802**	**7,034,954**	**Total noncurrent liabilities**
6,707,232	**47,114,904**	**450,704,611**	**14,500,359**	**Total liabilities**
				NET ASSETS
14,658,620	28,231,898	250,720,062	3,464,484	Invested in capital assets, net of related debt
1,573,645	-	1,573,645	-	Restricted for Housing
-	-	16,132,674	-	Restricted for debt service
(501,005)	146,110	34,574,001	7,024,152	Unrestricted
15,731,260	**$ 28,378,008**	**$ 303,000,382**	**$ 10,488,636**	**Total net assets**

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	4,151,333
Net assets of business-type activities	**$ 307,151,715**

City of Oxnard, California
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Fiscal Year Ended June 30, 2010

	Water	WasteWater	Environmental Resource	Performing Arts and Convention Center
Operating revenues:				
Charges for services	$ 37,078,139	$ 21,764,958	$ 40,050,640	$ 501,157
Connection Fees	979,454	1,168,425	67,174	-
Miscellaneous and reimbursements	382,060	(367,011)	350,813	12,700
Total operating revenues	**38,439,653**	**22,566,372**	**40,468,627**	**513,857**
Operating expenses:				
Salaries and wages	5,051,323	6,943,427	7,610,586	1,198,107
Contractual services	1,612,079	1,402,458	14,512,609	71,882
Operating supplies	17,432,821	1,692,666	434,789	260
Utilities	513,181	4,169,942	6,450,762	138,053
Depreciation & amortization	2,734,215	4,020,403	1,676,578	3,655
General and administrative	3,724,682	3,297,939	3,873,643	233,410
Repairs and maintenance	347,906	82,325	4,376,113	6,291
Claims expenses	-	-	-	-
Total operating expenses	**31,416,207**	**21,609,160**	**38,935,080**	**1,651,658**
Operating income (loss)	7,023,446	957,212	1,533,547	(1,137,801)
Nonoperating revenues (expenses):				
Intergovernmental	-	192,400	-	-
Interest on investments	1,325,345	406,886	146,015	-
Interest expense	(5,561,344)	(2,860,676)	(845,280)	-
Miscellaneous	-	-	-	-
Total nonoperating revenues (expenses)	**(4,235,999)**	**(2,261,390)**	**(699,265)**	**-**
Income (loss) before contributions and transfers	2,787,447	(1,304,178)	834,282	(1,137,801)
Capital contributions	-	-	-	-
Transfers in	-	-	-	947,811
Transfers out	-	-	(62,132)	-
Changes in net assets	2,787,447	(1,304,178)	772,150	(189,990)
Total net assets- July 1	112,817,390	137,040,561	8,081,791	(1,114,057)
Prior period adjustment	-	-	-	-
Restated net assets - July 1	**112,817,390**	**137,040,561**	**8,081,791**	**(1,114,057)**
Total net assets- June 30	**$ 115,604,837**	**$ 135,736,383**	**$ 8,853,941**	**$ (1,304,047)**

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

City of Oxnard, California
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For Fiscal Year Ended June 30, 2010

Oxnard Housing Authority	Municipal Golf Course	Totals Current Year	Governmental Activities Internal Service Fund	
				Operating revenues:
$ 4,206,880	$ 4,273,447	$ 107,875,221	$ 27,026,368	Charges for services
-	-	2,215,053	-	Connection Fees
389,293	4,794	772,649	287,819	Miscellaneous and reimbursements
4,596,173	**4,278,241**	**110,862,923**	**27,314,187**	**Total operating revenues**
				Operating expenses:
4,461,432	47,042	25,311,917	8,897,384	Salaries and wages
41,999	3,936,809	21,577,836	942,882	Contractual services
15,820,124	-	35,380,660	4,284,318	Operating supplies
774,495	1,925	12,048,358	1,696,119	Utilities
1,306,064	97,988	9,838,903	243,082	Depreciation & amortization
1,563,503	168,736	12,861,913	2,394,666	General and administrative
1,088,929	18,087	5,919,651	949,102	Repairs and maintenance
-	-	-	4,228,054	Claims expenses
25,056,546	**4,270,587**	**122,939,238**	**23,635,607**	**Total operating expenses**
(20,460,373)	7,654	(12,076,315)	3,678,580	Operating income (loss)
				Nonoperating revenues (expenses):
20,144,358	-	20,336,758	-	Intergovernmental
16,380	16,884	1,911,510	425,187	Interest on investments
(202,973)	(237,183)	(9,707,456)	-	Interest expense
90,508	-	90,508	-	Miscellaneous
20,048,273	**(220,299)**	**12,631,320**	**425,187**	**Total nonoperating revenues (expenses)**
(412,100)	(212,645)	555,005	4,103,767	Income (loss) before contributions and transfers
636,846	-	636,846	-	Capital contributions
-	-	947,811	-	Transfers in
-	-	(62,132)	(6,125,775)	Transfers out
224,746	(212,645)	2,077,530	(2,022,008)	Changes in net assets
15,506,514	25,590,653		12,510,644	Total net assets- July 1
-	3,000,000		-	Prior period adjustment
15,506,514	**28,590,653**		**12,510,644**	**Restated net assets - July 1**
$ 15,731,260	**$ 28,378,008**		**$ 10,488,636**	**Total net assets- June 30**

Adjustment to reflect the consolidation of internal service fund activities related to enterprise	928,682
Change in net assets of business-type activities	**$ 3,006,212**

City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For the Year Ended 2010

	Water	Wastewater	Environmental Resource	Performing Arts and Convention Center
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 38,174,545	$ 23,418,821	$ 40,444,991	$ 513,382
Payments to suppliers	(19,247,022)	(12,158,668)	(29,437,663)	(412,571)
Payments to employees	(4,953,748)	(6,867,217)	(7,439,861)	(1,199,638)
Cash paid to claimants	-	-	-	-
Net cash provided by operating activities	**13,973,775**	**4,392,936**	**3,567,467**	**(1,098,827)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances to other funds	(13,300,000)	-	-	-
Advances from other funds		4,000,000	9,300,000	-
Due to other funds	-	-	(7,080,257)	151,016
Due from other funds	(179)	7,080,257	(133)	-
Received from grants	-	-	-	-
Received from notes & mortgages	-	-	-	-
Miscellaneous	-	-	-	-
Transfer from other funds	-	-	-	947,811
Transfer to other funds	-	-	(62,132)	-
Net cash provided (used) by capital and related financing activities	(13,300,179)	11,080,257	2,157,478	1,098,827
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(11,941,585)	(3,410,528)	(614,396)	-
Proceeds of debt	-	-	-	-
Received from grants	-	192,400	-	-
Principal paid on long-term debt	(2,105,000)	(3,255,000)	(2,447,346)	-
Interest paid on long-term debt	(8,049,790)	(7,284,462)	(885,840)	-
Proceeds from issuance of long-term debt	100,841,754	-	42,732	-
Net cash used in capital and related financing activities	78,745,379	(13,757,590)	(3,904,850)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,325,345	406,886	146,015	-
Net cash provided by investing activities	1,325,345	406,886	146,015	-
Net increase (decrease) in cash and cash equivalents	80,744,320	2,122,489	1,966,110	-
Cash and cash equivalents, July 1	**49,405,454**	**14,193,504**	**2,130,627**	**35,000**
Cash and cash equivalents, June 30	**$ 130,149,774**	**$ 16,315,993**	**$ 4,096,737**	**$ 35,000**

City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For the Year Ended 2010

Oxnard Housing Authority	Municipal Golf Course	Total	Governmental Activities Internal Service Funds	
				CASH FLOWS FROM OPERATING ACTIVITIES
$ 4,841,006	$ 4,202,351	$ 111,595,096	$ 27,266,338	Receipts from customers and users
(19,391,747)	(4,184,497)	(84,832,168)	(10,146,680)	Payments to suppliers
(4,262,977)	(47,042)	(24,770,483)	(8,735,546)	Payments to employees
-	-	-	(5,887,870)	Cash paid to claimants
(18,813,718)	**(29,188)**	**1,992,445**	**2,496,242**	**Net cash provided by operating activities**
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
-	-	(13,300,000)	-	Advances to other funds
-	-	13,300,000	-	Advances from other funds
-	800,202	(6,129,039)	-	Due to other funds
-	-	7,079,945	-	Due from other funds
20,144,358	-	20,144,358	-	Received from grants
5,569	-	5,569	-	Received from notes & mortgages
90,508	-	90,508	-	Miscellaneous
-	-	947,811	-	Transfer from other funds
-	-	(62,132)	(6,125,775)	Transfer to other funds
20,240,435	800,202	22,077,020	(6,125,775)	**Net cash provided (used) by capital and related financing activities**
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
(886,219)	(21,459,849)	(38,312,577)	(888,306)	Purchases of capital assets
28,984	-	28,984	-	Proceeds of debt
636,846	-	829,246	-	Received from grants
(235,000)	(825,361)	(8,867,707)	-	Principal paid on long-term debt
(212,903)	(490,676)	(16,923,671)	-	Interest paid on long-term debt
	40,778,492	141,662,978	-	Proceeds from issuance of long-term debt
(668,292)	18,002,606	78,417,253	(888,306)	**Net cash used in capital and related financing activities**
				CASH FLOWS FROM INVESTING ACTIVITIES
16,380	16,884	1,911,510	425,186	Interest on investments
16,380	16,884	1,911,510	425,186	Net cash provided by investing activities
774,805	18,790,504	104,398,228	(4,092,653)	Net increase (decrease) in cash and cash equivalents
6,171,192	**1,764,368**	**73,700,145**	**25,525,791**	**Cash and cash equivalents, July 1**
$ 6,945,997	**$ 20,554,872**	**$ 178,098,373**	**$ 21,433,138**	**Cash and cash equivalents, June 30**

City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For the Year Ended 2010

	Water	Wastewater	Environmental Resource	Performing Arts and Convention Center
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	**$ 7,023,446**	**$ 957,212**	**$ 1,533,547**	**$ (1,137,801)**
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	2,734,215	4,020,403	1,676,578	3,655
Changes in assets and liabilities:				
(Increase) decrease in accts receivable and notes receivable	(265,108)	852,449	(23,636)	(475)
(Increase) decrease in other assets	-	-	-	-
Increase (decrease) in accounts payable	4,383,647	(1,513,338)	210,253	37,325
Increase (decrease) in other liabilities	-	-	-	-
Increase (decrease) in compensated absences & OPEB	97,575	76,210	170,725	(1,531)
Increase (decrease) in self-insurance liabilities	-	-	-	-
Net cash provided by (used in) operating activities	**$ 13,973,775**	**$ 4,392,936**	**$ 3,567,467**	**$ (1,098,827)**

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

City of Oxnard, California
Statement of Cash Flows
Proprietary Funds
For the Year Ended 2010

Oxnard Housing Authority	Municipal Golf Course	Total	Governmental Activities Internal Service Funds	
				Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:
$ (20,460,373)	$ 7,654	$ (12,076,315)	$ 3,678,580	**Operating income (loss)**
				Adjustments to reconcile operating income (loss) to net cash provided by operating activities:
1,306,064	97,988	9,838,903	243,082	Depreciation and amortization
				Changes in assets and liabilities:
236,645	(75,890)	723,985	(47,849)	(Increase) decrease in accts receivable and notes receivable
8,188	-	8,188	-	(Increase) decrease in other assets
149,883	(58,940)	3,208,830	120,407	Increase (decrease) in accounts payable
(53,742)	-	(53,742)	-	Increase (decrease) in other liabilities
(383)	-	342,596	161,838	Increase (decrease) in compensated absences & OPEB
-	-	-	(1,659,816)	Increase (decrease) in self-insurance liabilities
$ (18,813,718)	$ (29,188)	$ 1,992,445	$ 2,496,242	**Net cash provided by (used in) operating activities**

Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2010

		Total
Assets:		
Cash and Cash Equivalents	$	5,477,698
Investments with Fiscal Agents		24,799,343
Total Assets	**$**	**30,277,041**
Liabilities:		
Trust and Agency Payables	$	30,277,041
Total Liabilities	**$**	**30,277,041**

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

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

Blended Component Units

City of Oxnard Community Development Commission. The Redevelopment Agency of the City of Oxnard (RDA) was established pursuant to the California Community Redevelopment Law, codified in Part 1 of Division 24 of the California Health and Safety Code. The RDA was activated in 1960 by Ordinance No. 2365 of the City Council. On January 24, 1995, the RDA became the Community Development Commission (CDC). The CDC 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, funding capital improvements and loaning money for rehabilitation and restoration of real 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 the CDC have been included in the City's governmental activities in the accompanying government-wide financial statements. A separate Comprehensive Annual Financial Report (CAFR) has also been prepared and 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. City staff perform all accounting and administrative functions of the Authority. The debt service of the Authority is included in the

Golf Course Enterprise Fund, Environmental Resources Enterprise Fund, Water Enterprise Fund, Wastewater Enterprise Fund, and Debt Service Fund.

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

B. New Pronouncements

In June 2008, GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, effective for periods beginning after June 15, 2009. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The City implemented this statement for its fiscal year 2009-2010 financial statements.

C. Financial Statements Presentation

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

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

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities. These statements present financial information for the City as a whole, while distinguishing between governmental and business-type activities. Fiduciary activities of the City are not included in these statements.

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

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

Government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: (1) charges for services; (2) grants and other contributions; and (3) capital grants and contributions.

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

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

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

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements (including all National Council on Governmental Accounting (NGCA) Statements and Interpretations currently in effect). Financial Accounting Standards Board (FASB) and Accounting Standard Codification (ASC) pronouncements issued on or before November 30, 1989, are applied to business type activities, unless those pronouncements conflict with or contradict GASB pronouncements. The City applies all applicable FASB &

ASC pronouncements issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

Fund Financial Statements

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

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the major governmental funds. Non-major governmental funds are combined for presentation in governmental fund statements. In accordance with GASB 34 and based on the sole purpose for which a fund is established, the following funds have been determined to be the City's major governmental funds:

- General Fund: This fund is always a major fund and is used to account for all financial resources traditionally associated with government activities which are not legally required to be accounted for in another fund.
- State and Federal Grants Fund: This fund accounts for expenditures of grants from state and federal agencies.
- Community Development Commission Fund: This fund accounts for expenditures incurred on redevelopment projects financed primarily from tax increment revenues.

Governmental funds are accounted for using a "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The City considers revenues available if they are collected within 60 days after year-end. Property tax, sales tax, intergovernmental revenues and other taxes are accrued as appropriate. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. The availability period for revenue recognition for Grants receivable is one year after the year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred and, if paid within 60 days of year-end, except for unmatured principal and interest on long-term debt, which is recognized when due.

Proprietary Fund Financial Statements

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

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

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

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

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

Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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

Internal Service Funds

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

Fiduciary Fund Financial Statements

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

- Artworks Fund: This fund is used to account for donations from private parties to pay for Carnegie Art Museum artwork related expenditures.
- Improvement Districts Fund: This fund is used to account for various limited obligation improvement bonds issued by the City, wherein bond proceeds are used to finance land acquisition and public improvements of the various assessment districts within the City. Neither the faith, credit, nor the taxing power of the City or any of its political subdivisions is pledged to the payment of the bonds. Property owners within the assessment district are assessed through the County property tax bills and the money collected is used to pay off the annual debt service requirements.

D. Cash and Investments

Cash and Cash Equivalents

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

Investment Policy

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

These include the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds.

Investments

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

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

LAIF is part of the State's Pooled Money Investment Account (PMIA), which was established in 1953. Oversight of PMIA is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

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

Investment Income

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

E. Utility Revenue

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

F. Properties Held for Resale

Properties acquired for the Heritage Square office complex and the Social Security Building are included as properties held for resale by the Community Development Commission. At June 30, 2010 properties held for resale which amounted to $6,075,959, are carried at the lower of cost or estimated fair value.

G. Capital Assets

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

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

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

H. Risk Management

The City provides general liability and workers' compensation insurance under self-insurance programs with an annual limit per occurrence of $1,000,000 for each program. Excess insurance in the layer of $1 million to $25 million is purchased for general liability and $200 million per year for workers' compensation. The City contracts with outside service agencies to assist in the administration of the self-insurance programs. Estimated liabilities related to outstanding workers' compensation and public liability claims, including estimates for incurred but not reported claims, are based upon actuarial studies and are recorded in internal service funds.

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

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

I. Compensated Absences

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

The accrual for compensated absences was reported as follows as of June 30, 2010:

	Governmental Activities	Business Type	Total
Beginning Balance	$ 16,215,480	$ 2,577,137	$ 18,792,617
Additions	9,327,339	1,822,495	11,149,834
Payments	(8,533,416)	(1,606,905)	(10,140,321)
Ending Balance	17,009,403	2,792,727	19,802,130
Current Portions	**$ 8,476,000**	**$ 1,265,268**	**$ 9,741,268**

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.

J. Property Taxes

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

Valuation Date	March 1
Property Tax Year	July 1 to June 30
Due Dates	November 1 (first installment) and February 1 (second installment)
Delinquent Dates	December 10 (first installment) and April 10 (second installment), August 3 (unsecured)

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured, and utility tax rolls.

Property Valuation

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

Tax Levies

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

Under GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions*, property taxes are recognized as revenue in the period for which the taxes are levied. Therefore, the City recognizes revenue and a receivable, less any allowance for doubtful accounts deemed appropriate, for the entire tax levy in the period for which the taxes are levied. Accordingly, at June 30, 2010, the City has recorded property taxes receivable of $690,491, which is included in due from other governments in the accompanying balance sheet.

Tax Lien Dates

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

Tax Collections

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

Tax Apportionments and Special District Augmentation Fund (SDAF)

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

K. 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.

L. Budgets and Budgetary Accounting

The City develops and presents a two-year budget to the City Council, including a capital improvement plan. Annual operating and capital improvement expenditures are adopted by resolution. This resolution constitutes the authorized expenditures for the fiscal year. The second year of the two-year budget is updated and adopted for that year. The City's annual budget is the legally adopted expenditure control document of the City. Budgets are prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

The City Council generally reauthorizes appropriations for continuing projects and activities. The City Council has the legal authority to amend the budget of any fund at any time during the fiscal year. The budgetary legal level of control (the level on which expenditures may not legally exceed appropriations) is generally at the fund level. Budgeted expenditures may be reallocated within a fund by the City Manager and within a department by the department director.

M. Encumbrances

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though unencumbered appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered. As part of the budget adoption, the City Council approved the reappropriation of outstanding commitments in the new fiscal year. As of June 30, 2010, the following outstanding encumbrances were identified for reappropriation of funds:

Library	$ 29,204
Police	66,581
Public Works	487,000
Water	532,693
Wastewater	33,659
Total	$ 1,149,137

N. Prior Period Adjustment

There was a prior year adjustment in the Municipal Golf Course beginning net asset in the amount of $3,000,000 for a property transaction that was classified incorrectly as a miscellaneous expense instead of an addition to capital assets.

II. Detailed Notes on All Funds

A. Cash and Investments

The City's cash and cash equivalents and investments consist of the following at June 30, 2010:

Deposits	$ 23,526,244
Investments	164,532,999
Cash and cash equivalents	188,059,243
Investments with Fiscal Agents	192,936,203
Total	**$ 380,995,446**

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

	Governmental Activities	**Business-Type Activities**	**Internal Service Funds**	**Fiduciary Funds**	**Grand Total**
Cash and cash equivalents	$ 124,686,704	$ 36,461,703	$ 21,433,138	$ 5,477,698	$ 188,059,243
Cash with fiscal agents	26,500,190	41,636,670	—	24,799,343	192,936,203
Total	**$ 151,186,894**	**$ 178,098,373**	**$ 21,433,138**	**$ 30,277,041**	**$ 380,995,446**

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, 2010, the City has a bank balance of $25,809,037 (carrying amount of $24,245,880); of the bank balance, $250,000 was insured and the balance was secured by collateral held by the City's agent in the agent's name. Deposits held by the Housing Authority are also insured or secured by collateral held by the Housing Authority's agent in the agent's name.

Authorized Investments

The City's investments are managed by the City Treasurer, fiscal agents (Bond trustees acting in accordance with bond covenants), and authorized representatives of the Housing Authority. Investments managed by the City Treasurer and the Housing Authority are invested in accordance with the City's investment policies. Investments managed by bond trustees are invested in accordance by provisions of the respective bond agreements.

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

City Treasurer	$ 164,532,999
Fiscal Agents (Bond trustees for the City and Its component units)	187,113,392
Housing Authority (includes fiscal agents)	5,822,811
Total Investments	**$ 357,469,202**

The City Treasurer has direct oversight over the City's pooled investment fund which covers cash and cash equivalents of the City's governmental funds, proprietary funds, and trust and agency funds which are invested in accordance with the City's investment policy. Allowable investments are detailed in the following table.

