



# Comprehensive Annual **FINANCIAL REPORT**

**FY 2015-2016**

Fiscal Year Ended  
June 30, 2016

Oxnard.org





**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
Fiscal Year Ended June 30, 2016**

# CITY OF OXNARD, CALIFORNIA

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JUNE 30, 2016

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# **INTRODUCTORY SECTION**





300 West Third Street, Oxnard, CA 93030

January 31, 2017

Honorable Mayor, Members of the City Council and Citizens of Oxnard:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Oxnard, California for the fiscal year ended June 30, 2016. The format and content of this CAFR comply with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board (GASB) and the report contains information needed for readers to gain a reasonable understanding of City of Oxnard's financial affairs.

## INTRODUCTION

This report was prepared by the City's Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report. That assumption of responsibility is based on a comprehensive review of the City's financial records undertaken when it became apparent to us that a comprehensive integrated framework of internal control had not been established or maintained at the City of Oxnard in prior years.

The previous year's CAFR, for the fiscal year ended June 30, 2015, was issued very late on June 14, 2016, two weeks before the end of the fiscal year covered by this report. The prior year report contained 111 findings and recommendations relating to internal controls resulting from the work performed by the City's independent auditor. The City's management committed to implementing those recommendations and prioritized them based on the significance of risk to the soundness and integrity of the city's financial accounting and reporting systems.

In October 2016, the City strengthened its financial management capabilities by hiring three top management positions for the Finance Department: a Chief Financial Officer (CFO), and two Assistant CFOs to develop and implement financial best practices for local government. Much of their time has been spent in preparing this CAFR still they continue to make improvements to the financial systems of the City. Hiring these well-qualified professionals resolved one of the findings: the Finance Department did not have sufficient staff in managerial positions.

Their approach to evaluating, designing and implementing new internal controls will be systematic. The process will include developing a core group of City staff, representing all departments, to serve as liaisons to Finance in an effort to coordinate the gathering and dissemination of information related to each of the internal control recommendations and the process of implementing them.

The City identified 53 of the 111 findings as Priority 1A with an anticipated completion by June 30, 2017. Of those 53, fifteen are considered to be substantially complete, and twenty-two are in process. We defined "substantially complete" as having implemented controls and/or processes, but which cannot yet be considered "complete" until the auditors can test the systems as part of their audit of the current fiscal year FY 2016-17.



Eadie and Payne, LLP, Certified Public Accountants, have issued unmodified opinions on the General Fund, Affordable Housing Fund, Non-Major Governmental Funds, and aggregate remaining fund information, and qualified opinions on Governmental and Business-Type Activities, the Water Fund, the Wastewater Fund, the Environmental Resources Fund, and Private Purpose Trust Fund. The qualification relates to a limitation on the audit scope resulting from the inability of the City's capital asset accounting systems to provide information adequate to audit capital assets and construction in progress.

The City will hire an independent agency to complete an inventory of the City's capital assets to update the capital assets accounting system and implement a new reporting system that will guarantee that the capital assets accounting system reflects the most current information.

The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

## CITY OF OXNARD PROFILE

The City of Oxnard is a full-service City located on the "Gold Coast" of California, approximately halfway between Los Angeles and Santa Barbara. It is the gateway to the Channel Islands National Park. The City is named for the Oxnard brothers who began an agricultural business in the 1870's and incorporated the community that developed in the vicinity of their sugar beet factory in 1903. Today Oxnard is a thriving center of commerce, tourism and industry in Ventura County. Oxnard is the largest City in Ventura County with its population of 207,000 residents. Oxnard provides a full range of public services to its diverse population.

The City operates under a City Council - City Manager form of government. The Council is responsible for City policy and the City Manager is responsible for the daily operations of the City. The City provides the following government and business type services:

<u>Government Services</u>	<u>Business Type Services</u>
Police	Water
Fire	Wastewater
Transportation	Integrated waste management
Affordable Housing	Housing Authority
Library	
Culture and Leisure	
Governance	

The City Council consists of four members and the Mayor. The community at large elects all. Mayor and City Council terms are four years, with elections held every two years. The City Council appoints the City Manager and City Attorney. An organization chart listing the names of the City Council members and other City officials, as of June 30, 2016, is included at the back of the Introductory Section of the CAFR.

The City of Oxnard Code requires that "Before the beginning of each fiscal year for which the City Council has not adopted a budget, the City Manager shall submit to the City Council a proposed operations and capital budget for the following fiscal year or for more than one of the following fiscal years." In addition the code provides that if the Council does not adopt the budget before the beginning of the fiscal year the proposed budget shall become effective without any action of the City Council. The budget resolution establishes the fund as the budgetary control level. The fiscal year 2015-16 budget was adopted on June 23, 2015.

## ECONOMIC OUTLOOK

Major employers in the area include the United States Naval Base Ventura County. The base was formed in 2000 through the merger of the Naval Air Station Point Mugu and the Naval Construction Battalion Center Port Hueneme. The base has a population of 19,000. The County Government of Ventura and Oxnard College are also major employers. Diverse businesses have major operations in Oxnard including Procter & Gamble, Haas Automation, Inc., Boskovich Farms Inc. and St. John's Medical Center.

Channel Islands Harbor and the City's beaches, parks, festivals and golf courses support a strong tourism sector. The Dallas Cowboys and Los Angeles Rams conducted their summer training camps in Oxnard in 2016 and Oxnard was a host City for the 2015 Special Olympics. In 2016 the North American Travel Journalist Association held its annual conference in Oxnard. In June 2016, City Council approved an agreement for the future development of two high-quality hotels on a 5-acre parcel in Riverpark near the 101 freeway and Oxnard Boulevard.

Businesses continue to expand in Oxnard and residential development has been strong. The Collection, a retail and entertainment complex in North Oxnard, is now 75 percent built and leased out. The adjacent Riverpark residential community is nearing completion. The Village, at the former Wagon Wheel site, is currently in development and once complete, will boast 50,000 square feet of retail space, 1,500 new homes, park space, and a transit center. Oxnard offers housing in all categories from affordable apartments to beachfront luxury homes that are relatively affordable by Southern California Standards.

Oxnard property tax growth is strong. The Ventura County Assessor's Office indicates that property assessments total \$17.6 billion, an increase of 5.65% from the prior year assessment roll of \$16.6 billion. According to Zillow.com the median home value in Oxnard is \$444,600. Oxnard home values have gone up 3.6% over the past year and Zillow predicts they will rise 2.3% within the next year

Oxnard has a sales tax rate of 7.75%. The City's tax consultants expect tax growth to continue in Fiscal Year 2016-2017 then grow at a slower pace. A strong housing market and expansion plans by major retailers and manufacturers should stabilize and strengthen the City's financial base despite the difficult administrative problems that Oxnard encountered this year.

## FISCAL CONDITIONS

In addition to the issues described above the City continues to face fiscal challenges. Effective water conservation by the community has reduced revenues in the Water and Wastewater Funds to the point that the City did not meet net revenue coverage requirements for the Water and Wastewater Funds for fiscal 2015-2016. Past decisions delayed action on rate increases for years. As a result, necessary rate increases were significant and drew opposition.

### Wastewater

The Wastewater Enterprise Fund has serious fiscal challenges due to the lack of revenue needed to cover operating costs and debt payments. Rate adjustments have been delayed by political opposition. The City Council approved new wastewater rates for the ensuing five years in January 2016. The first rate adjustment of 35% become effective March 2016. A petition asking voters to approve a roll-back of wastewater rates to February 2016 rates qualified as Measure M on the November 2016 ballot and received 72% support. In December 2016, Ventura County Superior Court Judge Rocky Baio granted the City a temporary stay on Measure M meaning that the 35% rate adjustment approved by the City Council remains in place until a final court ruling. The case has been tentatively scheduled for June 2017.

The Wastewater Fund has ended the last three fiscal years in deficit. In fiscal year 2016/17 expenditures exceeded revenue by \$4.0 million for cumulative losses of \$13 million over the last three fiscal years. The Wastewater Fund has \$120.0 million in outstanding debt. Approximately \$16.0 million is variable rate debt secured through a letter of credit from Union Bank. The City entered into an interest rate exchange with Royal Bank of Canada. The financial agreement requires the City to maintain a minimum credit rating of “BBB” and a debt coverage of 125%.

Standard and Poor’s Credit Rating Agency has placed the Wastewater Fund on a negative “creditwatch” as the [voter] repeal of the new rates places the fund in extremely poor financial position. Union Bank also has notified the City of its intent to not renew the letter of credit backing the variable rate debt due to the deteriorating financial condition of the fund.

On January 30, 2017, Union Bank extended the Letter of Credit for an additional six months. The letter expires on August 28, 2017.

City management with Council concurrence decided to postpone the second year rate adjustment of 10% scheduled for January 1, 2017. Instead the decision was made to restart the wastewater rate process using the most current financial information and reissue Proposition 218 Notices of Rate Adjustments. The schedule calls for new wastewater rates to be effective July 1, 2017, sixteen months after the last rate increase of 35%.

Council has appointed a Utility Ratepayer Advisory Panel to recommend a proposed rate adjustment to the full Council. The ratepayer panel will review the finances and operations of the wastewater system and ascertain the needs of the system and their financial impacts on rate payers.

The March 2016 rate adjustment of 35% (that has been allowed given the judicial stay) is forecasted to greatly improve the Wastewater Fund. Staff estimates that operations and debt payments will be covered thereby ending the deficit. Staff also is hopeful to see a very slight increase in fund balance. The rate increase is expected to provide the debt covenant ratio of 125%.

With new rates taking effect on July 1, 2017, the Wastewater Fund will continue to improve its financial health.

### General Fund

The City’s General Fund, inclusive of all general governmental funds such as ‘Measure O’, Street Maintenance, etc., is in stable financial position. This was recently affirmed by S&P with a ‘stable outlook’ being given to the City in the fall of 2016.

The General Fund shows a cash position of approximately \$26.7 million, in cash and cash equivalents. This favorable cash position gives the General Fund the ability to manage most emergency situations that may arise in any given fiscal year.

Preliminary estimates for FY2016/17 are for the General Fund to end the fiscal year in a minimum of a neutral financial position as compared to FY2015/16. This is primarily due to continued increased property tax valuation and increased sales taxes. The City uses HdL for both the property tax and sales tax projections. Currently, the three large revenue items, property tax, sales tax, and transient occupancy tax, all show favorable trends for FY2016/17.

Given the improved state for the Wastewater Fund, particularly the stay in the repeal of the new wastewater rates, the possibility for the General Fund to be used to assist in any debt payment is greatly diminished. In fact, in discussions with the City Manager, should the Wastewater Fund be incapable of making necessary debt payments, the City may allow the Wastewater Fund to go into default rather than attempt to use General Funds to make the debt service payment. By doing this, it would keep the General Fund whole, and not risk any additional financial issues.

### **Water Fund**

The Water Fund ended the fiscal year with a deficit of \$7.1 million. New water rates were prepared for City Council approval, however Council believed it imprudent to increase both water and wastewater rates simultaneously. The lack of rate adjustments and resulting increase in revenue prevents the fund from covering annual operations, maintenance and debt expenses. The deficit requires the use of cash reserves to cover the regular operating costs for the enterprise fund.

The current plan is to pass-thru the increases from the water purchased from outside agencies, as allowed under the current water rate ordinance. This equates to an average increase of 8.0% in residential water bills. This will help offset approximately \$2 million in operational costs.

The City has also begun the process of updating the current rate model with new revenue and expense information and is planning to begin the Proposition 218 notification at the same time as the wastewater rates. The proposed plan is to have new water rates in place by August 2017.

These new rates would be able to cover overall operating costs, and all contractual obligations, such as debt coverage covenants, plus begin to rebuild the cash reserves in the fund.

### **Final Comments**

The completion and presentation of the CAFR in January 2017, seven months after the end of the fiscal year may seem late but it is an achievement for the City of Oxnard given that the last CAFR (FY14-15) was completed one year after the end of that fiscal year. Also, instead of over a hundred findings and recommendations, this CAFR has less, still significant, but less. The intent is to resolve them by the end of fiscal year 2016-17, if possible, to avoid findings in future audits.

New management staff has been hired who are familiar with the duties and responsibilities of accurate and prudent financial management. This new team will work to strengthen the financial skills of City staff and implement systems that ensure all City money is properly accounted and reported. The new finance managers will also ensure that budget and audit planning is done to ensure the timely delivery of important financial information needed to run the City.

Though the City continues to face challenges, a growing, diverse economy provides some resources to address long-term problems. Spending for fleet replacement, building maintenance and infrastructure repair has been deferred since the beginning of the Great Recession. City staff, with the City Council's support will implement programs to quantify problems and improve administrative infrastructure including an integrated internal control framework, technology, asset condition assessments and master plans for major asset systems.


Expect significant improvements in the coming year.

#### ACKNOWLEDGEMENTS

We want to acknowledge the support provided by the City Council in approving contracts for staff assistance needed to perform a comprehensive analysis. We also want to acknowledge the hard work of Controller Christine Williams, Management Accountant Pam Greer, Utility Finance Officer Licette Maldonado, Management Analyst Carol Venegas and other members of the Finance Department staff. We also want to acknowledge the expertise, hard work and problem solving skills of the Eadie + Payne audit team.



Greg Nynhoff  
City Manager



Jesus Nava  
Assistant City Manager



Jim Throop  
Chief Financial Officer

# City of Oxnard, California

## CITY COUNCIL



CARMEN RAMIREZ  
Mayor Pro Tem



TIM FLYNN  
Mayor



BRYAN A. MACDONALD  
Councilman

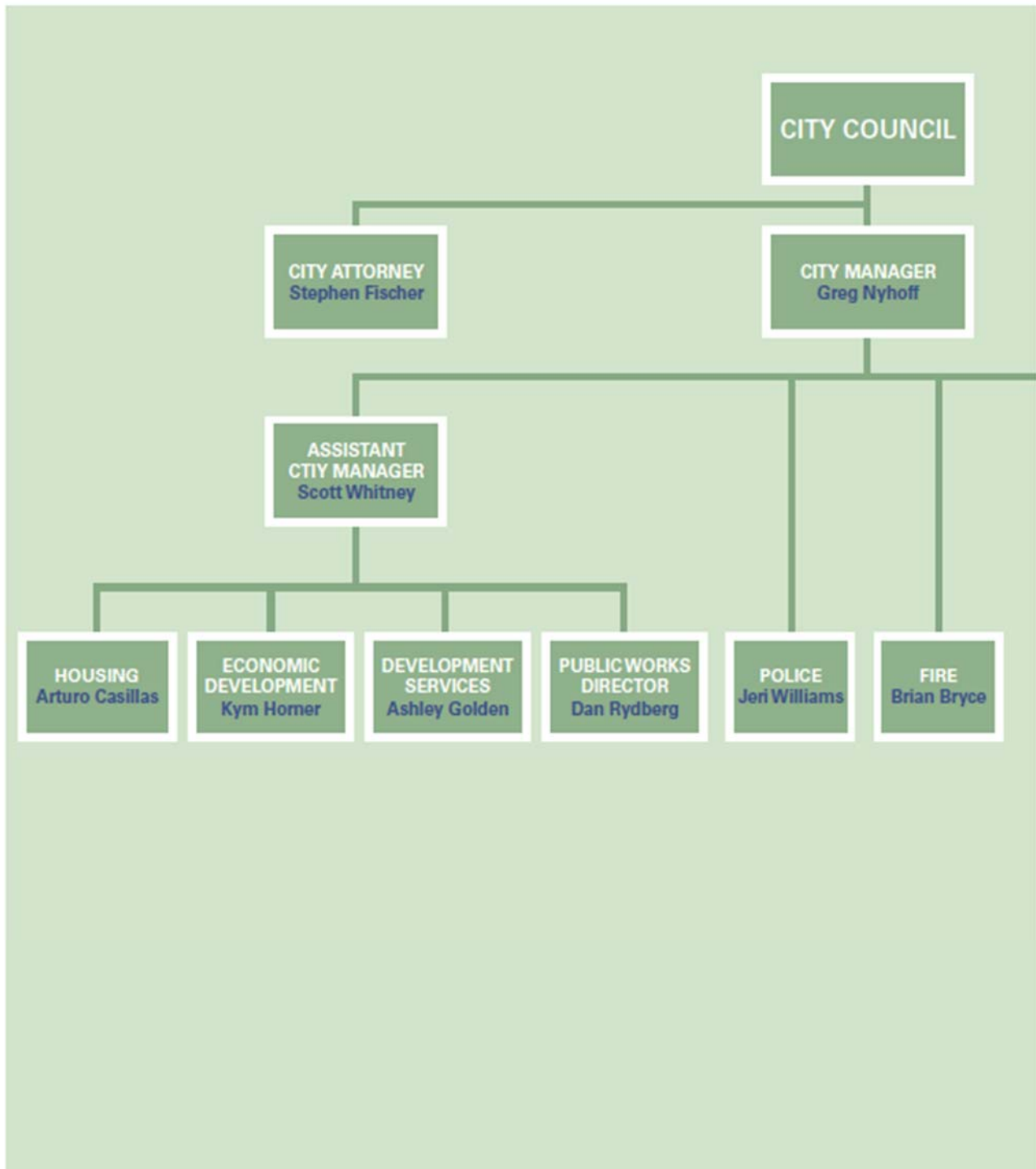


DORINA PADILLA  
Councilmember



BERT E. PERELLO  
Councilmember

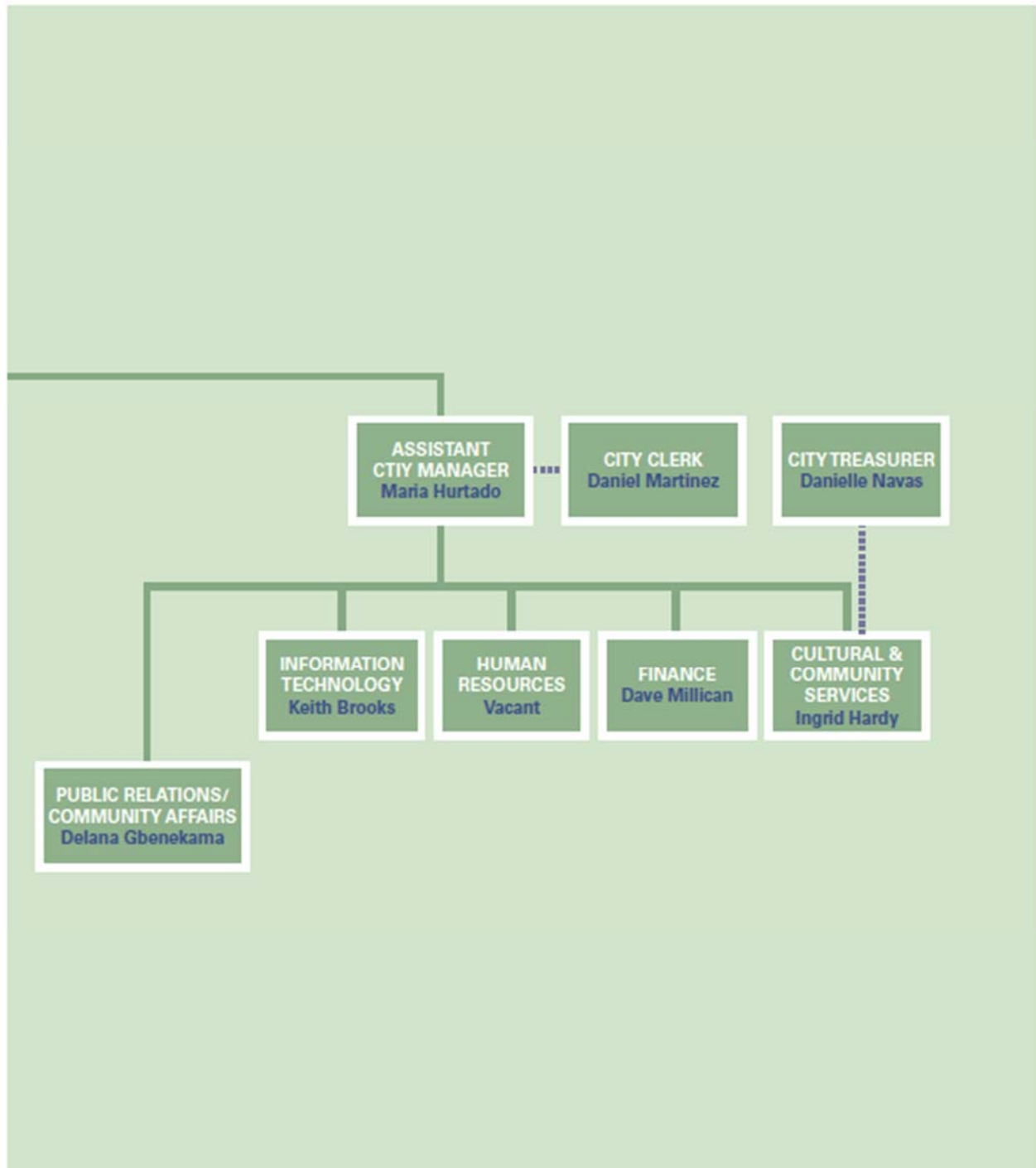
## City of Oxnard Citywide Organizational Chart



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## City of Oxnard Citywide Organizational Chart

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# **FINANCIAL SECTION**





CERTIFIED  
PUBLIC  
ACCOUNTANTS  
& BUSINESS  
ADVISORS

## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Oxnard  
City of Oxnard, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Oxnard Housing Authority, a blended component unit, which statements represent 1.2% and 0.9% of total government-wide assets and net position as of June 30, 2016 and 7.8% of total government-wide revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Oxnard Housing Authority, is based solely on the report of the other auditors. 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 from material misstatement.

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

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

## ***Summary of Opinions***

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Qualified
General Fund	Unmodified
Affordable Housing Fund	Unmodified
Water Fund	Qualified
Wastewater Fund	Qualified
Environmental Resources Fund	Qualified
Housing Authority Fund	Unmodified
Private Purpose Trust Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

### ***Basis for Qualified Opinions***

The City's accounting systems do not provide the necessary information to audit capital assets and construction in progress. As such, we were unable to obtain sufficient audit evidence to support the capital asset and construction in progress balances and the related depreciation expense in the Governmental Activities, Business-type Activities, Water Fund, Wastewater Fund, Environmental Resources Fund, and Private Purpose Trust Fund. The effect on the assets, net position, and change in net position are not reasonably determinable.

### ***Qualified Opinions***

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinions" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, Business-type Activities, Water Fund, Wastewater Fund, Environmental Resources Fund, and Private Purpose Trust Fund of the City, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, the Affordable Housing Fund, the Housing Authority Fund, and the aggregate remaining fund information of the City, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Prior-period Adjustments***

As discussed in Note I.Q. to the financial statements, the City recorded significant prior-period adjustments. As a result of the adjustments, total assets and net position of Governmental Activities decreased by \$19,023,316 and \$21,040,953, respectively, and total assets and net position of Business-type Activities decreased by \$1,402,291. Our opinion is not modified with respect to this matter.

### ***Uncertainty***

As discussed in Note V.B. to the financial statements, the City has letters of credit with one bank that expire on August 28, 2017 and are not expected to be renewed. The letters of credit were issued as liquidity and credit facility for the bonds, to pay the purchase of bonds that are subject to mandatory or optional tender for purchase, and to serve as additional security for the payment of principal of and interest on the bonds when due. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the General Fund and Affordable Housing Fund, the schedules of changes in net pension liability and related ratios, schedule of proportionate share of the net pension liability and related ratios, the schedules of plan contributions, and the schedule of funding progress - other post-employment benefits plan on pages 7 through 23 and 137 through 147 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017 on our consideration of the City of Oxnard, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Oxnard, California's internal control over financial reporting and compliance.

*Eddie and Payne LLP*

January 31, 2017  
Redlands, California

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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the City of Oxnard, California's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2016. Please read in conjunction with the transmittal letter on page *i* and the City's financial statements that begin on page 25.

### **FINANCIAL HIGHLIGHTS**

#### **The City as a Whole**

- Reported net position at June 30, 2016 is \$1.6 billion, \$14 million (0.8%) lower than at June 30, 2015. An \$8 million increase in net position resulting from revenues in excess of expenses was offset by a \$22 million decrease in net position attributable to prior period adjustments.
- Prior period adjustments included decreases in governmental assets totaling \$21 million consisting of \$14 million to record allowance for doubtful accounts on notes receivable, \$5 million in corrections to the cost and classification of construction in progress and capital assets net of accumulated depreciation, and \$1 million in corrections to deferred revenue and long-term liabilities. Prior period adjustments decreased net capital assets by \$1 million in business-type activities.
- \$1.6 billion of the total net position is net investment in capital assets and \$150 million is restricted, resulting in a deficit unrestricted balance of \$194 million.
- Net position for governmental activities dropped by \$10 million, while net position for business-type activities dropped by \$5 million at June 30, 2016 compared to the prior year.

#### **Fund financial statements**

- Reported governmental fund balances grew by \$6 million at the close of fiscal year 2015-2016. The General Fund increased by \$10 million and other governmental funds decreased by \$4 million. The increase in General Fund is primarily because revenues collected from Measure O and for Street maintenance were not spent during the fiscal year due to fiscal uncertainties.

- Total governmental fund revenue decreased by \$3 million (1.4%) to \$191 million. The decrease was attributable to growth in sales and property taxes of \$6 million offset by decreases in grants and contributions of \$9 million primarily because grant funded projects were completed and grantor agencies had less funding to award than in the prior year.
- Total governmental expenditures decreased by \$1 million (0.7%) for the fiscal year ended June 30, 2016.
- The Water Enterprise Fund did not generate enough net revenue from operations to meet bond covenants relating to debt coverage at the end of fiscal year 2015-2016 due to revenue declines associated with water use reduction in response to the statewide drought emergency, and the lack of appropriate rate increases to cover the increases in operating expenses. The City plans to increase water rates in the fiscal year 2017-2018.
- The Wastewater Enterprise Fund did not generate enough net revenue from operations to meet bond covenants relating to debt coverage at the end of fiscal year 2015-2016 due to revenue declines associated with water use reduction in response to the statewide drought emergency, and the lack of appropriate rate increases to cover the increases in operating expenses.