Investment Types Authorized by Section 53601	Authorized by Investment Policy	Maximum Maturity (Years)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings
U.S. Treasury and Agencies	Yes	5	None	None	None
Local Agency bonds, notes	Yes	5	None	None	None
Other Bonds, Notes or Evidences of Indebtedness	Yes	N/A	15%	None	None
Bankers acceptances	Yes	180 days	40%	30%	None
Commercial Paper	Yes	270 days	15%	10%	P1/A1
Negotiable CDs	Yes	N/A	30%	None	Aa/AA-
Certificate of Deposits (CDs)	Yes	N/A	40%	15%	A
Repurchase Agreements	Yes	90 days	None	None	None
Medium Term Notes	Yes	5	30%	None	A
Mutual Funds	Yes	N/A	15%	None	None
LAIF	Yes	N/A	None	None	None

The Housing Authority's investment policy and related disclosures regarding its investments at June 30, 2010, is more fully disclosed in the financial statements for the Housing Authority, which may be obtained from the Housing Authority's Financial Services Division.

Investments with fiscal agents are investments held by the bond trustee on behalf of the City or its component units. The City selects the investment under the terms of the applicable trust agreement, directs the bond trustee to acquire the investment and the bond trustee then holds the investment on behalf of the City and/or its component units. Proceeds of bonds administered by bond trustees are also generally covered under the City Treasurer's investment policy; however, specific provisions of each issuance are usually used in managing such investments. For example, investment may be made in guaranteed investment contracts (GICs) with maturities in excess of five years.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of short-term and longer-term investments with maturities that provide the cash flow and liquidity needed for operations or debt service requirements.

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

	Investment Maturities (in Years)			
	Less than 1	**1-5**	**More than 5**	**Total**
Federal Agency Securities	$ 3,993,354	$ 97,534,849	$ -	$ 101,528,203
Corporate Bonds	1,999,985	4,056,145	-	6,056,130
LAIF	62,098,584	-	-	62,098,584
Held by trustee:				
Investment Agreement	-	-	5,158,750	5,158,750
LAIF	-	-	45,410,188	45,410,188
Money Market Fund	137,268,713	-	-	137,268,713
Total Investments	**205,360,636**	**101,590,994**	**50,568,938**	357,520,568
Accrued discount				(51,366)
Total investments (net of accrued discount)				357,469,202
Cash in banks and on hand				23,526,244
Total Cash and Investments				**380,995,446**

The investment agreements listed above are GICs held by fiscal agents (bond trustees) and are restricted for construction projects and debt service requirements. GICs are contracts that guarantee repayment of principal and a fixed or floating interest rate for a predetermined period of time. The maturities of a GIC are normally pegged to the maturities of the related debt.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized credit rating organization. The City's investments that are not rated include LAIF and GICs. Although GIC's are not rated, the City has only entered into GIC's with institutions that carry a high credit rating.

Presented below are the actual ratings for each investment type as of June 30, 2010:

Investment Type	AAA	AA+	Total
Federal agency securities	$ 101,528,203	$ -	$ 101,528,203
Corporate bonds (GECC)	-	4,032,763	4,032,763
Corporate bonds (BHFC)	2,023,367	-	2,023,367
Money Market Fund	137,268,713	-	137,268,713
Totals	**$ 240,820,283**	**$ 4,032,763**	244,853,046
Not rated:			
LAIF			107,508,772
GCIs			5,158,750
Total Investments			**357,520,568**
Less accrued discount			(51,366)
Total investments (net of accrued discount)			357,469,202
Cash in banks and on hand			23,526,244
Total cash and investments			**$ 380,995,446**

Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment funds that represent 5 percent or more of total entity-wide investments are as follows at June 30, 2010:

Issuer	Type of Investments	Amounts
Federal National Mortgage Association	Federal Agency Securities	$ 18,000,000
Federal Home Loan Bank	Federal Agency Securities	$ 43,553,354
Federal Farm Credit Bank	Federal Agency Securities	$ 23,989,790
Federal Home Loan Mortgage Corp.	Federal Agency Securities	$ 15,985,059
Wells Fargo Advantage Government	Money Market Fund	$136,650,953

Custodial Credit Risk

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

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

Interest rate swap

The Cty has entered into 3 floating-to-fixed interest rate swaps with a notional amount of $58,580,000. The City pays the counterparty a fixed amount of 3.53 percent & 4.037 percent and receives variable payments computed as 68 percent of the 1-month London Interbank Offered Rate (LIBOR). At June 30, 2010, this interest rate swap had a fair value of $(10,145,909). Other applicable risks (credit risk, basis risk and termination risk) associated with these derivative instruments are described in note F.

B. Receivables and Payables

Accounts receivables and other receivables as of June 30, 2010 included in the accompanying Statement of Net Assets primarily consist of the following:

Accounts Receivables	Governmental Activities	Business-Type Activities
Accrued Interest Receivable	$ 555,898	$ -
Utilities Receivable	11,890	10,150,269
Grants Receivable	14,414,253	-
Accounts Receivable Billed and Accrued	3,161,855	3,303,212
Other Receivables	6,444,671	557,082
Sub-Total	24,588,567	14,010,563
Allowance for Uncollectible Receivables	(522,393)	(360,742)
Total	$ 24,066,174	$ 13,649,821

Accounts payable and other liabilities as of June 30, 2010 primarily consist of the following:

Accounts Payable and Other Liabilities	Governmental Activities	Business-Type Activities
Accounts Payable (due to vendors)	$ 11,470,014	$ 5,085,058
Other liabilities:		
Accrued Payroll	7,200,036	1,014,356
Other Accrued Expenses	177,219	20,222
Other Payables	5,763,070	3,162,926
Total Other liabilities	13,140,325	4,197,504
Total	$ 24,610,339	$ 9,282,562

Governmental funds record deferred revenue for revenues that are not yet earned as of year end and grant drawdowns prior to meeting eligibility requirements. At June 30, 2010, unearned revenues are comprised of the following:

Governmental funds:		
Community development charges for services	$	601,786
Federal grants		1,287,337
HUD & CDBG		5,516,823
State grants		481,773
Transportation development act		683,819
Total	**$**	**8,571,538**

C. Interfund Receivables and Payables

Total interfund receivables and payables at June 30, 2010, 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:

	Interfund Receivable	Interfund Payable	Interfund Balance
Governmental Activities:			
General Fund	$ 7,871,572	$ -	$ 7,871,572
Non-Major Governmental Funds	-	4,039,389	(4,039,389)
Community Development Commission Fund	-	2,000,000	(2,000,000)
Total governmental activities	**7,871,572**	**6,039,389**	**1,832,183**
Business type Activities:			
Water	13,386,837	-	13,386,837
Wastewater	-	4,000,000	(4,000,000)
Environmental Resources	64,689	9,300,000	(9,235,311)
Municipal Golf Course	-	800,202	(800,202)
Performing Arts and Convention Center	-	1,183,507	(1,183,507)
Total business type activities	**13,451,526**	**15,283,709**	**(1,832,183)**
Total	**$ 21,323,098**	**$ 21,323,098**	**$ -**

The interfund balances at June 30, 2010 are loans to cover temporary cash deficits in various funds. All interfund balances outstanding at June 30, 2010 are expected to be repaid within one year except Environmental Resources and Wastewater loans from Water.

D. Interfund Transfers

Interfund transfers generally fall within one of the following categories:

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

The net transfers of $885,679 from governmental activities and internal services to business-type activities in the Statement of Activities primarily relates to a transfer from internal services to general fund and an operational subsidy from the General Fund to the

Performing Arts and Convention Center Fund. There were no transfers during Fiscal Year 2009-2010 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer except for transfer from internal services to general fund, which were made to refund excess charges based on required balances and reserves.

The following transfers in and out are reflected in the Fund Financial Statements for the year ended June 30, 2010:

	Description	Transfers In	Transfers Out	Net Transfers
Governmental Activities:				
General Fund	Program support	$ 5,952,395	$ 1,268,931	$ 4,683,464
General Fund	Debt service	-	2,061,024	(2,061,024)
Community Development Commission	Program support	-	117,000	(117,000)
State & Federal Grant Funds	Program support	21,120	78,712	(57,592)
Non-Major Governmental Funds	Debt service	4,276,875	1,784,627	2,492,248
Non-Major Governmental Funds	Program support	300,000		300,000
Internal Service Fund	Program support	-	6,125,775	(6,125,775)
Total governmental activities		**10,550,390**	**11,436,069**	**(885,679)**
Business type Activities:				
Environmental Resource	Program support	-	36,750	(36,750)
Environmental Resource	Debt service	-	25,382	(25,382)
Performing Arts and Convention Center	Program support	947,811	-	947,811
Total business type activities		**947,811**	**62,132**	**885,679**
Total government-wide statements		**$ 11,498,201**	**$ 11,498,201**	**$ -**

E. Capital Assets

Changes in the City's capital assets for the year ended June 30, 2010 consisted of the following:

	BALANCE JULY 1, 2009	INCREASES	DECREASES	BALANCE JUNE 30, 2010
Governmental Activities				
Capital assets, not being depreciated:				
Land	$ 988,043,659	$ -	$ -	$ 988,043,659
Construction in progress	143,071,551	15,325,428	(961,732)	157,435,247
Total capital assets, not being depreciated	**1,131,115,210**	**15,325,428**	**(961,732)**	**1,145,478,906**
Capital assets, being depreciated:				
Buildings	43,690,090	-	-	43,690,090
Improvements other than buildings	78,815,757	2,404,245	-	81,220,002
Equipment and machinery	38,140,972	2,566,245	(666,590)	40,040,627
Infrastructure	465,502,148	15,571,426	-	481,073,574
Total capital assets, being depreciated	**626,148,967**	**20,541,916**	**(666,590)**	**646,024,293**
Less: Accumulated depreciation				
Buildings	(20,313,357)	(910,137)	-	(21,223,494)
Improvements other than buildings	(14,800,935)	(2,006,054)	-	(16,806,989)
Equipment and machinery	(30,227,526)	(2,881,760)	636,185	(32,473,101)
Infrastructure	(236,931,557)	(13,209,494)	-	(250,141,051)
Total accumulated depreciation	**(302,273,375)**	**(19,007,445)**	**636,185**	**(320,644,635)**
Total capital assets, being depreciated, net	**323,875,592**	**1,534,471**	**(30,405)**	**325,379,658**
Governmental activities capital assets, net	**$ 1,454,990,802**	**$ 16,859,899**	**$ (992,137)**	**$ 1,470,858,564**

Business-type Activities	BALANCE JULY 1, 2009	INCREASES	DECREASES	BALANCE JUNE 30, 2010
Capital assets, not being depreciated:				
Land	$ 24,039,538	$ 23,648,000	$ -	$ 47,687,538
Construction in progress	279,244,138	-	(10,116,128)	269,128,010
Total capital assets, not being depreciated	**303,283,676**	**23,648,000**	**(10,116,128)**	**316,815,548**
Capital assets, being depreciated:				
Buildings	76,546,524	489,432	-	77,035,956
Municipal Golf Course improvements	5,803,242	20,584,447	-	26,387,689
Equipment and machinery	42,756,569	1,063,589	(226,441)	43,593,717
Infrastructure	273,521,217	12,631,616	-	286,152,833
Total capital assets, being depreciated	**398,627,552**	**34,769,084**	**(226,441)**	**433,170,195**
Less: Accumulated depreciation				
Buildings	(47,660,358)	(1,975,050)	-	(49,635,408)
Golf improvements	(1,453,561)	(25,831)	-	(1,479,392)
Equipment and machinery	(38,613,718)	(1,529,438)	226,441	(39,916,715)
Infrastructure	(111,376,029)	(6,298,654)	-	(117,674,683)
Total accumulated depreciation	**(199,103,666)**	**(9,828,973)**	**226,441**	**(208,706,198)**
Total capital assets, being depreciated, net	**199,523,886**	**24,940,111**	**-**	**224,463,997**
Business-type activities capital assets, net	**502,807,562**	**48,588,111**	**(10,116,128)**	**541,279,545**
Total	**$ 1,957,798,364**	**$ 65,448,010**	**$ (11,108,265)**	**$ 2,012,138,109**

For the year ended June 30, 2010 depreciation expense on capital assets was charged as follows:

Governmental Activities:	
Legislative	$ 56,987
Administration and support	5,283,741
Public safety	8,759,055
Transportation (Highways and streets)	377,858
Community development	669,569
Culture and leisure	1,252,578
Libraries	489,806
Capital improvement projects, including depreciation of general infrastructure assets	1,874,769
Capital assets held be the City's internal service fund	243,082
Total governmental activities depreciation expense	$ 19,007,445

Business-type Activities:	
Water	$ 2,734,215
Wastewater	4,020,403
Environmental Resources	1,676,578
Performing Arts and Convention Center	3,655
Oxnard Housing Authority	1,296,134
Municipal Golf Course	97,988
Total business-type activities depreciation expense	$ 9,828,973

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

Internal Service Funds	**BALANCE JULY 1, 2009**	**INCREASES**	**DECREASES**	**BALANCE JUNE 30, 2010**
Capital assets, not being depreciated:				
Land	$ 595,500	$ -	$ -	$ 595,500
Construction in progress	1,484,567	958,008	(239,885)	2,202,690
Total capital assets, not being depreciated	**2,080,067**	**958,008**	**(239,885)**	**2,798,190**
Capital assets, being depreciated:				
Equipment and machinery	2,786,225	170,184	(2)	2,956,407
Total capital assets, being depreciated	2,786,225	170,184	(2)	2,956,407
Less: Accumulated depreciation				
Equipment and machinery	(2,047,033)	(243,082)	2	(2,290,113)
Total accumulated depreciation	(2,047,033)	(243,082)	2	(2,290,113)
Total capital assets, being depreciated, net	739,192	(72,898)	-	666,294
Total	**$ 2,819,259**	**$ 885,110**	**$ (239,885)**	**$ 3,464,484**

F. Long-term Liabilities

The following is a summary of changes in long-term liabilities. Certain long-term liabilities provide financing to both governmental and business-type activities. The following table present balances and activity for the City's fiscal year ended June 30, 2010.

	Balance July 1, 2009	**Additions**	**Reductions**	**Balance June 30, 2010**	**Due within one year**
Governmental Activities:					
Revenue Bonds:					
Lease revenue refunding bonds, series 2003 A	$ 4,612,356	$ -	$ 579,639	$ 4,032,717	$ 608,519
Variable rate demand lease revenue, series 2003 B	12,700,000	-	370,000	12,330,000	385,000
Variable rate demand lease revenue bonds, series 2006	23,025,000	-	510,000	22,515,000	525,000
1999 Certificate of participation	6,915,000	-	255,000	6,660,000	265,000
Tax Allocation refunding bonds, series 2004 A	16,105,000	-	690,000	15,415,000	710,000
2006 tax allocation bond financing	19,860,000	-	420,000	19,440,000	435,000
2008 tax allocation bond	11,790,000	-	170,000	11,620,000	175,000
Capital Leases:					
Lasalle national leasing	293,886	-	206,082	87,804	87,804
2009 Master equipment lease purchase, draw #1	-	952,688	38,113	914,575	78,857
2009 Master equipment lease purchase, draw #2	-	32,081	2,963	29,118	6,084
2009 Master equipment lease purchase, draw #3	-	67,439	6,223	61,216	12,780
2009 Master equipment lease purchase, draw #6	-	343,438	-	343,438	63,876
Gas tax revenue certificate of participation	27,435,000	-	495,000	26,940,000	515,000
Compensated absences	16,215,480	9,327,339	8,533,416	17,009,403	8,476,000
Unamortized discounts	(933,188)	-	(118,265)	(814,923)	-
Total Governmental Activities	**138,018,534**	**10,722,985**	**12,158,171**	**136,583,348**	**12,343,920**

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Due within one year
Business-Type Activities:					
Water fund					
Revenue refunding bonds, series 2001	$ 10,335,000	$ -	$ 300,000	$ 10,035,000	$ 310,000
Water revenue refunding bonds, series 2004	43,185,000	-	1,005,000	42,180,000	1,030,000
Water revenue project bonds, series 2006	53,825,000	-	800,000	53,025,000	840,000
Water revenue project bonds, series 2010A	-	16,455,000	-	16,455,000	-
Water revenue project bonds, series 2010B	-	83,670,000	-	83,670,000	-
2009 Master equipment lease purchase, draw #4	-	40,671	-	40,671	7,567
2009 Master equipment lease purchase, draw #5	-	67,983		67,983	12,669
Add: Unamortized bond premium	1,735,435	1,449,162	142,194	3,042,403	-
Less: Unamortized loss on refunding	(2,750,810)	-	(130,991)	(2,619,819)	-
Unamortized discounts	(144,613)	(841,062)	(18,569)	(967,106)	-
Sub Total	106,185,012	100,841,754	2,097,634	204,929,132	2,200,236
Compensated absences	498,677	332,325	269,904	561,098	270,000
Total Water fund	**$ 106,683,689**	**$ 101,174,079**	**$ 2,367,538**	**$ 205,490,230**	**$ 2,470,236**
Wastewater fund					
Wastewater revenue refunding bonds, series 2003	$ 30,445,000	$ -	$ 2,175,000	$ 28,270,000	$ 2,240,000
Wastewater revenue bonds, series 2004A	80,000,000	-	-	80,000,000	-
Wastewater revenue bonds, series 2004B	23,155,000	-	840,000	22,315,000	865,000
Wastewater revenue bonds, series 2006	11,930,000	-	240,000	11,690,000	250,000
Less: Unamortized discounts	(343,913)	-	(68,782)	(275,131)	-
Sub Total	145,186,087	-	3,186,218	141,999,869	3,355,000
Compensated absences	650,742	527,284	498,212	679,814	495,000
Total Wastewater fund	**$ 145,836,829**	**$ 527,284**	**$ 3,684,430**	**$ 142,679,683**	**$ 3,850,000**
Environmental resources fund					
Solid waste revenue refunding bonds, series 2005	$ 14,235,000	$ -	$ 1,875,000	$ 12,360,000	$ 1,965,000
Add : Unamortized bond premium	624,080	-	104,014	520,066	-
Less: Unamortized discounts	(81,725)	-	(13,621)	(68,104)	-
Sub Total	14,777,355	-	1,965,393	12,811,962	1,965,000
Capital Lease					
Del Norte Blvd. improvement	284,023	-	78,827	205,196	78,892
Fifth and Del Norte improvement	510,936	-	123,369	387,567	119,991
Lasalle national leasing	106,065	-	74,375	31,690	31,690
Lease purchase trash containers	3,152,346	-	295,774	2,856,572	308,116
2009 Master equipment lease purchase, draw #5	-	42,732	-	42,732	7,964
Compensated absences	749,854	539,021	425,021	863,854	425,000
Total Environmental resources fund	**$ 19,580,579**	**$ 581,753**	**$ 2,962,759**	**$ 17,199,573**	**$ 2,936,653**
Performing arts and convention center fund (PACC)					
Compensated absences	$ 78,019	$ 51,153	$ 40,673	$ 88,499	$ 41,000
Total PACC	**$ 78,019**	**$ 51,153**	**$ 40,673**	**$ 88,499**	**$ 41,000**
Oxnard housing authority fund					
2004 Capital Fund Revenue Bonds	$ 4,750,000	$ -	$ 235,000	$ 4,515,000	$ 240,000
Compensated Absences	599,845	372,713	373,096	599,462	34,268
Total Oxnard housing authority fund	**$ 5,349,845**	**$ 372,713**	**$ 608,096**	**$ 5,114,462**	**$ 274,268**
Municipal golf course fund					
Revenue Refunding Bonds Series 2003	$ 6,567,654	$ -	$ 825,361	$ 5,742,293	$ 866,485
Total Municipal golf course fund	**$ 6,567,654**	**$ -**	**$ 825,361**	**$ 5,742,293**	**$ 866,485**
Total Business-Type Activites	**$ 284,096,615**	**$ 102,706,982**	**$ 10,488,857**	**$ 376,314,740**	**$ 10,438,642**
Total	**$ 422,115,149**	**$ 113,429,966**	**$ 22,647,027**	**$ 512,898,088**	**$ 22,782,562**

Internal Service Funds long-term obligations are included as part of the above totals for the governmental activities. Changes in long-term obligations for the internal service funds for the year ended June 30, 2010 are as follows:

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Due within one year
Internal service funds:					
Compensated absences	$ 852,448	$ 666,536	$ 583,394	$ 935,590	$ 576,000
Total	**$ 852,448**	**$ 666,536**	**$ 583,394**	**$ 935,590**	**$ 576,000**

Description of Long-term Debt

Lease Revenue Refunding Bonds, Series 2003A

Lease Revenue Refunding Bonds, Series 2003A were issued on May 22, 2003 in the amount of $18,640,000. These are a thirteen-year bond maturing in various amounts through June 1, 2016, with a net interest cost of 3.5904 percent. The bonds were issued to refinance the outstanding Lease Revenue Refunding Bonds Series 1993, 1988 Civic Center Library bonds, 1986 River Ridge Golf Course bonds, land acquisition bonds, 1966 Auditorium Authority bonds, and 1972 parking authority bonds, and to prepay the Zions Bank leases for the Old Oxnard High School and 300 West Third Street. The refunding resulted in an economic gain of $921,361 and an overall cash savings of $4,922,193. The total balance outstanding as of June 30, 2010 is $9,775,010, of which $4,032,717 is recorded within governmental activities and $5,742,293 is recorded within business-type activities in the accompanying statement of net assets.

Variable Rate Demand Lease Revenue Bonds, Series 2003B

Variable Rate Demand Lease Revenue Bonds, Series 2003B in the amount of $14,750,000 were issued on December 1, 2003, maturing in various amounts through June 1, 2033. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. These bonds were issued to finance the Downtown Parking Structure and a new Library. On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. The balance outstanding as of June 30, 2010 is $12,330,000.

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

Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 were issued on December 1, 2006 in the amount of $24,205,000 to finance the acquisition, construction, and improvement of certain public facilities constituting the Civic Center Phase 2 Project. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. The City entered into an interest rate exchange agreement with respect to the bonds with Royal Bank of Canada (the "Swap Provider") consisting of an International Swap Dealers Association, Inc. (ISDA) Master Agreement, dated December 1, 2006, including related schedule, Credit Support Annex, and Confirmation pertaining to the "Swap Agreement." The Swap Agreement terminates by its term on June 1, 2036. As of March 3, 2007, the swap rate was 3.53 percent. On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. The outstanding balance as of June 30, 2010 is $22,515,000.

1999 Certificates of Participation

The 1999 Certificates of Participation (COPs) were issued on January 26, 1999 in the amount of $8,980,000. These are thirty-year COPs with a net interest cost of 5.04 percent, maturing in various amounts through June 1, 2033. The COPs were issued to fund improvements to various facilities including the Civic Center, parks, and streets and the purchase of Fire apparatus. The balance outstanding and recorded in governmental activities as of June 30, 2010 is $6,660,000.

Tax Allocation Refunding Bonds, Series 2004A

Tax Allocation Refunding Bonds, Series 2004A were issued on May 4, 2004 in the amount of $19,185,000. These are twenty-two-year bonds with a net interest cost of 4.58 percent. The bonds were issued to refinance the Tax Allocation Refunding Bonds, Series 1994A and to finance additional redevelopment activities within the Central City Revitalization and Downtown Project Area. The balance outstanding as of June 30, 2010 is $15,415,000.

2006 Tax Allocation Bond Financings

Local Obligation Revenue Bonds (2006 Tax Allocation Bond Financings) in the amount of $20,530,000 were issued on December 1, 2006 to purchase the following obligations being issued simultaneously for 1) the Oxnard Community Development Commission Ormond Beach Project Area Tax Allocation Bonds, Series 2006 in the amount of $5,750,000, 2) the Oxnard Community Development Commission Southwinds Project Area Tax Allocation Bonds, Series 2006 in the amount of $3,290,000, and 3) the Oxnard Community Development Commission Historic Enhancement and Revitalization of Oxnard (HERO) Project Area Tax Allocation Bonds, Series 2006 in the amount of $11,490,000. The bonds were issued to finance redevelopment activities (street improvement projects) in the Ormond Beach Project Area, Southwinds Project Area and the HERO Redevelopment Project Areas. These bonds carry a net interest cost of 4.424 percent, maturing on September 1, 2036. The outstanding balance as of June 30, 2010 is $19,440,000.

Tax Allocation Bonds, Series 2008

Tax Allocation Bonds, Series 2008 were issued on July 1, 2008 in the amount of $11,790,000 for the Oxnard Community Development Commission Historic Enhancement and Revitalization of Oxnard (HERO) Project Area. Proceeds from the sale of bonds are to be used to finance a 500-space parking structure to service a mixed-use retail/commercial development located within the RiverPark Specific Plan Area. These bonds carry a net interest cost of 4.849 percent, with a final maturity of September 1, 2038. The outstanding balance as of June 30, 2010 is $11,620,000.

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

Gas Tax Revenue Certificates of Participation were issued on December 18, 2007 in the amount of $27,675,000. Proceeds from the sale of the certificates are to be used to reconstruct various streets throughout the City. The certificates are secured solely by gas tax revenues received from the State of California. Yields on the certificates range from 2.97 percent to 4.87 percent with a final maturity of September 1, 2037. The outstanding balance as of June 30, 2010 is $26,940,000.

Water Revenue Refunding and Project Bonds, Series 2001

Water Revenue Refunding and Project Bonds, Series 2001 were issued on July 17, 2001 in the amount of $12,410,000. These bonds carry a net interest rate of 5.1057 percent and mature on June 1, 2030. The proceeds from the sale of the bonds were used to advance 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 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 rehabilitation of certain water wells. The 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, 2010 is $10,035,000.

Water Revenue Project Bonds, Series 2004

Water Revenue Project Bonds, Series 2004 were issued on February 1, 2004 in the amount of $47,895,000. These bonds carry a net interest cost of 4.67 percent and mature on June 30, 2034. The proceeds from the sale of the bonds were used to pay for the costs of improvements to the Water System, including Cast Iron Pipe Replacement (Hydraulic Improvement), Hydrant Upgrades, Hydraulic Deficiencies, Blending Station No. 3 Water Conditioning II, Blending Station No. 5, SCADA Upgrades, Phase I of the Groundwater Recovery Enhancement and Treatment Program, Automated Meter Reading Retrofit Program, and Water Well Improvement Program. The balance outstanding as of June 30, 2010 is $42,180,000.

Water Revenue Project Bonds, Series 2006

Water Revenue Project Bonds, Series 2006 were issued on April 20, 2006 in the amount of $54,600,000. These bonds carry a net interest cost of 4.805 percent and mature on June 1, 2036. The proceeds from the sale of the bonds were used to pay for the costs of reconstruction, repair or replacement to the water system, including SCADA system improvement, industrial lateral reconnection, aquifer storage and recovery wells, Blending

Station No. 3 expansion project, downtown cast iron replacement, hydraulic deficiencies and the GREAT Program. The balance outstanding as of June 30, 2010 is $53,025,000.

Water Revenue Project Bonds, Series 2010A

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

Water Revenue Project Bonds, Series 2010B

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

Wastewater Revenue Refunding Bonds, Series 2003

Wastewater Revenue Refunding Bonds, Series 2003 were issued on April 1, 2003 in the amount of $43,785,000. These are a seventeen-year bonds maturing in various amounts through June 1, 2020 with a net interest cost of 4.183 percent. The bonds were issued to refinance Wastewater Revenue Refunding Bonds, Series 1993, 1986 Wastewater Treatment Plant Expansion Bonds, 1985 Wastewater Treatment Plant Expansion Land Bonds, and 1977 Oxnard Port Hueneme Regional Wastewater Treatment Authority bonds. This refunding resulted in an economic gain of $3,923,503 (difference between the present value of the old bonds and the present value of the new bonds) and a cash flow savings of $4,922,193. The outstanding balance as of June 30, 2010 is $28,270,000.

Wastewater Revenue Bonds, Series 2004A

Wastewater Revenue Bonds, Series 2004A were issued on June 22, 2004 in the amount of $80,000,000. These bonds carry a net interest cost of 5.149 percent and mature on June 30, 2034. The purpose of these bonds is to pay for the costs of the Redwood Trunk Sewer and Headworks Projects. The balance outstanding as of June 30, 2010 is $80,000,000.

Wastewater Revenue Bonds, Series 2004B

Variable Rate Demand Wastewater Revenue Bonds, Series 2004B were issued on November 1, 2004 in the amount of $23,975,000 and mature on June 1, 2034. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. The bond proceeds were used to finance the cost of certain capital improvements to the City's wastewater system (Headworks and Septic System Conversion Projects). On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. The balance outstanding as of June 30, 2010 is $22,315,000.

Wastewater Revenue Bonds, Series 2006

Wastewater Revenue Bonds, Series 2006 were issued on April 27, 2006 in the amount of $12,575,000. These bonds carry a net interest cost of 4.788 percent and mature on June 1, 2036. The proceeds from the sale of the bonds were used to finance the cost of certain capital improvements to the City's wastewater system (the "Headworks Project") to address master-planned increases in sewer capacity needs in the north and northwest portions of the City, and to correct existing wastewater system deficiencies. The balance outstanding as of June 30, 2010 is $11,690,000.

Solid Waste Revenue Refunding Bonds, Series 2005

Solid Waste Revenue Refunding Bonds, Series 2005 were issued on April 15, 2005 in the amount of $20,955,000. These bonds carry a net interest cost of 4.25 percent and mature in various amounts on May 1, 2016. The proceeds of the bonds were used to refund the Solid Waste Revenue Bonds, Series 1995 and to purchase various Solid Waste equipment such as commercial front-end loader trucks, green waste collection, refuse tractors, trailers, compactors, pickup trucks and others. The 1995 bonds were issued to finance the construction of the Del Norte Regional Recycling and Transfer Station. The refunding of the 1995 Bonds provided a net present value savings of $1,200,000. The outstanding balance as of June 30, 2010 is $12,360,000.

Housing Authority 2004 Capital Fund Revenue Bonds

The Affordable Housing Agency issued Affordable Housing Agency Certificates of Participation, Series 2004 (Oxnard's Santa Clara Projects) on April 25, 2004 in the amount of $10,370,000, evidencing a proportionate ownership interest in debt service payments to be made with respect to certain Capital Fund Revenue Bonds, Series 2004, issued by the Oxnard and Santa Clara Housing Authorities in the amounts of $5,820,000 and $4,550,000, respectively. Each certificate represents a proportionate ownership interest of the holder in the right to receive debt service payments made with respect to the bonds. The obligation of the housing authorities under their respective bond indentures are independent and neither is obligated for the payment of principal or interest on the bonds of the other housing authority. The bonds were issued to finance certain capital projects of the Housing Authority, with interest ranging from 2.00 percent to 4.95 percent, maturing on or after April 1, 2012. The outstanding balance as of June 30, 2010 is $4,515,000.

Capital Lease Obligations

On October 28, 2002, the City entered into a Lease Purchase Agreement, line of credit with Zions Bank in the amount of $715,575, for the purpose of Del Norte Boulevard improvements, with variable interest rate, based upon a projected interest rate of 5.0 percent and final maturity on December 1, 2012. The outstanding balance as of June 30, 2010 is $205,196.

On February 7, 2003, the City entered into a Lease Purchase Agreement with Zions Bank in the amount of $1,118,330 for the purpose of the Fifth/Del Norte Land Purchase, with an interest rate of 5.00 percent and final maturity on June 1, 2013. The outstanding balance as of June 30, 2010 is $387,567.

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 and final maturity on November 25, 2010. The outstanding balance as of June 30, 2010 is $119,494.

On April 23, 2008, the City entered into a Lease Purchase Agreement with Upton & Oliver Funding Corporation in the amount of $3,436,273 for the purpose of acquiring trash containers associated with the conversion to a three-cart residential container service. The lease purchase carries an interest rate of 4.13 percent, with a final maturity of April 23, 2018. The outstanding balance as of June 30, 2010 is $2,856,572.

On September 1, 2009, the City entered into a Master Equipment Lease Purchase Line of Credit Agreement with Bank of America in an amount not to exceed $10 million for the purpose of acquiring vehicles and other capital assets. As of June 30, 2010, the total outstanding balance on this line of credit was $1,499,731.

Compensated Absences

The long-term portion of the liability was $8,533,403 for governmental activities and $1,527,459 for business-type activities at June 30, 2010, which is expected to be paid in future years from future resources.

Interest Rate Swaps

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

1. **City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, (Civic Center Phase 2 Project), Series 2006.** As a result of a decline in interest rates since execution of the swap, the swap has a negative fair value of $3,512,713 as of June 30, 2010. The goal of the swap is to effectively fix the cost of debt over the term of the bonds, not for speculative purposes such as capturing the positive fair value at any point in time. The coupons on the City's variable-rate bonds adjust to changing interest rates, and therefore the bonds do not have a corresponding fair value increase. The fair value of the swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

   a. *Objectives.* As a means to lower borrowing costs, when compared against fixed-rated bonds at the time of issuance in December 2006, the City entered into a floating-to-fixed interest rate swap in connection with its $24,205,000 City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, (Civic Center Phase 2 Project), Series 2006. The intention of the swap was to effectively change the City's variable interest rate on the bonds to an expected synthetic fixed rate of 3.53 percent. The contract provides that the City of Oxnard pay a fixed interest rate of 3.53 percent to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68 percent of the 1-month London Interbank Offered Rate (LIBOR). The swap is consistent with the guidelines contained within the City of Oxnard Master Swap Policy adopted on November 21, 2006.

   b. *Terms.* The bonds and the related swap agreement mature on June 1, 2036, and as of June 30, 2010 the swap's notional amount of $22,515,000 matches the $22,515,000 in variable-rate bonds. The swap was entered at the same time the bonds were issued (December 2006) and terminates at the same time that the bonds mature (June 2036). The notional value of the swap declines annually at the same rate and amount as the associated principal balance of the bonds. Pursuant to the swap agreement, the City pays the counterparty a fixed payment of 3.53 percent and receives a variable payment computed as 68 percent of 1-month LIBOR. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.

   c. *Risks.* The following represent the applicable risks that could give rise to financial loss:

      i. *Credit Risk.* The swap counterparty carries a senior debt rating of 'Aaa' by Moody's and "AA-" by Standard & Poor's as of June 30, 2010. To mitigate the potential for credit risk, if the counterparty's credit quality falls below 'AA-' by Standard & Poor's or 'Aa' by Moody's, then the fair value of the swap will be collateralized by the swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian. As of

June 30, 2010, the City is not exposed to credit risk due to the negative fair value of the swap.

ii. *Basis Risk.* The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68 percent of 1-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2010, the SIFMA Municipal Swap Index rate was 0.25 percent, whereas 68 percent of 1-month LIBOR was 0.24 percent.

iii. *Termination Risk*. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City in the event that the swap counterparty's credit rating falls below investment grade (e.g., 'BBB' by Standard & Poor's or 'Baa' by Moody's). If the swap is terminated, the City would be exposed to interest rate risk. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

2. **City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Program), 2004 Series B.** As a result of a decline in interest rates since execution of the swap, the swap has a negative fair value of $4,201,563 as of June 30, 2010. The goal of the swap is to effectively fix the cost of debt over the term of the bonds, not for speculative purposes such as capturing the positive fair value at any point in time. The coupons on the City's variable-rate bonds adjust to changing interest rates, and therefore the bonds do not have a corresponding fair value increase. The fair value of the swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

a. *Objectives.* As a means to fix its borrowing costs, in June 2007 the City entered into a floating-to-fixed interest rate swap in connection with its $23,975,000 City of Oxnard Financing Authority Variable Rate Demand Wastewater Revenue Bonds (Headworks and Septic System Conversion Program), 2004 Series B. The intention of the swap was to effectively change the City's variable interest rate on the bonds to an expected synthetic fixed rate of 4.017 percent. The contract provides that the City of Oxnard pay a fixed interest rate of 4.017 percent to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68 percent of the 1-month London Interbank Offered Rate (LIBOR). The swap is consistent with the guidelines contained within the City of Oxnard Master Swap Policy adopted on November 21, 2006.

b. *Terms.* The bonds and the related swap agreement mature on June 1, 2034, and as of June 30, 2010 the swap's notional amount of $22,315,000 matches the $22,315,000 in variable-rate bonds. The swap was entered into in June 2007 and terminates at the same time that the bonds mature (June 2034). The notional value of the swap declines annually at the same rate and amount as the associated principal balance of the bonds. Pursuant to the swap agreement, the City pays the counterparty a fixed payment of 4.017 percent and receives a variable payment computed as 68 percent of 1-month LIBOR. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.

c. *Risks.* The following represent the applicable risks that could give rise to financial loss:

   i. *Credit Risk.* The swap counterparty carries a senior debt rating of 'Aaa' by Moody's and "AA-" by Standard & Poor's as of June 30, 2010. To mitigate the potential for credit risk, if the counterparty's credit quality falls below 'AA-' by Standard & Poor's or 'Aa' by Moody's, then the fair value of the swap will be collateralized by the swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian. As of June 30, 2010, the City is not exposed to credit risk due to the negative fair value of the swap.

   ii. *Basis Risk.* The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68 percent of 1-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2010, the SIFMA Municipal Swap Index rate was 0.25 percent, whereas 68 percent of 1-month LIBOR was 0.24 percent.

   iii. *Termination Risk*. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City in the event that the swap counterparty's credit rating falls below investment grade (e.g., 'BBB' by Standard & Poor's or 'Baa' by Moody's). If the swap is terminated, the City would be exposed to interest rate risk. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

3. **City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds 2003 Series B.** As a result of a decline in interest rates since execution of the swap, the swap has a negative fair value of $2,431,633 as of June 30, 2010. The goal of the swap is to effectively fix the cost of debt over the term of the bonds, not for speculative purposes such as capturing the positive fair value at any point in time. The coupons on the City's variable-rate bonds adjust to changing interest rates, and therefore the bonds do not have a corresponding fair value increase. The fair value of the swap was

estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

a. *Objectives*. As a means to fix its borrowing costs, in June 2007 the City entered into a floating-to-fixed interest rate swap in connection with its $13,750,000 City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds 2003 Series B. The intention of the swap was to effectively change the City's variable interest rate on the bonds to an expected synthetic fixed rate of 4.037 percent. The contract provides that the City of Oxnard pay a fixed interest rate of 4.037 percent to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68 percent of the 1-month London Interbank Offered Rate (LIBOR). The swap is consistent with the guidelines contained within the City of Oxnard Master Swap Policy adopted on November 21, 2006.

b. *Terms*. The bonds and the related swap agreement mature on June 1, 2033, and as of June 30, 2010 the swap's notional amount of $12,330,000 matches the $12,330,000 in variable-rate bonds. The swap was entered into in June 2007 and terminates at the same time that the bonds mature (June 2033). The notional value of the swap declines annually at the same rate and amount as the associated principal balance of the bonds. Pursuant to the swap agreement, the City pays the counterparty a fixed payment of 4.037 percent and receives a variable payment computed as 68 percent of 1-month LIBOR. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.

c. *Risks.* The following represent the applicable risks that could give rise to financial loss:

   i. *Credit Risk.* The swap counterparty carries a senior debt rating of 'Aaa' by Moody's and "AA-" by Standard & Poor's as of June 30, 2010. To mitigate the potential for credit risk, if the counterparty's credit quality falls below 'AA-' by Standard & Poor's or 'Aa' by Moody's, then the fair value of the swap will be collateralized by the swap counterparty with U.S. government securities. Collateral would be posted with a third-party custodian. As of June 30, 2010, the City is not exposed to credit risk due to the negative fair value of the swap.

   ii. *Basis Risk.* The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68 percent of 1-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2010, the SIFMA

Municipal Swap Index rate was 0.25 percent, whereas 68 percent of 1-month LIBOR was 0.24 percent.

iii. *Termination Risk*. The City or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the City in the event that the swap counterparty's credit rating falls below investment grade (e.g., 'BBB' by Standard & Poor's or 'Baa' by Moody's). If the swap is terminated, the City would be exposed to interest rate risk. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Hedging derivatives instrument payments and hedged debt

As of June 30, 2010, debt service requirements of the City's variable-rate debt and net receipts/payments on associated hedging derivatives are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rate of hedging derivative instruments will remain the same for their term. As interest rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