The City Council approved rate increases for the Wastewater Fund in March 2016. In the November 2016 election, a ballot measure rescinding the Wastewater rate increases was passed. The City is currently in a lawsuit stating the ballot measure was unconstitutional as it would cause the City to be in violation of its contractual obligations. The California Superior Court granted a preliminary injunction which will allow the City to continue to collect the wastewater rates at the levels that had been previously repealed until resolution of the lawsuit. A final ruling is expected in June 2017.

- \$7 million of General Fund fund balance represents unspent proceeds of a voter approved general tax measure (Measure O) which City Council has assigned to public safety and certain capital projects. In addition, \$8 million was assigned for street maintenance.

## **USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

### **Reporting the City as a Whole**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., earned but unused vacation leave or uncollected taxes).

Government-wide financial statements distinguish City governmental activities that are principally supported by taxes and intergovernmental revenues from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City include general government, public safety, transportation, community development, library and culture and leisure. Business-type activities of the City include water, wastewater, and solid waste management. The government wide financial statements can be found on pages 25-27 of this report.

## **Fund financial statements**

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized by their type (general, special revenue, debt service, and capital projects funds). The General Fund and the Affordable Housing Fund are governmental funds classified as major funds requiring separate presentation in the basic financial statements. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements shown on pages 149-163. The City adopts an appropriated budget for its General Fund and special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget on pages 145-147.

The basic governmental funds financial statements can be found on pages 28-31 of this report. Proprietary funds are generally used to account for services for which the City charges outside customers or internal departments of the City.

**Proprietary funds** provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise Funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses proprietary funds to account for the operations of water, wastewater, solid waste management and the Oxnard Housing Authority component unit.

The Oxnard Housing Authority is audited separately and the reader should contact the Authority at Housing Administrative Services 435 South D Street, Oxnard CA 93030, (805) 385-8041 for more information.

- **Governmental activities internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its liability, workers' compensation, and vision insurance coverage. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found on pages 165-171.

The basic proprietary funds financial statements can be found on pages 32-41 of this report.

### **The City as Trustee**

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs.

The City is the trustee, or *fiduciary*, for an employee pension plan and the component unit Community Development Commission (CDC) Successor Agency funds. The basic fiduciary funds financial statements can be found on page 42-43 of this report.

### **Notes to basic financial statements**

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 44-136 of this report.

## Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its hourly and full-time employees, the Schedules of Changes in Net Pension Liability and Related Ratios, Schedule of Plan Contributions, and Schedule of Investment Returns. RSI can be found on pages 137-147 of this report.

Footnotes providing additional detail about the CDC Successor Agency can be found on pages 131-136. In addition, further discussion of uncertainties affecting the City appears at page 130.

Combining statements for non-major governmental funds, internal service funds, and agency funds are presented immediately following the RSI. Combining financial statements and schedules can be found on pages 149-173 of this report. Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 176-199 of this report.

## Net Position

### SUMMARY OF NET POSITION (\$THOUSANDS)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 152,765	\$ 147,833	\$ 95,374	\$ 98,235	\$ 248,139	\$ 246,068
Capital assets (net of accumulated depreciation)	1,519,188	1,534,841	527,607	539,369	2,046,795	2,074,210
Properties held for resale	105	105	-	-	105	105
Other assets	42,510	58,602	1,390	1,418	43,900	60,020
<b>Total Assets</b>	<b>1,714,568</b>	<b>1,741,381</b>	<b>624,371</b>	<b>639,022</b>	<b>2,338,939</b>	<b>2,380,403</b>
Deferred outflows of resources	39,842	25,918	13,986	8,134	53,828	34,052
<b>Total Assets and Deferred Outflows of Resources</b>	<b>1,754,410</b>	<b>1,767,299</b>	<b>638,357</b>	<b>647,156</b>	<b>2,392,767</b>	<b>2,414,455</b>
Current liabilities	51,948	54,185	27,554	24,468	79,502	78,653
Noncurrent liabilities	343,154	324,892	340,352	345,606	683,506	670,498
<b>Total Liabilities</b>	<b>395,102</b>	<b>379,077</b>	<b>367,906</b>	<b>370,074</b>	<b>763,008</b>	<b>749,151</b>
Deferred inflows of resources	21,992	41,148	5,269	7,034	27,261	48,182
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>417,094</b>	<b>420,225</b>	<b>373,175</b>	<b>377,108</b>	<b>790,269</b>	<b>797,333</b>
Net Position						
Net investment in capital assets	1,422,283	1,436,070	223,978	224,704	1,646,261	1,660,774
Restricted	112,286	112,199	38,065	39,477	150,351	151,676
Unrestricted	(197,253)	(201,195)	3,139	5,867	(194,114)	(195,328)
<b>NET POSITION</b>	<b>\$ 1,337,316</b>	<b>\$ 1,347,074</b>	<b>\$ 265,182</b>	<b>\$ 270,048</b>	<b>\$ 1,602,498</b>	<b>\$ 1,617,122</b>

- Current assets increased by \$2 million, or 0.8%. Governmental activities current assets increased \$5 million primarily due to timing differences in the receipt of revenues. Sales tax and property tax payments related to the fiscal year may actually be received shortly after fiscal year-end. Those revenues are accrued in the form of due from other governments as presented on the Statement of Net Position.
- Current assets for business-type activities decreased \$3 million largely because of a \$2.5 million decrease in cash and investments with fiscal agents related to bonds. Approximately \$1 million was spent on projects and \$1.5 million held in reserves was used to make the final payment on the 2005 Solid Waste bonds.
- Total capital assets decreased by \$27 million. Governmental activities capital assets decreased by \$15 million and Business-type activities decreased by \$12 million. These decreases resulted from annual depreciation of \$39 million offset by net additions to capital assets and CIP of \$12 million (including prior-period adjustments).

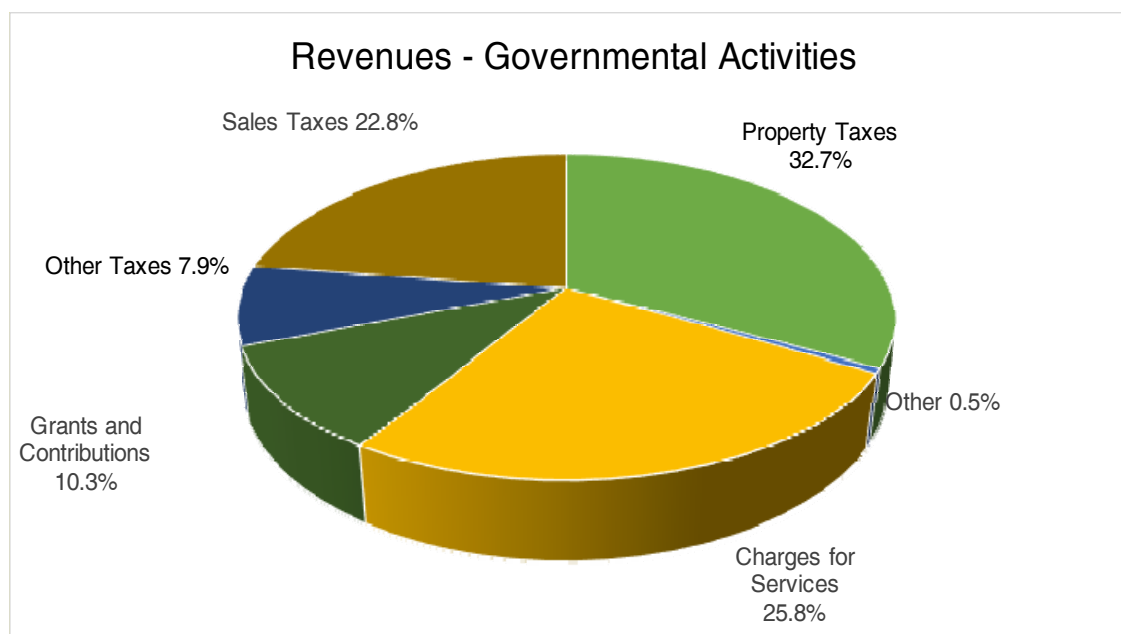


SUMMARY OF CHANGES IN NET POSITION  
(\$THOUSANDS)

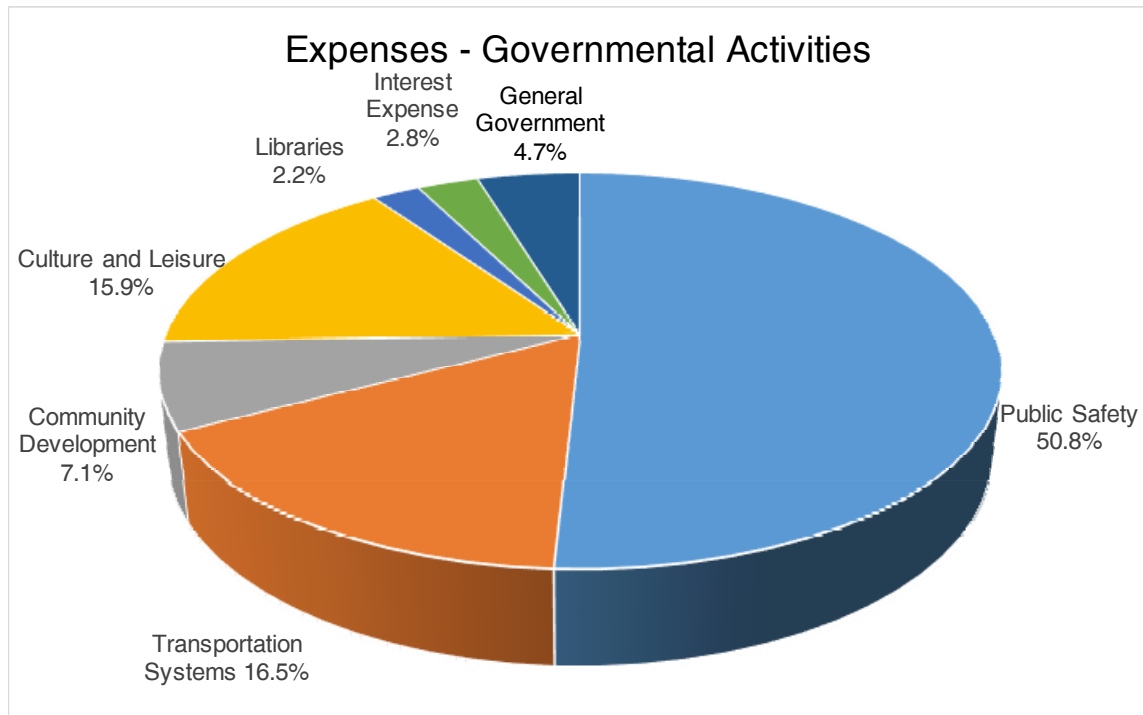
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
Program Revenues						
Charges for services	\$ 48,797	\$ 54,500	\$ 126,193	\$ 128,685	\$ 174,990	\$ 183,185
Operating grants and contributions	9,527	12,618	19,656	17,854	29,183	30,472
Capital grants and contributions	9,925	12,301	946	919	10,871	13,220
General Revenues					-	-
Taxes	119,973	114,005	-	-	119,973	114,005
Interest on investments	752	808	2,483	2,736	3,235	3,544
Sale of capital assets	-	-	-	-	-	-
<b>Total Revenues</b>	<u>188,974</u>	<u>194,232</u>	<u>149,278</u>	<u>150,194</u>	<u>338,252</u>	<u>344,426</u>
Expenses						
General government	8,354	12,223	-	-	8,354	12,223
Public safety	90,251	97,913	-	-	90,251	97,913
Transportation systems	29,435	23,334	-	-	29,435	23,334
Community development	12,634	13,138	-	-	12,634	13,138
Culture and leisure	28,227	28,136	-	-	28,227	28,136
Libraries	3,931	4,499	-	-	3,931	4,499
Interest on long-term debt	4,921	4,518	-	-	4,921	4,518
Water	-	-	56,786	55,800	56,786	55,800
Wastewater	-	-	34,808	37,994	34,808	37,994
Environmental resource	-	-	37,645	37,803	37,645	37,803
Performing Arts and Convention Center	-	-	-	-	-	-
Oxnard Housing Authority	-	-	23,441	23,584	23,441	23,584
Municipal Golf Course	-	-	-	-	-	-
<b>Total Expenses</b>	<u>177,753</u>	<u>183,761</u>	<u>152,680</u>	<u>155,181</u>	<u>330,433</u>	<u>338,942</u>
<b>CHANGE IN NET POSITION BEFORE TRANSFERS</b>	11,221	10,471	(3,402)	(4,987)	7,819	5,484
<b>TRANSFERS</b>	<u>62</u>	<u>6,439</u>	<u>(62)</u>	<u>(6,439)</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	11,283	16,910	(3,464)	(11,426)	7,819	5,484
<b>NET POSITION - JULY 1</b>	1,347,074	1,454,918	270,048	349,074	1,617,122	1,803,992
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>(21,041)</u>	<u>(124,754)</u>	<u>(1,402)</u>	<u>(67,600)</u>	<u>(22,443)</u>	<u>(192,354)</u>
<b>NET POSITION - JUNE 30</b>	<u>\$ 1,337,316</u>	<u>\$ 1,347,074</u>	<u>\$ 265,182</u>	<u>\$ 270,048</u>	<u>\$ 1,602,498</u>	<u>\$ 1,617,122</u>

- **Program revenues**

- Charges for services in governmental activities decreased by \$6 million (\$10.5) primarily due to decrease in infrastructure use fee allocation.
- Charges for services in business-type activities fell by \$2 million (1.9%). In fiscal year 2014-15 a one-time revenue from a settlement related to the wastewater treatment plant headworks project was received.
- Operating and capital grants decreased by \$4 million because grant funded projects were completed and grantor agencies had less funding to award than in prior years.



- Taxes increased by \$6 million or 5.2% reflecting strengthening recovery from the Great Recession.
- Total revenues decreased by \$6 million with the \$5 million attributable to governmental activities and \$1 million to business-type activities.
- The \$6 million decrease in revenue did not negatively impact the change in net position because there was also a \$9 million decrease in expenses.

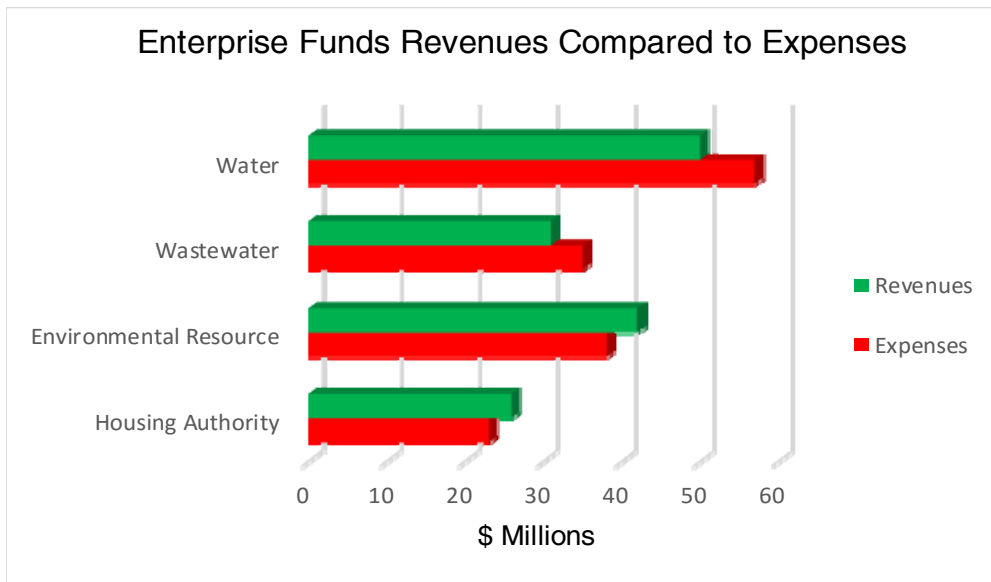


- **Expenses**

- Governmental expenses decreased \$6 million, primarily due to budgeted reductions in staffing and services across nearly all sectors. These cutbacks were driven by the significant reduction in the Carman Override tax which caused a reduction in property tax revenue that previously covered the costs of public safety pensions.
- Business-type expenses decreased \$3 million, due to decreases in wastewater operational costs; primarily reduction in the infrastructure use fee, and one-time costs in fiscal year 2014-15.

Total net position increased by \$8 million before prior period adjustments or 0.5%. Prior period adjustments reduced the total by 1.4%. Weak revenues in utility enterprises and delays in adopting appropriate rate increases continue to pose risks.

The following table compares enterprise revenues and expenses for the fiscal year:



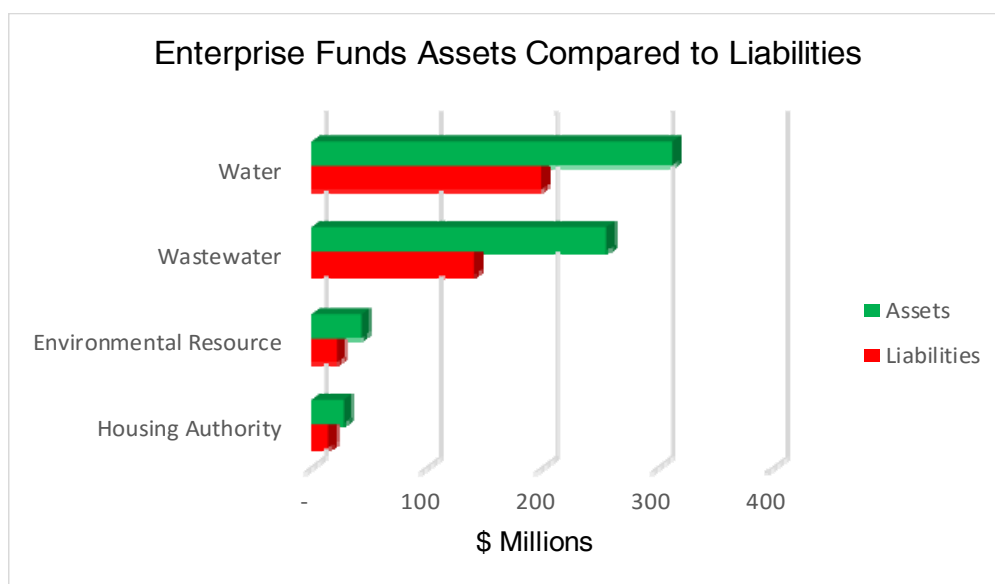
## Fund financial statements

### GOVERNMENTAL FUNDS BALANCE SHEET SUMMMARY (\$THOUSANDS)

	GENERAL FUND		AFFORDABLE HOUSING		OTHER GOVERNMENTAL		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
Assets	\$ 53,472	\$ 46,147	\$ 32,364	\$ 34,924	\$ 103,341	\$ 120,722	\$ 189,177	\$ 201,793
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 53,472</b>	<b>\$ 46,147</b>	<b>\$ 32,364</b>	<b>\$ 34,924</b>	<b>\$ 103,341</b>	<b>\$ 120,722</b>	<b>\$ 189,177</b>	<b>\$ 201,793</b>
Liabilities and Fund Balance								
Liabilities	\$ 19,184	\$ 21,371	\$ 29,178	\$ 31,795	\$ 27,447	\$ 40,894	\$ 75,809	\$ 94,060
<b>Total Liabilities and Deferred Inflows</b>	<b>19,184</b>	<b>21,371</b>	<b>29,178</b>	<b>31,795</b>	<b>27,447</b>	<b>40,894</b>	<b>75,809</b>	<b>94,060</b>
Fund Balances								
Nonspendable	-	-	105	-	-	-	105	-
Restricted	550	-	3,129	3,129	66,129	71,682	69,808	74,811
Assigned	15,879	11,316	-	-	10,008	9,640	25,887	20,956
Unassigned	17,859	13,460	(48)	-	(243)	(1,494)	17,568	11,966
<b>Total Fund Balances</b>	<b>34,288</b>	<b>24,776</b>	<b>3,186</b>	<b>3,129</b>	<b>75,894</b>	<b>79,828</b>	<b>113,368</b>	<b>107,733</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 53,472</b>	<b>\$ 46,147</b>	<b>\$ 32,364</b>	<b>\$ 34,924</b>	<b>\$ 103,341</b>	<b>\$ 120,722</b>	<b>\$ 189,177</b>	<b>\$ 201,793</b>

- Reported governmental fund balances grew by \$6 million at the close of fiscal year 2015-2016. The General Fund increased by \$10 million and other governmental funds decreased by \$4 million. The increase in General Fund is primarily because revenues collected from Measure O and for Street maintenance were not spent during the fiscal year due to fiscal uncertainties.

- Total restricted fund balances are \$70 million. The majority is in non-major funds totaling \$66 million. The primary restricted amounts are maintenance, transportation and capital project related funds totaling \$37 million and mitigation impact act funds totaling \$25 million.
- The General Fund's fund balance increased by \$10 million in fiscal 2015-2016 primarily because revenues collected from Measure O and for Street maintenance were not spent during the fiscal year due to fiscal uncertainties.
- Total assignments and restrictions in non-major funds produced negative unassigned balances in both fiscal 2015 and 2016. The negative balances dropped by \$1 million in fiscal year 2015-2016 to \$309 thousand. These deficit unassigned conditions are primarily attributable to timing differences.
- The following table compares enterprise assets and liabilities as of June 30, 2016:



STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
(\$THOUSANDS)

	GENERAL FUND		AFFORDABLE HOUSING		OTHER GOVERNMENTAL		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Revenues</b>								
Taxes	\$ 106,271	\$ 99,722	\$ -	\$ -	\$ 13,476	\$ 14,143	\$ 119,747	\$ 113,865
Other revenues	<u>33,771</u>	<u>35,126</u>	<u>146</u>	<u>88</u>	<u>37,538</u>	<u>44,838</u>	<u>71,455</u>	<u>80,052</u>
<b>Total Revenues</b>	<u>140,042</u>	<u>134,848</u>	<u>146</u>	<u>88</u>	<u>51,014</u>	<u>58,981</u>	<u>191,202</u>	<u>193,917</u>
<b>Expenditures</b>								
Current	116,439	117,212	89	269	35,050	42,436	151,578	159,917
Capital outlay	3,022	4,623	-	77	17,877	9,136	20,899	13,836
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,171</u>	<u>11,110</u>	<u>11,171</u>	<u>11,110</u>
<b>Total Expenditures</b>	<u>119,461</u>	<u>121,835</u>	<u>89</u>	<u>346</u>	<u>64,098</u>	<u>62,682</u>	<u>183,648</u>	<u>184,863</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>20,581</u>	<u>13,013</u>	<u>57</u>	<u>(258)</u>	<u>(13,084)</u>	<u>(3,701)</u>	<u>7,554</u>	<u>9,054</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from sale of bonds	-	-	-	-	-	19,985	-	19,985
Net transfers	<u>(9,721)</u>	<u>(22,312)</u>	<u>-</u>	<u>-</u>	<u>9,560</u>	<u>17,380</u>	<u>(161)</u>	<u>(4,932)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(9,721)</u>	<u>(22,312)</u>	<u>-</u>	<u>-</u>	<u>9,560</u>	<u>37,365</u>	<u>(161)</u>	<u>15,053</u>
<b>NET CHANGE IN FUND BALANCES</b>	10,860	(9,299)	57	(258)	(3,524)	33,664	7,393	24,107
<b>FUND BALANCES, JULY 1</b>	24,776	36,946	3,129	5,437	79,827	47,083	107,732	89,466
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>(1,348)</u>	<u>(2,871)</u>	<u>-</u>	<u>(2,050)</u>	<u>(409)</u>	<u>(919)</u>	<u>(1,757)</u>	<u>(5,840)</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 34,288</u>	<u>\$ 24,776</u>	<u>\$ 3,186</u>	<u>\$ 3,129</u>	<u>\$ 75,894</u>	<u>\$ 79,828</u>	<u>\$ 113,368</u>	<u>\$ 107,733</u>

- Tax revenue grew by \$6 million reflecting a strengthening economy while total revenues dropped by \$3 million.
- Expenditures also dropped by \$1 million with a decrease of \$8 million related to current operations and an increase of \$7 million associated with capital outlay.
- Taxes collected in other governmental funds come from the City's pension tax override fund. The City is one of 24 cities in California that can increase property taxes above Proposition 13's 2% rate limit for purposes of paying employee pension costs because its voters approved public safety employees' participation in the California Public Employees Retirement System in 1951.

The City budgeted \$10.5 million of property tax revenue to cover eligible retirement system costs. The cost of public safety retirement costs in excess of amounts eligible for funding through the tax override are expected to continue to grow in the near term. All ineligible public safety retirement costs are budgeted in governmental funds.

- Assigned General Fund balances result mainly from infrastructure use fees assigned to street projects and Measure O revenues assigned to eligible public safety and capital project expenditures.

GENERAL FUND BUDGETARY SUMMARY  
(\$THOUSANDS)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>Revenues</b>				
Taxes	\$ 101,018	\$ 102,179	\$ 106,271	\$ 4,092
Other Revenues	<u>36,791</u>	<u>38,599</u>	<u>33,771</u>	<u>(4,828)</u>
<b>Total Revenues</b>	<u>137,809</u>	<u>140,778</u>	<u>140,042</u>	<u>(736)</u>
<b>Expenditures</b>				
Current	120,785	126,088	116,439	9,649
Capital outlay	<u>828</u>	<u>6,165</u>	<u>3,022</u>	<u>3,143</u>
<b>Total Expenditures</b>	<u>121,613</u>	<u>132,253</u>	<u>119,461</u>	<u>12,792</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>16,196</u>	<u>8,525</u>	<u>20,581</u>	<u>12,056</u>
<b>Other Financing Sources (Uses)</b>				
Net transfers	<u>(8,825)</u>	<u>(9,076)</u>	<u>(9,721)</u>	<u>(645)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(8,825)</u>	<u>(9,076)</u>	<u>(9,721)</u>	<u>(645)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 7,371</u>	<u>\$ (551)</u>	<u>\$ 10,860</u>	<u>\$ 11,411</u>

The General Fund budget to actual comparison reflects a conscious effort to cut costs. This was in response to the loss of Carman Override revenues which forced difficult decisions to reduce staffing and service levels.