FY Ending June 30	Principal	Interest	Hedging Derivatives, Net	Total
2011	$ 1,775,000	$ 142,900	$ 2,046,035	$ 3,963,935
2012	1,825,000	138,463	1,981,651	3,945,114
2013	1,890,000	133,900	1,915,478	3,939,378
2014	1,950,000	129,175	1,846,977	3,926,152
2015	2,005,000	124,300	1,776,309	3,905,609
2016	2,070,000	119,288	1,703,666	3,892,954
2017	2,135,000	114,113	1,628,693	3,877,806
2018	2,200,000	108,775	1,551,367	3,860,142
2019	2,275,000	103,275	1,471,710	3,849,985
2020	2,340,000	97,588	1,389,347	3,826,935
2021	2,005,000	91,738	1,304,680	3,401,418
2022	2,075,000	86,725	1,232,751	3,394,476
2023	2,140,000	81,538	1,158,328	3,379,866
2024	2,215,000	76,188	1,081,600	3,372,788
2025	2,280,000	70,650	1,002,188	3,352,838
2026	2,355,000	64,950	920,471	3,340,421
2027	2,430,000	59,063	836,096	3,325,159
2028	2,510,000	52,988	749,063	3,312,051
2029	2,590,000	46,713	659,183	3,295,896
2030	2,675,000	40,238	566,456	3,281,694
2031	2,765,000	33,550	470,718	3,269,268
2032	2,845,000	26,638	371,780	3,243,418
2033	2,935,000	19,525	270,021	3,224,546
2034	2,285,000	12,188	165,062	2,462,250
2035	1,270,000	6,475	84,952	1,361,427
2036	1,320,000	3,300	43,296	1,366,596
Total	**$ 57,160,000**	**$ 1,984,244**	**$ 28,227,878**	**$ 87,372,122**

Arbitrage

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

Debt Service

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

	Governmental Activities		Business - Type Activities	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**
2011	$ 3,867,920	$ 5,011,502	$ 9,173,374	$ 19,711,207
2012	3,920,627	4,864,085	10,747,903	19,305,605
2013	4,065,229	4,621,509	11,173,274	18,848,591
2014	4,215,119	4,469,410	11,471,855	18,347,200
2015	4,361,430	4,305,767	11,967,748	17,845,055
2016-2020	20,688,541	18,974,841	50,480,550	81,761,929
2021-2025	22,655,000	14,633,889	58,325,000	69,189,939
2026-2030	22,915,000	9,589,434	71,515,000	52,859,615
2031-2035	21,905,000	5,081,352	81,305,000	31,994,805
2036-2040	11,795,000	839,981	57,690,000	12,205,777
Totals	**$ 120,388,866**	**$ 72,391,770**	**$ 373,849,704**	**$ 342,069,723**

	Gas Tax Revenue Cert. of Participation Issued 2008		Tax Allocation Bonds Series 2006	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**
2011	$ 515,000	$ 1,199,150	$ 435,000	$ 882,508
2012	535,000	1,178,150	450,000	867,020
2013	555,000	1,156,350	465,000	752,599
2014	580,000	1,133,650	480,000	736,301
2015	600,000	1,107,050	495,000	719,479
2016-2020	3,440,000	5,105,125	2,790,000	3,297,753
2021-2025	4,225,000	4,311,850	3,360,000	2,699,307
2026-2030	5,230,000	3,231,070	4,115,000	1,925,529
2031-2035	6,545,000	1,917,650	5,070,000	952,314
2036-2040	4,715,000	272,832	1,780,000	66,494
Totals	$ 26,940,000	$ 20,612,877	$ 19,440,000	$ 12,899,304

Fiscal Year	Water Revenue Project Bonds Series 2006 Principal	Water Revenue Project Bonds Series 2006 Interest	Water Revenue Project Bonds Series 2004 Principal	Water Revenue Project Bonds Series 2004 Interest
2011	$ 840,000	$ 2,593,385	$ 1,030,000	$ 1,993,884
2012	875,000	2,551,385	1,065,000	1,962,984
2013	920,000	2,507,635	1,095,000	1,928,904
2014	965,000	2,461,635	1,150,000	1,874,154
2015	1,015,000	2,413,385	1,190,000	1,833,904
2016-2020	5,800,000	11,343,801	6,695,000	8,436,218
2021-2025	7,280,000	9,867,100	8,445,000	6,685,000
2026-2030	9,200,000	7,950,737	10,780,000	4,352,000
2031-2035	19,215,000	4,992,500	10,730,000	1,373,749
2036-2040	6,915,000	345,750	-	-
Totals	$ 53,025,000	$ 47,027,313	$ 42,180,000	$ 30,440,797

Fiscal Year	Water Revenue Refunding Bonds Series 2001 Principal	Water Revenue Refunding Bonds Series 2001 Interest	1999 Certificate of Participation Principal	1999 Certificate of Participation Interest
2011	$ 310,000	$ 496,496	$ 265,000	$ 313,585
2012	325,000	483,321	275,000	302,058
2013	340,000	469,103	290,000	289,820
2014	355,000	453,803	300,000	276,625
2015	370,000	437,118	315,000	262,675
2016-2020	2,130,000	1,898,292	1,765,000	1,073,973
2021-2025	2,725,000	1,309,812	2,005,000	637,927
2026-2030	3,480,000	551,688	1,445,000	139,413
2031-2035	-	-	-	-
2036-2040	-	-	-	-
Totals	$ 10,035,000	$ 6,099,633	$ 6,660,000	$ 3,296,076

Fiscal Year	Wastewater Revenue Bonds Series 2004 A Principal	Wastewater Revenue Bonds Series 2004 A Interest	Wastewater Revenue Refunding Bonds - Series 2003 Principal	Wastewater Revenue Refunding Bonds - Series 2003 Interest
2011	$ -	$ 4,087,725	$ 2,240,000	$ 1,426,813
2012	-	4,087,725	2,355,000	1,314,813
2013	-	4,087,725	2,470,000	1,197,063
2014	-	4,087,725	2,595,000	1,073,562
2015	-	4,087,725	2,730,000	937,325
2016-2020	-	20,438,625	15,880,000	2,459,501
2021-2025	22,505,000	18,297,625	-	-
2026-2030	28,725,000	12,079,625	-	-
2031-2035	28,770,000	3,872,843	-	-
2036-2040	-	-	-	-
Totals	$ 80,000,000	$ 75,127,343	$ 28,270,000	$ 8,409,077

Fiscal Year	Wastewater Revenue Bonds Series 2006 Principal	Wastewater Revenue Bonds Series 2006 Interest	Tax Allocation Bonds Series 2008 Principal	Tax Allocation Bonds Series 2008 Interest
2011	$ 250,000	$ 546,105	$ 175,000	$ 532,538
2012	260,000	536,730	185,000	525,338
2013	270,000	526,330	190,000	517,838
2014	280,000	515,530	200,000	510,038
2015	295,000	504,330	215,000	501,738
2016-2020	1,655,000	2,330,299	1,165,000	2,363,388
2021-2025	2,050,000	1,933,877	1,445,000	2,084,509
2026-2030	2,580,000	1,409,620	1,795,000	1,725,369
2031-2035	3,290,000	699,750	2,270,000	1,234,374
2036-2040	760,000	38,000	3,980,000	457,186
Totals	$ 11,690,000	$ 9,040,571	$ 11,620,000	$ 10,452,316

Fiscal Year	Tax Allocation Refunding Bonds Series 2004 A		Adjustable Lease Revenue Bonds Series 2003 B		
	Principal	Interest	Principal	Interest	Swap Interest
2011	$ 710,000	$ 660,508	$ 385,000	$ 497,762	$ 468,552
2012	730,000	637,996	395,000	482,220	453,922
2013	755,000	612,921	405,000	466,274	438,912
2014	780,000	585,278	420,000	449,924	423,521
2015	810,000	555,458	430,000	432,968	407,560
2016-2020	4,555,000	2,242,004	2,345,000	1,894,362	1,783,197
2021-2025	4,810,000	1,171,491	2,710,000	1,392,565	1,310,846
2026-2030	2,265,000	113,478	3,135,000	812,041	764,391
2031-2035	-	-	2,105,000	171,370	161,313
2036-2040	-	-	-	-	-
Totals	$ 15,415,000	$ 6,579,134	$ 12,330,000	$ 6,599,486	$ 6,212,214

Fiscal Year	Lease Revenue Refunding Bonds Series 2003 A		Variable Rate Demand Lease Revenue Bonds Series 2006		
	Principal	Interest	Principal	Interest	Swap Interest
2011	$ 1,475,000	$ 380,085	$ 525,000	$ 794,780	$ 741,442.00
2012	1,545,000	306,335	545,000	776,247	724,153
2013	1,600,000	253,805	570,000	757,009	706,205
2014	1,655,000	197,805	590,000	736,888	687,435
2015	1,715,000	136,570	610,000	716,061	668,005
2016-2020	1,785,010	71,400	3,410,000	3,240,716	3,023,229
2021-2025	-	-	4,100,000	2,591,903	2,417,959
2026-2030	-	-	4,930,000	1,811,774	1,690,184
2031-2035	-	-	5,915,000	874,382	815,701
2036-2040	-	-	1,320,000	46,594	43,469
Totals	$ 9,775,010	$ 1,346,000	$ 22,515,000	$ 12,346,354	$ 11,517,782

Fiscal Year	Solid Waste Revenue Refunding Bonds Series 2005		Wastewater Revenue Bonds Series 2004 B		
	Principal	Interest	Principal	Interest	Swap Interest
2011	$ 1,965,000	$ 618,000	$ 865,000	$ 896,394	$ 843,529
2012	2,065,000	519,750	885,000	861,647	810,831
2013	2,165,000	416,500	915,000	826,096	777,378
2014	2,275,000	308,250	940,000	789,341	742,790
2015	2,390,000	194,500	965,000	751,581	707,257
2016-2020	1,500,000	75,000	5,265,000	3,152,742	2,966,813
2021-2025	-	-	3,905,000	2,201,919	2,072,061
2026-2030	-	-	4,495,000	1,371,403	1,290,527
2031-2035	-	-	4,080,000	415,155	390,673
2036-2040	-	-	-	-	-
Totals	$ 12,360,000	$ 2,132,000	$ 22,315,000	$ 11,266,278	$ 10,601,859

Fiscal Year	Water Revenue Refunding Bonds Series 2010A		Water Revenue Refunding Bonds Series 2010B	
	Principal	Interest	Principal	Interest
2011	$ -	$ 752,475	$ -	$ 5,786,173
2012	1,215,000	752,475	-	5,786,173
2013	1,255,000	716,025	-	5,786,173
2014	1,300,000	670,325	-	5,786,173
2015	1,340,000	631,325	-	5,786,173
2016-2020	7,710,000	2,143,025	-	28,930,865
2021-2025	3,635,000	302,500	6,180,000	28,521,724
2026-2030	-	-	12,255,000	25,225,418
2031-2035	-	-	15,220,000	20,665,290
2036-2040	-	-	50,015,000	11,822,027
Totals	$ 16,455,000	$ 5,968,150	$ 83,670,000	$ 144,096,189

	2004 Capital Fund Revenue Bonds Housing Authority	
Fiscal Year	Principal	Interest
2011	$ 240,000	$ 197,245
2012	250,000	189,205
2013	260,000	180,455
2014	270,000	170,835
2015	280,000	160,170
2016-2020	1,615,000	610,665
2021-2025	1,600,000	200,240
2026-2030	-	-
2031-2035	-	-
2036-2040	-	-
Totals	$ 4,515,000	$ 1,708,815

	Equipment Lease Purchase Lasalle National Leasing - Total		ER Lease Purchase Agreement Issue 2008	
Fiscal Year	Principal	Interest	Principal	Interest
2011	$ 119,494	$ 711	$ 308,116	$ 114,828
2012	-	-	320,972	101,971
2013	-	-	334,365	88,578
2014	-	-	348,317	74,626
2015	-	-	362,851	60,092
2016-2020	-	-	1,181,951	86,881
Totals	$ 119,494	$ 711	$ 2,856,572	$ 526,976

	Fifth/Del Norte Land Purchase Solid Waste		Del Norte Blvd. Improve. Solid Waste	
	Principal	Interest	Principal	Interest
2011	$ 119,991	$ 17,055	$ 78,892	$ 9,128
2012	123,587	11,011	81,537	5,151
2013	143,989	4,785	44,767	1,043
2014	-	-	-	-
2015	-	-	-	-
2016-2020	-	-	-	-
Totals	$ 387,567	$ 32,851	$ 205,196	$ 15,322

	2009 Master Equipment Lease Purchase	
	Principal	Interest
2011	$ 189,797	$ 60,789
2012	197,434	53,153
2013	205,382	45,203
2014	213,657	36,929
2015	211,327	28,318
2016-2020	482,136	56,716
Totals	$ 1,499,733	$ 281,108

Management believes the City complies with all significant covenants related to its debt issues as of June 30, 2010.

Special Assessment Bonds

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

Accordingly, such special assessment debt is not reflected in the accompanying basic financial statements. Special assessment debt outstanding at June 30, 2010 is as follows:

Mandalay Bay Assessment District: 1915 Act Improvement Bonds issued April 24, 1987; original amount $6,250,000; maximum rate 7.4%; due 2007	$	310,000
Rice Avenue/Highway 101 Assessment District: 1915 Act Limited Obligation Bonds issued August 27, 2002 with original amount $15,125,000; maximum rate of 5.70%; maturing in varying amounts through 2032		13,510,000
Rose Avenue/Highway 101 Assessment District: 1915 Act Improvement Bonds issued November 1, 1996; original amount $8,560,000; average rate of 5.50%; maturing in 2016		4,085,000
City of Oxnard Community Facilities District I (Westport):		9,280,000
City of Oxnard Community Facilities District 88-1:		855,000
Oxnard Boulevard Interchange Community Facilities District 2000-03:		9,040,000
Oxnard Boulevard/Highway 101 Interchange Assessment District 2000-01: 1915 Act Improvement Limited Obligation Bonds issued on August 14, 2003; original amount $2,335,000; interest rate varies; the maximum rate of 6.15%; maturing in 2033		2,105,000
Community Facilities District No. 3 - Seabridge/Mandalay Bay		31,765,000
Total	**$**	**70,950,000**

G. Short term liability

Bond Anticipation Notes, Series 2009

Bond Anticipation Notes, Series 2009 (BANs) were issued on August 04, 2009 in the amount of $20,005,000 to finance the acquisition of approximately 14 acres of real property adjacent to the River Ridge Golf Club in the City of Oxnard. The yield on the BANS is fixed at 1.75% with a maturity date of August 25, 2010. The balance outstanding and recorded within the business-type activities as of June 30, 2010 is $20,005,000.

Bond Anticipation Notes, Series 2010

Bond Anticipation Notes, Series 2010 were issued on June 16, 2010 in the amount of $20,520,000 to pay the Bond Anticipation Notes, Series 2009 at maturity and to pay for certain costs of issuing BANs 2010. The yield on the BANS is fixed at 1.150% with a maturity date of June 25, 2011. The balance outstanding and recorded within the business-type activities as of June 30, 2010 is $20,520,000.

III. Defined Benefit Pension Plans and Other Post Employment Benefits

A. Retirement Plan Description

The City contributes to the California Public Employees' Retirement System ("PERS"), a multiple-employer, public employee defined benefit plan, which acts as a common investment and administrative agent for participating public entities within the State of California. The City's membership is reported within three plans classified into two categories: safety members (police and fire) and miscellaneous members (all other regular employees). The City's payroll for employees covered by PERS for the year ended June 30, 2010, was $85,872,782; the City's total payroll was $101,352,411. 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, becoming vested after five years of service. Employees who retire at or after age 50 with five years of credited service are entitled to retirement benefits. Monthly retirement benefits are payable for life in an amount equal to a specified percentage (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 2009-2010, the City's annual pension cost (APC) of $22,453,160 for PERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2008 revised actuarial assumptions, using the entry age actuarial cost method.

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

Trend Information by Plan

	Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Police	2008	$ 8,752,107	100%	$ -
Police	2009	9,285,787	100%	-
Police	2010	9,263,703	100%	-
Fire	2008	$ 3,361,352	100%	$ -
Fire	2009	3,546,603	100%	-
Fire	2010	3,549,349	100%	-
Miscellaneous	2008	$ 9,962,852	100%	$ -
Miscellaneous	2009	9,923,543	100%	-
Miscellaneous	2010	9,640,108	100%	-

Contributions to PERS for the Fiscal Year ended June 30, 2010, are shown below:

		City Contributions		Employee Contributions		Total
Safety employees:						
Police	$	7,137,104	$	2,126,599	$	9,263,703
Fire		2,679,126		870,223		3,549,349
Total safety employees		9,816,230		2,996,822		12,813,052
Miscellaneous employees		5,959,875		3,680,233		9,640,108
Total	**$**	**15,776,105**	**$**	**6,677,055**	**$**	**22,453,160**

Funded Status and Funding Progress

The funded status of each plan as of June 30, 2008, the most recent actuarial valuation is as follows (dollar amounts in thousands):

	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
Police	$ 165,344	$ 197,254	$ 31,910	83.8%	$ 21,964	145.3%
Fire *	$ 7,464,928	$ 8,700,468	$ 1,235,540	85.8%	$ 914,841	135.1%
Miscellaneous	$ 245,132	$ 277,076	$ 31,944	88.5%	$ 55,412	57.6%

* Amounts reflect total risk pool valuations and liabilities.

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

B. Public Agency Retirement System Retirement Enhancement Plan

Plan Description

The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS) effective January 1, 2003 for selected groups of miscellaneous employees (non-safety), Service Employees International Union (SEIU), International Union of Operating Engineers (IUOE), Management, and one of the two groups of Confidential employees. PARS is defined benefit 401 (a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. For employees meeting the eligibility requirements, the plan provides a benefit equal to the “3% at 60” plan factor (formula is a static 3% at age 60 and older), less the PERS “2% at 55” plan factors for all years of City service plus any military service purchased through PERS (prior to July 1, 2003) while an employee of the City of Oxnard.

Eligibility for an immediate benefit is defined as reaching age 50, completing five years of Oxnard service, and retiring concurrently from both the City and PERS after leaving City employment. In addition, a deferred benefit would be available to participants who complete five years of service. The City has full discretionary authority to control, amend, modify or terminate this plan at any time.

Funding Policy

Employees and the City contribute a total of 8 percent of eligible employees' gross wages. Current employee and city contributions by employee groups are as follows:

	City Contributions	Employee Contributions
IUOE	2.7%	5.3%
SEIU	3.5%	4.5%
Management and confidential	3.0%	5.0%

In addition, the City is required to contribute the remaining amounts necessary to fund the benefit to its members using the actuarial basis recommended by PARS actuarial consultants. This contribution for the fiscal year ended June 30, 2010, was 3.44 percent of eligible employee gross wages. The City's payroll for employees covered by PARS for the year ended June 30, 2010, was $41,305,856. 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 projected 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 2009-2010, the City's annual pension cost (APC) of $4,490,429, for PARS was equal to the City's required actual contribution. The required contribution was determined as part of the June 30, 2007, actuarial assumptions and retained the entry age actuarial cost method.

Contributions to PARS for the fiscal year ended June 30, 2010 are shown below:

	City Contributions	Employee Contributions	Total
Miscellaneous employees	$ 1,186,079	$ 3,304,350	$ 4,490,429

Trend Information

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

	Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Miscellaneous	2008	$4,697,762	100%	$ -
Miscellaneous	2009	$4,539,412	100%	-
Miscellaneous	2010	$4,490,429	100%	-

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 39.64 percent funded. The actuarial accrued liability for benefits was $41,103,479, and the actuarial value of assets was $16,294,026, resulting in an unfunded actuarial accrued liability (UAAL) of $24,809,453. The covered payroll (annual payroll of active employees covered by the plan) was $42,158,800, and the ratio of the UAAL to the covered payroll was 58.85 percent.

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

C. Post-employment Health Care Benefits

Plan Description

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the most recent actuarial valuation date of July 1, 2009, the projected unit credit cost method was used. The actuarial assumptions include a 5 percent discount rate, an annual healthcare cost trend rate of 7 percent beginning January 1, 2009 reduced by decrements to an ultimate rate of 5 percent after 2 years, turnover rates are taken from a standard actuarial table reduced by 30% at all ages, and that 40% of all future non-Police retirees would waive coverage under PERS Health. The remaining amortization period as of June 30, 2010 was twenty seven years.

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

Funding Policy

The City contributes the minimum amount allowed under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. The City’s required monthly contribution for calendar year 2010 was $105.00. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City Contribution.

Annual OPEB Cost and Net OPEB Obligation

For fiscal 2009-2010 the City’s annual OPEB cost of $1,301,142 was higher than the actual contribution. The City’s annual OPEB cost, actual contribution, percentage of annual OPEB cost contributed, and the net OPEB obligation for the current year (cumulative) and prior fiscal year were as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	$ 2,077,017	$ 213,360	10%	$ 1,863,657
6/30/2009	$ 2,254,674	$ 270,735	12%	$ 3,847,597
6/30/2010	$ 1,359,054	$ 248,179	18%	$ 1,301,142

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

Actuarial accrued liability (AAL)	$	18,518,303
Actuarial value of plan assets		-
Unfunded Actuarial Accrued Liability (UAAL)	$	18,518,303
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	$	85,872,782
UAAL as a percentage of covered payroll		21.565%

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

IV. Risk Management

All funds of the City participate in general liability and workers' compensation insurance programs and make payments to internal service funds on the basis of loss experience and exposure. The total unpaid claims and claims adjustment expense liability (long-term obligations) of $12,343,163 recorded at June 30, 2010, is based on results of actuarial studies and includes an estimate for claims incurred but not reported at the balance sheet date. Claims liabilities are calculated considering the effects of inflation, recent claims settlement trends including frequency and amount of payouts, and other economic and societal factors. General liability and workers' compensation liabilities are carried at present value using a discount rate of 3.5 percent. In addition, the City is in compliance with the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

A. General Liability

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

The City's contribution to BICEP for general liability coverage in Fiscal Year 2009-2010 was $635,342 which included a pure premium adjustment of $137,811. During the past five-year period, the average claims filed each year for general liability amounted to 211 claims totaling $1,901,793 per year (an average of $9,013 per claim). In addition, there have been no insurance settlements that have exceeded the City's insurance coverage for each of the past three years. Information concerning the BICEP pooled liability insurance program can be obtained at 801 South Figueroa Street, Suite 1050, Los Angeles, CA 90017, telephone number (213) 896-8900.

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2010 was $3,992,930. The following schedule presents the changes in self-insurance claims liabilities for the past two years:

	Public Liability and Property Damage	
	FY 09-10	FY 08-09
Unpaid claims and claims adjustment expenses-July 1	$ 4,544,718	$ 5,123,310
Incurred claims and claims adjustment expenses:		
Increase/decrease in provision for insured events	(426,217)	(759,856)
Increase/decrease in actuarially incurred but not reported claims (IBNR)	(125,571)	181,264
Total incurred claims and claims adjustment expenses	(551,788)	(578,592)
Unpaid claims and claims adjustment expenses-June 30	3,992,930	4,544,718
Claims and judgements due within one year	$ 1,992,000	$ 2,288,000

B. Workers' Compensation

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

Within the City's self-insured program for workers' compensation, there has been an average of 236 claims filed per year for the past five years, with an average of approximately $2,529,436 per year in total reported losses (an average of $10,727 per claim). In addition, there have been no insurance settlements that have exceeded the City's insurance coverage for each of the past three years.

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2010 was $8,350,233.

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

	Worker's Compensation	
	FY 09-10	FY 08-09
Unpaid claims and claims adjustment expenses-July 1	$ 9,458,261	$ 8,517,409
Incurred claims and claims adjustment expenses:		
Increase/decrease in provision for insured events	(879,312)	670,721
Increase/decrease in actuarially incurred but not reported claims (IBNR)	(228,716)	270,131
Total incurred claims and claims adjustment expenses	(1,108,028)	940,852
Unpaid claims and claims adjustment expenses-June 30	8,350,233	9,458,261
Claims and judgements due within one year	$ 3,957,000	$ 3,616,200

V. Other Information

A. Commitments and Contingencies

There are various lawsuits and claims pending against the City. In the opinion of the City Attorney and management, none of these cases, nor the aggregate thereof, represents any substantial exposure to the City. At June 30, 2010 the City has recorded a general litigation reserve of $1,000,000 to cover any potential exposure, which has been recorded within self-insurance claims liabilities in the accompanying basic financial statements.

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

B. Proposition 1A Securitization

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was $3.7M.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased

the Proposition 1A receivables and issued bonds (“Prop 1A Bonds”) to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not
exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

C. Subsequent Events

In July of 2010, the Ventura County District Attorney initiated an investigation into the use of public funds and conflicts of interest regarding various contracts. As of the issuance of this document, the investigation was ongoing.

Payment of the City of Oxnard Financing Authority Bond Anticipation Notes, Series 2009 were paid from the proceeds of the City of Oxnard Financing Authority Bond Anticipation Notes, Series 2010, issued June of 2010. Payment included both principal and interest in the amount of $20,534,299.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Schedule of Funding Progress
For the Year Ended June 30, 2010
(Dollars in Thousands)

California Public Employees' Retirement System Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
Police						
6/30/06	$ 137,524	$ 167,434	$ 29,910	82.1%	$ 20,296	147.4%
6/30/07	$ 151,994	$ 181,593	$ 29,599	83.7%	$ 21,551	137.3%
6/30/08	$ 165,344	$ 197,254	$ 31,910	83.8%	$ 21,964	145.3%
Fire *						
6/30/06	$ 6,102,616	$ 7,278,050	$ 1,175,434	83.9%	$ 754,730	155.7%
6/30/07	$ 6,826,599	$ 7,986,055	$ 1,159,456	85.5%	$ 831,608	139.4%
6/30/08	$ 7,464,928	$ 8,700,468	$ 1,235,540	85.8%	$ 914,841	135.1%
Miscellaneous						
6/30/06	$ 207,208	$ 237,646	$ 30,438	87.2%	$ 52,304	58.2%
6/30/07	$ 226,956	$ 258,156	$ 31,200	87.9%	$ 55,185	56.5%
6/30/08	$ 245,132	$ 277,076	$ 31,944	88.5%	$ 55,412	57.6%

* Fire amounts reflect total risk pool valuations and liabilities.

Public Agency Retirement System Retirement Enhancement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
7/1/05	$ 7,357	$ 32,328	$ 24,971	22.76%	$ 33,043	75.57%
7/1/07	$ 16,294	$ 41,103	$ 24,809	39.64%	$ 42,159	58.85%

Required Supplementary Information
Schedule of Funding Progress
For the Year Ended June 30, 2010
(Dollars in Thousands)

Other Post Employment Benefit – CalPERS Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
7/1/07	$ -	$ 21,811	$ 21,811	0%	$ 84,863	25.7%
7/1/07	$ -	$ 23,751	$ 23,751	0%	$ 86,730	27.4%
7/1/09	$ -	$ 11,081	$ 11,081	0%	$ 85,873	12.9%

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property	$ 41,460,000	$ 41,460,000	$ 40,345,720	$ (1,114,280)
Sales	22,543,000	22,543,000	28,103,051	5,560,051
Transient occupancy	3,231,000	3,231,000	3,061,163	(169,837)
Business license (net of refund)	5,095,000	5,095,000	4,692,615	(402,385)
Franchise	4,800,000	4,800,000	3,439,645	(1,360,355)
Other taxes	696,000	696,000	636,895	(59,105)
Licenses and permits	1,694,800	1,694,800	1,523,926	(170,874)
Intergovernmental	10,341,000	10,401,000	11,093,447	692,447
Charges for services	10,991,500	11,291,500	10,917,704	(373,796)
Fines and forfeitures	679,700	679,700	627,327	(52,373)
Investment earnings	968,000	968,000	663,552	(304,448)
Miscellaneous	4,148,100	4,467,100	4,159,988	(307,112)
Total revenues	**106,648,100**	**107,327,100**	**109,265,033**	**1,937,933**
EXPENDITURES				
General government:				
City council	388,170	387,170	370,062	17,108
City treasurer	1,171,285	1,161,335	1,151,851	9,484
City clerk	493,924	485,024	465,494	19,530
City manager	1,614,595	1,494,105	1,510,894	(16,789)
City attorney	1,382,872	1,444,339	1,429,594	14,745
Financial services	3,754,264	3,444,415	3,352,019	92,396
Human resources	1,312,512	1,197,712	1,178,700	19,012
Non-depatmental	(1,434,239)	3,626,001	1,310,525	2,315,476
Public safety:				
Police	50,166,590	48,266,971	48,449,947	(182,976)
Fire	14,572,540	14,463,736	14,604,970	(141,234)
Transportation	4,433,850	4,802,430	4,539,680	262,750
Community development:				
Development services	6,539,649	6,776,520	6,633,758	142,762
Economic development and tourism service	864,948	864,948	864,948	-
Housing services	264,820	391,547	413,035	(21,488)
Community services	3,088,009	2,974,679	2,955,663	19,016
Culture and leisure:				
Recreation services	3,488,505	3,147,735	3,359,265	(211,530)
Carnegie art museum	455,849	412,209	389,093	23,116
Park and public grounds	9,385,759	8,527,359	8,206,558	320,801
Library services	5,002,457	4,845,592	4,611,497	234,095
Capital outlay	383,369	441,862	157,863	283,999
Total expenditures	**107,329,728**	**109,155,689**	**105,955,416**	**3,200,273**
Excess (deficiency) of revenues over expenditures	(681,628)	(1,828,589)	3,309,617	5,138,206
OTHER FINANCING SOURCES(USES)				
Transfers in	5,642,905	5,759,905	5,952,395	192,490
Transfers out	(5,056,093)	(4,459,955)	(3,329,955)	1,130,000
Total other financing sources (uses)	586,812	1,299,950	2,622,440	(937,510)
Net change in fund balances	(94,816)	(528,639)	5,932,057	4,200,696
Fund balances, July 1	**23,794,737**	**23,794,737**	**23,794,737**	**-**
Fund balances, budgetary basis, June 30	**$ 23,699,921**	**$ 23,266,098**	**$ 29,726,794**	**$ 4,200,696**

Notes to Budgetary Comparison Schedule:

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

Federal & State Grants Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
REVENUES				
Taxes	$ 12,898,128	$ 12,898,128	$ 13,516,568	$ 618,440
Intergovernmental	340,905	86,699,241	22,951,974	(63,747,267)
Fines and forfeitures	-	-	144,716	144,716
Interest	-	-	80,890	80,890
Miscellaneous	-	172,994	524,439	351,445
Total revenues	**13,239,033**	**99,770,363**	**37,218,587**	**(62,551,776)**
EXPENDITURES				
Public safety	13,320,498	19,052,151	18,405,336	646,815
Transportation	-	7,000	239	6,761
Community Development	806,035	7,549,982	1,703,519	5,846,463
Culture and leisure	142,764	1,071,200	793,655	277,545
Library Services	80,600	69,799	20,680	49,119
Capital Outlay	-	89,369,167	12,768,202	76,600,965
Total expenditures	**14,349,897**	**117,119,299**	**33,691,631**	**83,427,668**
Excess (deficiency) of revenues over expenditures	(1,110,864)	(17,348,936)	3,526,956	20,875,892
OTHER FINANCING SOURCES(USES)				
Transfers in	80,600	21,120	21,120	-
Transfers out	-	-	(78,712)	(78,712)
Total other financing uses	**80,600**	**21,120**	**(57,592)**	**(78,712)**
Net change in fund balances	(1,030,264)	(17,327,816)	3,469,364	20,797,180
Fund balances-July 1	11,242,597	11,242,597	11,242,597	-
Fund balances,budgetary basis, June 30	**$ 10,212,333**	**$ (6,085,219)**	**$ 14,711,961**	**$ 20,797,180**

Notes to Budgetary Comparison Schedule:

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

Community Development Commission

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 21,421,000	$ 21,421,000	$ 15,558,631	$ (5,862,369)
Interest	312,604	312,604	1,047,702	735,098
Growth & development fees	15,000	15,000	268,918	253,918
Charges for services	1,993,841	1,993,841	(40,672)	(2,034,513)
Miscellaneous	103,281	103,281	180,266	76,985
Total revenues	**23,845,726**	**23,845,726**	**17,014,845**	**(6,830,881)**
EXPENDITURES:				
Community development	12,483,812	19,493,826	17,268,164	2,225,662
Capital outlay	988,000	33,899,365	11,034,542	22,864,823
Total expenditures	**13,471,812**	**53,393,191**	**28,302,706**	**25,090,485**
Excess (deficiency) of revenues over expenditures	10,373,914	(29,547,465)	(11,287,861)	18,259,604
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(117,000)	(117,000)	-
Total other financing sources (uses)	**-**	**(117,000)**	**(117,000)**	**-**
Net change in fund balances	10,373,914	(29,664,465)	(11,404,861)	18,259,604
Fund balance,July 1	**71,780,331**	**71,780,331**	**71,780,331**	**-**
Fund balances, budgetary basis, June 30	**$ 82,154,245**	**$ 42,115,866**	**$ 60,375,470**	**$ 18,259,604**

Notes to Budgetary Comparison Schedule:

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

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SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Governmental Funds

Special Revenue Funds

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

Development Fees Fund – This fund includes fees that the City collects on new development to provide resources for special projects such as parks, storm drainage facilities, traffic improvements, utility undergrounding and community developments.

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

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

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

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

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

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

Transportation Development Fund – This fund is used to account for Transportation Development Act revenues and to be used for street maintenance and road improvements, and construction of pedestrian and bike facilities.

Maintenance Assessment District – This fund is used to account for assessment revenues and expenditures related to waterways and landscape maintenance of various district areas in the City.

City of Oxnard, California
Combining Balance sheet
Non-Major Governmental Funds
June 30, 2010

	Development Fees Fund	HUD and CDBG Grants Fund	Debt Service Fund	Capital Outlay Fund
ASSETS				
Cash and cash equivalents	$ 34,887,947	$ -	$ 258,079	$ 4,917,524
Investments with fiscal agents	-	-	9	7,946,196
Accounts and other receivables	225,669	5,517,323	-	-
Due from other government	-	412,620	-	-
Other assets	-	169,432	-	-
Total assets	**$ 35,113,616**	**$ 6,099,375**	**$ 258,088**	**$ 12,863,720**
LIABILITIES				
Liabilities:				
Accounts payable	588,645	194,698	-	138,397
Other liabilities	142,035	75,107	-	-
Due to other funds	3,054,404	312,747	-	151,526
Deferred revenues	-	5,516,823	-	-
Total liabilities	**3,785,084**	**6,099,375**	**-**	**289,923**
FUND BALANCES				
Unreserved reported in:				
Designated	-	-	258,088	-
Special revenue funds	31,328,532	-	-	-
Capital projects funds	-	-	-	12,573,797
Total fund balances	**31,328,532**	**-**	**258,088**	**12,573,797**
Total liabilities and fund balances	**$ 35,113,616**	**$ 6,099,375**	**$ 258,088**	**$ 12,863,720**

City of Oxnard, California
Combining Balance sheet
Non-Major Governmental Funds
June 30, 2010

State Gas Tax Fund	Traffic Safety Fund	Transportation Development Fund	Maintenance Assessment Districts Fund	Total Non-major Governmental Funds	
					ASSETS
$ 148,975	$ -	$ 1,929,667	$ 12,928,338	$ 55,070,530	Cash and cash equivalents
2,086,442	-	-	-	10,032,647	Investments with fiscal agents
164	-	4,325	-	5,747,481	Accounts and other receivables
294,773	113,681	-	-	821,074	Due from other government
-	-	-	-	169,432	Other assets
$ 2,530,354	**$ 113,681**	**$ 1,933,992**	**$ 12,928,338**	**$ 71,841,164**	**Total assets**
					LIABILITIES
					Liabilities:
18,334	-	42,456	175,804	1,158,334	Accounts payable
74,447	45,397	56,991	32,893	426,870	Other liabilities
-	520,712	-	-	4,039,389	Due to other funds
-	-	683,819	-	6,200,642	Deferred revenues
92,781	**566,109**	**783,266**	**208,697**	**11,825,235**	**Total liabilities**
					FUND BALANCES
					Unreserved reported in:
2,086,442	-	-	-	2,344,530	Designated
351,131	(452,428)	1,150,726	12,719,641	45,097,602	Special revenue funds
-	-	-	-	12,573,797	Capital projects funds
2,437,573	**(452,428)**	**1,150,726**	**12,719,641**	**60,015,929**	**Total fund balances**
$ 2,530,354	**$ 113,681**	**$ 1,933,992**	**$ 12,928,338**	**$ 71,841,164**	**Total liabilities and fund balances**

City of Oxnard, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Non-Major Funds
For the Year Ended June 30, 2010

	Development Fees Fund	HUD and CDBG Grants Fund	Debt Service Fund	Capital Outlay Fund
REVENUES				
Taxes	$ -	$ -	$ 3,396,800	$ -
Licenses and permits	743,655	-	-	-
Intergovernmental	145,295	3,987,240	-	-
Growth and development fees	1,233,863	-	-	-
Charges for services	-	-	-	27,073
Fines and forfeitures	-	-	-	-
Interest	546,290	-	2,088	135,093
Special assessments	-	-	-	-
Miscellaneous	2,994,853	-	-	-
Total revenues	**5,663,956**	**3,987,240**	**3,398,888**	**162,166**
EXPENDITURES				
Current:				
General government	209,733	-	-	-
Public safety	730,153	222,689	-	-
Transportation	393,006	-	-	-
Community Development	372,152	1,854,175	-	-
Culture and leisure	18,000	37,940	-	11,946
Capital outlay	5,500,457	1,872,436	-	2,749,531
Debt service:				
Principal	-	-	3,248,020	-
Interest and fiscal charges	-	-	4,011,144	-
Total expenditures	**7,223,501**	**3,987,240**	**7,259,164**	**2,761,477**
Excess (deficiency) of revenues over (under) expenditures	(1,559,545)	-	(3,860,276)	(2,599,311)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	-	-	-	1,395,646
Transfers in	-	-	4,276,875	-
Transfers out	(1,784,627)	-	-	-
Net other financing sources (uses)	(1,784,627)	-	4,276,875	1,395,646
Net change in fund balances	(3,344,172)	-	416,599	(1,203,665)
Fund balances, July 1	34,672,704	-	(158,511)	13,777,462
Fund balances, June 30	**$ 31,328,532**	**$ -**	**$ 258,088**	**$ 12,573,797**

City of Oxnard, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Non-Major Funds
For the Year Ended June 30, 2010

State Gas Tax Fund	Traffic Safety Fund	Transportation Development Fund	Maintenance Assessment Districts Fund	Total Non-major Governmental Funds	
					REVENUES
$ -	$ -	$ -	$ 9,040	$ 3,405,840	Taxes
-	-	-	-	743,655	Licenses and permits
3,494,655	-	559,514	-	8,186,704	Intergovernmental
-	-	-	-	1,233,863	Growth and development fees
-	19,325	84,562	-	130,960	Charges for services
-	441,612	-	-	441,612	Fines and forfeitures
49,825	-	38,959	204,851	977,106	Interest
-	-	-	9,168,150	9,168,150	Special assessments
211,882	-	168,624	28,021	3,403,380	Miscellaneous
3,756,362	**460,937**	**851,659**	**9,410,062**	**27,691,270**	**Total revenues**
					EXPENDITURES
					Current:
3,500	-	-	163,350	376,583	General government
-	349,118	-	2,056,777	3,358,737	Public safety
2,275,776	682,925	2,061,196	184,746	5,597,649	Transportation
8,411	-	-	-	2,234,738	Community Development
-	-	-	4,935,298	5,003,184	Culture and leisure
282,177		78,573	295,370	10,778,544	Capital outlay
					Debt service:
495,000	-	-	-	3,743,020	Principal
1,219,350	-	-	-	5,230,494	Interest and fiscal charges
4,284,214	**1,032,043**	**2,139,769**	**7,635,541**	**36,322,949**	**Total expenditures**
(527,852)	(571,106)	(1,288,110)	1,774,521	(8,631,679)	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	-	-	-	1,395,646	Proceeds from sale of bonds
-	300,000	-	-	4,576,875	Transfers in
-	-	-	-	(1,784,627)	Transfers out
-	300,000	-	-	4,187,894	Net other financing sources (uses)
(527,852)	(271,106)	(1,288,110)	1,774,521	(4,443,785)	Net change in fund balances
2,965,425	(181,322)	2,438,836	10,945,120	64,459,714	Fund balances, July 1
$ 2,437,573	**$ (452,428)**	**$ 1,150,726**	**$ 12,719,641**	**$ 60,015,929**	**Fund balances, June 30**

City of Oxnard, California
Non Major - Development Fees Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Licenses and permits	$ 900,969	$ 900,969	$ 743,655	$ (157,314)
Intergovernmental	-	-	145,295	145,295
Growth and development fees	3,799,360	3,799,360	1,233,863	(2,565,497)
Interest	734,146	734,146	546,290	(187,856)
Miscellaneous	155,810	155,810	2,994,853	2,839,043
Total revenues	**5,590,285**	**5,590,285**	**5,663,956**	**73,671**
EXPENDITURES				
General government	120,620	120,620	209,733	(89,113)
Public safety	850,707	850,707	730,153	120,554
Transportation	168,000	202,714	393,006	(190,292)
Community development	-	150,000	372,152	(222,152)
Culture and leisure	-	-	18,000	(18,000)
Capital Outlay	2,320,761	21,659,289	5,500,457	16,158,832
Total expenditures	**3,460,088**	**22,983,330**	**7,223,501**	**15,759,829**
Excess (deficiency) of revenues over (under) expenditures	2,130,197	(17,393,045)	(1,559,545)	15,833,500
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(1,784,627)	(1,784,627)	(1,784,627)	-
Total other financing sources (uses)	(1,784,627)	(1,784,627)	(1,784,627)	-
Net change in fund balances	345,570	(19,177,672)	(3,344,172)	15,833,500
Fund balance, July 1	34,672,704	34,672,704	34,672,704	-
Fund balance, June 30	**$ 35,018,274**	**$ 15,495,032**	**$ 31,328,532**	**$ 15,833,500**