## Capital Assets

CAPITAL ASSETS  
NET OF ACCUMULATED DEPRECIATION  
(\$THOUSANDS)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,025,205	\$ 1,025,205	\$ 19,886	\$ 19,886	\$ 1,045,091	\$ 1,045,091
Buildings	67,510	67,263	29,194	30,091	96,704	97,354
Other improvements	97,451	98,475	-	-	97,451	98,475
Machinery and equipment	8,075	6,947	3,812	2,698	11,887	9,645
Infrastructure	311,942	312,012	456,775	464,979	768,717	776,991
Construction in progress	9,005	24,939	17,941	21,715	26,946	46,654
<b>TOTALS</b>	<b>\$ 1,519,188</b>	<b>\$ 1,534,841</b>	<b>\$ 527,608</b>	<b>\$ 539,369</b>	<b>\$ 2,046,796</b>	<b>\$ 2,074,210</b>

- The total amount reported as invested in Capital Assets is \$2 billion in both fiscal year 2015 and fiscal year 2016. The decrease of \$27 million is due to annual depreciation of \$39 million offset by net additions to capital assets and CIP of \$12 million (including prior-period adjustments).
- Business-type activities capital assets decreased by \$12 million and governmental activities capital assets decreased by \$15 million. Construction in progress decreased by \$20 million.

The result of years of incorrect accounting, lack of reconciliation and ineffective project management has rendered the City's capital asset accounting systems unauditable. These unaudited balances have been adjusted to exclude balance sheet amounts that cannot be supported by audit evidence. For fiscal 2015-16, City staff and its consultants prepared records to support the capital asset activity (additions, deletions, depreciation) that occurred during the fiscal year. A major effort is necessary to verify the beginning balances, and that effort is planned for late-fiscal year 2016-17.



## Long-Term Debt

### OUTSTANDING DEBT NET OF DISCOUNTS/PREMIUMS (\$THOUSANDS)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2016	2015	2016	2015	2016	2015
Lease revenue bonds	\$ 66,824	\$ 71,027			\$ 66,824	\$ 71,027
Revenue bonds			\$ 305,515	\$ 316,334	305,515	316,334
Capital leases	22,041	22,160	1,035	1,546	23,076	23,706
Certificates of participation	23,465	24,064	-	-	23,465	24,064
<b>TOTALS</b>	<b>\$ 112,330</b>	<b>\$ 117,251</b>	<b>\$ 306,550</b>	<b>\$ 317,880</b>	<b>\$ 418,880</b>	<b>\$ 435,131</b>

- Business-type activities outstanding debt decreased by \$11 million and governmental activities outstanding debt decreased by \$5 million. Governmental lease revenue bond balances decreased by \$4 million and business-type revenue bond balances decreased by \$11 million.
- Lease revenue bonds are secured by the General Fund rather than pledged revenues like the business-type activity revenue bonds. Business-type activity revenue bonds are secured by pledged revenues of the water and wastewater funds.
- The City's bonds are rated by Standard & Poors. Currently ratings on the City are A for governmental revenue bonds and lease revenue bonds, A+ for water revenue bonds, and BBB for wastewater revenue bonds.

## ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2017 budget and in proposing the fiscal year 2018 budget that will be considered by the City Council in June 2017. Combined property and sales tax growth in fiscal 2016 was 6% and is estimated to reach 13% in fiscal 2017 and 6% in fiscal 2018. Consultants with extensive experience across the State prepare the City's sales tax and property tax forecasts.

The City Council adopted wastewater rates in March of 2016. In the November 2016 election, a ballot measure rescinding the Wastewater rate increases was passed. The City is currently in a lawsuit stating the ballot measure was unconstitutional because it impairs the existing bond contract in violation of the State and Federal constitutions because it would worsen the ability of the City to meet debt coverage requirements. The California Superior Court granted a preliminary injunction which will allow the City to continue to collect the wastewater rates at the levels that had been previously repealed until resolution of the lawsuit. A final ruling is expected in June 2017.

Rate increases for the Water Enterprise Fund and Environmental Services Enterprise Fund (solid waste) will be considered again by the City Council in Fiscal Year 2016-2017.

Considering the nature of the issues disclosed in this report the City has implemented increases in Finance and Human Resources Department staffing. City Council has also approved extensive training programs and adequate assistance from subject matter experts to analyze problem areas and assist in implementing recommendations for improvement. Rebuilding internal control systems is a major strategic priority.

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

This financial report is designed to provide our citizens, taxpayers, customers, employees and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. It is clear a major effort will be required to meet the expectations of these stakeholders. If you have questions about this report contact the Finance Department at City of Oxnard at 300 W. 3<sup>rd</sup> Street, Oxnard, CA 93030.

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# **BASIC FINANCIAL STATEMENTS**

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 107,882,373	\$ 60,730,480	\$ 168,612,853
Investments with fiscal agents	18,240,360	13,296,237	31,536,597
Accounts and other receivables (net of allowance for doubtful accounts)	9,478,732	17,852,737	27,331,469
Internal balances	(3,039,226)	3,039,226	-
Due from other governments	11,164,738	455,430	11,620,168
Due from Successor Agency	9,037,886	-	9,037,886
Notes receivable	42,477,310	1,043,400	43,520,710
Properties held for resale	104,736	-	104,736
Other assets	32,900	346,631	379,531
Capital Assets not Being Depreciated			
Land	1,025,204,899	19,886,237	1,045,091,136
Construction in progress	9,005,104	17,941,095	26,946,199
Capital Assets, Net of Accumulated Depreciation			
Buildings	67,509,687	29,193,533	96,703,220
Other improvements	97,450,713	-	97,450,713
Machinery and equipment	8,075,514	3,811,717	11,887,231
Infrastructure	311,941,750	456,774,678	768,716,428
<b>Total Assets</b>	<b>1,714,567,476</b>	<b>624,371,401</b>	<b>2,338,938,877</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred amount on refunding	47,405	1,833,873	1,881,278
Deferred outflow on derivative instruments	8,020,839	4,606,399	12,627,238
Deferred outflow on pension plans	31,774,127	7,545,791	39,319,918
<b>Total Deferred Outflow of Resources</b>	<b>39,842,371</b>	<b>13,986,063</b>	<b>53,828,434</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	10,634,737	13,043,166	23,677,903
Other liabilities	11,318,512	3,245,928	14,564,440
Compensated absences payable - current	10,574,719	1,560,268	12,134,987
Due to other governments	-	269,710	269,710
Unearned revenues	7,159,718	-	7,159,718
Notes payable - current	370,496	-	370,496
Self insurance claims - current	6,576,882	-	6,576,882
Early retirement incentive plan payable - current	132,849	-	132,849
Capital leases and revenue bonds - current	5,180,138	9,435,271	14,615,409
<b>Noncurrent Liabilities</b>			
Interest rate swap liability	8,020,839	4,606,399	12,627,238
Other liabilities	-	143,358	143,358
Compensated absences payable	4,150,866	932,364	5,083,230
Notes payable	686,339	-	686,339
Other post-employment benefits payable	9,318,296	2,402,451	11,720,747
Early retirement incentive plan payable	426,754	-	426,754
Net pension liabilities	201,623,263	35,153,449	236,776,712
Self-insurance claims	11,777,266	-	11,777,266
Capital leases and revenue bonds, net of premiums and discount	107,150,100	297,114,272	404,264,372
<b>Total Liabilities</b>	<b>395,101,774</b>	<b>367,906,636</b>	<b>763,008,410</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow on pension plans	21,991,760	5,269,288	27,261,048
<b>Total Deferred Inflow of Resources</b>	<b>21,991,760</b>	<b>5,269,288</b>	<b>27,261,048</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,422,282,798	223,977,717	1,646,260,515
Restricted for:			
Debt service	1,758,156	12,666,109	14,424,265
Culture and leisure	139,182	-	139,182
Housing	39,573,358	12,617	39,585,975
Infrastructure developments	31,409,759	25,385,772	56,795,531
Maintenance districts	17,328,644	-	17,328,644
Public safety retirement	2,927,240	-	2,927,240
Streets and traffic improvements/maintenance	18,354,119	-	18,354,119
Transportation systems	795,559	-	795,559
Unrestricted	(197,252,502)	3,139,325	(194,113,177)
<b>TOTAL NET POSITION</b>	<b>\$ 1,337,316,313</b>	<b>\$ 265,181,540</b>	<b>\$ 1,602,497,853</b>

The accompanying notes are an integral part of the financial statements.

CITY OF OXNARD, CALIFORNIA  
**STATEMENT OF ACTIVITIES**  
 FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General government	\$ 8,354,282	\$ 20,541,355	\$ 1,181,187	\$ -
Public safety	90,250,813	8,015,887	3,210,993	-
Transportation systems	29,435,256	5,730,798	-	9,925,337
Community development	12,634,325	10,212,020	927,232	-
Culture and leisure	28,226,543	3,845,441	4,207,208	-
Libraries	3,930,974	451,633	-	-
Interest on long-term debt	4,920,717	-	-	-
<b>Total Governmental Activities</b>	<u>177,752,910</u>	<u>48,797,134</u>	<u>9,526,620</u>	<u>9,925,337</u>
<b>Business-Type Activities</b>				
Water	56,786,402	47,502,553	-	-
Wastewater	34,807,726	30,622,683	-	-
Environmental resource	37,644,732	41,498,072	-	-
Oxnard Housing Authority	23,441,364	6,569,503	19,655,951	946,347
<b>Total Business-Type Activities</b>	<u>152,680,224</u>	<u>126,192,811</u>	<u>19,655,951</u>	<u>946,347</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$330,433,134</u>	<u>\$ 174,989,945</u>	<u>\$29,182,571</u>	<u>\$10,871,684</u>
<b>GENERAL REVENUES</b>				
Taxes				
Property tax				
Sales tax				
Transient occupancy tax				
Franchise tax				
Deed transfer tax				
Business license tax				
Penalties and interest				
Interest on investments				
Transfers				
<b>Total General Revenues and Transfers</b>				
<b>CHANGE IN NET POSITION</b>				
<b>NET POSITION - JULY 1</b>				
<b>PRIOR-PERIOD ADJUSTMENT</b>				
<b>NET POSITION - JUNE 30</b>				

The accompanying notes are an integral part of the financial statements.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ 13,368,260	\$ -	\$ 13,368,260
(79,023,933)	-	(79,023,933)
(13,779,121)	-	(13,779,121)
(1,495,073)	-	(1,495,073)
(20,173,894)	-	(20,173,894)
(3,479,341)	-	(3,479,341)
(4,920,717)	-	(4,920,717)
<u>(109,503,819)</u>	<u>-</u>	<u>(109,503,819)</u>
-	(9,283,849)	(9,283,849)
-	(4,185,043)	(4,185,043)
-	3,853,340	3,853,340
-	3,730,437	3,730,437
<u>-</u>	<u>(5,885,115)</u>	<u>(5,885,115)</u>
<u>\$ (109,503,819)</u>	<u>\$ (5,885,115)</u>	<u>\$ (115,388,934)</u>
\$ 61,571,660	\$ -	\$ 61,571,660
43,163,411	-	43,163,411
5,044,231	-	5,044,231
3,854,116	-	3,854,116
690,805	-	690,805
5,422,499	-	5,422,499
225,990	-	225,990
752,064	2,482,980	3,235,044
62,396	(62,396)	-
<u>120,787,172</u>	<u>2,420,584</u>	<u>123,207,756</u>
<u>11,283,353</u>	<u>(3,464,531)</u>	<u>7,818,822</u>
1,347,073,913	270,048,362	1,617,122,275
<u>(21,040,953)</u>	<u>(1,402,291)</u>	<u>(22,443,244)</u>
<u>\$ 1,337,316,313</u>	<u>\$ 265,181,540</u>	<u>\$ 1,602,497,853</u>

CITY OF OXNARD, CALIFORNIA  
**BALANCE SHEET**  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

ASSETS

	GENERAL	AFFORDABLE HOUSING	NONMAJOR	TOTAL GOVERNMENT
<b>ASSETS</b>				
Cash and investments	\$ 26,734,805	\$ 2,760,949	\$ 64,690,999	\$ 94,186,753
Investments with fiscal agents	-	-	18,240,360	18,240,360
Accounts and other receivables	3,434,464	-	6,019,757	9,454,221
Due from other funds	4,166,549	344,357	-	4,510,906
Due from other government	10,945,452		219,286	11,164,738
Due from Successor Agency	8,190,308	847,578	-	9,037,886
Notes receivable	-	28,306,635	14,170,675	42,477,310
Properties held for resale	-	104,736	-	104,736
<b>Total Assets</b>	<b>\$ 53,471,578</b>	<b>\$ 32,364,255</b>	<b>\$ 103,341,077</b>	<b>\$ 189,176,910</b>

LIABILITIES

<b>LIABILITIES</b>				
Accounts payable	\$ 5,631,919	\$ 100,687	\$ 4,120,777	\$ 9,853,383
Other liabilities	9,060,214	2,681	1,243,306	10,306,201
Due to other funds	117,611	-	4,663,815	4,781,426
Advances from other funds	1,230,666			1,230,666
Unearned revenues	3,143,096	29,074,596	17,419,336	49,637,028
<b>Total Liabilities</b>	<b>19,183,506</b>	<b>29,177,964</b>	<b>27,447,234</b>	<b>75,808,704</b>

**FUND BALANCES**

**Nonspendable**

Properties held for resale	-	104,736	-	104,736
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**Restricted for:**

Debt service	-	-	1,758,156	1,758,156
Transportation systems	-	-	795,559	795,559
Maintenance districts	-		17,328,644	17,328,644
Streets and traffic improvements/maintenance	-	-	18,354,119	18,354,119
Infrastructure developments	550,000	-	24,814,259	25,364,259
Housing	-	3,129,429	12,119	3,141,548
Culture and leisure	-	-	139,182	139,182
Public safety retirement	-		2,927,240	2,927,240

**Assigned to:**

Capital projects	7,792,386		10,007,525	17,799,911
Measure "O" eligible services	7,181,145		-	7,181,145
Other purposes	905,561	-	-	905,561

**Unassigned**

	17,858,980	(47,874)	(242,960)	17,568,146
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<b>Total Fund Balances</b>	<b>34,288,072</b>	<b>3,186,291</b>	<b>75,893,843</b>	<b>113,368,206</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 53,471,578</b>	<b>\$ 32,364,255</b>	<b>\$ 103,341,077</b>	<b>\$ 189,176,910</b>

The accompanying notes are an integral part of the financial statements.



**CITY OF OXNARD, CALIFORNIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

Fund balances of governmental funds		\$ 113,368,206
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Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Capital assets of \$1,952,200,599 net of accumulated depreciation (\$434,688,659) are not financial resources and, therefore, are not reported in the funds.		1,517,511,940
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Deferred outflows for the following are not reported in the governmental funds:

Deferred loss on refunding	\$ 47,405	
Deferred outflow on pension plans	<u>29,391,411</u>	29,438,816

Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.		(699,139)
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Notes receivable in the governmental funds are deferred because they are not available within the prescribed time period after year-end. However, the notes receivable are included on the accrual basis of accounting used in the government-wide financial statements.		42,477,310
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Long-term liabilities are not due and payable in the current period and, therefore,  
are not reported in the funds:

Compensated absences	(13,956,572)	
Notes payable	(1,056,835)	
Other post-employment liability	(8,584,493)	
Early retirement incentive plan payable	(559,603)	
Net pension liabilities	(187,174,091)	
Self-insurance claims	(18,354,148)	
Capital leases and bonds payable, net of (\$276,161) issuance discounts and \$2,264,639 issuance premium	<u>(112,330,238)</u>	(342,015,980)

Deferred inflows for pension plans are not reported in the governmental funds		(19,772,394)
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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 government activities in the statement of net position. Amounts are net of internal payable representing charges in excess of cost to business-type activities of \$2,510,569 from prior years and \$2,559,166 in the current year.		<u>(2,992,446)</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 1,337,316,313</u></b>
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The accompanying notes are an integral part of the financial statements.

**CITY OF OXNARD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	GENERAL	AFFORDABLE HOUSING	NONMAJOR	TOTAL GOVERNMENTAL
<b>REVENUES</b>				
Taxes	\$ 106,270,935	\$ -	\$ 13,475,787	\$ 119,746,722
Licenses and permits	2,589,992		812,225	3,402,217
Intergovernmental	1,486,594		19,969,279	21,455,873
Growth and development fees	-		4,452,750	4,452,750
Charges for services	24,457,214		1,014,178	25,471,392
Fines and forfeitures	901,025		512,693	1,413,718
Interest on investments	166,072	16,493	474,575	657,140
Special assessments	68,628		9,545,258	9,613,886
Miscellaneous	4,101,209	129,580	756,878	4,987,667
<b>Total Revenues</b>	<u>140,041,669</u>	<u>146,073</u>	<u>51,013,623</u>	<u>191,201,365</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	11,173,996	-	194,354	11,368,350
Public safety	75,785,330	-	17,890,760	93,676,090
Transportation	1,079,338	-	6,246,175	7,325,513
Community development	8,039,067	89,212	4,140,578	12,268,857
Culture and leisure	16,436,617	-	6,565,931	23,002,548
Library services	3,923,546	-	11,704	3,935,250
Capital outlay	3,022,068	-	17,876,694	20,898,762
Debt Service				
Principal	-	-	6,641,368	6,641,368
Interest and fiscal charges	-	-	4,530,126	4,530,126
<b>Total Expenditures</b>	<u>119,459,962</u>	<u>89,212</u>	<u>64,097,690</u>	<u>183,646,864</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>20,581,707</u>	<u>56,861</u>	<u>(13,084,067)</u>	<u>7,554,501</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	37,000	-	10,927,565	10,964,565
Transfers out	(9,758,123)	-	(1,367,845)	(11,125,968)
<b>Total Other Financing Sources (Uses)</b>	<u>(9,721,123)</u>	<u>-</u>	<u>9,559,720</u>	<u>(161,403)</u>
<b>NET CHANGE IN FUND BALANCES</b>	10,860,584	56,861	(3,524,347)	7,393,098
<b>FUND BALANCES, JULY 1</b>	24,775,765	3,129,430	79,827,354	107,732,549
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>(1,348,277)</u>	<u>-</u>	<u>(409,164)</u>	<u>(1,757,441)</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 34,288,072</u>	<u>\$ 3,186,291</u>	<u>\$ 75,893,843</u>	<u>\$ 113,368,206</u>

The accompanying notes are an integral part of the financial statements.

**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, 2016**

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 7,393,098</b>
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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 depreciation expense (\$21,170,546) exceeded capital outlay, (\$10,282,581), that was capitalized in the current period.	(10,887,965)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,003,919)
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Some expenses reported in the statement of activities do not require the use of financial resources and are not reported as expenditures in governmental funds. These include the increase in accrued interest, (\$40,112), capitalized interest of (\$483,630), net decrease in compensated absences, \$1,596,069, net increase in other post-employment benefits payable of (\$1,332,243), and net decrease in net pension liabilities, \$10,164,263.	9,904,348
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The issuance of long-term debt provide current financial resources to governmental funds, while the repayment of the principal of long-tem debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Total principal repayments of \$6,641,368 net of bond (discount)/premium of \$133,370.	6,774,738
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Net income of internal service funds of \$103,053 is reported with governmental activities.	<u>103,053</u>
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$11,283,353</u></b>
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The accompanying notes are an integral part of the financial statements.

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**

	WATER	WASTEWATER	ENVIRONMENTAL RESOURCE
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 31,083,997	\$ 6,016,659	\$ 13,641,203
Cash with fiscal agent	12,657,341	8,768	-
Accounts and other receivable (net of allowance for uncollectible)	5,215,393	5,738,409	4,477,038
Due from other funds	1,266,481	-	65,280
Due from other governments	-	455,430	-
Other assets	-	244,913	-
<b>Total Current Assets</b>	<u>50,223,212</u>	<u>12,464,179</u>	<u>18,183,521</u>
<b>Noncurrent Assets</b>			
Notes receivable	-	1,043,400	-
Advances to other funds	4,609,258	-	-
<b>Total Noncurrent Assets</b>	<u>4,609,258</u>	<u>1,043,400</u>	<u>-</u>
<b>Capital Assets</b>			
Land	3,969,705	3,145,160	3,851,164
Construction in progress	16,944,301	935,633	-
Buildings	14,517,008	6,582,587	23,246,557
Improvements	-	-	-
Machinery and equipment	3,148,037	18,075,089	20,152,509
Infrastructure	301,088,686	350,300,782	3,586,781
Less: Accumulated depreciation	<u>(84,510,048)</u>	<u>(143,058,054)</u>	<u>(28,648,599)</u>
<b>Total Capital Assets (net of accumulated depreciation)</b>	<u>255,157,689</u>	<u>235,981,197</u>	<u>22,188,412</u>
<b>Total Assets</b>	<u>309,990,159</u>	<u>249,488,776</u>	<u>40,371,933</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflow on derivative instruments	-	4,606,399	-
Deferred amount on refunding	1,833,873	-	-
Deferred outflow on pension plans	1,480,922	1,882,168	3,173,825
<b>Total Deferred Outflow of Resources</b>	<u>3,314,795</u>	<u>6,488,567</u>	<u>3,173,825</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	6,635,310	3,168,100	2,902,323
Compensated absences payable - current	365,000	486,000	675,000
Self-insurance claims - current	-	-	-
Other liabilities	1,527,256	787,499	543,216
Due to Successor Agency	-	-	-
Advances from other funds - current	-	-	1,061,240
Capital leases and revenue bonds - current	4,297,065	4,399,165	429,041
<b>Total Current Liabilities</b>	<u>12,824,631</u>	<u>8,840,764</u>	<u>5,610,820</u>
<b>Noncurrent Liabilities</b>			
Compensated absences payable	53,779	169,107	267,691
Other post-employment benefits payable	502,605	572,970	834,324
Net pension liabilities	7,132,248	9,994,355	11,036,342
Self-insurance claims	-	-	-
Interest rate swap liability	-	4,606,399	-
Other liabilities	-	-	-
Advances from other funds	-	-	3,378,592
Capital leases and revenue bonds, net of current portion and discount/premium	<u>178,320,780</u>	<u>115,755,207</u>	<u>428,285</u>
<b>Total Noncurrent Liabilities</b>	<u>186,009,412</u>	<u>131,098,038</u>	<u>15,945,234</u>
<b>Total Liabilities</b>	<u>198,834,043</u>	<u>139,938,802</u>	<u>21,556,054</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow on pension plans	915,571	1,278,179	1,422,525
<b>Total Deferred Inflow of Resources</b>	<u>915,571</u>	<u>1,278,179</u>	<u>1,422,525</u>

The accompanying notes are an integral part of the financial statements.

OXNARD HOUSING AUTHORITY	TOTAL CURRENT YEAR	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	
<b>ASSETS</b>			
<b>Current Assets</b>			
\$ 9,988,621	\$ 60,730,480	\$ 13,695,620	Cash and investments
630,128	13,296,237	-	Cash with fiscal agent
2,421,897	17,852,737	24,511	Accounts and other receivable (net of allowance for uncollectible)
-	1,331,761	-	Due from other funds
-	455,430	-	Due from other governments
101,718	346,631	32,900	Other assets
<u>13,142,364</u>	<u>94,013,276</u>	<u>13,753,031</u>	<b>Total Current Assets</b>
<b>Noncurrent Assets</b>			
-	1,043,400	-	Notes receivable
-	4,609,258	1,021,126	Advances to other funds
-	5,652,658	1,021,126	<b>Total Noncurrent Assets</b>
<b>Capital Assets</b>			
8,920,208	19,886,237	595,500	Land
61,161	17,941,095	266,704	Construction in progress
43,823,655	88,169,807	-	Buildings
-	-	202,684	Improvements
2,124,742	43,500,377	3,606,517	Machinery and equipment
-	654,976,249	-	Infrastructure
(40,649,804)	(296,866,505)	(2,995,678)	Less: Accumulated depreciation
<u>14,279,962</u>	<u>527,607,260</u>	<u>1,675,727</u>	<b>Total Capital Assets (net of accumulated depreciation)</b>
<u>27,422,326</u>	<u>627,273,194</u>	<u>16,449,884</u>	<b>Total Assets</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
-	4,606,399	-	Deferred outflow on derivative instruments
-	1,833,873	-	Deferred amount on refunding
1,008,876	7,545,791	2,382,716	Deferred outflow on pension plans
<u>1,008,876</u>	<u>13,986,063</u>	<u>2,382,716</u>	<b>Total Deferred Outflow of Resources</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
337,433	13,043,166	781,354	Accounts payable
34,268	1,560,268	574,719	Compensated absences payable - current
-	-	6,576,882	Self-insurance claims - current
387,957	3,245,928	313,172	Other liabilities
269,710	269,710	-	Due to Successor Agency
-	1,061,240	-	Advances from other funds - current
310,000	9,435,271	-	Capital leases and revenue bonds - current
<u>1,339,368</u>	<u>28,615,583</u>	<u>8,246,127</u>	<b>Total Current Liabilities</b>
<b>Noncurrent Liabilities</b>			
441,787	932,364	194,294	Compensated absences payable
492,552	2,402,451	733,803	Other post-employment benefits payable
6,990,504	35,153,449	14,449,172	Net pension liabilities
-	-	11,091,140	Self-insurance claims
-	4,606,399	-	Interest rate swap liability
143,358	143,358	-	Other liabilities
1,021,126	4,399,718	-	Advances from other funds
2,610,000	297,114,272	-	Capital leases and revenue bonds, net of current portion and discount/premium
<u>11,699,327</u>	<u>344,752,011</u>	<u>26,468,409</u>	<b>Total Noncurrent Liabilities</b>
<u>13,038,695</u>	<u>373,367,594</u>	<u>34,714,536</u>	<b>Total Liabilities</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
1,653,013	5,269,288	2,219,366	Deferred inflow on pension plans
<u>1,653,013</u>	<u>5,269,288</u>	<u>2,219,366</u>	<b>Total Deferred Inflow of Resources</b>

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
JUNE 30, 2016

	<u>WATER</u>	<u>WASTEWATER</u>	<u>ENVIRONMENTAL RESOURCE</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 72,539,844	\$ 115,826,825	\$ 21,331,086
Restricted for housing	-	-	-
Restricted for infrastructure development	20,195,079	3,975,068	1,215,625
Restricted for debt service	12,657,341	8,768	-
Unrestricted	<u>8,163,076</u>	<u>(5,050,299)</u>	<u>(1,979,532)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 113,555,340</u>	<u>\$ 114,760,362</u>	<u>\$ 20,567,179</u>

Adjustment to reflect the consolidation of  
internal service fund activities related  
to enterprise funds

**NET POSITION OF BUSINESS-TYPE  
ACTIVITIES**

The accompanying notes are an integral part of the financial statements.