City of Oxnard, California
Non-Major - CDBG & HUD
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	$ 4,015,895	$ 4,015,895	$ 3,987,240	(28,655)
Miscellaneous	-	-	-	-
Total revenues	**4,015,895**	**4,015,895**	**3,987,240**	**(28,655)**
EXPENDITURES				
General government	285,690	15,000	-	15,000
Public safety	245,000	245,000	222,689	22,311
Community Development	1,464,764	2,722,091	1,854,175	867,916
Culture and leisure	20,920	37,940	37,940	-
Library Services	-	-	-	-
Capital Outlay	1,784,737	3,240,926	1,872,436	1,368,490
Total expenditures	**3,801,111**	**6,260,957**	**3,987,240**	**2,273,717**
Excess (deficiency) of revenues over (under) expenditures	214,784	(2,245,062)	-	2,245,062
Net change in fund balances	214,784	(2,245,062)	-	2,245,062
Fund balance, July 1	-	-	-	-
Fund balance, June 30	**$ 214,784**	**$ (2,245,062)**	**$ -**	**$ 2,245,062**

City of Oxnard, California
Non-Major - Debt Service Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ -	$ -	$ 3,396,800	$ 3,396,800
Interest	31,413	31,413	2,088	(29,325)
Total revenues	**31,413**	**31,413**	**3,398,888**	**3,367,475**
EXPENDITURES				
Debt Service:				
Principal	1,853,551	1,493,751	3,248,020	(1,754,269)
Interest	1,910,380	1,756,180	4,011,144	(2,254,964)
Total expenditures	**3,763,931**	**3,249,931**	**7,259,164**	**(4,009,233)**
Excess (deficiency) of revenues over (under) expenditures	(3,732,518)	(3,218,518)	(3,860,276)	(641,758)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	3,762,875	4,276,875	4,276,875	-
Total other financing uses	3,762,875	4,276,875	4,276,875	-
Net changes in fund balances	30,357	1,058,357	416,599	(641,758)
Fund balance, July 1	**(158,511)**	**(158,511)**	**(158,511)**	**-**
Fund balance, June 30	**$ (128,154)**	**$ 899,846**	**$ 258,088**	**$ (641,758)**

City of Oxnard, California
Non-Major - Capital Outlay Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Interest	$ -	$ -	$ 135,093	$ 135,093
Charges for services	-	-	27,073	27,073
Special assessments	-	-	-	-
Total revenues	**-**	**-**	**162,166**	**162,166**
EXPENDITURES				
Culture and leisure	-	-	11,946	(11,946)
Capital Outlay	-	9,528,184	2,749,531	6,778,653
Total expenditures	**-**	**9,528,184**	**2,761,477**	**6,766,707**
Excess (deficiency) of revenues over (under) expenditures	-	(9,528,184)	(2,599,311)	6,928,873
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	19,000	-	(19,000)
Proceeds from issuance of long-term debt	-	-	1,395,646	1,395,646
Total other financing sources (uses)	-	19,000	1,395,646	1,376,646
Net change in fund balances	-	(9,509,184)	(1,203,665)	8,305,519
Fund balance, July 1	**13,777,462**	**13,777,462**	**13,777,462**	**-**
Fund balance, June 30	**$ 13,777,462**	**$ 4,268,278**	**$ 12,573,797**	**$ 8,305,519**

City of Oxnard, California
Non-Major - State Gas Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	$ 3,167,700	$ 3,167,700	$ 3,494,655	$ 326,955
Interest	87,800	87,800	49,825	(37,975)
Miscellaneous	402,775	402,775	211,882	(190,893)
Total revenues	**3,658,275**	**3,658,275**	**3,756,362**	**98,087**
EXPENDITURES				
General government	12,125	12,125	3,500	8,625
Transportation	2,139,362	2,307,361	2,275,776	31,585
Community development	9,400	9,400	8,411	989
Capital Outlay	-	392,566	282,177	110,389
Det service:				
Principal	735,000	495,000	495,000	-
Interest and fiscal charges	2,693,171	1,219,350	1,219,350	-
Total expenditures	**5,589,058**	**4,435,802**	**4,284,214**	**151,588**
Excess (deficiency) of revenues over (under) expenditures	(1,930,783)	(777,527)	(527,852)	249,675
Net change in fund balances	(1,930,783)	(777,527)	(527,852)	249,675
Fund balance, July 1	**2,965,425**	**2,965,425**	**2,965,425**	**-**
Fund balance, June 30	**$ 1,034,642**	**$ 2,187,898**	**$ 2,437,573**	**$ 249,675**

City of Oxnard, California
Non-Major - Traffic Safety
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 451,700	$ 451,700	$ 441,612	$ (10,088)
Charges for services	-	-	19,325	19,325
Total revenues	**451,700**	**451,700**	**460,937**	**9,237**
EXPENDITURES				
Public safety	318,740	318,740	349,118	(30,378)
Transportation	603,214	608,334	682,925	(74,591)
Total expenditures	**921,954**	**927,074**	**1,032,043**	**(104,969)**
Excess (deficiency) of revenues over (under) expenditures	(470,254)	(475,374)	(571,106)	(95,732)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	400,000	400,000	300,000	(100,000)
Total other financing sources (uses)	400,000	400,000	300,000	(100,000)
Net change in fund balances	(70,254)	(75,374)	(271,106)	(195,732)
Fund balance, July 1	**(181,322)**	**(181,322)**	**(181,322)**	**-**
Fund balance, June 30	**$ (251,576)**	**$ (256,696)**	**$ (452,428)**	**$ (195,732)**

City of Oxnard, California
Non-Major - Transportation Development
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	$ 2,184,163	$ 2,184,163	$ 559,514	$ (1,624,649)
Charges for services	20,900	20,900	84,562	63,662
Interest	77,800	77,800	38,959	(38,841)
Miscellaneous	245,900	245,900	168,624	(77,276)
Total revenues	2,528,763	2,528,763	851,659	(1,677,104)
EXPENDITURES				
Transportation	2,387,261	2,000,699	2,061,196	(60,497)
Capital Outlay	69,345	699,215	78,573	620,642
Total expenditures	2,456,606	2,699,914	2,139,769	560,145
Excess (deficiency) of revenues over (under) expenditures	72,157	(171,151)	(1,288,110)	(1,116,959)
Net change in fund balances	72,157	(171,151)	(1,288,110)	(1,116,959)
Fund balance, July 1	**2,438,836**	**2,438,836**	**2,438,836**	**-**
Fund balance, June 30	**$ 2,510,993**	**$ 2,267,685**	**$ 1,150,726**	**$ (1,116,959)**

City of Oxnard, California
Non-Major - Maintenance Assessment District
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ -	$ -	$ 9,040	$ 9,040
Interest	25,000	25,000	204,851	179,851
Special assessments	8,899,348	8,899,348	9,168,150	268,802
Miscellaneous	-	-	28,021	28,021
Total revenues	**8,924,348**	**8,924,348**	**9,410,062**	**485,714**
EXPENDITURES				
General government	164,182	164,182	163,350	832
Public safety	2,599,594	1,899,594	2,056,777	(157,183)
Transportation	895,122	1,070,122	184,746	885,376
Culture and leisure	5,531,399	5,733,040	4,935,298	797,742
Capital Outlay	301,000	527,333	295,370	231,963
Total expenditures	**9,491,297**	**9,394,271**	**7,635,541**	**1,758,730**
Excess (deficiency) of revenues over expenditure	(566,949)	(469,923)	1,774,521	2,244,444
Net change in fund balances	(566,949)	(469,923)	1,774,521	2,244,444
Fund balance, July 1	**10,945,120**	**10,945,120**	**10,945,120**	**-**
Fund balance, June 30	**$ 10,378,171**	**$ 10,475,197**	**$ 12,719,641**	**$ 2,244,444**

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INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

City of Oxnard, California
Internal Service Funds
Combining Statement of Net Assets
June 30, 2010

	Public Liability/Property Damage	Worker's Compensation	Utility Customer Service	Information Services
ASSETS				
Cash and cash equivalents	$ 5,312,841	$ 10,936,151	$ 744,106	$ 2,256,927
Accounts and other receivable (net of allowance for uncollectibles)	28,323	60,000	-	-
Capital assets:				
Land	595,500	-	-	-
Machinery and equipment	52,621	56,827	42,507	1,598,988
Construction in progress	970,600	-	-	925,806
Total capital assets	1,618,721	56,827	42,507	2,524,794
Less accumulated depreciation	(47,697)	(51,401)	(39,723)	(1,206,332)
Net capital assets	1,571,024	5,426	2,784	1,318,462
Total assets	**6,912,188**	**11,001,577**	**746,890**	**3,575,389**
LIABILITIES				
Current liabilities:				
Accounts payable	69,887	81,432	22,054	52,182
Other liabilities	2,628	18,844	30,613	95,978
Compensated absences payable - current	-	25,000	31,000	130,000
Self insurance claims - due within one year	1,992,000	3,957,000	-	-
Total current liabilities	2,064,515	4,082,276	83,667	278,160
Noncurrent liabilities:				
Compensated absences payable	-	1,043	3,593	136,017
Self insurance claims	2,000,930	4,393,233	-	-
Other post employment payable	104,817	5,340	12,530	40,864
Total noncurrent liabilities	2,105,747	4,399,616	16,123	176,881
Total liabilities	**4,170,262**	**8,481,892**	**99,790**	**455,041**
NET ASSETS				
Invested in capital assets, net of related debt	1,571,024	5,426	2,784	1,318,462
Unrestricted	1,170,902	2,514,259	644,316	1,801,886
Total net assets	**$ 2,741,926**	**$ 2,519,685**	**$ 647,100**	**$ 3,120,348**

City of Oxnard, California
Internal Service Funds
Combining Statement of Net Assets
June 30, 2010

Facilities Maintenance	Equipment Maintenance	Total	
			ASSETS
$ 1,570,219	$ 612,894	$ 21,433,138	Cash and cash equivalents
2,912	138	91,373	Accounts and other receivable (net of allowance for uncollectibles)
			Capital assets:
-	-	595,500	Land
625,806	579,658	2,956,407	Machinery and equipment
-	306,284	2,202,690	Construction in progress
625,806	885,942	5,754,597	Total capital assets
(485,097)	(459,863)	(2,290,113)	Less accumulated depreciation
140,709	426,079	3,464,484	Net capital assets
1,713,840	**1,039,111**	**24,988,995**	**Total assets**
			LIABILITIES
			Current liabilities:
26,045	232,341	483,941	Accounts payable
118,626	189,775	456,464	Other liabilities
135,000	255,000	576,000	Compensated absences payable - current
-	-	5,949,000	Self insurance claims - due within one year
279,671	677,116	7,465,405	Total current liabilities
			Noncurrent liabilities:
116,054	102,883	359,590	Compensated absences payable
-	-	6,394,163	Self insurance claims
50,452	67,198	281,201	Other post employment payable
166,506	170,081	7,034,954	Total noncurrent liabilities
446,177	**847,197**	**14,500,359**	**Total liabilities**
			NET ASSETS
140,709	426,079	3,464,484	Invested in capital assets, net of related debt
1,126,954	(234,165)	7,024,152	Unrestricted
$ 1,267,663	**$ 191,914**	**$ 10,488,636**	**Total net assets**

City of Oxnard, California
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For Fiscal Year Ended June 30, 2010

	Public Liability/Property Damage	Worker's Compensation	Utility Customer Service	Information Services
OPERATING REVENUES:				
Charges for services	$ 1,987,799	$ 6,841,792	$ 1,336,292	$ 4,280,244
OPERATING EXPENSES:				
Salaries and wages	92,852	374,797	597,819	1,880,288
Contractual services	173,500	388,845	77,400	38,032
Operating supplies	-	-	-	86,133
Utilities	620	3,156	20,231	1,116,149
Depreciation	2,462	2,412	1,152	162,454
General and administrative	256,121	417,570	717,306	352,906
Repairs and maintenance	47,345	21,710	38,302	(458,662)
Claims expenses	1,788,727	2,439,327	-	-
Total operating expenses	**2,361,627**	**3,647,817**	**1,452,210**	**3,177,300**
Operating income (loss)	(373,828)	3,193,975	(115,918)	1,102,944
NON-OPERATING REVENUES (EXPENSES):				
Interest income	120,401	248,907	14,575	-
Interest (expense)	-	-	-	-
Total non-operating revenues (expenses)	**120,401**	**248,907**	**14,575**	**-**
Income (loss) before contributions and transfers	(253,427)	3,442,882	(101,343)	1,102,944
Transfers in	-	-	-	-
Transfers out	405,842	5,312,511	-	115,872
Changes in net assets	(659,269)	(1,869,629)	(101,343)	987,072
Net Assets - July 1	**3,401,195**	**4,389,314**	**748,443**	**2,133,276**
Net Assets - June 30	**$ 2,741,926**	**$ 2,519,685**	**$ 647,100**	**$ 3,120,348**

City of Oxnard, California
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For Fiscal Year Ended June 30, 2010

Facilities Maintenance	Equipment Maintenance	Total	
			OPERATING REVENUES:
$ 4,029,112	$ 8,838,948	$ 27,314,187	Charges for services
			OPERATING EXPENSES:
2,266,564	3,685,064	8,897,384	Salaries and wages
166,258	98,847	942,882	Contractual services
239,420	3,958,765	4,284,318	Operating supplies
536,684	19,279	1,696,119	Utilities
36,147	38,455	243,082	Depreciation
211,263	439,500	2,394,666	General and administrative
287,235	1,013,172	949,102	Repairs and maintenance
-	-	4,228,054	Claims expenses
3,743,571	**9,253,082**	**23,635,607**	**Total operating expenses**
285,541	(414,134)	3,678,580	Operating income (loss)
			NON-OPERATING REVENUES (EXPENSES):
26,035	15,269	425,187	Interest income
-	-	-	Interest (expense)
26,035	**15,269**	**425,187**	**Total non-operating revenues (expenses)**
311,576	(398,865)	4,103,767	Income (loss) before contributions and transfers
-	-	-	Transfers in
291,550	-	6,125,775	Transfers out
20,026	(398,865)	(2,022,008)	Changes in net assets
1,247,637	**590,779**	**12,510,644**	**Net Assets - July 1**
$ 1,267,663	**$ 191,914**	**$ 10,488,636**	**Net Assets - June 30**

City of Oxnard, California
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2010

	Public Liability/Property Damage	Worker's Compensation	Utility Customer Service	Information Services
Cash flows from operating activities :				
Receipts from customers	$ 2,000,700	$ 6,781,792	$ 1,336,292	$ 4,280,244
Payments to suppliers	(428,309)	(833,582)	(852,630)	(1,073,528)
Payments to employees	(92,453)	(372,153)	(582,077)	(1,829,879)
Claims paid	(2,340,515)	(3,547,355)	-	-
Net cash flows from operating activities	(860,577)	2,028,702	(98,415)	1,376,837
Cash flows from noncapital financing activities:				
Transfers in	-		-	
Transfers out	(405,842)	(5,312,511)	-	(115,872)
Net cash provided (used) by noncapital financing activities	(405,842)	(5,312,511)	-	(115,872)
Cash flows from capital financing activities:				
Acquisitions(Disposals) of capital assets	37,199	-	-	(965,031)
Proceeds from capital lease				
Net cash flows from capital and related financing activities	37,199	-	-	(965,031)
Cash flows from investing activities:				
Interest on investments	120,401	248,906	14,575	-
Cash flows from investing acitivities	120,401	248,906	14,575	-
Net increase (decrease) in cash and cash equivalents	(1,108,819)	(3,034,903)	(83,840)	295,934
Cash and cash equivalents-July 1	**6,421,660**	**13,971,054**	**827,946**	**1,960,993**
Cash and cash equivalents-June 30	**$ 5,312,841**	**$ 10,936,151**	**$ 744,106**	**$ 2,256,927**

Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	$ (373,828)	$ 3,193,975	$ (115,918)	$ 1,102,944
Adjustment to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	2,462	2,412	1,152	162,454
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	12,901	(60,000)	-	-
Increase (decrease) in accounts payable	49,277	(2,301)	609	61,030
Increase (decrease) in self insurance liability	(551,788)	(1,108,028)	-	-
Increase (decrease) in other post emp payable	399	2,397	9,587	14,381
Increase (decrease) in compensated absences	-	247	6,155	36,028
Cash flows from operating activities	**$ (860,577)**	**$ 2,028,702**	**$ (98,415)**	**$ 1,376,837**

City of Oxnard, California
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2010

Facilities Maintenance	Equipment Maintenance	Total	
			Cash flows from operating activities :
$ 4,028,500	$ 8,838,810	$ 27,266,338	Receipts from customers
(1,420,018)	(5,538,613)	(10,146,680)	Payments to suppliers
(2,220,488)	(3,638,496)	(8,735,546)	Payments to employees
-	-	(5,887,870)	Claims paid
387,994	(338,299)	2,496,242	Net cash flows from operating activities
			Cash flows from noncapital financing activities:
-		-	Transfers in
(291,550)	-	(6,125,775)	Transfers out
(291,550)	-	(6,125,775)	Net cash provided (used) by noncapital financing activities
			Cash flows from capital financing activities:
202,685	(163,159)	(888,306)	Acquisitions(Disposals) of capital assets
		-	Proceeds from capital lease
202,685	(163,159)	(888,306)	Net cash flows from capital and related financing activities
			Cash flows from investing activities:
26,035	15,269	425,186	Interest on investments
26,035	15,269	425,186	Cash flows from investing acitivities
325,164	(486,189)	(4,092,653)	Net increase (decrease) in cash and cash equivalents
1,245,055	**1,099,083**	**25,525,791**	**Cash and cash equivalents-July 1**
$ 1,570,219	**$ 612,894**	**$ 21,433,138**	**Cash and cash equivalents-June 30**
			Reconciliation of operating income (loss) to net cash used by operating activities:
$ 285,541	$ (414,134)	$ 3,678,580	Operating income (loss)
			Adjustment to reconcile operating income to net cash provided by operating activities:
36,147	38,455	243,082	Depreciation and amortization
			Changes in assets and liabilities:
(612)	(138)	(47,849)	(Increase) decrease in accounts receivable
20,842	(9,050)	120,407	Increase (decrease) in accounts payable
-	-	(1,659,816)	Increase (decrease) in self insurance liability
23,969	27,963	78,696	Increase (decrease) in other post emp payable
22,107	18,605	83,142	Increase (decrease) in compensated absences
$ 387,994	**$ (338,299)**	**$ 2,496,242**	**Cash flows from operating activities**

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FIDUCIARY FUNDS

Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Fscal Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
ARTWORKS FUND				
Assets:				
Cash and Cash Equivalents	$ 50,850	$ 932	$ -	$ 51,782
Total Assets	**$ 50,850**	**$ 932**	**$ -**	**$ 51,782**
Liabilities:				
Trust and Agency Payables	$ 50,850	$ 932	$ -	$ 51,782
Total Liabilities	**$ 50,850**	**$ 932**	**$ -**	**$ 51,782**
IMPROVEMENT DISTRICTS FUND				
Assets:				
Cash and Cash Equivalents	$ 5,161,096	$ 6,107,971	$ 5,843,151	$ 5,425,916
Investments with Fiscal Agents	24,622,224	217,154	40,035	24,799,343
Total Assets	**$ 29,783,320**	**$ 6,325,125**	**$ 5,883,186**	**$ 30,225,259**
Liabilities:				
Trust and Agency Payables	$ 29,783,320	$ 6,325,125	$ 5,883,186	$ 30,225,259
Total Liabilities	**$ 29,783,320**	**$ 6,325,125**	**$ 5,883,186**	**$ 30,225,259**
TOTAL - ALL FIDUCIARY FUNDS				
Assets:				
Cash and Cash Equivalents	$ 5,211,946	$ 6,108,903	$ 5,843,151	$ 5,477,698
Investments with Fiscal Agents	24,622,224	217,154	40,035	24,799,343
Total Assets	**$ 29,834,170**	**$ 6,326,057**	**$ 5,883,186**	**$ 30,277,041**
Liabilities:				
Trust and Agency Payables	$ 29,834,170	$ 6,326,057	$ 5,883,186	$ 30,277,041
Total Liabilities	**$ 29,834,170**	**$ 6,326,057**	**$ 5,883,186**	**$ 30,277,041**

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STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographics and Economic Information

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

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

Operating Information

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

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

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

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

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

Source: Finance Department, City of Oxnard

City of Oxnard, California

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

Fiscal Year 2006	2007	2008	2009	2010	
					Governmental activities
$1,313,161,486	$1,329,023,654	$1,357,202,580	$1,371,345,945	$1,377,784,811	Invested in capital assets, net of related debt
15,902,180	33,774,265	48,175,216	12,852,498	25,080,711	Restricted
95,688,754	94,848,663	79,025,330	111,642,569	97,095,180	Unrestricted
$1,424,752,420	$1,457,646,582	$1,484,403,126	$1,495,841,012	$1,499,960,702	Total governmental activities net assets
					Business-type activities
$154,777,148	$225,311,825	$229,468,962	$238,066,640	$250,720,062	Invested in capital assets, net of related debt
13,405,164	12,508,465	8,782,553	7,811,268	17,706,319	Restricted
83,556,063	46,954,212	47,628,743	55,267,595	38,725,334	Unrestricted
$251,738,375	$284,774,502	$285,880,258	$301,145,503	$307,151,715	Total business-type activities net assets
					Primary government
$1,467,938,634	$1,554,335,479	$1,586,671,542	$1,609,412,585	$1,628,504,873	Invested in capital assets, net of related debt
29,307,344	46,282,730	56,957,769	20,663,766	42,787,030	Restricted
179,244,817	141,802,875	126,654,073	166,910,164	135,820,514	Unrestricted
$1,676,490,795	$1,742,421,084	$1,770,283,384	$1,796,986,515	$1,807,112,417	Total primary government net assets

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

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

Source: Finance Department, City of Oxnard

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

Fiscal Year 2006	2007	2008	2009	2010	
					Expenses
					Governmental activities:
$18,360,819	$19,130,468	$21,898,728	$19,717,999	$18,695,220	General government
75,789,982	80,579,263	88,547,776	86,249,353	92,554,917	Public safety
10,341,829	9,893,618	10,847,730	10,600,127	10,321,184	Transportation
22,614,813	19,369,860	27,123,076	26,989,828	32,863,176	Community development
15,345,765	16,015,957	18,162,564	20,945,072	19,016,619	Culture and leisure
4,654,234	5,025,580	5,517,965	5,341,028	5,176,704	Libraries
1,904,516	3,263,821	4,701,143	6,519,008	5,583,856	Interest on long-term debt
149,011,958	153,278,567	176,798,983	176,362,415	184,211,676	Total governmental activities expenses
					Business-type activities:
26,636,150	30,683,509	33,417,143	29,837,358	36,797,806	Water
27,939,236	29,033,021	24,009,381	22,337,575	24,205,554	Wastewater
38,535,592	39,817,351	45,329,486	41,117,534	39,296,115	Environmental resource
1,590,321	1,761,156	1,829,853	1,799,861	1,651,658	Performing arts and convention center
24,724,889	23,494,108	23,758,739	26,153,808	25,259,519	Oxnard housing authority
3,983,695	4,433,702	3,794,080	7,601,054	4,507,360	Municipal golf course
123,409,883	129,222,847	132,138,682	128,847,190	131,718,012	Total business-type activities expenses
$272,421,841	$282,501,414	$308,937,665	$305,209,605	$315,929,688	Total primary government expenses
					Program Revenues
					Governmental activities:
					Charges for services:
$7,864,784	$17,237,868	$8,515,014	$9,765,771	$10,203,810	General government
6,513,674	6,114,255	4,921,670	5,017,708	4,202,162	Public safety
4,369,882	4,217,846	4,050,457	4,042,492	5,068,843	Transportation
24,448,745	11,095,658	15,030,222	11,825,981	6,366,499	Community development
928,054	3,903,705	4,401,090	5,273,551	5,237,167	Culture and leisure
169,339	320,939	246,576	260,577	428,872	Libraries
30,436,511	25,025,965	23,207,919	25,875,331	24,380,018	Operating grants and contributions
16,758,901	6,804,709	12,902,805	9,420,033	17,106,111	Capital grants and contributions
91,489,890	74,720,945	73,275,753	71,481,444	72,993,482	Total governmental activities program revenues

City of Oxnard, California

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

	Fiscal Year				
	2001	2002	2003	2004	2005
Business-type activities:					
Charges for services:					
Water	$16,226,461	$17,206,345	$20,465,812	$28,401,190	$34,334,436
Wastewater	18,254,171	20,495,040	22,130,759	23,532,305	33,709,319
Environmental resource	29,697,676	28,432,860	29,811,773	32,965,746	36,071,999
Performing arts and convention center	422,078	296,295	364,053	371,553	468,732
Oxnard housing authority	18,292,175	18,040,124	20,342,572	23,024,813	21,411,579
Municipal golf course	3,351,431	3,207,541	2,687,299	7,487,215	3,119,621
Operating grants and contributions	4,777,822	3,881,547	3,422,902	-	-
Capital grants and contributions	-	-	-	-	-
Total business-like activities program revenues	91,021,814	91,559,752	99,225,170	115,782,822	129,115,686
Total primary government program revenues	$141,089,022	$153,079,357	$169,896,153	$187,006,866	$192,418,753
Net (expense) revenue					
Governmental activities	(32,045,521)	(32,840,430)	(39,812,899)	(45,056,320)	(65,973,201)
Business-like activities	874,558	(2,448,035)	2,970,716	9,120,815	12,261,546
Total primary government net expense	($31,170,963)	($35,288,465)	($36,842,183)	($35,935,505)	($53,711,655)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$23,484,567	$25,873,406	$30,115,989	$35,245,432	$49,096,920
Sales taxes	18,140,143	19,846,352	20,775,896	22,772,358	23,212,641
Transient occupancy taxes	2,328,218	2,321,758	2,247,831	2,222,553	2,445,468
Franchise taxes	4,807,104	7,085,201	2,830,462	3,718,917	4,572,206
Deed transfer taxes	583,617	555,249	573,234	1,159,215	1,196,393
Business license taxes	2,203,188	3,194,683	-	4,386,245	3,967,972
Penalties on delinquent taxes	90,164	182,230	190,546	181,655	126,250
Investment earnings	4,389,201	4,588,082	3,858,978	4,547,276	3,911,106
Sale of capital assets	-	-	-	-	-
Transfers	(1,463,398)	(1,672,830)	(1,236,947)	(1,778,579)	(1,882,942)
Total governmental activities	54,562,804	61,974,131	59,355,989	72,455,072	86,646,014
Business-type activities:					
Investment earnings	-	2,331,298	1,927,516	2,080,206	4,486,577
Sale of capital assets	-	-	-	-	-
Transfers	1,463,398	1,672,830	1,236,947	1,488,793	1,481,242
Total business-type activities	1,463,398	4,004,128	3,164,463	3,568,999	5,967,819
Total primary program	$56,026,202	$65,978,259	$62,520,452	$76,024,071	$92,613,833
Change in Net Assets					
Governmental activities	22,517,283	29,133,701	19,543,090	27,398,752	20,672,813
Business-type activities	2,337,956	1,556,093	6,135,179	12,689,814	18,229,365
Total primary government	$24,855,239	$30,689,794	$25,678,269	$40,088,566	$38,902,178

Source: Finance Department, City of Oxnard

City of Oxnard, California

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

Fiscal Year 2006	2007	2008	2009	2010	
					Business-type activities:
					Charges for services:
$32,150,667	$36,855,486	$35,378,947	$38,477,754	$38,439,653	Water
26,139,278	24,503,133	27,621,114	24,846,717	22,566,372	Wastewater
36,704,264	40,122,057	42,795,069	39,695,711	40,468,627	Environmental resource
483,475	517,766	485,548	483,371	513,857	Performing arts and convention center
23,197,945	23,137,523	23,785,335	6,105,106	4,686,681	Oxnard housing authority
3,899,645	3,999,148	3,234,074	4,398,074	4,278,241	Municipal golf course
-	-		19,635,556	20,781,204	Operating grants and contributions
1,306,910	-		543,140	192,400	Capital grants and contributions
123,882,184	129,135,113	133,300,087	134,185,429	131,927,035	Total business-like activities program revenues
$215,372,074	$203,856,058	$206,575,840	$205,666,873	$204,920,517	Total primary government program revenues
					Net (expense) revenue
(57,522,068)	(78,557,622)	(103,523,230)	(104,880,971)	(111,218,193)	Governmental activities
472,301	(87,734)	1,161,405	5,338,239	209,022	Business-like activities
($57,049,767)	($78,645,356)	($102,361,825)	($99,542,732)	($111,009,171)	Total primary government net expense
					General Revenues and Other Changes in Net Assets
					Governmental activities:
					Taxes
$58,537,770	$68,429,117	$75,726,666	$76,681,392	$72,817,719	Property taxes
23,985,182	25,783,808	24,205,622	24,043,286	28,103,051	Sales taxes
3,309,716	3,550,903	3,618,611	3,328,803	3,061,163	Transient occupancy taxes
3,914,317	3,686,627	3,986,567	4,635,616	3,439,645	Franchise taxes
1,230,768	880,370	860,378	573,882	509,370	Deed transfer taxes
4,470,841	4,504,455	4,662,658	5,059,323	4,692,615	Business license taxes
132,403	129,679	123,956	145,945	136,565	Penalties on delinquent taxes
4,860,461	6,653,231	7,561,978	5,556,004	2,769,250	Investment earnings
7,146,270	-	4,351,772	59,319	694,185	Sale of capital assets
(2,280,393)	(2,166,406)	5,181,566	(3,764,713)	(885,679)	Transfers
105,307,335	111,451,784	130,279,774	116,318,857	115,337,884	Total governmental activities
					Business-type activities:
4,753,913	7,480,785	5,125,917	3,299,336	1,911,510	Investment earnings
-	23,476,670		2,862,957		Sale of capital assets
2,280,393	2,166,406	(5,181,566)	3,764,713	885,679	Transfers
7,034,306	33,123,861	(55,649)	9,927,006	2,797,189	Total business-type activities
$112,341,641	$144,575,645	$130,224,125	$126,245,863	$118,135,073	Total primary program
					Change in Net Assets
47,785,267	32,894,162	26,756,544	11,437,886	4,119,691	Governmental activities
7,506,607	33,036,127	1,105,756	15,265,245	3,006,211	Business-type activities
$55,291,874	$65,930,289	$27,862,300	$26,703,131	$7,125,902	Total primary government

Source: Finance Department, City of Oxnard

City of Oxnard, California

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

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

Source: Finance Department, City of Oxnard

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

Fiscal Year 2006	2007	2008	2009	2010	
					General Fund
$3,658,849	$3,573,245	$344,987	$ -	$ -	Reserved
23,523,456	21,424,406	20,108,117	23,794,737	29,726,794	Unreserved
$27,182,305	$24,997,651	$20,453,104	$23,794,737	$29,726,794	Total general fund
					All other governmental funds
$12,243,331	$30,201,020	$47,830,229	$12,852,498	$13,811,524	Reserved
					Unreserved, reported in:
58,172,246	51,516,503	61,096,986	61,924,849	61,896,005	Special revenue funds
26,320,799	47,966,047	45,195,438	72,705,295	59,395,831	Capital projects funds
$96,736,376	$129,683,570	$154,122,653	$147,482,642	$135,103,360	Total all other governmental funds

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

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

City of Oxnard, California

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

Fiscal Year 2006	2007	2008	2009	2010	
					Revenues
$95,580,997	$106,964,959	$113,184,458	$114,468,247	$112,760,128	Taxes
5,937,172	3,434,727	2,792,191	2,470,865	2,267,581	Licenses and permits
31,543,392	31,830,674	36,110,724	32,290,549	42,232,125	Intergovernmental
9,616,234	4,984,467	5,724,940	7,210,668	1,502,781	Growth and development fees
14,721,778	11,418,999	12,877,753	10,705,908	11,007,992	Charges for services
1,320,782	1,383,780	1,350,628	1,408,066	1,213,655	Fines and forfeitures
4,860,461	6,653,231	7,561,978	5,556,004	2,769,250	Interest
2,346,088	14,967,993	9,014,090	8,611,926	9,168,150	Special assessments
1,085,000	-	-	-	-	Contributions from property owners
10,352,424	6,700,305	9,757,199	5,837,966	8,268,073	Miscellaneous
177,364,328	188,339,135	198,373,961	188,560,199	191,189,735	Total revenues
					Expenditures
11,994,048	12,283,152	12,390,389	11,883,205	11,145,722	General government
69,405,713	75,815,578	80,409,884	74,877,737	84,818,990	Public safety
10,254,324	10,136,221	10,642,590	9,829,554	10,137,568	Transportation
22,100,626	18,962,172	26,158,572	25,832,640	32,073,825	Community development
14,366,317	15,141,511	16,894,790	19,348,413	17,751,755	Culture and leisure
4,214,038	4,558,864	4,950,293	4,755,540	4,632,177	Library services
41,227,891	56,309,445	52,283,436	43,704,965	34,739,151	Capital outlay
					Debt Service:
7,983,492	2,251,795	2,754,823	3,168,595	3,743,020	Principal
-	-	-	791,867	-	Cost of issuance
1,920,662	2,411,174	3,810,737	5,574,369	5,230,494	Interest
183,467,111	197,869,912	210,295,514	199,766,885	204,272,702	Total expenditures
(6,102,783)	(9,530,777)	(11,921,553)	(11,206,686)	(13,082,967)	Excess of revenues over (under) expenditures
					Other Financing Sources (Uses)
-	-	-	-	-	Proceeds from loans payable
-	-	-	-	-	Proceeds from financing sources
14,567,020	-	-	-	-	Payment to escrow agent
1,885,649	-	-	-	-	Proceeds from sale of property
-	42,459,723	26,634,523	11,790,000	1,395,646	Proceeds from sale of bonds
-	-	-	(116,979)	-	Bond discount
13,659,615	13,159,636	14,107,966	10,573,077	10,550,390	Transfers in
(10,679,387)	(15,326,042)	(8,926,400)	(14,337,790)	(5,310,294)	Transfers out
19,432,897	40,293,317	31,816,089	7,908,308	6,635,742	Total other financing sources (uses)
$13,330,114	$30,762,540	$19,894,536	($3,298,378)	($6,447,225)	Net change in fund balances
6.96%	3.29%	4.16%	6.11%	5.29%	Debt service as a percentage of noncapital expenditures

City of Oxnard, California

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

Fiscal Year	Property Tax	Sales Tax	Transient Occupancy Tax	Franchise Tax	Deed Transfer Tax	Business License	Penalties and Interest	Total
2001	23,484,567	18,140,143	2,328,218	4,807,104	583,617	2,203,188	90,164	51,637,001
2002	25,873,406	19,846,352	2,321,758	7,085,201	555,249	3,194,683	182,230	59,058,879
2003	30,115,989	20,775,896	2,247,831	2,830,462	849,413	3,366,003	190,546	60,376,140
2004	35,245,432	22,772,358	2,222,553	3,718,917	1,159,215	4,386,245	181,655	69,686,375
2005	49,096,920	23,212,641	2,445,468	4,572,206	1,196,393	3,967,972	126,250	84,617,850
2006	58,537,770	23,985,182	3,309,716	3,914,317	1,230,768	4,470,841	132,403	95,580,997
2007	68,429,117	25,783,808	3,550,903	3,686,627	880,370	4,504,455	129,679	106,964,959
2008	75,726,666	24,205,622	3,618,611	3,986,567	860,378	4,662,658	123,956	113,184,458
2009	76,681,392	24,043,286	3,328,803	4,635,616	573,882	5,059,323	145,945	114,468,247
2010	72,817,719	28,103,051	3,061,163	3,439,645	509,370	4,692,615	136,565	112,760,128

Source: Finance Department, City of Oxnard

SCHEDULE VI

Assessed Value and Estimated Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property Residential	Real Property Commercial	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
2001	5,378,551,952	2,267,262,765	97,930,553	846,810,724	6,896,934,546	1.17277%	6,896,934,546	100.00%
2002	5,857,044,851	2,494,786,288	111,351,225	905,863,935	7,557,318,429	1.20417%	7,557,318,429	100.00%
2003	6,420,500,506	2,673,117,741	124,301,084	1,110,078,014	8,107,841,317	1.21447%	8,107,841,317	100.00%
2004	7,253,159,544	2,975,719,097	117,948,102	1,346,099,223	9,000,727,520	1.20384%	9,000,727,520	100.00%
2005	8,168,388,379	3,341,067,161	114,301,049	1,537,114,090	10,086,642,499	1.19624%	10,086,642,499	100.00%
2006	9,405,951,581	3,814,788,282	120,544,440	1,835,609,239	11,505,675,064	1.17614%	11,505,675,064	100.00%
2007	10,689,026,776	4,312,067,166	147,705,238	2,126,175,049	13,022,624,131	1.16564%	13,022,624,131	100.00%
2008	11,602,771,692	4,729,388,831	121,309,333	2,299,830,016	14,153,639,840	1.17864%	14,153,639,840	100.00%
2009	11,762,899,574	4,861,610,331	130,760,465	2,692,759,267	14,062,511,103	1.19334%	14,062,511,103	100.00%
2010	11,090,519,838	4,575,377,260	123,637,091	654,220,264	15,135,313,925	1.20384%	15,135,313,925	100.00%

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

City of Oxnard, California

SCHEDULE VII

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal	City Direct Rates			Overlapping Rates			Total Direct &
Year	Basic (1)	Debt Service	Total Direct	School Districts	Water Districts	Total Overlapping	Overlapping Rates
2001	1.00000%	0.17277%	1.17277%	0.11070%	0.06399%	0.17469%	1.34746%
2002	1.00000%	0.20417%	1.20417%	0.10420%	0.05690%	0.16110%	1.36527%
2003	1.00000%	0.21447%	1.21447%	0.10790%	0.05120%	0.15910%	1.37357%
2004	1.00000%	0.20384%	1.20384%	0.09770%	0.04476%	0.14246%	1.34630%
2005	1.00000%	0.19624%	1.19624%	0.08410%	0.04224%	0.12634%	1.32258%
2006	1.00000%	0.17614%	1.17614%	0.09850%	0.03691%	0.13541%	1.31155%
2007	1.00000%	0.16564%	1.16564%	0.08220%	0.03272%	0.11492%	1.28056%
2008	1.00000%	0.17864%	1.17864%	0.10500%	0.02922%	0.13422%	1.31286%
2009	1.00000%	0.19334%	1.19334%	0.11160%	0.01290%	0.12450%	1.31784%
2010	1.00000%	0.20384%	1.20384%	0.11470%	0.01290%	0.12760%	1.33144%

NOTE: (1) The passage of Proposition 13 on June 6, 1978 established a maximum countywide levy of 1% of market value or $1.00 per $100 of assessed value.