OXNARD HOUSING AUTHORITY	TOTAL CURRENT YEAR	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	
			<b>NET POSITION</b>
\$ 14,279,962	\$ 223,977,717	\$ 1,675,727	Net investment in capital assets
12,617	12,617	-	Restricted for housing
	25,385,772		Restricted for infrastructure development
-	12,666,109	-	Restricted for debt service
<u>(553,085)</u>	<u>580,160</u>	<u>(19,777,029)</u>	Unrestricted
<u>\$ 13,739,494</u>	262,622,375	<u>\$ (18,101,302)</u>	<b>TOTAL NET POSITION</b>
	<u>2,559,165</u>		
	<u>\$ 265,181,540</u>		

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>WATER</u>	<u>WASTEWATER</u>	<u>ENVIRONMENTAL RESOURCE</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 45,677,222	\$ 29,071,061	\$ 41,436,748
Connection fees	104,004	480,158	-
Rental income	-	-	-
Grant revenue for operations	-	-	-
Miscellaneous and reimbursements	1,721,327	1,071,464	61,324
<b>Total Operating Revenues</b>	<u>47,502,553</u>	<u>30,622,683</u>	<u>41,498,072</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	4,647,588	6,083,700	10,327,219
Contractual services	5,114,938	2,734,865	2,739,070
Housing assistance payments	-	-	-
Operating supplies	21,513,618	1,802,190	5,821,176
Utilities	993,772	5,069,057	7,248,723
Depreciation and amortization	7,046,028	8,296,045	1,000,719
General and administrative	6,167,813	4,322,935	5,326,250
Repairs and maintenance	1,051,409	1,773,998	4,965,142
Claims expenses	-	-	-
<b>Total Operating Expenses</b>	<u>46,535,166</u>	<u>30,082,790</u>	<u>37,428,299</u>
<b>OPERATING INCOME (LOSS)</b>	<u>967,387</u>	<u>539,893</u>	<u>4,069,773</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental	-	-	-
Miscellaneous income	-	-	-
Interest on investments	2,213,969	61,596	179,339
Interest expense	(10,259,011)	(4,731,254)	(250,937)
<b>Net Nonoperating Revenues (Expenses)</b>	<u>(8,045,042)</u>	<u>(4,669,658)</u>	<u>(71,598)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(7,077,655)</u>	<u>(4,129,765)</u>	<u>3,998,175</u>
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-
<b>TRANSFERS IN</b>	-	-	-
<b>TRANSFERS OUT</b>	-	-	(62,396)
<b>CHANGES IN NET POSITION</b>	<u>(7,077,655)</u>	<u>(4,129,765)</u>	<u>3,935,779</u>
<b>NET POSITION, JULY 1</b>	122,035,285	118,890,127	16,631,400
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>(1,402,290)</u>	-	-
<b>NET POSITION, JUNE 30</b>	<u>\$ 113,555,340</u>	<u>\$ 114,760,362</u>	<u>\$ 20,567,179</u>

Adjustment to reflect the  
consolidation of internal  
service fund activities  
related to enterprise funds

**CHANGES IN NET POSITION  
OF BUSINESS-TYPE  
ACTIVITIES**

The accompanying notes are an integral part of the financial statements.



OXHARD HOUSING AUTHORITY	TOTAL CURRENT YEAR	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND	
			<b>OPERATING REVENUES</b>
\$ -	\$ 116,185,031	\$ 25,303,282	Charges for services
-	584,162	-	Connection fees
4,300,441	4,300,441	-	Rental income
19,655,951	19,655,951	-	Grant revenue for operations
451,498	3,305,613	289,722	Miscellaneous and reimbursements
<u>24,407,890</u>	<u>144,031,198</u>	<u>25,593,004</u>	<b>Total Operating Revenues</b>
			<b>OPERATING EXPENSES</b>
3,100,731	24,159,238	6,439,277	Salaries and wages
-	10,588,873	2,014,551	Contractual services
15,957,578	15,957,578	-	Housing assistance payments
282,822	29,419,806	4,438,340	Operating supplies
825,225	14,136,777	1,448,147	Utilities
704,607	17,047,399	123,934	Depreciation and amortization
845,030	16,662,028	2,548,131	General and administrative
1,575,935	9,366,484	1,197,933	Repairs and maintenance
-	-	7,549,546	Claims expenses
<u>23,291,928</u>	<u>137,338,183</u>	<u>25,759,859</u>	<b>Total Operating Expenses</b>
<u>1,115,962</u>	<u>6,693,015</u>	<u>(166,855)</u>	<b>OPERATING INCOME (LOSS)</b>
			<b>NONOPERATING REVENUES (EXPENSES)</b>
72,000	72,000	-	Intergovernmental
1,817,564	1,817,564	-	Miscellaneous income
28,076	2,482,980	94,927	Interest on investments
(149,436)	(15,390,638)	(221)	Interest expense
<u>1,768,204</u>	<u>(11,018,094)</u>	<u>94,706</u>	<b>Net Nonoperating Revenues (Expenses)</b>
			<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>
2,884,166	(4,325,079)	(72,149)	<b>CAPITAL CONTRIBUTIONS</b>
874,347	874,347	-	<b>TRANSFERS IN</b>
-	-	247,731	<b>TRANSFERS OUT</b>
-	(62,396)	(23,932)	<b>CHANGES IN NET POSITION</b>
3,758,513	(3,513,128)	151,650	<b>NET POSITION, JULY 1</b>
9,980,981		(18,252,952)	<b>PRIOR-PERIOD ADJUSTMENT</b>
-		-	<b>NET POSITION, JUNE 30</b>
<u>\$ 13,739,494</u>		<u>\$ (18,101,302)</u>	

48,597

\$ (3,464,531)

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>WATER</u>	<u>WASTEWATER</u>	<u>ENVIRONMENTAL RESOURCE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 47,824,840	\$ 29,168,260	\$ 43,420,794
Payments to suppliers	(33,216,990)	(14,386,201)	(24,956,979)
Payments to employees	(5,041,273)	(7,063,631)	(10,719,460)
Payments for housing assistance	-	-	-
Receipts from operating grants	-	-	-
Cash paid to claimants	-	-	-
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>9,566,577</u>	<u>7,718,428</u>	<u>7,744,355</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Repayment of advances to other funds	-	-	(1,030,331)
Collection/(issuance) of advances	1,030,329	-	-
Notes receivable collected	-	25,900	-
Transfers in	-	-	-
Transfers out	-	-	(62,396)
Received from grants	-	-	-
Cash received on notes and mortgages receivable	-	-	-
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<u>1,030,329</u>	<u>25,900</u>	<u>(1,092,727)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(3,586,829)	(874,267)	(1,621,823)
Interest and issuance cost paid on long-term debt	(10,319,254)	(5,221,771)	(287,668)
Principal paid on long-term debt	(4,144,639)	(4,302,474)	(1,930,154)
Receipt from developers	-	-	-
Received from grants	-	-	-
<b>Net Cash Provided By (Used In) Capital and Related Financing Activities</b>	<u>(18,050,722)</u>	<u>(10,398,512)</u>	<u>(3,839,645)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>2,213,969</u>	<u>61,596</u>	<u>179,339</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>2,213,969</u>	<u>61,596</u>	<u>179,339</u>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	(5,239,847)	(2,592,588)	2,991,322
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>48,981,185</u>	<u>8,618,015</u>	<u>10,649,881</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 43,741,338</u>	<u>\$ 6,025,427</u>	<u>\$ 13,641,203</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
<b>OPERATING INCOME (LOSS)</b>	\$ 967,387	\$ 539,893	\$ 4,069,773
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation and amortization	7,046,028	8,296,045	1,000,719
Other revenue			

The accompanying notes are an integral part of the financial statements.

OXNARD HOUSING AUTHORITY	TOTAL CURRENT YEAR	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	
\$ 4,664,392	\$ 125,078,286	\$ 25,574,771	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
(481,922)	(73,042,092)	(11,632,344)	Receipts from customers and users
(5,024,089)	(27,848,453)	(7,995,091)	Payments to suppliers
(15,957,578)	(15,957,578)	-	Payments to employees
17,883,756	17,883,756	-	Payments for housing assistance
-	-	(6,050,695)	Receipts from operating grants
-	-	(103,359)	Cash paid to claimants
1,084,559	26,113,919		<b>Net Cash Provided By (Used In) Operating Activities</b>
			<b>CASH FLOWS FROM NONCAPITAL FINANCING</b>
			<b>ACTIVITIES</b>
-	(1,030,331)	-	Repayment of advances to other funds
-	1,030,329	(7,945)	Collection/(issuance) of advances
	25,900		Notes receivable collected
-	-	247,731	Transfers in
-	(62,396)	(23,932)	Transfers out
72,000	72,000	-	Received from grants
-	-	-	Cash received on notes and mortgages receivable
72,000	35,502	215,854	<b>Net Cash Provided By (Used In) Noncapital Financing</b>
			<b>Activities</b>
			<b>CASH FLOWS FROM CAPITAL AND RELATED</b>
			<b>FINANCING ACTIVITIES</b>
(603,259)	(6,686,178)	(294,151)	Purchases of capital assets
(148,691)	(15,977,384)	(221)	Interest and issuance cost paid on long-term debt
(295,000)	(10,672,267)	(15,155)	Principal paid on long-term debt
49,073	49,073	-	Receipt from developers
874,347	874,347	-	Received from grants
(123,530)	(32,412,409)	(309,527)	<b>Net Cash Provided By (Used In) Capital and Related</b>
			<b>Financing Activities</b>
			<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
28,077	2,482,981	94,927	Interest on investments
28,077	2,482,981	94,927	<b>Net Cash Provided By (Used In) Investing Activities</b>
			<b>NET INCREASE (DECREASE) IN CASH AND</b>
1,061,106	(3,780,007)	(102,105)	<b>INVESTMENTS</b>
9,557,643	77,806,724	13,797,725	<b>CASH AND INVESTMENTS, JULY 1</b>
\$ 10,618,749	\$ 74,026,717	\$ 13,695,620	<b>CASH AND INVESTMENTS, JUNE 30</b>
			<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>
\$ 1,115,962	\$ 6,693,015	\$ (166,855)	<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>
			<b>OPERATING INCOME (LOSS)</b>
			Adjustments to Reconcile Operating Income (Loss)
			to Net Cash Provided By (Used In) Operating Activities
704,607	17,047,399	123,934	Depreciation and amortization
80,578	80,578		Other revenue

# STATEMENT OF CASH FLOWS (Continued)

## PROPRIETARY FUNDS

	<u>WATER</u>	<u>WASTEWATER</u>	<u>ENVIRONMENTAL RESOURCE</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>			
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
<b>(Continued)</b>			
<b>OPERATING INCOME (LOSS) (Continued)</b>			
Adjustments to Reconcile Operating Income (Loss)			
to Net Cash Provided By (Used In) Operating Activities			
Operating Activities (Continued)			
Changes in Operating Assets and Liabilities			
(Increase) decrease in accounts receivable and			
due from other funds and governments	\$ 502,567	\$ (1,547,720)	\$ 1,915,896
(Increase) decrease in other assets	-	13,606	-
Increase (decrease) in accounts payable and			
other liabilities	1,462,691	1,462,704	1,274,893
Increase (decrease) in compensated absences	(63,176)	11,771	(16,651)
Increase (decrease) in other post-employment benefits payable	103,637	(94,395)	159,705
Increase (decrease) in net pension liabilities	(452,557)	(963,476)	(659,980)
Increase (decrease) in self-insurance liabilities	-	-	-
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b><u>\$ 9,566,577</u></b>	<b><u>\$ 7,718,428</u></b>	<b><u>\$ 7,744,355</u></b>

The accompanying notes are an integral part of the financial statements.

OXNARD HOUSING AUTHORITY	TOTAL CURRENT YEAR	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	
			<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES (Continued)</b>
			<b>OPERATING INCOME (LOSS) (Continued)</b>
			Adjustments to reconcile operating income (loss) to Net Cash Provided By Operating Activities (Continued)
			Changes in Operating Assets and Liabilities
			(Increase) decrease in accounts receivable and due from other funds
\$ (63,226)	\$ 807,517	\$ (18,233)	(Increase) decrease in other assets
(11,787)	1,819	-	Increase (decrease) in accounts payable other liabilities
59,325	4,259,613	25,388	Increase (decrease) in compensated absences
(41,473)	(109,529)	(132,289)	Increase (decrease) in other post-employment benefits payable
21,044	189,991	(141,873)	Increase (decrease) in net pension liabilities
(780,471)	(2,856,484)	(1,292,282)	Increase (decrease) in self-insurance liabilities
-	-	1,498,851	
<u>\$ 1,084,559</u>	<u>\$ 26,113,919</u>	<u>\$ (103,359)</u>	<b>Net Cash Provided By (Used In) Operating Activities</b>

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**

	OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND	RETIREMENT ENHANCEMENT DEFINED BENEFIT PENSION TRUST FUND	AGENCY FUND
<b>ASSETS</b>			
Cash and investments	\$ 15,651,337	\$ -	\$ 5,780,411
Investment with fiscal agents			
Certificates of deposit	12,508,401	2,262,487	3,388,771
Common stocks	-	12,898,374	-
Municipal issues	-	300,000	-
Mutual funds - equity	-	21,337,735	-
Mutual funds - fixed income	-	22,313,700	-
Total investment with fiscal agents	12,508,401	59,112,296	3,388,771
Accounts and other receivables	83,006	439,118	-
Due from other governments	-		44,624
Notes receivable, net of uncollectible	855,426	-	-
Properties held for resale	6,963,050	-	-
Other assets	83,823	-	-
Capital Assets			
Land	1,221,289	-	-
Construction in progress	3,395,149	-	-
Buildings (net of depreciation)	407,468	-	-
Improvements other than building (net of depreciation)	41,015,824	-	-
Infrastructure (net of depreciation)	5,283,489	-	-
<b>Total Assets</b>	<b>\$ 87,468,262</b>	<b>\$ 59,551,414</b>	<b>\$ 9,213,806</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension contributions	\$ 1,004		
<b>Total Deferred Outflow of Resources</b>	<b>\$ 1,004</b>		
<b>LIABILITIES</b>			
Accounts payable	\$ 1,618,440	\$ -	\$ 9,213,806
Other liabilities	590,491	-	-
Due to City of Oxnard	9,037,886	-	-
Due to other governments	1,000,000	-	-
Net pension liabilities	97,434	-	-
<b>LONG-TERM DEBT</b>			
Due within one year	1,630,000	-	-
Due in more than one year	36,176,604	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ 50,150,855</b>	<b>\$ -</b>	<b>\$ 9,213,806</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Actuarial	\$ 57,475		
<b>Total Deferred Inflow of Resources</b>	<b>\$ 57,475</b>		
<b>NET POSITION</b>			
Held in trust for Successor Agency	\$ 37,260,936		
Held in trust for pension benefits	-	\$ 59,551,414	
<b>TOTAL NET POSITION</b>	<b>\$ 37,260,936</b>	<b>\$ 59,551,414</b>	

The accompanying notes are an integral part of the financial statements.

CITY OF OXNARD, CALIFORNIA  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
 FOR THE YEAR ENDED JUNE 30, 2016

	OXNARD COMMUNITY DEVELOPMENT SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND	RETIREMENT ENHANCEMENT DEFINED BENEFIT PENSION TRUST FUND
<b>ADDITIONS</b>		
Taxes	\$ 7,996,054	\$ -
Contributions		
Employer	-	7,225,132
Plan members	-	2,285,554
Investment income	67,288	113,598
Rental income	45,735	-
<b>Total Additions</b>	<u>8,109,077</u>	<u>9,624,284</u>
<b>DEDUCTIONS</b>		
Administrative Costs		
Salaries and wages	253,922	-
Assessment district payment	28,864	-
Benefit distributions	-	3,982,046
Administrative costs	131,833	79,674
Professional services	234,091	-
Depreciation	1,403,562	-
Project improvements	2,231,244	-
Debt Service		
Interest and fiscal charges	1,776,826	-
<b>Total Deductions</b>	<u>6,060,342</u>	<u>4,061,720</u>
<b>CHANGE IN NET POSITION</b>	2,048,735	5,562,564
<b>NET POSITION - JULY 1, 2015</b>	<u>35,212,201</u>	<u>53,988,850</u>
<b>NET POSITION - JUNE 30, 2016</b>	<u>\$ 37,260,936</u>	<u>\$ 59,551,414</u>

The accompanying notes are an integral part of the financial statements.

CITY OF OXNARD, CALIFORNIA  
**NOTES TO THE FINANCIAL STATEMENTS**  
JUNE 30, 2016

**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. For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions, and authorities, and has considered all potential component units for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization; or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

**Blended Component Units**

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



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Housing Authority of the City of Oxnard. The Housing Authority of the City of Oxnard (Housing Authority) was established in April 1945 by ordinance of the City Council. The Housing Authority is a public entity organized under the laws 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 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 governing body is substantively the same as the governing body of the City and the City has operational responsibility for 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 at 435 S. D St., Oxnard, CA 93030.

### **B. 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 Position 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The City's enterprise operations are classified as business-type activities. These operations consist of water, wastewater, environmental resources, and housing. 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, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. 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 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 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position 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 Position, internal service assets and liabilities have been combined with the governmental funds and presented as governmental activities.

A reconciliation of the difference between the Governmental Fund Financial Statements and the Government-Wide Financial Statements is provided as part of the Governmental Fund Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **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, deferred outflows of resources, liabilities, deferred inflow of resources, 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. 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.
- The Affordable Housing Fund was created due to the dissolution of the Oxnard Redevelopment Agency. In accordance with Health and Safety Code Section 34176(b)(2), on February 1, 2013, all rights, powers, assets, liabilities, duties, and obligations of the Low and Moderate Income Housing Fund (previously part of the former Oxnard Redevelopment Agency) were transferred to the Affordable Housing special revenue fund. The fund is used to account for funds to be used for low and moderate income housing projects.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Governmental funds are accounted for using a "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The City considers revenues available if they are collected within 60 days after year-end with the exception of sales tax, which is based on the California Board of Equalization reporting period through June of the fiscal year for which payment is received in September. Property tax, sales tax, intergovernmental revenues, and other taxes are accrued as appropriate. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. The availability period for revenue recognition for grants receivable is one year after the year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, 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 Position, Statement of Revenues, Expenses and Changes in Net Position; 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. 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

- 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.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included within the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. 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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses. When both restricted and unrestricted resources are available for use, it is the 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 accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Internal service funds are reported in total on the proprietary funds statements.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The City's fiduciary funds consist of a Private Purpose Trust Fund, a Pension Trust Fund, and Agency Funds. The Trust Funds are as follows:

- Oxnard Community Development Commission Successor Agency Private Purpose Trust Fund: This fund accounts for the assets and activities of the former redevelopment agency pursuant to AB 1X 26.
- Retirement Enhancement Defined Benefit Pension Trust Fund: This fund accounts for the assets and activities of the Public Agency Retirement System Enhancement plan.

The Trust Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting.

The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. However, the agency funds do utilize the accrual basis of accounting. The City's agency funds are as follows:

- Artworks Fund: This fund is used to account for donations from private parties to pay for Carnegie Art Museum artwork related expenditures.
- Improvement Districts Fund: This fund is used to account for various limited obligation improvement bonds issued by the City, wherein bond proceeds are used to finance land acquisition and public improvements of the various assessment districts within the City. Neither the faith, credit, nor the taxing power of the City or any of its political subdivisions is pledged to the payment of the bonds. Property owners within the assessment district are assessed through the County property tax bills and the money collected is used to pay off the annual debt service requirements.
- Oxnard Downtown Management District Fund: This fund accounts for property tax collected within the downtown area for downtown improvements and revitalizations.
- Riverpark JPA Fund: This fund is used to account for assets and liabilities of the Riverpark Reclamation and Recharge Authority.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### C. New Accounting Pronouncements

The City implemented GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*, and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, during fiscal year 2016.

GASB Statement No. 72 requires disclosure of the following information for each type of asset or liability measured at fair value:

For recurring and nonrecurring fair value measurements:

- The fair value measurement at the end of the reporting period.
- Except for investments that are measured at the net asset value (NAV) per share (or its equivalent), the level of the fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, Level 2, or Level 3).
- A description of the valuation techniques used in the fair value measurement.
- If there has been a change in valuation technique that has a significant impact on the result, that change and the reason(s) for making it.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68, and amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

GASB Statement No. 76 sets forth what constitutes generally accepted accounting principles (GAAP) for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. The sources of authoritative GAAP are categorized in descending order of authority as follows: Officially established accounting principles - Governmental Accounting Standards Board (GASB) Statements (Category A) and GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The GASB has issued several pronouncements prior to June 30, 2016, that have effective dates that may impact future financial presentations. The impact of the implementation of these Statements to the City's financial Statements has not been assessed at this time.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions (OPEB)*. This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements; and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for periods beginning after December 15, 2015.

In February 2016, The GASB issued Statement No. 80, *Blending requirements of certain Component Units (an amendment of GASB Statement No. 14)* which establishes an additional blending requirement for the financial statement presentation of component units. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.

In March 2016, the GASB issued Statement No. 82, *Pension Issues - An amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.

### **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 with maturities less than one year. These amounts are readily available for use by the respective funds.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### **Investments**

The City's investments are stated at fair value.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

Level 1: Investments reflect prices quoted in active markets;

Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and

Level 3: Investments reflect prices based upon unobservable sources.

### **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. Receivables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the City, including amounts for unbilled services. Receivables are shown net of an allowance for uncollectible accounts where applicable.

Notes receivable include both the current and long-term portions of loans issued by the City. Business development loans are reported in both special revenue and fiduciary funds. Most of these notes receivable are reported as an asset in the amount of loan proceeds disbursed; however, some loans, depending on their original funding source, report unavailable revenue equal to the loan amount and recognize a revenue when principal payments are received.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

In the government-wide financial statements, receivables are recognized as revenue when earned. Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed.

**F. Capital Assets**

The City's assets for governmental, business-type and fiduciary 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, and 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
Water and sewer systems	40-50 years

Infrastructure assets are defined 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 using the basic approach methodology. Land is valued at original cost without depreciation.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### G. **Capitalized Interest on Indebtedness**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed. The total interest expense incurred by the City during the current fiscal year was \$20,311,576. No interest was capitalized for this fiscal year.

### H. **Compensated Absences**

Vacation leave and annual leave compensation time pay is recorded as a liability when incurred within the Government-Wide and Proprietary Funds Financial Statements. Sick leave, which does not vest, is recorded in all funds when leave is taken. 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.

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

### I. **Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

### J. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statements of Net Position and Governmental Fund Balance Sheet report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources for pension contributions made after the actuarial measurement date, deferred outflows for pension plan related changes in proportion and differences between expected and actual experiences, deferred outflows for charges on debt refunding, and deferred outflows on derivative instruments in the Government-Wide and Proprietary Fund Statements of Net Position. Deferred outflows for pension contributions will be recognized in the subsequent fiscal year. Other deferred outflows on pension plans are amortized over 4.8 to 5 years. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the remaining life of the refunded or refunding debt.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

In addition to liabilities, the Statements of Net Position and Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category in the Governmental Fund Balance Sheet - unavailable revenues. The governmental funds report unavailable revenues from four sources: investment income, taxes, grants, and miscellaneous charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City has deferred inflows of resources relating to the net pension obligation reported in the Government-Wide Statement of Net Position and the Proprietary Funds. These deferred inflows of resources are the result of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and differences between expected and actual experiences. These amounts are deferred and amortized over a 4.8 to 5 year period on a straight-line basis.

### K. Fund Equity

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

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

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

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

*Assigned fund balance* - This includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council delegated, per Resolution No. 14,102, the Chief Financial Officer to assign fund balance. Use of this component would be based on related Council documents that identifies an intent to use funds for a specific purpose that was not part of the formal resolution or ordinance of the Council.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

In the Government-Wide Financial Statements, net position of the City includes the following categories:

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

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

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

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

**L. 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), April 10 (second installment, and 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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Property Valuation**

Valuations are established by the Assessor of the County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% 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%. 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% 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).

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, 2016, the City has recorded property taxes receivable of \$724,311, 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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **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.

#### **M. 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.

#### **N. 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

#### **O. Budgets and Budgetary Accounting**

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

### P. **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.

### Q. **Prior-Period Adjustments**

Effective July 1, 2015, the City made restatements to the net position and fund balance as follows:

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>
<b><u>Net Position</u></b>		
<b><u>Correction of Errors</u></b>		
To record allowance for doubtful accounts on notes receivable	\$ (14,087,474)	\$ -
To correct the cost of construction in progress and capital assets, net of accumulated depreciation	(4,935,846)	(1,402,291)
To correct amounts reported in capital leases	(922,343)	-
To record liability for worker's compensation	(686,126)	-
To correct deferred revenue recognized in prior year	<u>(409,164)</u>	<u>-</u>
<b>TOTALS</b>	<b><u>\$ (21,040,953)</u></b>	<b><u>\$ (1,402,291)</u></b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	GENERAL FUND	AFFORDABLE HOUSING	NONMAJOR FUND
<b><u>Fund Balance</u></b>			
<b><u>Correction of Errors</u></b>			
To recognize advances to other fund in the balance sheet	\$ (1,348,277)	\$ -	\$ -
To record allowance for doubtful accounts on notes receivable		(14,087,474)	
To adjust unearned revenues for the allowance for doubtful accounts on notes receivable		14,087,474	
To correct deferred revenue recognized prior year	-	-	(409,164)
<b>TOTALS</b>	<b><u>\$ (1,348,277)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (409,164)</u></b>

The net effect of the prior-period adjustments to change in net position for the year ended June 30, 2015 was an increase of \$409,164.