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

City of Oxnard, California

SCHEDULE VIII
Principal Property Taxpayers
Current Year and Nine Years Ago

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Proctor & Gamble Paper Products	275,366,866	1	1.80%	285,208,162	1	3.77%
Essex Tierra Vista Limited Partnership	82,755,356	2	0.54%			
Haas Automation Inc	79,651,400	3	0.52%			
SI VIII LLC	77,863,336	4	0.51%			
GS Paz Mar LP	69,409,780	5	0.44%			
MEF Realty LLC	69,401,602	6	0.45%			
Fred Kavli	67,452,326	7	0.44%			
RP Apartments Ventures LLC	67,028,201	8	0.44%			
Duesenberg Investment Company	66,560,537	9	0.44%			
International Paper Company	61,533,100	10	0.40%			
St Johns Regional Medical Center				139,223,850	2	1.84%
Willamette Industries Inc				68,998,598	3	0.91%
Tiger Ventura County				62,883,047	4	0.83%
Channel Islands Harbor Investment Company				42,164,838	5	0.56%
Donwen Corporation				40,830,769	6	0.54%
Ormond Beach Power Gen LLC				39,712,544	7	0.52%
Seminis Vegetable Seeds Inc				32,215,842	8	0.43%
GTE Media Ventures				32,037,000	9	0.42%
Ocean Vista Power Generation				31,583,098	10	0.42%
Other taxpayers	14,362,581,488		94.01%	6,799,239,622		89.77%
Totals	15,279,603,992		100.00%	7,574,097,370		100.00%

Source: HdL Coren & Cone, Ventura County Assessor 2007/08 Combined Tax Rolls

City of Oxnard, California

SCHEDULE IX
Property Tax Levies and Collections
Last Ten Fiscal Years

Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	100.14%
2004	35,432,169	35,281,916	99.58%	344,390	35,626,306	100.55%
2005	44,743,658	49,223,170	110.01%	126,250	49,349,420	110.29%
2006	54,511,910	58,537,770	107.39%	132,403	58,670,173	107.63%
2007	59,401,879	68,429,117	115.20%	129,679	68,558,796	115.42%
2008	69,931,705	75,726,668	108.29%	121,075	75,847,743	108.46%
2009	69,147,624	76,681,392	110.90%	145,945	76,827,337	111.11%
2010	75,929,128	71,755,189	94.50%	136,565	71,891,754	94.68%

Source: Finance Department, City of Oxnard

SCHEDULE X
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities Revenue Bonds	Governmental Activities Certificates of Participation	Governmental Activities Tax Allocation Bonds	Governmental Activities Capital Leases	Business-type Activities Revenue Bonds	Business-type Activities Capital Leases	Total Primary Government	(1) Percentage of Personal Income	(1) Per Capita
2001	10,705,000	8,625,000	15,065,000	891,305	85,646,884	1,401,008	122,334,197	3.507%	688
2002	9,080,000	8,440,000	14,475,000	604,201	88,945,000	1,215,752	122,759,953	3.410%	674
2003	9,535,000	8,245,000	13,850,000	307,187	84,030,000	2,824,171	118,791,358	2.985%	653
2004	22,874,301	8,045,000	19,185,000	1,729,354	214,035,699	2,916,139	268,785,493	6.389%	1,444
2005	21,607,009	7,835,000	18,635,000	1,412,398	236,943,314	2,469,070	288,901,791	6.553%	1,530
2006	19,975,756	7,620,000	18,030,000	1,086,013	298,559,567	2,010,676	347,282,012	7.464%	1,828
2007	43,109,750	7,395,000	37,940,000	749,911	292,625,260	1,536,788	383,356,709	7.890%	1,986
2008	41,746,367	34,835,000	37,040,000	493,471	286,428,643	4,603,874	405,147,355	7.841%	2,079
2009	40,337,356	34,350,000	47,755,000	293,886	278,427,654	4,053,370	405,217,266	7.963%	2,056
2010	38,877,717	33,600,000	46,475,000	1,436,151	370,257,293	3,632,411	494,278,572	13.333%	2,510

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

SCHEDULE XI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
City of Oxnard Overlapping Debt:			
Metropolitan Water District	1,934,090	0.732%	14,158
Ventura County Community College District	44,630,788	14.126%	6,304,545
Ventura County Superintendent of Schools - Certificates of Participation	1,757,483	14.122%	248,192
Ventura County General Fund Obligations	15,337,904	14.122%	2,166,019
Oxnard Union High School District	24,961,117	44.478%	11,102,206
Oxnard Union High School District - Certificates of Participation	4,467,815	44.478%	1,987,195
Oxnard School District	114,199,075	92.064%	105,136,236
Oxnard School District - Certificates of Participation	5,261,458	92.064%	4,843,909
Rio School District	13,680,147	84.219%	11,521,283
Rio School District - Certificates of Participation	6,842,794	84.219%	5,762,933
Hueneme School District	11,460,962	46.420%	5,320,179
Ocean View School District	4,137,281	34.023%	1,407,627
Ocean View School District - Certificates of Participation	607,787	34.023%	206,787
Rio School District - Community Facilities District 1	30,345,000	100.000%	30,345,000
City of Oxnard - Mandalay Bay Assessment District 85-5R	400,000	100.000%	400,000
City of Oxnard - Rose Avenue/Hwy 101 Assessment District 96-1	4,085,000	100.000%	4,085,000
City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1	13,510,000	100.000%	13,510,000
City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1	2,105,000	100.000%	2,105,000
City of Oxnard Community Facilities District 1	9,040,000	100.000%	9,040,000
City of Oxnard Community Facilities District 3	31,820,000	100.000%	31,820,000
City of Oxnard Community Facilities District 88-1	855,000	100.000%	855,000
Oxnard Boulevard Interchange Community District	9,180,000	100.000%	9,180,000
Subtotal - Overlapping Debt	350,618,701		257,361,267
City of Oxnard Direct Debt:			
City of Oxnard Financing Authority			51,280,000
Subtotal - Direct Debt			51,280,000
Total direct and overlapping debt			**308,641,267**

Source: California Municipal Statistics, Inc.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	1,161,562	1,269,477	1,382,688	1,534,332	1,726,418	1,983,111	2,250,164	2,449,824	2,493,677	2,349,884
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	1,161,562	1,269,477	1,382,688	1,534,332	1,726,418	1,983,111	2,250,164	2,449,824	2,493,677	2,349,884
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	15,011,676
Add back: exempt real property	654,220
Total assessed value	15,665,896
Debt limit (15% of total assessed value)	2,349,884
Debt applicable to limit:	
General obligation bonds	489,210
Less: assets in debt service funds for principal payments	
Revenue bonds - governmental activities	(38,878)
Revenue bonds - business-type activities	(370,257)
Tax allocation bond - community development commission	(46,475)
Certificates of participation	(33,600)
Total net debt applicable limit	0
Legal debt margin	2,349,884

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE XIII
Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds					
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
2001	16,226,461	15,347,727	878,734	522,065	224,747	1.18
2002	17,856,094	18,141,656	(285,562)	794,388	709,225	(0.19)
2003	20,602,479	16,782,851	3,819,628	225,000	730,142	4.00
2004	28,898,906	19,899,216	8,999,690	235,000	1,315,783	5.80
2005	34,609,573	18,351,471	16,258,102	1,150,000	2,682,330	4.24
2006	34,212,012	21,865,005	12,347,007	1,202,083	2,699,580	3.16
2007	40,719,155	22,674,080	18,045,075	1,205,000	2,625,730	4.71
2008	38,369,885	27,732,616	10,637,269	1,235,000	5,253,315	1.64
2009	40,395,380	25,883,824	14,511,556	2,040,000	5,149,575	2.02
2010	39,764,998	28,681,992	11,083,006	2,105,000	8,049,790	1.09

	Environmental Resources Revenue Bonds					
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
2001	29,697,676	26,728,446	2,969,230	1,096,492	1,303,060	1.24
2002	28,714,969	26,240,998	2,473,971	1,012,756	1,570,081	0.96
2003	30,031,391	25,682,146	4,349,245	1,617,980	1,499,922	1.39
2004	33,200,540	30,574,399	2,626,141	1,433,833	1,216,797	0.99
2005	36,529,711	34,228,035	2,301,676	19,001,588	1,155,331	0.11
2006	36,878,690	36,342,348	536,342	2,033,392	1,117,677	0.17
2007	40,322,484	38,170,528	2,151,956	2,142,556	1,036,405	0.68
2008	42,986,155	43,113,155	(127,000)	2,102,040	943,620	(0.04)
2009	39,901,815	38,055,524	1,846,291	2,335,505	970,779	0.56
2010	40,614,642	37,258,502	3,356,140	2,447,346	885,840	1.01

City of Oxnard, California

SCHEDULE XIII
Pledged Revenue Coverage
Last Ten Fiscal Years

	Wastewater Revenue Bonds					
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
2001	18,254,171	11,591,100	6,663,071	1,840,000	2,568,810	1.51
2002	22,005,625	11,978,948	10,026,677	1,925,000	2,484,277	2.27
2003	23,515,790	16,445,581	7,070,209	1,805,000	1,883,286	1.92
2004	23,182,456	12,958,128	10,224,328	1,750,000	1,924,827	2.78
2005	36,892,293	14,715,076	22,177,217	1,815,000	5,969,101	2.85
2006	28,512,017	16,185,708	12,326,309	1,885,000	6,682,905	1.44
2007	27,322,064	16,956,481	10,365,583	2,135,000	7,259,743	1.10
2008	29,054,646	17,562,559	11,492,087	2,260,000	7,418,756	1.19
2009	28,762,308	16,268,395	12,493,913	3,155,000	7,282,032	1.20
2010	23,165,658	17,588,757	5,576,901	3,255,000	7,284,462	0.53

	Oxnard Housing Authority Revenue Bonds					
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
2001						
2002						
2003						
2004	21,823,107	22,305,475	(482,368)		181,708	(2.65)
2005	21,515,845	23,235,370	(1,719,525)	205,000	231,660	(3.94)
2006	23,321,917	22,699,304	622,613	205,000	227,758	1.44
2007	22,616,071	21,496,289	1,119,782	215,000	243,407	2.44
2008	23,956,893	21,916,273	2,040,620	220,000	218,233	4.66
2009	25,784,589	24,427,197	1,357,392	225,000	209,945	3.12
2010	24,847,419	23,750,482	1,096,937	235,000	212,903	2.45

Note 1: The above operating expenses figures do not include depreciation and debt service expenses
Note 2: Fiscal year 2009 gross revenue were corrected to include non-operating income.

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE XIV
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Personal Income (in thous)	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
2001	177,700	3,488,251	19,630	30	39,865	4.90%
2002	182,027	3,599,948	19,777	30	42,106	5.20%
2003	181,800	3,979,057	21,887	30	41,936	7.40%
2004	186,122	4,207,288	22,605	30	42,276	5.60%
2005	188,941	4,408,869	23,346	30	38,372	4.90%
2006	189,990	4,652,855	24,490	28	37,196	4.00%
2007	192,997	4,858,838	25,176	31	37,956	4.70%
2008	194,905	5,166,932	26,510	36	37,703	6.10%
2009	197,067	5,088,467	25,821	30	38,911	10.30%
2010	200,004	3,707,181	18,829	30	39,135	10.60%

In prior years, the City of Oxnard calculated personal income and per capital income based on the Consumer Price Index calculator using Los Angeles as the index.

Sources:
(1) California Department of Finance, Demographic Research Unit
(2) HdL Coren & Cone
(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)

SCHEDULE XV
Principal Employers
Current Year and Four Years Ago

	2010			2006		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
St. John's Regional Medical Center	1,500	1	2.825%	1,994	1	2.441%
City of Oxnard	1,206	2	2.271%	1,167	4	1.428%
Oxnard Elementary School District	1,051	3	1.979%	1,500	2	1.836%
Boskovich Farms	1,000	4	1.883%			
Haas Automation	750	5	1.412%	996	5	1.219%
Oxnard College	700	6	1.318%			
Oxnard Union High School District	600	7	1.130%			
J M Smucker	500	8	0.942%			
Procter & Gamble Paper Products	500	9	0.942%			
Richview Western	500	10	0.942%			
Waterway Plastics				1,300	3	1.591%
Aluminum Precision				700	6	0.857%
Total	8,307		15.644%	7,657		9.372%

Information prior to 2006 is not available.

Source: HdL Coren & Cone

City of Oxnard, California

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	196	197	200	207	211	217	214	186	234	234
Public Safety										
Police										
Officers	200	202	208	220	229	235	236	236	293	237
Civilians	127	128	131	134	138	152	151	151	95	151
Fire										
Firefighters & officers	85	86	87	89	91	100	102	103	100	103
Civilians	2	2	4	5	4	4	5	4	7	3
Transportation	36	36	36	36	36	45	56	84	50	50
Community development	47	50	53	56	57	57	59	67	66	66
Culture and recreation	70	72	78	79	79	74	83	85	85	85
Utilities										
Water	34	41	45	44	44	48	47	46	45	51
Wastewater	67	67	67	67	72	72	72	74	72	72
Environmental Resources	76	76	80	80	80	81	81	76	78	78
Housing	76	77	80	80	80	80	81	81	81	81
Total	1,016	1,034	1,069	1,097	1,121	1,165	1,187	1,194	1,206	1,211

Source: Finance Department, City of Oxnard

SCHEDULE XVII
Operating Indicators by Function
Last Six Fiscal Years

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

Note: The City of Oxnard did not prepare the above schedule prior to implementation of GASB44; therefore, information prior to that year is not available.

Source: Various departments, City of Oxnard

City of Oxnard, California

SCHEDULE XVIII
Capital Assets by Function
Last Six Fiscal Years

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

Note: The City of Oxnard did not prepare the above schedule prior to implementation of GASB44; therefore, information prior to that year is not available.

Source: Various departments, City of Oxnard

APPENDIX D

FORM OF BOND COUNSEL OPINION

[Closing Date]

Governing Board
City of Oxnard Financing Authority
300 West Third Street
Oxnard, California 93030

$21,580,000
City of Oxnard Financing Authority
Lease Revenue Refunding Bonds
Series 2011
(Final Opinion)

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Oxnard Financing Authority (the "Authority") in connection with the issuance by the Authority of $21,580,000 aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011 (the "Bonds"), pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code) and the provisions of a Trust Agreement, dated as of June 1, 2011 (the "Trust Agreement"), by and among the Authority, the City of Oxnard (the "City"), and Wells Fargo Bank, National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Trust Agreement and in the Master Lease and Option to Purchase, dated as of June 1, 2011 (the "Lease"), by and between the Authority, as lessor, and the City, as lessee, as applicable.

In such connection, we have reviewed the Trust Agreement, the Lease, the Property Lease, dated as of June 1, 2011 (the "Property Lease"), by and between the City and the Authority, the Tax Certificate of the City and the Authority, dated the date hereof (the "Tax Certificate"), opinions of the City Attorney, certifications of the City, the Authority, and others, and such other documents, opinions, and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are expressed only on and as of the date hereof and are based on an analysis of existing laws, regulations, rulings, and judicial decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Changes to existing law may occur hereafter and could have retroactive effect. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this opinion letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority and the City. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted, or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof.

Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement, the Lease, the Property Lease, and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions, or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Trust Agreement, the Lease, the Property Lease, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against cities and joint powers authorities in the State of California. We have not made or undertaken to make any investigation of the state of title to the Property described in the Lease or of the accuracy or sufficiency of the description of such property contained therein, and we express no opinion with respect to such maters. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, severability, or waiver provisions contained in the documents mentioned in the previous sentence.

We undertake no responsibility for the accuracy, completeness, or fairness of the Official Statement for the Bonds dated June 9, 2011, or other offering material relating to the Bonds and express no opinion with respect thereto. We express no opinion regarding the perfection or priority of the lien on the Base Rental payments.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The obligation of the City to pay the Base Rental payments under the Lease constitutes a valid and binding limited obligation of the City. The Bonds constitute the valid and binding limited obligations of the Authority.

2. The Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Base Rental payments. The Lease creates a valid lien, to secure the payment of the Base Rental payments, on the Property.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we express no opinion regarding whether such interest is included in adjusted current earnings in calculating corporate alternative minimum taxable income.

Except as stated in paragraph 3 above, we express no opinion as to federal or State of California tax consequences of the ownership of the Bonds. We also express no opinion regarding any other tax consequences with respect to the acquisition, ownership, or disposition of, or the accrual or receipt of interest on, the Bonds.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated [Closing Date], is executed and delivered by the City of Oxnard Financing Authority (the "Authority") and Wells Fargo Bank, National Association, as trustee and as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the Authority of $21,580,000 aggregate principal amount of the City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011 (the "Bonds"). The Bonds are being issued pursuant to a Trust Agreement, dated as of June 1, 2011, by and among the City of Oxnard (the "City"), the Authority, and the Dissemination Agent, as trustee (the "Trust Agreement").

The Authority and the Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions.

In addition to the definitions set forth in the Trust Agreement and in the Master Lease and Option to Purchase, dated as of June 1, 2011 (the "Lease"), by and between the Authority, as lessor, and the City, as lessee, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Report Date" shall mean the date in each year that is nine (9) months after the end of the Authority's Fiscal Year, the end of which, as of the date of this Disclosure Agreement, is June 30.

"Dissemination Agent" shall mean, initially, Wells Fargo Bank, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent that is so designated in writing by the Authority and which has filed with the then current Dissemination Agent a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement dated June 9, 2011, relating to the Bonds.

"Participating Underwriter" shall mean RBC Capital Markets, LLC, the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2012, provide to MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) calendar days prior to each such Annual Report Date, the Authority shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the Authority. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City (which include information regarding the funds and accounts of the Authority), if any, may be submitted separately from and later than the balance of the Annual Report if they are not available by the applicable Annual Report Date. If the Authority's Fiscal Year changes, the Authority shall provide written notice of such change in the same manner as for a Listed Event under Section 5(c). The Authority shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the Authority and shall have no duty or obligation to review such Annual Report.

(b) If the Authority is unable to provide to MSRB an Annual Report by the date required in subsection (a), the Authority shall send to MSRB a notice in substantially the form attached hereto as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

(i) provide any Annual Report received by it to the MSRB by the date required in subsection (a); and

(ii) if the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been provided to MSRB pursuant to this Disclosure Agreement, and stating the date the Annual Report was so provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the City, which include information regarding the funds and accounts of the Authority, if any, for the most recent Fiscal Year of the City then ended. If the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the Authority shall provide a notice of such modification to MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain the following information:

(i) revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City for the most recent completed Fiscal Year;

(ii) property tax rates for property within the City for the most recently completed Fiscal Year;

(iii) property tax levies, collections, and delinquencies for the most recently completed Fiscal Year; and

(iv) outstanding debt of the City for the most recently completed Fiscal Year, including tax increment, revenue, and lease indebtedness.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority, the City, or related public entities, that are available to the public on MSRB's Internet web site or filed with the Securities and Exchange Commission. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on any reserve fund for the Bonds reflecting financial difficulties;

(iv) unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties;

(v) substitution of any credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to the rights of Owners of the Bonds, if material;

(viii) Bond calls, if material, and tender offers for the Bonds;

(ix) defeasances;

(x) any release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) any bankruptcy, insolvency, receivership, or similar event of the Authority or the City [this Listed Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority or the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority or the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority or the City];

(xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the City or the sale of all or substantially all of the assets of the Authority or the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Upon and after the occurrence of a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above, the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws. If the Authority determines that knowledge of the occurrence of such Listed Event would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(c) Upon and after the occurrence of any Listed Event (other than a Listed Event listed under subsection (a)(ii), (a)(vii), (a)(viii), (a)(x), (a)(xiii), or (a)(xiv) above), the Authority shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below.

(d) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with MSRB, not in excess of ten (10) business days after the occurrence of such Listed Event. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Trust Agreement.

(e) The Authority hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the Authority and that the Trustee or the Dissemination Agent shall not be responsible for determining whether the Authority's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the Authority, the Trustee, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty days written notice to the Authority and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the Authority. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the Authority in a timely manner and in a form suitable for filing.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived; provided that the following conditions are satisfied:

(a) If the amendment or waiver is related to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature, or status of the Authority or the type of business conducted thereby;

(b) The undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver (i) is approved by Owners of the Bonds in the manner provided in the Trust Agreement for amendments to such Trust Agreement with the consent of Owners or (ii) does not, in the opinion of the Authority or nationally recognized bond counsel, materially impair the interest of Owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a quantitative and, to the extent reasonably feasible, qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City and the Authority to meet their respective obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this

Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Agreement, any Owner of a Bond, Participating Underwriter, or Trustee may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent and its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities that it may incur arising out of or in the exercise or performance of its duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Authority under this section shall survive resignation or removal of the Dissemination Agent and payment of all of the Bonds. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the Authority pursuant to this Disclosure Agreement. The Authority shall pay the reasonable fees and expenses of the Dissemination Agent for its duties hereunder.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the City, the Trustee, the Dissemination Agent, the Participating Underwriter, and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Notices. Notices should be sent in writing to the following addresses. The following information may be conclusively relied upon until changed in writing.

If to the Authority or the City:
City of Oxnard Financing Authority
300 West Third Street
Oxnard, CA 93030
Attention: Controller

If to the Dissemination Agent:
Wells Fargo Bank, National Association
707 Wilshire Blvd., 17th Floor
Los Angeles, CA 90017
Attention: Corporate Trust Services

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: [Closing Date]

CITY OF OXNARD FINANCING AUTHORITY

____
Controller

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
as Dissemination Agent and Trustee

By: ________________________________
Its: Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Oxnard Financing Authority
Name of Bond Issue:	City of Oxnard Financing Authority Lease Revenue Refunding Bonds, Series 2011
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the City of Oxnard Financing Authority (the "Authority") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Agreement, dated [Closing Date], 2011, by and among the Authority, the City of Oxnard, and Wells Fargo Bank, National Association, as trustee and dissemination agent. The Authority anticipates that the Annual Report will be filed by ___________.

Dated: ____________________

CITY OF OXNARD FINANCING AUTHORITY

By: ______________________________
Authorized Signatory