### R. Related Organizations

The City addresses the needs of at-risk youth by providing a variety of social services, recreation, and service learning opportunities through City Corps, a nonprofit organization. City Corps partners with local school districts, community based youth organizations, and neighborhood councils in the distribution of information and neighborhood cleanups.

In November 2000, the City granted an exclusive right to operate, maintain, and manage the Performing Arts and Convention Center to the Oxnard Performing Arts Center Corporation. The City provides the Corporation an operating subsidy as provided for in the operating budget, which is subject to City Council approval.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### S. Joint Ventures

The City participates in the Riverpark Reclamation and Recharge Authority (Riverpark JPA), which is a jointly-governed organization between the City and United Water Conservation District (UWCD). The Riverpark JPA was established for the purpose of joint ownership, financing, and administration of the development of land located within the City; and for the purpose of creating a public entity to secure grant funding and other public and private funding to reclaim mining pits for water recharge purposes to implement the Recharge Program and Reclamation Plan, and to undertake other groundwater recharge, groundwater quality, and water supply programs as the Board of Directors may find to be within the public interest. The Riverpark JPA is controlled by a four-member board consisting of two representatives from the City and UWCD. None of the member entities exercise specific control over the budgeting and financing of the Authority's activities beyond their representation on the Board. Accounting services are provided by the City. The City has no financial responsibility for any of the JPA's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2016. Complete financial statements may be obtained from the Finance Department, City of Oxnard, 300 W. 3<sup>rd</sup> St, Oxnard, CA 93030.

## II. DETAILED NOTES ON ALL FUNDS

### A. Cash and Investments

The City's cash and investments consist of the following at June 30, 2016:

	AMOUNT
Petty cash	\$ 266,270
Deposits	61,383,150
Investments	128,395,181
Cash and investments	190,044,601
Cash and investments with fiscal agents	106,546,065
<b>TOTAL</b>	<b>\$ 296,590,666</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	FIDUCIARY FUNDS	TOTAL
Cash and investments	\$ 107,882,373	\$60,730,480	\$21,431,748	\$190,044,601
Cash and investments with fiscal agents	<u>18,240,360</u>	<u>13,296,237</u>	<u>75,009,468</u>	<u>106,546,065</u>
<b>TOTALS</b>	<u><b>\$ 126,122,733</b></u>	<u><b>\$74,026,717</b></u>	<u><b>\$96,441,216</b></u>	<u><b>\$296,590,666</b></u>

### Deposits Custodial Credit Risks

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy requires deposits to be covered by federal depository insurance and collateral having a market value of 110% of the uninsured deposit. As of June 30, 2016, the City has a bank balance of \$41,080,544 in two bank accounts; of the bank balance, \$500,000 was insured and the balance was secured by collateral held by the City's agent in the agent's name. Deposits held by the Housing Authority are also insured or secured by collateral held by the Housing Authority's agent in the agent's name. The Housing Authority bank balance as of June 30, 2016 was \$1,949,886.

### 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 primary goals of the City are safety, liquidity, and yield in that priority order. 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**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 and Housing Authority's investment policies, respectively. Investments managed by bond trustees are invested in accordance by provisions of the respective bond agreements. Investments in the City's Retirement Enhancement Defined Benefit Pension Trust Fund, Public Agency Retirement System Retirement Enhancement Plan (PARS Trust Pool) are not subject to the City's investment policy.

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

	AMOUNT
City Treasurer	\$ 180,055,980
Fiscal Agents	
Bond trustees for the City and its component units	46,803,641
PARS Trust Pool	59,112,296
Oxnard Housing Authority (includes investment held by fiscal agents)	10,618,749
<b>TOTAL</b>	<u><u>\$ 296,590,666</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The City Treasurer has direct oversight over the City's pooled investment fund, which covers cash and investments of the City's governmental funds, proprietary funds (except for the Housing Authority), and trust and agency funds, which are invested in accordance with the City's investment policy. Allowable investments are detailed in the following table. The exception is the PARS Trust Pool, which is not subject to Government Code Section 53601.

INVESTMENT TYPES <u>AUTHORIZED BY SECTION 53601</u>	AUTHORIZED BY	MAXIMUM	MAXIMUM	MAXIMUM	MINIMUM
	INVESTMENT POLICY	MATURITY (YEARS)	PERCENTAGE OF PORTFOLIO	INVESTMENT IN ONE ISSUER	
U.S. Treasury and agencies	Yes	5	None	None	None
Local agency bonds, notes	Yes	N/A	15%	None	None
Other bonds, notes, or evidences of indebtedness	Yes	N/A	15%	None	None
Bankers acceptances	Yes	180 days	40%	30%	None
Commercial paper	Yes	270 days	15%	10%	P1/A1
Negotiable CDs	Yes	N/A	30%	None	Aa/AA-
Certificate of deposit (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, which is substantially the same as the City's, and related disclosures regarding its investments at June 30, 2016, is more fully disclosed in the financial statements for the Housing Authority, which may be obtained from the Housing Authority's Financial Services Division at 435 S D St, Oxnard, CA 93030.

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

The City is a voluntary participant in LAIF which is considered an external investment pool. 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

Investments with fiscal agents are investments held by the bond trustee on behalf of the City or its component units and the PARS Trust Pool. In the case of bond trustees, the City selects the investment under the terms of the applicable trust agreement, directs the bond trustee to acquire the investment, and the bond trustee then holds the investment on behalf of the City and/or its component units. Proceeds of bonds administered by bond trustees are also generally covered under the City Treasurer's investment policy; however, specific provisions of each issuance are usually used in managing such investments. Several of the major differences are as follows:

- Allowance of investments in guaranteed investment contracts
- Allowance of investment maturities in excess of five years

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the PARS Trust Pool, the specific investments are managed by the trustee for the pool under guidelines approved by the City as follows:

Risk tolerance	Market risk
Time horizon	Long term
Income of liquidity needs	As requested
Account of trust restrictions	None
Unique needs and circumstances	None
Investment objective	Balanced
Strategic ranges	0%-20% Cash 25%-45% Fixed income 50%-70% Equity
Acceptable investments	Individual stocks Individual bonds Trustee funds External funds Index-based securities including Exchange-Traded Funds (ETF)
Fixed income guidelines	Maturity range 2-15 years Duration range 4-7 years Investment grade - minimum credit quality
Equity guidelines	The core portion of the equity allocation will consist of individual issues. Actively-managed mutual funds will be utilized for other market segments in accordance with the trustee's tactical strategy.

The primary goals of the balanced investment objective are growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of the total return, although growth through capital appreciation is equally important.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***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, and the greater the interest rate risk. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations or debt service requirements.

Information about the sensitivity of the fair value of the City's investments (including investments held by bond trustees) to market interest rate fluctuation is provided by the following table that shows the distribution of the City's investments by maturity:

	INVESTMENT MATURITIES (IN YEARS)			TOTAL
	LESS THAN 1	1-5	MORE THAN 5	
Federal agency securities	\$ -	\$49,453,093	\$ -	\$ 49,453,093
Corporate bonds		4,014,080		4,014,080
California Local Agency Investment Fund	73,214,737			73,214,737
Negotiable CD		1,713,271		1,713,271
Held by Trustee				
Money Market Fund	45,362,553			45,362,553
California Local Agency Investment Fund	2,071,216	-	-	2,071,216
<b>TOTAL INVESTMENTS</b>	<u>\$120,648,506</u>	<u>\$55,180,444</u>	<u>\$ -</u>	175,828,950
PARS Trust Pool				59,112,296
Cash in banks and on hand				<u>61,649,420</u>
<b>TOTAL CASH AND INVESTMENTS</b>				<u>\$296,590,666</u>

### ***Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investments that are not rated include negotiable CDs; however, these investments are covered by FDIC insurance.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Presented below are the Standard and Poor's ratings for each investment type as of June 30, 2016:

INVESTMENT TYPE	AAA	AA+	AA	A	TOTAL
Federal agency securities	\$ -	\$49,453,093	\$ -	\$ -	\$ 49,453,093
Corporate bonds (Disney)	-	-	-	2,008,940	2,008,940
Corporate bonds (GECC BE)	-	2,005,140	-	-	2,005,140
<b>TOTALS</b>	<u>\$ -</u>	<u>\$51,458,233</u>	<u>\$ -</u>	<u>\$2,008,940</u>	53,467,173
<b>NOT RATED</b>					
California Local Agency Investment Fund					75,285,953
Money Market Fund					45,362,553
PARS Trust Pool					59,112,296
Negotiable CD					1,713,271
<b>Total Investments</b>					234,941,246
Cash in banks and on hand					61,649,420
<b>TOTAL</b>					<u>\$296,590,666</u>

### ***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% or more of total entity-wide investments are as follows at June 30, 2016:

ISSUER	TYPE OF INVESTMENTS	AMOUNTS
Federal National Mortgage Assn.	Federal National Mortgage Assn.	\$ 16,086,320
Federal Home Loan Bank	Federal Home Loan Bank Bonds	8,011,520
Federal Farm Credit Bank	Federal Farm Credit Bank Bonds	21,353,473

### ***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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For investments identified herein as held by fiscal agent, the 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.

### ***Fair Value Measurements***

The City has the following recurring fair value measurements as of June 30, 2016:

	INVESTMENTS AT FAIR VALUE			
	AS OF JUNE 30, 2016			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investment Type				
Federal agency securities	\$ 49,453,093	\$ -	\$ -	\$ 49,453,093
Corporate bonds	4,014,080			4,014,080
California Local Agency Investment Fund		73,214,737		73,214,737
Negotiable CD	1,713,271	-	-	1,713,271
	<u>55,180,444</u>	<u>73,214,737</u>	<u>-</u>	<u>128,395,181</u>
Held by Trustees/Fiscal Agent			-	
Money Market Fund	45,361,408			45,361,408
California Local Agency Investment Fund	-	2,072,361	-	2,072,361
	<u>45,361,408</u>	<u>2,072,361</u>	<u>-</u>	<u>47,433,769</u>
PARS Trust Pool				
Cash and equivalents	2,262,487			2,262,487
Municipal issues	300,000			300,000
Domestic common stocks	12,604,767			12,604,767
Foreign stocks	293,607			293,607
Mutual funds - Equity	21,337,735			21,337,735
Mutual funds - Fixed income	22,313,700	-	-	22,313,700
	<u>59,112,296</u>	<u>-</u>	<u>-</u>	<u>59,112,296</u>
<b>TOTAL INVESTMENTS AT FAIR VALUE</b>	<b><u>\$159,654,148</u></b>	<b><u>\$75,287,098</u></b>	<b><u>\$ -</u></b>	<b><u>\$234,941,246</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### B. Receivables and Payables

Accounts receivables and other receivables as of June 30, 2016 included in the accompanying Statement of Net Position primarily consist of the following:

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
<b>ACCOUNTS RECEIVABLE</b>		
Utilities receivable	\$ 1,468	\$ 12,826,819
Grants receivable	5,898,575	-
Accounts receivable billed and accrued	3,240,111	2,802,061
Other receivables	<u>948,657</u>	<u>2,587,681</u>
	10,088,811	18,216,561
Allowance for uncollectible receivables	<u>(610,079)</u>	<u>(363,824)</u>
<b>TOTALS</b>	<u><u>\$ 9,478,732</u></u>	<u><u>\$ 17,852,737</u></u>

Accounts payable and other liabilities as of June 30, 2016 reported on the Statement of Net Position primarily consist of the following:

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
<b>ACCOUNTS PAYABLE AND OTHER LIABILITIES</b>		
Accounts payable (due to vendors)	<u>\$ 10,634,737</u>	<u>\$ 13,043,166</u>
Other Liabilities		
Accrued payroll	4,421,516	1,287,368
Accrued benefits	4,086,814	-
Accrued interest	719,290	1,328,351
Other payables	<u>2,090,892</u>	<u>630,209</u>
<b>Total Other Liabilities</b>	<u>11,318,512</u>	<u>3,245,928</u>
<b>TOTALS</b>	<u><u>\$ 21,953,249</u></u>	<u><u>\$ 16,289,094</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### C. Interfund Receivables and Payables

Total interfund receivables and payables at June 30, 2016, 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	ELIMINATION	TOTAL
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Due To/From Other Funds</b>					
General Fund	\$ 4,166,549	\$ 117,611	\$ 4,048,938	\$ (4,166,549)	\$ (117,611)
Affordable Housing Fund	344,357	-	344,357	(344,357)	-
Nonmajor governmental funds	-	4,663,815	(4,663,815)	4,510,906	(152,909)
	<u>4,510,906</u>	<u>4,781,426</u>	<u>(270,520)</u>	<u>-</u>	<u>(270,520)</u>
<b>Advances To/From Other Funds</b>					
General Fund	-	1,230,666	(1,230,666)	-	(1,230,666)
Internal Service Fund	1,021,126	-	1,021,126	-	1,021,126
	<u>1,021,126</u>	<u>1,230,666</u>	<u>(209,540)</u>	<u>-</u>	<u>(209,540)</u>
<b>Total Governmental Activities</b>	<u>5,532,032</u>	<u>6,012,092</u>	<u>(480,060)</u>	<u>-</u>	<u>(480,060)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Due To/From Other Funds</b>				-	
Water	1,266,480	-	1,266,480	(1,061,240)	205,240
Environmental resource	65,280	1,061,240	(995,960)	1,061,240	65,280
	<u>1,331,760</u>	<u>1,061,240</u>	<u>270,520</u>	<u>-</u>	<u>270,520</u>
<b>Advances To/From Other Funds</b>					
Water	4,609,258	-	4,609,258	(3,378,592)	1,230,666
Environmental resource	-	3,378,592	(3,378,592)	3,378,592	-
Oxnard Housing Authority	-	1,021,126	(1,021,126)	-	(1,021,126)
	<u>4,609,258</u>	<u>4,399,718</u>	<u>209,540</u>	<u>-</u>	<u>209,540</u>
<b>Total Business-type Activities</b>	<u>5,941,018</u>	<u>5,460,958</u>	<u>480,060</u>	<u>-</u>	<u>480,060</u>
<b>TOTALS</b>	<u>\$ 11,473,050</u>	<u>\$ 11,473,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The interfund balances at June 30, 2016 are loans to cover temporary cash deficits in various funds. In addition, amounts are recorded representing the net internal payable from governmental activities to business-type activities representing charges in excess of cost of the internal service funds of \$2,559,166 in the current year.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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; and
- Transfers of capital assets from governmental activities to water and wastewater enterprise funds.

There were no transfers during Fiscal Year 2015-2016 that were either non-routine in nature or inconsistent with the activities of the fund making the transfer. The following transfers in and out are reflected in the Fund Financial Statements for the year ended June 30, 2016:

	DESCRIPTION	TRANSFERS IN	TRANSFERS OUT	NET TRANSFERS	ELIMINATIONS	TOTAL
<b>GOVERNMENTAL ACTIVITIES</b>						
General Fund	Program support	\$ 37,000	\$ 750,809	\$ (713,809)	\$ 750,809	\$ 37,000
General Fund	Debt service	-	9,007,314	(9,007,314)	9,007,314	-
Nonmajor governmental funds	Program support	1,920,251	1,367,845	552,406	(552,406)	-
Nonmajor governmental funds	Debt service	9,007,314	-	9,007,314	(8,981,918)	25,396
Internal Service Fund	Program support	247,731	23,932	223,799	(223,799)	-
<b>Total Governmental Activities</b>		<u>11,212,296</u>	<u>11,149,900</u>	<u>62,396</u>	<u>-</u>	<u>62,396</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Environmental Resource	Program support		37,000	(37,000)	-	(37,000)
Environmental Resource	Debt service	-	25,396	(25,396)	-	(25,396)
<b>Total Business-Type Activities</b>		<u>-</u>	<u>62,396</u>	<u>(62,396)</u>	<u>-</u>	<u>(62,396)</u>
<b>TOTAL GOVERNMENT-WIDE STATEMENTS</b>						
		<u>\$11,212,296</u>	<u>\$11,212,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### E. Loans Receivable

At June 30, 2016, the City's net loans receivable consisted of the following:

	BALANCE JULY 1, 2015	PRIOR-PERIOD ADJUSTMENT	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Residential Notes Receivable</b>					
CalHOME Loans	\$ 1,432,804	\$ -	\$ 552,011	\$ 55,000	\$ 1,929,815
BEGIN Loans	3,490,989	-	27,324	127,324	3,390,989
CDBG Loans	3,714,284	-	464,418	1,070,527	3,108,175
HOME Loans	11,114,679	-	358,771	1,459,014	10,014,436
NSP Loans	1,427,902	-	-	359,121	1,068,781
HERO Loans	620,836	-	29,216	99,216	550,836
Other	2,544,680	-	29,190	226,643	2,347,227
Allowance for doubtful accounts	-	(13,705,471)	-	-	(13,705,471)
	<u>24,346,174</u>	<u>(13,705,471)</u>	<u>1,460,930</u>	<u>3,396,845</u>	<u>8,704,788</u>
<b>Developer Notes Receivable</b>					
* Las Villas de Paseo Nuevo	7,000,000	-	-	-	7,000,000
CRFL Family Apartments	14,277,022	-	-	-	14,277,022
Colonial House	4,200,000	-	-	-	4,200,000
Paseo Santa Clara	2,200,000	-	-	-	2,200,000
Paseo Del Rio	2,700,000	-	-	-	2,700,000
* Terraza de Las Cortes	3,300,000	-	-	-	3,300,000
Las Cortes	590,000	-	-	-	590,000
Other	545,500	-	40,500	108,500	477,500
Allowance for doubtful accounts	(590,000)	(382,000)	-	-	(972,000)
	<u>34,222,522</u>	<u>(382,000)</u>	<u>40,500</u>	<u>108,500</u>	<u>33,772,522</u>
	<u>58,568,696</u>	<u>(14,087,471)</u>	<u>1,501,430</u>	<u>3,505,345</u>	<u>42,477,310</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Wastewater Loans	1,069,300	-	-	25,900	1,043,400
	<u>1,069,300</u>	<u>-</u>	<u>-</u>	<u>25,900</u>	<u>1,043,400</u>
<b>TOTAL GOVERNMENT-WIDE</b>					
<b>STATEMENTS</b>	<u>\$59,637,996</u>	<u>\$(14,087,471)</u>	<u>\$1,501,430</u>	<u>\$3,531,245</u>	<u>\$ 43,520,710</u>

\* Parties are related to the Oxnard Housing Authority

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### GOVERNMENTAL ACTIVITIES

#### Residential Notes Receivable

The City offers loans to qualifying low-income individuals and families who require financial assistance for home-buying, home repairs, or mobile home replacements. Residential outstanding loans at June 30, 2016 include the following programs: Home Investment Partnership Program (HOME), Community Development Block Grant Funds (CDBG), Building Equity and Growth in Neighborhoods Program (BEGIN), Neighborhood Stabilization Program (NSP), Historic Enhancement Revitalization of Oxnard (HERO), and CalHome Program. Summarized in the table below are these programs' average outstanding loan amount, interest rate, average outstanding term, and forgiveness policy. Majority of the home loan programs are forgivable at the end of term. Any default on the agreement, such as transfer of ownership or failure of homeowner to live in the unit causes the loan to be due and payable immediately. The City secures these loans by placing a lien on the property by recording a Deed of Trust with the Ventura County Recorder's Office for the loan amount.

<u>PROGRAM</u>	<u>AMOUNT</u>	<u>INTEREST</u>	<u>TERM</u>	<u>FORGIVABLE</u>
Cal HOME	\$ 28,000	3.00 %	25	No
BEGIN	26,000	3.00	27	No
CDBG	19,000	-	15	Yes
HOME	19,000	-	12	Yes
NSP	31,000	5.00	32	Yes
HERO	12,000	-	7	Yes
Other	39,000	-	23	Yes

#### Developer Notes Receivable

The City entered into loan agreements with several developers for affordable housing and mixed-use projects. The terms of the loans include annual installments from residual receipts. The loans bear simple interest at a rate of 1%-4% per year maturing between 24-55 years from the completion of the project. The City secured these loans with a deed of trust for the loan amount.

Two of the affordable housing loans in the aggregate amount of \$10,300,000 as of June 30, 2016 are loans to parties related the Oxnard Housing Authority.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### BUSINESS-TYPE ACTIVITIES

#### Septic to Sewer Project

The City provided financial assistance to property owners affected by the California Regional Water Quality Control Board Resolution No. 99-13 of 1999, which prohibited the installation of new septic systems and called for the removal of existing septic systems in the area by 2008. The loans are interest free and payment plans are based on individual agreements.

#### F. Capital Assets (Unaudited)

Changes in the City's capital assets for the year ended June 30, 2016 consisted of the following:

	BALANCE JULY 1, 2015	PRIOR-PERIOD ADJUSTMENTS	INCREASES	DECREASES	BALANCE JUNE 30, 2016
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital Assets, Not Being Depreciated					
Land	\$1,025,204,900	\$ -	\$ -	\$ -	\$1,025,204,899
Construction in progress	24,938,920	(5,433,201)	8,160,544	(18,661,159)	9,005,104
<b>Total Capital Assets, Not Being Depreciated</b>	<b>1,050,143,820</b>	<b>(5,433,201)</b>	<b>8,160,544</b>	<b>(18,661,159)</b>	<b>1,034,210,003</b>
Capital Assets, Being Depreciated					
Buildings	99,819,297		2,289,169		102,108,466
Improvements other than buildings	124,648,154		1,914,196		126,562,350
Equipment and machinery	49,109,985		3,076,492	(4,843,484)	47,342,993
Infrastructure	632,353,346	(16,728)	14,311,574	-	646,648,192
<b>Total Capital Assets, Being Depreciated</b>	<b>905,930,782</b>	<b>(16,728)</b>	<b>21,591,431</b>	<b>(4,843,484)</b>	<b>922,662,001</b>
Less: Accumulated Depreciation					
Buildings	(32,555,864)		(2,042,915)		(34,598,779)
Improvements other than buildings	(26,173,268)		(2,938,369)		(29,111,637)
Equipment and machinery	(42,162,514)		(1,948,449)	4,843,484	(39,267,479)
Infrastructure	(320,341,695)	-	(14,364,747)	-	(334,706,442)
<b>Total Accumulated Depreciation</b>	<b>(421,233,341)</b>	<b>-</b>	<b>(21,294,480)</b>	<b>4,843,484</b>	<b>(437,684,337)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>484,697,441</b>	<b>(16,728)</b>	<b>296,951</b>	<b>-</b>	<b>484,977,664</b>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$1,534,841,261</b>	<b>\$ (5,449,929)</b>	<b>\$ 8,457,495</b>	<b>\$ (18,661,159)</b>	<b>\$1,519,187,667</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	BALANCE JULY 1, 2015	PRIOR-PERIOD ADJUSTMENTS	INCREASES	DECREASES	BALANCE JUNE 30, 2016
<b>BUSINESS-TYPE ACTIVITIES</b>					
Capital Assets, Not Being Depreciated					
Land	\$ 19,886,236	\$ -	\$ -	\$ -	\$ 19,886,237
Construction in progress	21,714,873	(4,325,906)	4,484,295	(3,932,167)	17,941,095
<b>Total Capital Assets, Not Being Depreciated</b>	<b>41,601,109</b>	<b>(4,325,906)</b>	<b>4,484,295</b>	<b>(3,932,167)</b>	<b>37,827,332</b>
Capital assets, Being Depreciated					
Buildings	87,627,811		619,604	(77,608)	88,169,807
Equipment and machinery	45,897,382		1,845,751	(4,242,756)	43,500,377
Infrastructure	648,382,130	-	6,594,119	-	654,976,249
<b>Total Capital Assets, Being Depreciated</b>	<b>781,907,323</b>	<b>-</b>	<b>9,059,474</b>	<b>(4,320,364)</b>	<b>786,646,433</b>
Less: Accumulated Depreciation					
Buildings	(57,536,344)		(1,517,538)	77,608	(58,976,274)
Equipment and machinery	(43,199,565)		(731,851)	4,242,756	(39,688,660)
Infrastructure	(183,403,561)	-	(14,798,010)	-	(198,201,571)
<b>Total Accumulated Depreciation</b>	<b>(284,139,470)</b>	<b>-</b>	<b>(17,047,399)</b>	<b>4,320,364</b>	<b>(296,866,505)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>497,767,853</b>	<b>-</b>	<b>(7,987,925)</b>	<b>-</b>	<b>489,779,928</b>
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 539,368,962</b>	<b>\$ (4,325,906)</b>	<b>\$ (3,503,630)</b>	<b>\$ (3,932,167)</b>	<b>\$ 527,607,260</b>
<b>TOTALS</b>	<b>\$2,074,210,223</b>	<b>\$ (9,775,835)</b>	<b>\$ 4,953,865</b>	<b>\$ (22,593,326)</b>	<b>\$2,046,794,927</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2016 depreciation expense on capital assets was charged as follows:

	<u>AMOUNT</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
Administration and support	\$ 2,107,848
Public safety	1,379,422
Transportation (highways and streets)	13,984,276
Community development	371,936
Culture and leisure	2,850,769
Libraries	476,295
Capital assets held by the City's internal service fund	<u>123,934</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	
<b>DEPRECIATION EXPENSE</b>	<u><u>\$ 21,294,480</u></u>
<b>BUSINESS-TYPE ACTIVITIES</b>	
Water	\$ 7,046,028
Wastewater	8,296,045
Environmental resources	1,000,719
Oxnard Housing Authority	<u>704,607</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	
<b>DEPRECIATION EXPENSE</b>	<u><u>\$ 17,047,399</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### G. 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 presents balances and activity for the City's fiscal year ended June 30, 2016:

	AS RESTATED BALANCE JULY 1, 2015	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2016	DUE WITHIN ONE YEAR
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Lease Revenue Bonds</b>					
Variable rate demand lease revenue bonds, series 2003B	\$ 10,295,000	\$ -	\$ 440,000	\$ 9,855,000	\$ 455,000
Variable rate demand lease revenue bonds, series 2006	19,675,000	-	635,000	19,040,000	655,000
Lease revenue refunding bonds, series 2011	20,545,000	-	330,000	20,215,000	370,000
Lease revenue refunding bonds, series 2014	18,300,000	-	2,635,000	15,665,000	900,000
Unamortized premiums	2,438,842	-	174,203	2,264,639	-
Unamortized discounts	(226,912)	-	(10,806)	(216,106)	-
<b>Certificate of Participation</b>					
Gas tax revenue certificate of participation	24,155,000	-	630,000	23,525,000	655,000
Unamortized discounts	(90,082)	-	(30,027)	(60,055)	-
<b>Capital Leases</b>					
2009 CIP lease purchase, draw #1	482,134	-	98,836	383,298	103,403
2009 CIP lease purchase, draw #7	15,211	-	15,211	-	-
2009 CIP lease purchase, draw #8	4,159	-	4,159	-	-
2009 CIP lease purchase, draw #10	615,621	-	102,242	513,379	106,351
2009 CIP lease purchase, draw #11	15,155	-	15,155	-	-
2009 CIP lease purchase, draw #12	17,537	-	17,537	-	-
2009 CIP lease purchase, draw #13	2,215,564	-	608,470	1,607,094	627,800
2009 CIP lease purchase, draw #14	120,601	-	79,832	40,769	40,769
2009 CIP lease purchase, draw #15	8,254	-	3,231	5,023	3,325
2009 CIP lease purchase, draw #16	20,239	-	7,960	12,279	8,130
2009 CIP lease purchase, draw #17	68,396	-	26,784	41,612	27,545
2009 CIP lease purchase, draw #19	801,189	-	153,924	647,265	157,019
2009 CIP lease purchase, draw #20	257,859	-	71,987	185,872	73,325
2012 Lease purchase	4,626,597	-	318,123	4,308,474	328,710
2014 Lease purchase	13,813,065	483,630	-	14,296,695	668,761
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 118,173,429</b>	<b>\$ 483,630</b>	<b>\$ 6,326,821</b>	<b>\$ 112,330,238</b>	<b>\$ 5,180,138</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	BALANCE JULY 1, 2015	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2016	DUE WITHIN ONE YEAR
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Water Fund</b>					
<b>Revenue Bonds</b>					
Water revenue project bonds, series 2006	\$ 48,409,998	\$ -	\$ 1,059,998	\$ 47,350,000	\$ 1,105,000
Water revenue project bonds, series 2010A	11,345,000	-	1,410,000	9,935,000	1,460,000
Water revenue project bonds, series 2010B	83,670,000	-	-	83,670,000	-
Water revenue refunding bonds, series 2012	8,145,000	-	415,000	7,730,000	430,000
Water revenue refunding bonds, series 2014	33,817,622	-	1,245,287	32,572,335	1,295,245
Unamortized premiums	2,275,681	-	209,807	2,065,874	
Unamortized discounts	(747,610)	-	(31,929)	(715,681)	
<b>Capital Leases</b>					
2009 CIP lease purchase, draw #8	7,762	-	7,762	-	-
2009 CIP lease purchase, draw #9	16,908	-	6,591	10,317	6,820
<b>TOTAL WATER FUND</b>	<u>\$ 186,940,361</u>	<u>\$ -</u>	<u>\$ 4,322,516</u>	<u>\$ 182,617,845</u>	<u>\$ 4,297,065</u>
<b>Wastewater Fund</b>					
<b>Revenue Bonds</b>					
Wastewater revenue bonds, series 2004B	\$ 17,745,000	\$ -	\$ 995,000	\$ 16,750,000	\$ 1,025,000
Wastewater revenue bonds, series 2006	10,335,000	-	305,000	10,030,000	315,000
Wastewater revenue refunding bonds, series 2013	15,509,765	-	2,935,324	12,574,441	3,013,176
Wastewater revenue refunding bonds, series 2014	71,985,000	-	-	71,985,000	-
Unamortized premiums	9,128,318	-	480,437	8,647,881	-
<b>Capital Leases</b>					
2009 CIP lease purchase, draw #7	13,943	-	13,943	-	-
2009 CIP lease purchase, draw #12	8,550	-	8,550	-	-
2009 CIP lease purchase, draw #18	211,707	-	44,657	167,050	45,989
<b>TOTAL WASTEWATER FUND</b>	<u>\$ 124,937,283</u>	<u>\$ -</u>	<u>\$ 4,782,911</u>	<u>\$ 120,154,372</u>	<u>\$ 4,399,165</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	BALANCE JULY 1, 2015	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2016	DUE WITHIN ONE YEAR
<b>BUSINESS-TYPE ACTIVITIES</b>					
(Continued)					
<b>Environmental Resources Fund</b>					
<b>Revenue Bonds</b>					
Solid waste revenue refunding bonds, series 2005	\$ 1,500,000	\$ -	\$ 1,500,000	\$ -	\$ -
<b>Capital Lease</b>					
Lease purchase trash containers	1,181,950	-	377,992	803,958	393,764
2009 CIP lease purchase, draw #5	95	-	95	-	-
2009 CIP lease purchase, draw #9	87,471	-	34,103	53,368	35,277
2009 CIP lease purchase, draw #12	17,963	-	17,963	-	-
<b>TOTAL ENVIRONMENTAL RESOURCES FUND</b>	<u>\$ 2,787,479</u>	<u>\$ -</u>	<u>\$ 1,930,153</u>	<u>\$ 857,326</u>	<u>\$ 429,041</u>
<b>Oxnard Housing Authority Fund</b>					
<b>Revenue Bonds</b>					
2004 Capital Fund Revenue Bonds	\$ 3,215,000	\$ -	\$ 295,000	\$ 2,920,000	\$ 310,000
<b>TOTAL OXNARD HOUSING AUTHORITY FUND</b>	<u>\$ 3,215,000</u>	<u>\$ -</u>	<u>\$ 295,000</u>	<u>\$ 2,920,000</u>	<u>\$ 310,000</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>\$ 317,880,123</u>	<u>\$ -</u>	<u>\$ 11,330,580</u>	<u>\$ 306,549,543</u>	<u>\$ 9,435,271</u>
<b>TOTALS</b>	<u>\$ 436,053,552</u>	<u>\$ 483,630</u>	<u>\$ 17,657,401</u>	<u>\$ 418,879,781</u>	<u>\$ 14,615,409</u>

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, 2016 are as follows:

	BALANCE JULY 1, 2015	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2016	DUE WITHIN ONE YEAR
<b>INTERNAL SERVICE FUNDS</b>					
2009 CIP lease purchase, draw #11	\$ 15,155	\$ -	\$ 15,155	\$ -	\$ -
<b>TOTALS</b>	<u>\$ 15,155</u>	<u>\$ -</u>	<u>\$ 15,155</u>	<u>\$ -</u>	<u>\$ -</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Description of Long-term Debt

#### ***Variable Rate Demand Lease Revenue Bonds, Series 2003B***

Variable Rate Demand Lease Revenue Bonds, Series 2003B in the amount of \$14,750,000 were issued on December 1, 2003, maturing in various amounts through June 1, 2033. The bond's variable rate coupons track the Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. These bonds were issued to finance the Downtown Parking Structure and a new library. The City entered into an interest rate exchange agreement with respect to the bonds with Royal Bank of Canada. The swap agreement terminates by its term on June 1, 2033. On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. Union Bank renewed the letter of credit through August 26, 2016 on July 17, 2013. On May 5, 2016, MUFG Union Bank (formerly Union Bank of California, N.A.) informed the City that it did not intend to extend this letter of credit beyond August 26, 2016. MUFG Union Bank has subsequently granted extensions of the letter of credit through August 28, 2017. The balance outstanding as of June 30, 2016 is \$9,855,000. The lease payments on these bonds constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the bonds at June 1, 2033.

Additional disclosures are provided in Note V.B.

#### ***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 (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%. 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. Union Bank renewed the letter of credit through August 26, 2016 on July 17, 2013. On May 5, 2016, MUFG Union Bank (formerly Union Bank of California, N.A.) informed the City that it did not intend to extend this letter of credit beyond August 26, 2016. MUFG Union Bank has subsequently granted extensions of the letter of credit through August 28, 2017. The outstanding balance as of June 30, 2016 is \$19,040,000. The lease payments on these bonds constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the bonds at June 1, 2036.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Additional disclosures are provided in Note V.B.

### ***Lease Revenue Refunding Bonds, Series 2011***

Lease Revenue Refunding Bonds, Series 2011 were issued on June 9, 2011 in the amount of \$21,580,000. These bonds carry a net interest cost of 5.47% and mature on June 1, 2036. The proceeds of the bonds were used to pay the principal of and interest on the Bond Anticipation Notes, Series 2010. The outstanding balance as of June 30, 2016 is \$20,215,000. The lease payments on these bonds constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the bonds at June 1, 2036.

### ***Lease Revenue Project and Refunding Bonds, Series 2014***

Lease Revenue Refunding Bonds, Series 2014 were issued on November 4, 2014 in the amount of \$21,225,000. These are fifteen-year bonds maturing in various amounts through June 1, 2029, with a net interest cost of 3.403%. The bonds were issued to refund the outstanding Lease Revenue Refunding Bonds, Series 2003A, finance the acquisition, construction, and improvement of certain streets and roadways within certain residential neighborhoods with the City, and pay the costs incurred in connection with the issuance of the bonds. The refunding resulted in an economic gain of \$4,962 and debt service savings of \$11,715. The total balance outstanding as of June 30, 2016 is \$15,665,000. The lease payments on these bonds constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the bonds at June 1, 2029.

### ***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% to 4.87% with a final maturity of September 1, 2037. The outstanding balance as of June 30, 2016 is \$23,525,000. The Installment Payments that secure these bonds constitute obligations of the City's gas tax special revenue fund. Such obligation exists through the maturity date of the bonds at September 1, 2037.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***Capital Lease Obligations - Governmental Activities***

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. Total machinery and equipment acquired under this lease was \$9,075,849. As of June 30, 2016, the total outstanding balance on this line of credit was \$3,436,591. Lease payments constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the lease at October 1, 2020.

### ***2012 Lease/Purchase Agreement***

On August 1, 2012, the City entered into a Lease Purchase Agreement with Capital One Public Funding, LLC in the amount of \$5,570,838, for the purpose of refinancing the 1999 Certificate of Participation, with interest rate of 3.54% and final maturity date on June 1, 2028. The refunding resulted in an overall cash flow savings of \$658,975 and economic gain of \$566,623, percentage savings of 9.3%. The outstanding balance as of June 30, 2016 is \$4,308,474. These lease payments constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the lease at June 1, 2028.

### ***2014 Lease/Purchase Agreement***

On January 1, 2014, the City entered into a Lease Agreement with Oxnard Fire Station, LLC for the lease of the Oxnard Fire Station #8 in the amount of \$13,813,065. Total lease payments beginning June 1, 2016 through December 31, 2031 amount to \$20,359,994, including interest of \$6,063,301. These lease payments constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the lease at December 1, 2031. The outstanding balance as of June 30, 2016 is \$14,296,695.

The base rental is equal to the principal and interest payable with respect to the Revenue Bonds (Oxnard Fire Station Project) 2014 Series A and Revenue Bonds (Oxnard Fire Station Project) 2014 Series B (Taxable) issued by the California Municipal Finance Authority (Authority) in the amount of \$15,160,000 and \$220,000 respectively. The Authority loaned the proceeds of the bonds to Oxnard Fire Station, LLC to finance the construction of the Oxnard Fire Station #8.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The City has pledged all net water system revenues and all amounts on deposit in the Revenue Fund for the payment of Water Revenue Project Bonds, Series 2006 and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2004 Installment Payments (refunded using proceeds of Water Revenue Refunding Bonds Series 2014) and 2001 Installment Payments (refunded using proceeds of Water Revenue Refunding Bonds Series 2012). These bonds were issued on April 20, 2006 in the amount of \$54,600,000. These bonds carry a net interest cost of 4.805% 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, 2016 is \$47,350,000. The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's water fund. Such obligation exists through the maturity date of the bonds at June 1, 2036.

### ***Water Revenue Project Bonds, Series 2010A***

The City has pledged all net water revenues and all amounts on deposit in the Revenue Fund for the payment of the 2010 Installment Payments and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2006 Installment Payments and 2004 Installment Payments (refunded using proceeds of Water Revenue Refunding Bonds Series 2014). These bonds were issued on February 11, 2010 in the amount of \$16,455,000. These bonds carry a net interest cost of 3.3729% and mature on June 1, 2022. The proceeds from the sale of the bonds were used to finance a portion of the cost of certain capital improvements related to the GREAT program. The balance outstanding as of June 30, 2016 is \$9,935,000. The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's water fund. Such obligation exists through the maturity date of the bonds at June 1, 2022.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***Water Revenue Project Bonds, Series 2010B***

The City has pledged all net water revenues and all amounts on deposit in the Revenue Fund for the payment of the 2010 Installment Payments and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2006 Installment Payments and 2004 Installment Payments (refunded using proceeds of Water Revenue Refunding Bonds Series 2014). These bonds 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% and mature on June 1, 2040. The City receives an interest subsidy directly from the United States Treasury equal to 35% of each interest payment. The proceeds from the sale of the bonds were used to finance a portion of the cost of certain capital improvements related to the GREAT program. The balance outstanding as of June 30, 2016 is \$83,670,000. The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's water fund. Such obligation exists through the maturity date of the bonds at June 1, 2040.

### ***Water Revenue Refunding Bonds, Series 2012***

The City has pledged all net water revenues and all amounts on deposit in the Revenue Fund for the payment of the 2012 Installment Payments and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2010 Installment Payments, 2006 Installment Payments, and 2004 Installment Payments (refunded using proceeds of Water Revenue Refunding Bonds Series 2014). These bonds were issued on April 4, 2012 in the amount of \$9,345,000. These bonds carry a net interest cost of 3.6196% and mature on June 1, 2022. A portion of the proceeds were used to advance refund all the outstanding principal amount of \$9,725,000 of the Water Revenue Refunding Bonds Series 2001. This refunding resulted in an economic gain of \$1,093,681 (difference between the present value of the old bonds and the present value of the new bonds) and a cash flow savings of \$1,446,323. The balance outstanding as of June 30, 2016 is \$7,730,000. The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's water fund. Such obligation exists through the maturity date of the bonds at June 1, 2022.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***Water Revenue Refunding Bonds, Series 2014***

The City has pledged all net water revenues and all amounts on deposit in the Revenue Fund for the payment of the 2014 Installment Payments and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2012 Installment Payments, 2010 Installment Payments, and 2006 Installment Payments. The Installment Payments on these bonds are secured by a first priority lien on the net system revenues of the City's water Fund. These bonds were issued on June 3, 2014 in the amount of \$35,025,340. These bonds carry a net interest cost of 3.8% and mature on June 1, 2034. A portion of the proceeds were used to advance refund all the outstanding principal amount of \$37,840,000 of the Water Revenue Project Bonds, Series 2004. This refunding resulted in an economic gain of \$3,308,313 (difference between the present value of the old bonds and the present value of the new bonds) and a cash flow savings of \$3,808,815. The balance outstanding as of June 30, 2016 is \$32,572,335.

### ***Wastewater Revenue Bonds, Series 2004B***

Variable Rate Demand Wastewater Revenue Bonds, Series 2004B were issued on November 1, 2004 in the amount of \$23,975,000 and mature on June 1, 2034. The bond's variable rate coupons track the Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index. The bond proceeds were used to finance the cost of certain capital improvements to the City's wastewater system (Headworks and Septic System Conversion Projects). The City entered into an interest rate exchange agreement with respect to the bonds with Royal Bank of Canada. The swap agreement terminates by its term on June 1, 2034. On August 26, 2008, the bonds were remarketed with the issuance of an irrevocable, direct-pay letter of credit by Union Bank of California, N.A. Union Bank renewed the letter of credit through August 26, 2016 on July 17, 2013. On May 5, 2016, MUFG Union Bank (formerly Union Bank of California, N.A.) informed the City that it did not intend to extend this letter of credit beyond August 26, 2016. MUFG Union Bank has subsequently granted extensions of the letter of credit through August 28, 2017. The balance outstanding as of June 30, 2016 is \$16,750,000. The City has pledged all net wastewater revenues and all amounts on deposit in the Revenue Fund for the payment of the 2004 Installment Payments and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2003 Installment Payments (refunded using proceeds of Wastewater Revenue Refunding Bonds Series 2013). The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's wastewater fund. Such obligation exists through the maturity date of the bonds at June 1, 2034.

Additional disclosures are provided in Note V.B.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***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% 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 (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, 2016 is \$10,030,000. The City has pledged all net wastewater revenues and all amounts on deposit in the Revenue Fund for the payment of the 2006 Installment Payments and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2004 Installment Payments (partially refunded using proceeds of Wastewater Revenue Refunding Bonds Series 2014) and 2003 Installment Payments (refunded using proceeds of Wastewater Revenue Refunding Bonds Series 2013). The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's wastewater fund. Such obligation exists through the maturity date of the bonds at June 1, 2036.

### ***Wastewater Revenue Refunding Bonds, Series 2013***

The City has pledged all net system revenues to the payment of the Wastewater Revenue Refunding Bonds, Series 2013. Bonds were issued on October 30, 2013 in the amount of \$21,384,064 to refund \$21,205,000 in outstanding wastewater bonds issued on March 1, 2003. These bonds carry a net interest cost of 2.78% and mature on June 1, 2020. This refunding resulted in an economic gain of \$1,935,850 (difference between the present value of the old bonds and the present value of the new bonds) and a cash flow savings of \$2,115,161. The balance outstanding as of June 30, 2016 is \$12,574,441. The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's wastewater fund. Such obligation exists through the maturity date of the bonds at June 1, 2020.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***Wastewater Revenue Refunding Bonds, Series 2014***

Wastewater Revenue Refunding Bonds, Series 2014 were issued on November 18, 2014 in the amount of \$71,985,000 to refund the Wastewater Revenue Refunding Bonds, Series 2004 issued on June 22, 2004 with outstanding balance of \$80,000,000. These bonds carry a net interest cost of 4.211% and mature on June 1, 2034. The balance outstanding as of June 30, 2016 is \$71,985,000. The City has pledged all net wastewater revenues and all amounts on deposit in the Revenue Fund for the payment of the 2014 Installment Payments and the outstanding Parity Obligations. Parity Obligations as described on these bonds are 2013 Installment Payments, 2006 Installment Payments, and 2004 Installment Payments. The Installment Payments on these bonds are secured by a first priority lien on the net system revenues (as defined in the trust indenture) of the City's wastewater fund. Such obligation exists through the maturity date of the bonds at June 1, 2034.

### ***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 carried a net interest cost of 4.25% and matured 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.

### ***Debt with Pledged Revenue***

The City has pledged all net water system revenues and all amounts on deposit in the Revenue Fund for the payment of the bond Installment Payments and the outstanding Parity Obligations. The water net system revenues will not be used for any other purpose while any of the Installment Payments remain unpaid provided, however, that out of the net water system revenues, there may be apportioned such sums for purposes as permitted by the Installment Purchase Agreements.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Principal and interest paid for the current year and net water revenue were \$14,403,649 and \$10,123,380, respectively. The debt service coverage ratio of 70% is below the ratio required by bond covenants. Those covenants require coverage equal to at least 100% of debt payments plus unrestricted reserves equal to the difference between 125% of principal and interest payments and net water revenues. If the debt coverage ratio is below 100% of principal and interest payments the trustee can declare the bonds in default and pursue remedies provided for in the Installment Purchase Agreement. Management is in the process of preparing for the Proposition 218 notification intended to increase water rates to provide adequate bond coverage in future years.

The City has pledged all net wastewater system revenues and all amounts on deposit in the Revenue Fund for the payment of the bond Installment Payments and the outstanding Parity Obligations. The wastewater net system revenues will not be used for any other purpose while any of the Installment Payments remain unpaid provided, however, that out of the net wastewater system revenues, there may be apportioned such sums for purposes as permitted by the Installment Purchase Agreements.

Principal and interest paid for the current year and net wastewater revenue were \$9,033,728 and \$8,897,534, respectively. The debt service coverage ratio of 98% is below the ratio required by bond covenants. Those covenants require coverage equal to at least 100% of debt payments plus unrestricted reserves equal to the difference between 125% of principal and interest payments and net water revenues. If the debt coverage ratio is below 100% of principal and interest payments the trustee can declare the bonds in default and pursue remedies provided for in the Installment Purchase Agreement. Wastewater fund rate increases went into effect on March 1, 2016 to provide adequate bond coverage in future years.

Measure M, a voter initiative to repeal the rate increase, passed with 72% of the votes in November 2016. However, a court ruling allowed the City to continue to collect the increased rates until the lawsuit against the Measure M initiator is resolved. Management is in the process of preparing for a new Proposition 218 notification intended to increase wastewater rates in case the lawsuit against Measure M fails.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

***Housing Authority 2004 Capital Fund Revenue Bonds*** The Oxnard Housing Authority issued Affordable Housing Agency Certificates of Participation, Series 2004 (Oxnard's Santa Clara Projects) on April 26, 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% to 4.95%, maturing on April 1, 2024. The outstanding balance as of June 30, 2016 is \$2,920,000.

### ***Capital Lease Obligations - Business-type Activities***

On April 23, 2008, the City entered into a Lease Purchase Agreement with Upton & Oliver Funding Corporation for the purpose of acquiring trash containers, costing \$3,436,273, associated with the conversion to a three-cart residential container service. The lease purchase carries an interest rate of 4.13%, with a final maturity of April 23, 2018. The outstanding balance as of June 30, 2016 is \$803,958. The lease payments on these bonds constitute obligations of the City's Environmental Resources Fund. Such obligation exists through the maturity date of the lease at April 23, 2018.

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. Total machinery and equipment acquired under this lease was \$1,066,683. As of June 30, 2016, the total outstanding balance on this line of credit was \$230,735. The lease payments on these bonds constitute obligations of the City's Enterprise Funds. Such obligation exists through the maturity date of the lease at October 1, 2020.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***Interest Rate Swaps***

The City of Oxnard has entered into interest rate swaps to hedge its variable rate bond exposure. The interest rate swaps are reported at fair value. The interest rate swap is level 2 within the fair value hierarchy. All three interest rate swaps qualify for treatment as Hedging Derivative Instruments. Gains or losses on Hedging Derivative Instruments are reported as deferrals in the Statement of Net Position.

#### **1. 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 \$2,784,877 as of June 30, 2016. 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 \$14,750,000 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%. The contract provides that the City of Oxnard pay a fixed interest rate of 4.037% to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68% of the one-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.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

- b. Terms. The bonds and the related swap agreement mature on June 1, 2033, and as of June 30, 2016, the swap's notional amount of \$9,855,000 matches the \$9,855,000 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% and receives a variable payment computed as 68% of one-month LIBOR. The bond's variable rate coupons track the Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.
- c. Risks. The following represent the applicable risks that could give rise to financial loss:
- i. *Credit Risk*. The swap counterparty carries a senior debt rating of 'Aa3' by Moody's and "AA-" by Standard & Poor's as of June 30, 2016. 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, 2016, the City is not adversely exposed to credit risk due to the negative fair value of the swap.
  - ii. *Basis Risk*. The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68% of one-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2016, the SIFMA Municipal Swap Index rate was 0.41%, whereas 68% of one-month LIBOR was 0.32%.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

- 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). Similarly, the counterparty can terminate the swap in the event that the City's credit rating falls below investment grade. The General Fund supported debt of the City carries ratings of A by Standard & Poor'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 Lease Revenue Bonds, (Civic Center Phase 2 Project), Series 2006.** As a result of a decline in interest rates since execution of the swap, the swap has a negative fair value of \$5,235,962 as of June 30, 2016. 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%. The contract provides that the City of Oxnard pay a fixed interest rate of 3.53% to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68% of the one-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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

- b. *Terms.* The bonds and the related swap agreement mature on June 1, 2036, and as of June 30, 2016, the swap's notional amount of \$19,040,000 matches the \$19,040,000 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% and receives a variable payment computed as 68% of one-month LIBOR. The bond's variable rate coupons track the Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.
- c. *Risks.* The following represent the applicable risks that could give rise to financial loss:
- i. *Credit Risk.* The swap counterparty carries a senior debt rating of 'Aa3' by Moody's and "AA-" by Standard & Poor's as of June 30, 2016. 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, 2016, the City is not adversely exposed to credit risk due to the negative fair value of the swap.
  - ii. *Basis Risk.* The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68% of one-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2016, the SIFMA Municipal Swap Index rate was 0.41%, whereas 68% of one-month LIBOR was 0.32%.
  - 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). Similarly, the counterparty can terminate the swap in the event that the City's credit rating falls below investment grade. The General Fund supported debt of the City carries ratings of A by Standard & Poor'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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 3. **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 \$4,606,399 as of June 30, 2016. 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%. The contract provides that the City of Oxnard pay a fixed interest rate of 4.017% to the swap counterparty, the Royal Bank of Canada, in exchange for receiving a variable interest rate based upon 68% of the one-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, 2016, the swap's notional amount of \$16,750,000 matches the \$16,750,000 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% and receives a variable payment computed as 68% of one-month LIBOR. The bond's variable rate coupons track The Securities Industry Financial Markets Association (SIFMA) Municipal Swap Index.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

c. Risks. The following represent the applicable risks that could give rise to financial loss:

- i. *Credit Risk*. The swap counterparty carries a senior debt rating of 'Aa3' by Moody's and "AA-" by Standard & Poor's as of June 30, 2016. 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, 2016, the City is not adversely exposed to credit risk due to the negative fair value of the swap.
- ii. *Basis Risk*. The swap exposes the City to basis risk should the relationship between LIBOR and the SIFMA Municipal Swap Index converge, potentially affecting the synthetic rate on the bonds. If a change occurs in which 68% of one-month LIBOR is greater than the SIFMA swap index, the expected cost savings may be reduced. As of June 30, 2016, the SIFMA Municipal Swap Index rate was 0.41%, whereas 68% of one-month LIBOR was 0.32%.
- 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). Similarly, the counterparty can terminate the swap in the event that the City's credit rating falls below investment grade. The Wastewater Fund supported debt of the City carries ratings of BBB by Standard & Poor'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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Hedging Derivatives Instrument Payments and Hedged Debt**

As of June 30, 2016, debt service requirements of the City's variable-rate debt and net receipts/payments on associated hedging derivatives are shown on pages 99, 100, and 102as 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.

### **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. No arbitrage liability existed at June 30, 2016.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Debt Service

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES (1)			BUSINESS-TYPE ACTIVITIES (2)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2017	\$ 5,180,138	\$ 4,867,671	\$ 10,047,809	\$ 9,435,271	\$ 15,414,287	\$ 24,849,558
2018	5,351,147	4,668,069	10,019,216	9,755,005	15,062,219	24,817,224
2019	5,188,190	4,464,279	9,652,469	9,670,048	14,693,276	24,363,324
2020	6,306,354	4,599,317	10,905,671	10,012,122	14,318,259	24,330,381
2021	6,139,642	4,077,847	10,217,489	10,248,227	13,944,743	24,192,970
2022-2026	26,085,181	16,445,740	42,530,921	55,565,949	60,097,144	115,663,093
2027-2031	29,976,108	9,914,098	39,890,207	70,024,798	46,300,443	116,325,241
2032-2036	22,900,000	3,878,974	26,778,974	71,825,049	26,994,387	98,819,436
2037-2041	3,215,000	7,098,695	10,313,695	50,015,000	8,327,900	58,342,900
<b>TOTALS</b>	<b>\$110,341,760</b>	<b>\$60,014,688</b>	<b>\$170,356,448</b>	<b>\$296,551,469</b>	<b>\$215,152,658</b>	<b>\$511,704,127</b>

### ADJUSTABLE LEASE REVENUE BONDS, SERIES 2003B (1)

FISCAL YEAR	PRINCIPAL	COUNTERPARTY SWAP PAYMENT		INTEREST TO BONDHOLDERS	TOTAL INTEREST	TOTAL
		TO	FROM			
2017	\$ 455,000	\$ 388,977	\$ (31,536)	\$ 40,406	\$ 397,846	\$ 852,846
2018	470,000	371,018	(30,080)	38,540	379,478	849,478
2019	485,000	352,467	(28,576)	36,613	360,504	845,504
2020	495,000	333,325	(27,024)	34,625	340,925	835,925
2021	510,000	313,787	(25,440)	32,595	320,942	830,942
2022-2026	2,790,000	1,254,554	(101,712)	130,319	1,283,160	4,073,160
2027-2031	3,230,000	670,201	(54,336)	69,618	685,483	3,915,483
2032-2036	1,420,000	84,466	(6,848)	8,774	86,392	1,506,392
<b>TOTALS</b>	<b>\$ 9,855,000</b>	<b>\$ 3,768,794</b>	<b>\$ (305,552)</b>	<b>\$ 391,489</b>	<b>\$ 3,854,730</b>	<b>\$ 13,709,730</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ADJUSTABLE LEASE REVENUE BONDS, SERIES 2006 (1)

FISCAL YEAR	PRINCIPAL	COUNTERPARTY SWAP PAYMENT		INTEREST TO BONDHOLDERS	TOTAL INTEREST	TOTAL
		TO	FROM			
2017	\$ 655,000	\$ 654,976	\$ (60,928)	\$ 78,064	\$ 672,112	\$ 1,327,112
2018	680,000	632,444	(58,832)	75,379	648,990	1,328,990
2019	705,000	609,052	(56,656)	72,591	624,986	1,329,986
2020	735,000	584,800	(54,400)	69,700	600,100	1,335,100
2021	760,000	559,517	(52,048)	66,687	574,155	1,334,155
2022-2026	4,255,000	2,384,781	(221,840)	284,233	2,447,173	6,702,173
2027-2031	5,115,000	1,595,989	(148,464)	190,220	1,637,744	6,752,744
2032-2036	6,135,000	648,612	(60,336)	77,306	665,581	6,800,581
<b>TOTALS</b>	<b>\$ 19,040,000</b>	<b>\$ 7,670,168</b>	<b>\$ (713,504)</b>	<b>\$ 914,178</b>	<b>\$ 7,870,841</b>	<b>\$ 26,910,841</b>

### LEASE REVENUE REFUNDING BONDS SERIES 2011 (1)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ 370,000	\$ 1,065,995	\$ 1,435,995
2018	410,000	1,051,195	1,461,195
2019	455,000	1,034,795	1,489,795
2020	505,000	1,017,732	1,522,732
2021	560,000	992,483	1,552,483
2022-2026	3,725,000	4,517,113	8,242,113
2027-2031	5,695,000	3,401,510	9,096,510
2032-2036	8,495,000	1,542,437	10,037,437
<b>TOTALS</b>	<b>\$ 20,215,000</b>	<b>\$14,623,260</b>	<b>\$ 34,838,260</b>

### LEASE REVENUE REFUNDING BONDS SERIES 2014 (1)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ 900,000	\$ 764,900	\$ 1,664,900
2018	935,000	728,900	1,663,900
2019	975,000	691,500	1,666,500
2020	1,020,000	642,750	1,662,750
2021	1,075,000	591,750	1,666,750
2022-2026	6,225,000	2,098,000	8,323,000
2027-2031	4,535,000	460,750	4,995,750
2032-2036	-	-	-
<b>TOTALS</b>	<b>\$ 15,665,000</b>	<b>\$ 5,978,550</b>	<b>\$ 21,643,550</b>

### GAS TAX REVENUE CERTIFICATE OF PARTICIPATION ISSUED 2008 (1)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ 655,000	\$ 1,050,475	\$ 1,705,475
2018	690,000	1,020,300	1,710,300
2019	720,000	992,100	1,712,100
2020	745,000	962,800	1,707,800
2021	775,000	932,400	1,707,400
2022-2026	4,405,000	4,126,262	8,531,262
2027-2031	5,470,000	3,026,784	8,496,784
2032-2036	6,850,000	1,603,459	8,453,459
2037-2041	3,215,000	154,494	3,369,494
<b>TOTALS</b>	<b>\$ 23,525,000</b>	<b>\$13,869,074</b>	<b>\$ 37,394,074</b>

### 2009 MASTER EQUIPMENT LEASE PURCHASE (1)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ 1,147,667	\$ 101,056	\$ 1,248,723
2018	1,121,323	68,276	1,189,599
2019	761,053	36,004	797,057
2020	344,908	9,878	354,786
2021	61,640	1,226	62,866
2022-2026	-	-	-
2027-2031	-	-	-
2032-2036	-	-	-
2037-2041	-	-	-
<b>TOTALS</b>	<b>\$ 3,436,591</b>	<b>\$ 216,440</b>	<b>\$ 3,653,031</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FISCAL YEAR	2012 LEASE PURCHASE (1)			2014 LEASE PURCHASE (1)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2017	\$ 328,710	\$ 152,520	\$ 481,230	\$ 668,761	\$ 688,772	\$ 1,357,533
2018	343,958	140,884	484,842	700,866	655,052	1,355,918
2019	353,797	128,708	482,505	733,340	619,653	1,352,993
2020	1,694,193	465,417	2,159,610	767,253	582,615	1,349,868
2021	1,587,816	142,902	1,730,718	810,186	543,782	1,353,968
2022-2026	-	-	-	4,685,181	2,065,031	6,750,212
2027-2031	-	-	-	5,931,108	758,865	6,689,973
<b>TOTALS</b>	<b>\$ 4,308,474</b>	<b>\$ 1,030,431</b>	<b>\$ 5,338,905</b>	<b>\$ 14,296,695</b>	<b>\$ 5,913,770</b>	<b>\$ 20,210,465</b>

FISCAL YEAR	WATER REVENUE PROJECT BONDS SERIES 2006 (2)		
	PRINCIPAL	INTEREST	TOTAL
2017	\$ 1,105,000	\$ 2,322,548	\$ 3,427,548
2018	1,150,000	2,275,585	3,425,585
2019	1,215,000	2,218,085	3,433,085
2020	1,270,000	2,157,335	3,427,335
2021	1,325,000	2,102,725	3,427,725
2022-2026	7,625,000	9,524,613	17,149,613
2027-2031	10,460,000	7,497,000	17,957,000
2032-2036	23,200,000	4,031,750	27,231,750
<b>TOTALS</b>	<b>\$ 47,350,000</b>	<b>\$ 32,129,641</b>	<b>\$ 79,479,641</b>

FISCAL YEAR	WATER REVENUE PROJECT BONDS SERIES 2010A (2)			WATER REVENUE PROJECT BONDS SERIES 2010B (2)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2017	\$ 1,460,000	\$ 507,925	\$ 1,967,925	\$ -	\$ 5,786,173	\$ 5,786,173
2018	1,535,000	434,925	1,969,925	-	5,786,173	5,786,173
2019	1,610,000	358,175	1,968,175	-	5,786,173	5,786,173
2020	1,695,000	277,675	1,972,675	-	5,786,173	5,786,173
2021	1,770,000	199,925	1,969,925	-	5,786,173	5,786,173
2022-2026	1,865,000	102,575	1,967,575	6,180,000	28,100,309	34,280,309
2027-2031	-	-	-	12,255,000	24,389,750	36,644,750
2032-2036	-	-	-	15,220,000	19,630,330	34,850,330
2037-2041	-	-	-	50,015,000	8,327,900	58,342,900
<b>TOTALS</b>	<b>\$ 9,935,000</b>	<b>\$ 1,881,200</b>	<b>\$ 11,816,200</b>	<b>\$83,670,000</b>	<b>\$ 109,379,154</b>	<b>\$ 193,049,154</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FISCAL YEAR	WATER REVENUE PROJECT BONDS SERIES 2012 (2)			WATER REVENUE REFUNDING BONDS SERIES 2014 (2)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2017	\$ 430,000	\$ 301,069	\$ 731,069	\$ 1,295,245	\$ 1,237,749	\$ 2,532,994
2018	445,000	288,169	733,169	1,344,671	1,188,529	2,533,200
2019	455,000	274,819	729,819	1,392,368	1,137,432	2,529,800
2020	475,000	256,619	731,619	1,446,028	1,084,522	2,530,550
2021	495,000	237,618	732,618	1,503,227	1,029,572	2,532,799
2022-2026	2,785,000	865,044	3,650,044	8,405,949	4,247,052	12,653,001
2027-2031	2,645,000	280,831	2,925,831	10,134,798	2,523,453	12,658,251
2032-2036	-	-	-	7,050,049	542,351	7,592,400
<b>TOTALS</b>	<b>\$ 7,730,000</b>	<b>\$ 2,504,169</b>	<b>\$ 10,234,169</b>	<b>\$32,572,335</b>	<b>\$ 12,990,660</b>	<b>\$ 45,562,995</b>

FISCAL YEAR	WASTEWATER REVENUE BONDS SERIES 2004B (2)					
	COUNTERPARTY SWAP PAYMENT			INTEREST TO	TOTAL	
	PRINCIPAL	TO	FROM	BONDHOLDERS	INTEREST	TOTAL
2017	\$ 1,025,000	\$ 657,773	\$ (53,600)	\$ 68,675	\$ 672,848	\$ 1,697,848
2018	1,050,000	617,520	(50,320)	64,473	631,673	1,681,673
2019	1,085,000	576,287	(46,960)	60,168	589,495	1,674,495
2020	1,110,000	533,679	(43,488)	55,719	545,910	1,655,910
2021	735,000	490,090	(39,936)	51,168	501,322	1,236,322
2022-2026	4,020,000	1,999,236	(162,912)	208,731	2,045,055	6,065,055
2027-2031	4,625,000	1,164,159	(94,864)	121,545	1,190,840	5,815,840
2032-2036	3,100,000	242,456	(20,016)	28,823	251,263	3,351,263
<b>TOTALS</b>	<b>\$ 16,750,000</b>	<b>\$ 6,281,200</b>	<b>\$ (512,096)</b>	<b>\$ 659,302</b>	<b>\$ 6,428,406</b>	<b>\$ 23,178,406</b>

FISCAL YEAR	WASTEWATER REVENUE BONDS SERIES 2006 (2)			WASTEWATER REVENUE REFUNDING BONDS SERIES 2013 (2)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2017	\$ 315,000	\$ 480,330	\$ 795,330	\$ 3,013,176	\$ 349,569	\$ 3,362,745
2018	330,000	466,942	796,942	3,101,192	265,803	3,366,995
2019	345,000	452,752	797,752	3,183,905	179,590	3,363,495
2020	360,000	437,745	797,745	3,276,168	91,077	3,367,245
2021	375,000	421,905	796,905	-	-	-
2022-2026	2,145,000	1,841,590	3,986,590	-	-	-
2027-2031	2,705,000	1,282,500	3,987,500	-	-	-
2032-2036	3,455,000	535,250	3,990,250	-	-	-
<b>TOTALS</b>	<b>\$ 10,030,000</b>	<b>\$ 5,919,014</b>	<b>\$ 15,949,014</b>	<b>\$12,574,441</b>	<b>\$ 886,039</b>	<b>\$ 13,460,480</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### WASTEWATER REVENUE REFUNDING BONDS

#### SERIES 2014 (2)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ -	\$ 3,599,250	\$ 3,599,250
2018		3,599,250	3,599,250
2019		3,599,250	3,599,250
2020		3,599,250	3,599,250
2021	3,675,000	3,599,250	7,274,250
2022-2026	\$ 21,310,000	15,050,750	36,360,750
2027-2031	27,200,000	9,162,750	36,362,750
2032-2036	19,800,000	2,012,250	21,812,250
<b>TOTALS</b>	<b>\$ 71,985,000</b>	<b>\$ 44,222,000</b>	<b>\$ 116,207,000</b>

### 2004 CAPITAL FUND REVENUE BONDS

#### HOUSING AUTHORITY (2)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ 310,000	\$ 136,300	\$ 446,300
2018	320,000	122,970	442,970
2019	335,000	108,890	443,890
2020	355,000	93,815	448,815
2021	370,000	77,485	447,485
2022-2026	1,230,000	122,755	1,352,755
<b>TOTALS</b>	<b>\$ 2,920,000</b>	<b>\$ 662,215</b>	<b>\$ 3,582,215</b>

### 2009 MASTER EQUIPMENT LEASE

#### PURCHASE (1) AND (2)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2017	\$ 88,086	\$ 6,422	\$ 94,508
2018	68,948	3,603	72,551
2019	48,775	1,823	50,598
2020	24,926	369	25,295
<b>TOTALS</b>	<b>\$ 230,735</b>	<b>\$ 12,217</b>	<b>\$ 242,952</b>

### PURCHASE AGREEMENT

#### ISSUE 2008 (2)

PRINCIPAL	INTEREST	TOTAL
\$ 393,764	\$ 29,179	\$ 422,943
410,194	12,750	422,944
-	-	-
-	-	-
<b>\$ 803,958</b>	<b>\$ 41,929</b>	<b>\$ 845,887</b>

\*1 Variable rate used was LIBOR rate .32% as of June 30, 2016.

(1) Governmental activity debt

(2) Business-type activity debt

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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, 2016 is as follows:

	<u>AMOUNT</u>
<b>Rice Avenue/Highway 101 Interchange Assessment District</b>	
Local Obligation Revenue Bonds (2012 Special District Bond Refinancing to refund 1915 Act Limited Obligation Bonds.)	\$ 10,550,000
<b>Rose Avenue/Highway 101 Assessment District</b>	
1915 Act Improvement Bonds	650,000
<b>City of Oxnard Community Facilities District 1 (Westport)</b>	
Local Obligation Revenue Bonds (2012 Special District Bond Refinancing to refund CFD No. 2000-3 Bonds.)	8,180,000
<b>Oxnard Boulevard Interchange Community Facilities District 2000-3</b>	
Local Obligation Revenue Bonds (2012 Special District Bond Refinancing to refund CFD No. 1 Bonds.)	6,490,000
<b>Oxnard Boulevard/Highway 101 Interchange Assessment District 2000-1</b>	
1915 Act Improvement Limited Obligation Bonds	1,805,000
<b>Community Facilities District No. 3</b>	
Special Tax Refunding Bond (Seabridge Mandalay Bay) 2013	<u>26,925,000</u>
<b>TOTAL</b>	<u><u>\$ 54,600,000</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### H. Compensated absences

The accrual for compensated absences was reported as follows as of June 30, 2016:

	BALANCE JULY 1, 2015	ADDITIONS	PAYMENTS	BALANCE JUNE 30, 2016	DUE WITHIN ONE YEAR
<b>GOVERNMENTAL ACTIVITIES</b>					
General Fund	\$15,552,641	\$ 8,341,246	\$ 9,937,315	\$13,956,572	\$10,000,000
Internal Service Fund	<u>901,302</u>	<u>521,559</u>	<u>653,848</u>	<u>769,013</u>	<u>574,719</u>
	<u>16,453,943</u>	<u>8,862,805</u>	<u>10,591,163</u>	<u>14,725,585</u>	<u>10,574,719</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Water	481,955	301,520	364,696	418,779	365,000
Wastewater	643,336	496,122	484,351	655,107	486,000
Environmental resources	959,342	659,943	676,594	942,691	675,000
Oxnard Housing Authority	<u>517,528</u>	<u>364,625</u>	<u>406,098</u>	<u>476,055</u>	<u>34,268</u>
	<u>2,602,161</u>	<u>1,822,210</u>	<u>1,931,739</u>	<u>2,492,632</u>	<u>1,560,268</u>
<b>TOTALS</b>	<u>\$19,056,104</u>	<u>\$10,685,015</u>	<u>\$12,522,902</u>	<u>\$17,218,217</u>	<u>\$12,134,987</u>

### I. Fund balances

The following funds/subfunds had deficit fund balances as of June 30, 2016:

	AMOUNT
General Fund-OPD Training	\$ 522
CALHOME Program-State	152,537
LMD #9-Strawberry Fields	374
LMD #7/8-Northfield Bus.	518
LMD #10-Country Club	273
LMD #11-St. Tropaz	613
LMD #12-Standard Pacific	192
LMD #16-Lighthouse	1,448
LMD #15-Pelican Pointe	94
LMD #17-San Miguel	50
LMD #22-Mc Donalds Median	20
LMD #27- Rose Island	203
LMD #31-Rancho De La Rosa	5,168
Water Resources Grant-State	11,613
TDA/LTF8-Cip Fund-99400a	512
State Term Grants Funds	32,724
State/Local-MY Grants	7,188
Homeland Security Grant	20,558
Emergency Shelter Grant	3,717
CDBG Entitlement	13,478

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### III. DEFINED BENEFIT PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

#### California Public Employees' Retirement System

##### A. Retirement Plan Description

The City contributes to the California Public Employees' Retirement System (CalPERS), an agent 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 participates in the single-employer plan for its Miscellaneous 2% at 55 and 2% at 62 and Police 3% at 50 and 2.7% at 57, and in the risk pool sharing plan for its Fire 3% at 50 and 2.7% at 57. Benefit provisions and all other requirements are established by State statutes within the Public Employees' Retirement Law. City of Oxnard selects optimal benefit provisions and adopts those benefits through local ordinance. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 "P" Street, Sacramento, CA 95814 or from the CalPERS website <http://www.calpers.ca.gov>.

During the year ended June 30, 2013, the California's Public Employees' Pension Reform Act (PEPRA) went into effect. PEPRA requires new benefits and member contributions for new members as defined by PEPRA that are hired after January 1, 2013. Employees who were CalPERS members before January 1, 2013 are considered "Classic members."

##### B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment.

Classic members or PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members become eligible for retirement at age 52 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The benefit factor depends on the benefit formula specified in the employer's contract. The years of service is the amount credited by CalPERS to a member while he or she is employed in this group. The final compensation is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

All members are eligible for nonduty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The standard death benefit for Safety members is the Special Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

### C. **Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially-determined rate and the contribution rate of employees.

Participants in the Miscellaneous and Safety plans are required to contribute a percentage of their annual covered salary. With the exception of the PEPRA members, the City pays the contributions required of City employees on their behalf. The City is required to contribute the actuarially-determined remaining amounts necessary to fund the benefits for its members.

For the year ended June 30, 2016, the City's total contributions for the Miscellaneous and Safety Plans were \$22,332,568. The City's contributions recognized as part of the pension expense for the year ended June 30, 2015 was \$21,148,439 for the Miscellaneous and Safety Plans.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The Plan's provisions and benefits in effect at June 30, 2016 are summarized as follows:

	<b>Miscellaneous</b>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Hire date		
Benefit formula	2.0% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	1.43% to 2.42%	1.00% to 2.50%
Required employee contribution rates	7.00%	6.75%
Required employer contribution rates	15.907%	15.907%

	<b>Safety-Police</b>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Hire date		
Benefit formula	3.0% at 50	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+
Monthly benefits, as a % of eligible compensation	3.00%	2.00% to 2.70%
Required employee contribution rates	9.00%	15.00%
Required employer contribution rates	40.514%	40.514%



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<b>Safety-Fire</b>	
	Prior to	On or After
Hire date	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Benefit formula	3.0% at 50	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+
Monthly benefits, as a % of eligible compensation	3.00%	2.00% to 2.70%
Required employee contribution rates	9.00%	13.73%
Required employer contribution rates	38.283%	38.283%

At June 30, 2015 (measurement date), the following employees were covered by the benefit terms of the Plan:

	<b>Number of Members</b>		
<u>Description</u>	<u>Miscellaneous</u>	<u>Safety-Police</u>	<u>Safety-Fire</u>
Active members	1024	233	91
Transferred members	530	35	24
Terminated members	1223	28	9
Retired members and beneficiaries	<u>889</u>	<u>246</u>	<u>127</u>
<b>TOTALS</b>	<u><u>3,666</u></u>	<u><u>542</u></u>	<u><u>251</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### D. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.65% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table <sup>1</sup>	Derived using CalPERS Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

<sup>1</sup> The mortality table was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

### E. Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially-assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Rate of Return <sup>(1)</sup> Years 1 - 10	Rate of Return <sup>(2)</sup> Years 11+
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

<sup>(1)</sup> An expected inflation of 2.5% used for this period

<sup>(2)</sup> An expected inflation of 3.0% used for this period

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### F. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

The City's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. The following tables show the plan fiduciary net position and the net pension liabilities for the Miscellaneous and Safety-Police Plans and the respective changes in net pension liabilities recognized over the measurement period.

<b>Miscellaneous Plan</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
Balance at June 30, 2014 (Valuation Date)	<u>\$396,091,719</u>	<u>\$318,590,584</u>	<u>\$77,501,135</u>
Changes Recognized for the Measurement Period			
Service cost	7,317,452		7,317,452
Interest on the total pension liability	29,025,141		29,025,141
Changes of assumptions	(7,345,091)		(7,345,091)
Differences between expected and actual experience	(4,271,504)		(4,271,504)
Plan to plan resource movement		216,371	(216,371)
Employer contributions		7,237,123	(7,237,123)
Employee contributions (paid by employer)		3,701,640	(3,701,640)
Net investment income		7,288,474	(7,288,474)
Benefit payments, included refunds of employee contributions	(17,440,515)	(17,440,515)	
Administrative expense	-	(445,021)	445,021
Net changes	<u>7,285,483</u>	<u>558,072</u>	<u>6,727,411</u>
<b>Balance at June 30, 2015 (Measurement Date)</b>	<u><b>\$403,377,202</b></u>	<u><b>\$319,148,656</b></u>	<u><b>\$84,228,546</b></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>Safety-Police Plan</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
Balance at June 30, 2014 (Valuation Date)	<u>\$305,468,130</u>	<u>\$234,533,148</u>	<u>\$70,934,982</u>
Changes Recognized for the Measurement Period			
Service cost	8,136,777		8,136,777
Interest on the total pension liability	22,863,767		22,863,767
Changes of assumptions	(5,993,052)		(5,993,052)
Differences between expected and actual experience	2,113,477		2,113,477
Employer contributions		9,907,130	(9,907,130)
Employee contributions (paid by employer)		2,531,718	(2,531,718)
Net investment income		5,184,911	(5,184,911)
Benefit payments, included refunds of employee contributions	(13,568,341)	(13,568,341)	-
Administrative expense	-	(268,265)	268,265
Net changes	<u>13,552,628</u>	<u>3,787,153</u>	<u>9,765,475</u>
<b>Balance at June 30, 2015 (Measurement Date)</b>	<u><b>\$319,020,758</b></u>	<u><b>\$238,320,301</b></u>	<u><b>\$80,700,457</b></u>

The following shows the Safety-Fire Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

<b>Safety-Fire Plan</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>	<b>Proportionate Share of the Collective Net Pension Liability</b>
Balance at June 30, 2014 (Valuation Date)	\$136,331,425	\$102,818,902	\$33,512,523	.53857%
Net changes during 2014-2015	<u>3,300,907</u>	<u>(912,275)</u>	<u>4,213,182</u>	<u>.01105%</u>
<b>Balance at June 30, 2015 (Measurement Date)</b>	<u><b>\$139,632,332</b></u>	<u><b>\$101,906,627</b></u>	<u><b>\$37,725,705</b></u>	<u><b>.54962%</b></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The City's proportionate share of the collective net pension liability was determined by CalPERS based on the following allocation methodology:

The schedules of employer allocation by rate plan include three ratios:

- (1) *Actuarial Accrued Liability*- Determined based on the Actuarial Accrued Liability from the most recent Actuarial Valuation Report as of June 30, 2014 used for funding purposes.
- (2) Market Value of Assets - Determined based on the sum of the Market Value of Assets (MVA) from the most recent Actuarial Valuation as June 30, 2014 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.
- (3) Contributions - Determined based on the legally- or statutorily-required employer contributions for the fiscal year ended June 30, 2015, including reported contribution adjustments and suspended payroll information. Legally or statutorily required employer contributions were determined by multiplying the employer's contribution rate by the annual benefit compensation (payroll) for the fiscal year and excluding payments for benefit improvements known as Golden Handshakes, which CalPERS considers to be separately financed employer-specific liabilities.

The total pension liability was allocated based on the rate plan's share of the Actuarial Accrued Liability. The fiduciary net position was allocated based on the rate plan's share of the Market Value of Assets. The net pension liability was derived by subtracting the fiduciary net position from the total pension liability. Deferred outflows of resources, deferred inflows of resources, and pension expense were allocated based on the rate plan's share of contributions.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2016, the City recognized pension expense of \$2,997,702, \$8,661,985, and \$3,026,078 for the Miscellaneous, Safety-Police and Safety-Fire Plans, respectively. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date:		
Miscellaneous Plan	\$ 7,636,986	\$ -
Safety-Police	10,490,993	
Safety-Fire	4,204,589	
Net difference between projected and actual earnings on pension plan investments:		
Miscellaneous Plan		2,883,639
Safety-Police		1,818,197
Safety-Fire		1,227,867
Changes of assumptions		
Miscellaneous Plan		4,975,707
Safety-Police		4,794,442
Safety-Fire		2,422,755
Differences between expected and actual experiences		
Miscellaneous Plan		2,893,599
Safety-Police	1,690,782	
Safety-Fire		526,759
Change in proportion		
Miscellaneous Plan	1,473,082	1,473,083
Safety-Fire	2,687,735	
Difference between the employer's contributions and the employer's proportionate share of contributions	395,786	-
<b>TOTALS</b>	<u>\$ 28,579,953</u>	<u>\$ 23,016,048</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred outflows of resources related to contributions subsequent to the measurement date of \$22,332,568 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2016	\$ (8,972,546)
2017	(8,948,570)
2018	(5,505,096)
2019	<u>6,674,602</u>
<b>TOTAL</b>	<b><u>\$ (16,751,610)</u></b>

### G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	<u>Discount Rate - 1% (6.65%)</u>	<u>Current Discount Rate (7.65%)</u>	<u>Discount Rate + 1% (8.65%)</u>
<b><u>Net Pension Liability (Asset)</u></b>			
Miscellaneous Plan	\$ 140,229,117	\$ 84,228,546	\$ 38,199,729
Safety-Police	127,016,037	80,700,457	43,037,539
Safety-Fire	<u>56,870,722</u>	<u>37,725,853</u>	<u>22,027,142</u>
<b>TOTALS</b>	<b><u>\$ 324,115,876</u></b>	<b><u>\$ 202,654,856</u></b>	<b><u>\$ 103,264,410</u></b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### Public Agency Retirement System Retirement Enhancement Plan

#### A. Plan Description

The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS), an agent single-employer plan, effective January 1, 2003 for selected groups of miscellaneous employees (nonsafety), Service Employees International Union (SEIU), International Union of Operating Engineers (IUOE), Management, and one of the two groups of Confidential employees. PARS is a defined benefit 401 (a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. 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.

#### B. Benefits Provided

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.

At June 30, 2015, the following employees were covered by the benefit:

Description	Number of Members
Active members	523
Inactives entitled to benefit payments	112
Inactives currently receiving benefit payments	303
<b>TOTAL</b>	<b>938</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### C. Contributions

Employees and the City contribute a total of 8% of eligible employees' gross wages. Current employee and City contributions by employee groups are as follows:

	<u>City Contributions</u>	<u>Employee Contributions</u>
IUOE	2.70%	5.30%
SEIU	3.50%	4.50%
Management and confidential	3.00%	5.00%

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. The actuarially determined contribution for the fiscal year ended June 30, 2016 was 12% of eligible employee gross wages. The City contributed \$6,586,000 to PARS for the year ended June 30, 2016. The contributions recognized as part of the pension expense for the plan was \$1,043,000.

### D. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB 68
Actuarial Assumptions	
Discount Rate	6.50%
Inflation	3.00%
Mortality, Retirement, Disability, Termination	CalPERS 1997-2011 Experience Study
Investment Rate of Return	6.50%
Salary Increases	Merit payroll increases; Aggregate 3.25%
Mortality Improvement	Mortality projected fully generational with Scale MP-14, modified to converge to ultimate improvement rates in 2022

### E. Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.50%. The pension trust is projected to have sufficient assets to pay benefits per the Plan's current contribution policy.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The long-term expected rate of return on pension plan investments was based on an assumed long-term asset allocation of 60% equities, 35% fixed, and 5% cash.

### F. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

The City's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of the PARS Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015.

The following table shows the net pension liabilities for the Plan and the respective changes in net pension liabilities recognized over the measurement period.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014 (Valuation Date)	\$81,536,000	\$50,571,000	\$30,965,000
Changes Recognized for the Measurement Period			
Service cost	2,043,000		2,043,000
Interest on the total pension liability	5,545,000		5,545,000
Changes of assumptions	5,436,000		5,436,000
Differences between expected and actual experience	(3,736,000)		(3,736,000)
Employer contributions		1,043,000	(1,043,000)
Employee contributions (paid by employer)		2,922,000	(2,922,000)
Net investment income		2,133,000	(2,133,000)
Benefit payments, included refunds of employee contributions	(2,866,000)	(2,866,000)	-
Administrative expenses	-	(68,000)	68,000
Net changes	6,422,000	3,164,000	3,258,000
<b>Balance at June 30, 2015 (Measurement Date)</b>	<b>\$87,958,000</b>	<b>\$53,735,000</b>	<b>\$34,223,000</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2016, the City recognized pension expense of \$1,123,000, for the PARS Plan. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 6,426,965	\$ -
Net difference between projected and actual earnings on pension plan investments		1,281,000
Changes in assumptions	4,313,000	
Differences between expected and actual experiences	-	2,964,000
<b>TOTALS</b>	<u>\$ 10,739,965</u>	<u>\$ 4,245,000</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$6,586,000 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2017	\$ (163,000)
2018	(163,000)
2019	(165,000)
2020	559,000
<b>TOTAL</b>	<u>\$ 68,000</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	Discount Rate - 1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate + 1% (7.50%)
Net Pension Liability	<u>\$ 46,614,000</u>	<u>\$ 34,223,000</u>	<u>\$ 24,042,000</u>

**Early Retirement Incentive Plan**

The City adopted through resolution number 13,893 a supplemental retirement plan to forty eight (48) eligible employees. This plan is administered by Phase II Systems, PARS Trust Administrator. The level of benefit is 7% of the employee's final base pay, payable through the employee's lifetime, with an option of payment for five (5) to ten (10) years, at the employee's election. The City's payable to the plan at June 30, 2016 is \$559,603, payable through 2020 at annual payments ranging from \$63,314 to \$154,543.

**Deferred Compensation Plan**

The City sponsors a deferred compensation plan that qualifies under Section 457(b) of the Internal Revenue Code (IRC). The Plan accepts payroll-deducted contributions for participant-directed investing. Contributions are limited to an annual maximum amount as established under the IRC. Employee salary reduction contributions are tax deferred and are immediately 100% vested. The assets of the Plan are held in trust for the exclusive benefit of plan participants and their beneficiaries. Plan assets are not the property of the City or subject to the claims of the City's general creditors.

**Post-employment Health Care Benefits**

**A. Plan Description**

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

### B. 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 2016 was \$122. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City contribution.

The City's annual OPEB cost and the net OPEB obligation for fiscal year 2015-2016 is as follows:

	FY 2016
Annual Required Contribution (ARC)	\$ 2,590,311
Interest on Net OBEP Obligation	413,615
Amortization adjustment to ARC	<u>(597,985)</u>
Annual OPEB Cost	2,405,941
Employer Contribution	<u>(1,025,580)</u>
Change in OPEB Obligation	1,380,361
Net OPEB Obligation, 6/30/15	<u>10,340,386</u>
<b>NET OPEB OBLIGATION, 6/30/16</b>	<b><u>\$ 11,720,747</u></b>

### C. Annual OPEB Cost and Net OPEB Obligation

For fiscal 2015-2016, the City's annual OPEB cost of \$2,405,941 was higher than the actual contribution. The City's annual OPEB cost, actual contribution, percentage of annual OPEB cost contributed, and the net OPEB obligation for the current year and prior fiscal year were as follows:

FISCAL YEAR ENDED	ANNUAL OPEB COST	ACTUAL CONTRIBUTION	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATION
6-30-14	\$ 1,522,202	\$ 402,813	26.5	\$ 9,267,865
6-30-15	1,502,243	442,507	29.5	10,340,386
6-30-16	2,405,941	1,025,580	42.6	11,720,747

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	AMOUNT
Actuarial accrued liability (AAL)	\$ 25,758,026
Actuarial value of plan assets	-
<b>UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)</b>	<b><u>\$ 25,758,026</u></b>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 83,614,319
UAAL as a percentage of covered payroll	30.81%

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Valuations as of July 1, 2015 are based on the following assumptions:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	30-Year level dollar, open period
Discount Rate	4.00% per annum
Return on Assets	4.00% per annum
Pre-retirement Turnover	According to the Crocker-Sarason Table T-5 less mortality, without adjustment
Pre-retirement Mortality	RP-2014 Employee Mortality, without projection
Post-retirement Mortality	RP-2014 Healthy Annuitant Mortality, without projection

Retirement Rates	Age	Percent Retiring
		%
	50-51	4.0
	52	85.0
	53	6.0
	54	8.0
	55	10.0
	56	12.0
	57-59	7.0
	60-61	12.0
	62	20.0
	63-64	15.0
	65	25.0
	66	20.0
	67	100.0

Trend Rate Healthcare costs were assumed to increase according to the following schedule:

FYB	Medical/ Rx	Medical CPI
2015	8.0%	3.5%
2016	7.0%	3.5%
2017	6.0%	3.5%
2018+	5.0%	3.5%

Percent Waiving Coverage	Police - 10% (applies to future retirees only)
	All other groups - 40% (applies to future retirees only)
Percent of Retirees with Spouses	Future retirees: 60% of future retirees were assumed to have spouses at the time of retirement. Female spouses assumed three years younger than male spouses.
	Current Retirees: Based on actual spousal data
PEMHCA Administrative Fee	0.32% of PEMHCA premium, paid by City



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The City provides general liability and workers' compensation insurance under self-insurance programs with an annual limit per occurrence of \$1 million for each program. Excess insurance in the layer of \$1 million to \$25 million is purchased for general liability and \$200 million per year for workers' compensation. The City contracts with outside service agencies to assist in the administration of the self-insurance programs. Estimated liabilities related to outstanding workers' compensation and public liability claims, including estimates for incurred but not reported claims, are based upon actuarial studies and are recorded in internal service funds.

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

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

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 \$18,354,148 recorded at June 30, 2016, 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%. 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 2015-2016 was \$771,044. During the past five-year period, the average claims filed each year for general liability amounted to 179 claims totaling \$1,509,242 per year (an average of \$8,432 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, (213) 896-8900.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2016 was \$3,534,312. The following schedule presents the changes in self-insurance claims liabilities for the past two years:

	PUBLIC LIABILITY AND PROPERTY DAMAGE	
	FY 2015-2016	FY 2014-2015
<b>Unpaid claims and claims adjustment expenses - July 1</b>	<u>\$ 3,132,779</u>	<u>\$ 3,706,141</u>
Incurred Claims and Claims Adjustment Expenses		
Increase (decrease) in provision for insured events	14,503	(1,022,149)
Increase (decrease) in actuarially incurred but not reported claims (IBNR)	<u>387,030</u>	<u>448,787</u>
<b>Total Incurred Claims and Claims Adjustment Expenses</b>	<u>401,533</u>	<u>(573,362)</u>
Unpaid claims and claims adjustment expenses - June 30	<u>\$ 3,534,312</u>	<u>\$ 3,132,779</u>
<b>CLAIMS AND JUDGMENTS DUE WITHIN ONE YEAR</b>	<u>\$ 1,724,050</u>	<u>\$ 1,709,046</u>

### 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.

The City's contribution for workers' compensation liability coverage in fiscal year 2015-2016 was \$250,564.

Within the City's self-insured program for workers' compensation, there has been an average of 221 claims filed per year for the past five years, with an average of approximately \$4,589,918 per year in total reported losses (an average of \$20,769 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, 2016 was \$14,819,836.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	WORKERS' COMPENSATION	
	FY 2015-2016	FY 2014-2015
<b>Unpaid claims and claims adjustment expenses - July 1</b>	<u>\$13,036,392</u>	<u>\$12,181,882</u>
Incurred Claims and Claims Adjustment Expenses		
Increase (decrease) in provision for insured events	660,806	1,063,039
Increase (decrease) in actuarially incurred but not reported claims (IBNR)	<u>436,512</u>	<u>(208,529)</u>
<b>Total Incurred Claims and Claims Adjustment Expenses</b>	<u>1,097,318</u>	<u>854,510</u>
Unpaid claims and claims adjustment expenses - June 30	<u>\$14,133,710</u>	<u>\$13,036,392</u>
<b>CLAIMS AND JUDGMENTS DUE WITHIN ONE YEAR</b>	<u>\$ 4,852,832</u>	<u>\$ 4,878,152</u>

### V. OTHER INFORMATION

#### A. Commitments and Contingencies

As of June 30, 2016, the City had significant construction commitments as follows:

	AMOUNT
Governmental Activities	\$ 31,824,475
Water Fund	26,492,610
Wastewater Fund	33,464,882
Information Systems	287,996
CDC Successor Agency	<u>4,760,952</u>
<b>TOTAL</b>	<u>\$ 96,830,915</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of June 30, 2016, the following are outstanding significant governmental and proprietary fund encumbrances that are not reflected in the committed or assigned fund balances of governmental funds or restricted fund balances of proprietary funds.

	<u>AMOUNT</u>
<b>GOVERNMENTAL FUNDS</b>	
General Fund*	\$ 2,681,807
Other nonmajor funds	<u>2,435,493</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u><u>\$ 5,117,300</u></u>
<b>PROPRIETARY FUNDS</b>	
Water funds	\$ 4,475,371
Wastewater funds	3,252,622
Environmental resources funds	8,080,178
Internal service funds	<u>34,293</u>
<b>TOTAL PROPRIETARY FUNDS</b>	<u><u>\$ 15,842,464</u></u>

\* Includes \$648,000 of Measure "O" encumbrances.

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 that has not been accrued in these financial statements.

The City has received significant financial assistance from numerous federal governmental agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the City's financial position at June 30, 2016.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### B. Risks and Uncertainties

As discussed in Note II.G. Long-Term Liabilities, on August 1, 2008, the City entered into three separate letter of credit and reimbursement agreements with MUFG Union Bank (formerly Union Bank of California, N.A.) relating to the Variable Rate Demand Lease Revenue Bonds, Series 2003B, Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006 and Wastewater Revenue Bonds, Series 2004B (the bonds). On July 17, 2013, Union Bank renewed the letters of credit through August 26, 2016. In addition, the City entered into interest rate exchange agreements (swap) with respect to the bonds with Royal Bank of Canada. The swap agreements terminate by its term on June 1, 2033.

On May 5, 2016, MUFG Union Bank informed the City that it is not intending to extend these letters of credit beyond August 26, 2016. MUFG Union Bank subsequently extended the letters of credit through August 28, 2017. The City is in the process of contacting and providing information to institutions that will consider replacing the letters of credit.

Before terminating the letters of credit, MUFG Union Bank could notify bondholders of the termination and allow them to tender bonds to the bank. Bonds tendered would be owned by the bank under the terms of the agreement and would bear interest at a rate of 6.0% pursuant to the terms of the letter of credit.

The Wastewater Revenue Bonds, Series 2004B, unlike the variable rate demand bonds supported by the General Fund, are associated with additional risks. Recent rate increases were partially offset by reductions in Wastewater Fund revenues. Declines in the variable portion of fund revenue are related to drought water conservation efforts of ratepayers. In addition, a ballot measure to roll back the recent rate increases passed in November 2016.

If Standard & Poor's rating for these bonds drops below BBB, Royal Bank of Canada could terminate the swap. If that occurred, the Wastewater Fund would be liable for a termination payment estimated at \$4,606,399 at June 30, 2016.

A lawsuit was filed by the City to overturn the ballot measure. A court ruling allows the City to continue collecting the new rates until the lawsuit is resolved. The case is scheduled to be heard in July 2017. Management thinks recent rate increases will let the City meet its contractual obligations to bondholders and that the law prevents a voter initiative from impairing this contract.

The City is also preparing to issue a Proposition 218 notification to obtain approval of another round of increases in wastewater as well as water rates by July 2017.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**C. Notes to the Financial Statements - Successor Agency**

**a. Reporting Entity**

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

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

**b. Cash and Investments**

Cash and investments with fiscal agents of the Successor Agency are comprised of the following at June 30, 2016:

	FAIR VALUE
Deposits and investments	\$ 15,651,337
Investments with fiscal agents	12,508,401
<b>TOTAL</b>	<u><u>\$ 28,159,738</u></u>

Detailed notes on cash and cash investments can be found on the City's notes to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### c. Notes Receivable

Notes receivable consists of the following:

	Balance			Balance
	July 1, 2015	Additions	Deletions	June 30, 2016
Ruby's Café	\$ 503,372	\$ -	\$ 503,372	\$ -
Downtown Theater Loan Guaranty	61,300	-	-	61,300
Heritage Square	66,982	-	-	66,982
Downtown Renewal Project	2,184,975	-	-	2,184,975
Oxnard Theater Group	1,392,300	-	-	1,392,300
Baldwin Company	17,873	-	-	17,873
Strand Cinemas	813,368	-	42,797	770,571
Allowance for uncollectible	<u>(3,638,575)</u>	<u>-</u>	<u>-</u>	<u>(3,638,575)</u>
<b>TOTALS</b>	<u>\$ 1,401,595</u>	<u>\$ -</u>	<u>\$ 546,169</u>	<u>\$ 855,426</u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### d. Capital Assets (Unaudited)

Changes in the Successor Agency's capital assets for the year ended June 30, 2016 are as follows:

	BALANCE JULY 1, 2015	INCREASES	DECREASES	BALANCE JUNE 30, 2016
<b>FIDUCIARY ACTIVITIES</b>				
Capital Assets, Not Being				
Depreciated				
Land	\$ 1,221,289	\$ -	\$ -	\$ 1,221,289
Construction in progress	4,072,682	-	677,533	3,395,149
<b>Total Capital Assets, Not Being Depreciated</b>	<u>5,293,971</u>	<u>-</u>	<u>677,533</u>	<u>4,616,438</u>
Capital Assets, Being				
Depreciated				
Buildings	905,636	-	-	905,636
Improvements other than buildings	53,953,171	-	-	53,953,171
Equipment and machinery	89,082	-	-	89,082
Infrastructure	4,681,332	677,534	-	5,358,866
<b>Total Capital Assets, Being Depreciated</b>	<u>59,629,221</u>	<u>677,534</u>	<u>-</u>	<u>60,306,755</u>
Less: Accumulated Depreciation				
Buildings	(480,997)	(17,171)	-	(498,168)
Improvements other than buildings	(11,626,433)	(1,310,914)	-	(12,937,347)
Equipment and machinery	(88,982)	(100)	-	(89,082)
Infrastructure	-	(75,377)	-	(75,377)
<b>Total Accumulated Depreciation</b>	<u>(12,196,412)</u>	<u>(1,403,562)</u>	<u>-</u>	<u>(13,599,974)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>47,432,809</u>	<u>(726,028)</u>	<u>-</u>	<u>46,706,781</u>
<b>TOTALS</b>	<u>\$ 52,726,780</u>	<u>\$ (726,028)</u>	<u>\$ 677,533</u>	<u>\$ 51,323,219</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### e. Long-Term Obligations

The following is a summary of changes in the Successor Agency's long-term obligations for the year ended June 30, 2016:

	BALANCE JULY 1, 2015	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2016	DUE WITHIN ONE YEAR
Tax allocation refunding bonds Series 2004A	\$ 11,630,000	\$ -	\$ 840,000	\$ 10,790,000	\$ 870,000
Tax allocation bond financing Series 2006	17,115,000	-	515,000	16,600,000	540,000
HERO project tax allocation bonds Series 2008	10,655,000	-	215,000	10,440,000	220,000
Less: Unamortized discounts	(81,042)	-	(57,646)	(23,396)	-
<b>TOTAL LONG-TERM INDEBTEDNESS</b>	<b>\$ 39,318,958</b>	<b>\$ -</b>	<b>\$ 1,512,354</b>	<b>\$ 37,806,604</b>	<b>\$ 1,630,000</b>

### Description of Long-term Debt

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

Tax Allocation Refunding Bonds, Series 2004A were issued on May 4, 2004 in the amount of \$19,185,000. These are twenty-two-year bonds with a net interest cost of 4.58%. 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, 2016 is \$10,790,000.

#### ***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%, maturing on September 1, 2036. The outstanding balance as of June 30, 2016 is \$16,600,000.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***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 River Park Specific Plan Area. These bonds carry a net interest cost of 4.849%, with a final maturity of September 1, 2038. The outstanding balance as of June 30, 2016 is \$10,440,000.

### **Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and financings. Liabilities were calculated for the issues and rebate payments were made as appropriate. No arbitrage liability existed at June 30, 2016.

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

FISCAL YEAR	TAX ALLOCATION REFUNDING BONDS 2004A		TAX ALLOCATION BONDS SERIES 2006		HERO PROJECT TAX ALLOCATION BONDS SERIES 2008	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2017	\$ 870,000	\$ 488,525	\$ 540,000	\$ 680,496	\$ 220,000	\$ 483,338
2018	910,000	451,471	555,000	660,509	235,000	473,138
2019	945,000	411,240	580,000	639,366	240,000	462,438
2020	990,000	367,498	600,000	616,866	255,000	451,338
2021	875,000	324,445	620,000	592,841	270,000	440,838
2022-2026	5,040,000	931,814	3,495,000	2,559,842	1,505,000	2,020,666
2027-2031	1,160,000	28,710	4,290,000	1,747,113	1,880,000	1,639,300
2032-2036	-	-	5,290,000	730,069	2,410,000	1,119,319
2037-2041	-	-	630,000	13,781	3,425,000	281,319
<b>TOTALS</b>	<b>\$ 10,790,000</b>	<b>\$ 3,003,703</b>	<b>\$ 16,600,000</b>	<b>\$ 8,240,883</b>	<b>\$ 10,440,000</b>	<b>\$ 7,371,694</b>

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **f. Commitments and Contingencies**

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

The Successor Agency entered into an agreement with a developer that includes a guarantee to cover its lease expense up to \$111,000 a month when the developer's revenues are not sufficient to cover its lease expense for a period of 25 years.

The CDC Successor Agency has a reimbursement agreement with a developer to reimburse public improvements and affordable housing costs up to a maximum of \$14.25 million. As of June 30, 2016, the remaining balance on the commitment is approximately \$7 million.

### **D. Notes to the Financial Statements - Retirement Enhancement Defined Benefit Retirement Trust Fund**

The City joined the Public Agency Retirement System Retirement Enhancement Plan (PARS) effective January 1, 2003 for selected employee groups (see Note III for additional information on PARS). Investments for the benefit of eligible employees are in a segregated account and invested under the guidelines authorized by the City.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**CITY OF OXNARD, CALIFORNIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CALPERS MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER DEFINED**  
**BENEFIT PLAN**

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2016	2015
MEASUREMENT PERIOD	June 30, 2015	June 30, 2014
Total Pension Liability		
Service cost	\$ 7,317,452	\$ 7,507,381
Interest	29,025,141	27,937,746
Changes in assumptions	(7,345,091)	-
Difference between expected and actual experience	(4,271,504)	-
Benefit payments, including refunds of member contributions:	<u>(17,440,515)</u>	<u>(16,205,985)</u>
Net change in total pension liability	7,285,483	19,239,142
Total pension liability, beginning of year	<u>396,091,719</u>	<u>376,852,577</u>
Total pension liability, end of year	<u>403,377,202</u>	<u>396,091,719</u>
Plan Fiduciary Net Position		
Contributions - employee	3,701,640	3,730,681
Contributions - employer	7,237,123	6,858,454
Net investment income (2)	7,288,474	47,653,092
Benefit payments, including refunds of member contributions	(17,440,515)	(16,205,985)
Plan to plan resource movement	216,371	-
Administrative expenses	<u>(445,021)</u>	<u>-</u>
Net change in plan fiduciary net position	558,072	42,036,242
Total plan fiduciary net position, beginning of year	<u>318,590,584</u>	<u>276,554,342</u>
Total plan fiduciary net position, end of year	<u>319,148,656</u>	<u>318,590,584</u>
Net pension liability - ending	<u>\$ 84,228,546</u>	<u>\$ 77,501,135</u>
Plan fiduciary net position as a percentage of total pension liability	79.12%	80.43%
Covered-employee payroll (3)	51,974,236	50,863,015
Net pension liability as a percentage of covered-employee payroll	162.06%	152.37%

(1) GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

(2) The amount for FY 2015 is net of administrative expenses.

(3) Covered-employee payroll presented is based on pensionable earnings provided by the City.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

**CITY OF OXNARD, CALIFORNIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CALPERS SAFETY PLAN (POLICE) - AGENT MULTIPLE-EMPLOYER DEFINED**  
**BENEFIT PLAN**

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD	2016 June 30, 2015	2015 June 30, 2014
Total Pension Liability		
Service cost	\$ 8,136,777	\$ 8,379,851
Interest	22,863,767	21,472,209
Changes in assumptions	(5,993,052)	-
Difference between expected and actual experience	2,113,477	-
Benefit payments, including refunds of member contributions:	<u>(13,568,341)</u>	<u>(12,980,263)</u>
Net change in total pension liability	13,552,628	16,871,797
Total pension liability, beginning of year	<u>305,468,130</u>	<u>288,596,333</u>
Total pension liability, end of year	<u>319,020,758</u>	<u>305,468,130</u>
Plan Fiduciary Net Position		
Contributions - employee	2,531,718	2,505,819
Contributions - employer	9,907,130	8,947,610
Net investment income (2)	5,184,911	34,904,812
Benefit payments, including refunds of member contributions	(13,568,341)	(12,980,263)
Administrative expenses	<u>(268,265)</u>	<u>-</u>
Net change in plan fiduciary net position	3,787,153	33,377,978
Total plan fiduciary net position, beginning of year	<u>234,533,148</u>	<u>201,155,170</u>
Total plan fiduciary net position, end of year	<u>238,320,301</u>	<u>234,533,148</u>
Net pension liability - ending	<u>\$ 80,700,457</u>	<u>\$ 70,934,982</u>
Plan fiduciary net position as a percentage of total pension liability	74.70%	76.78%
Covered-employee payroll (3)	25,228,753	24,705,477
Net pension liability as a percentage of covered-employee payroll	319.87%	287.12%

(1) GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

(2) The amount for FY 2015 is net of administrative expenses.

(3) Covered-employee payroll presented is based on pensionable earnings provided by the City.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

**CITY OF OXNARD, CALIFORNIA**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**CALPERS SAFETY PLAN (FIRE) - COST SHARING PLAN**  
**AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2016</u>	<u>2015</u>
MEASUREMENT PERIOD	June 30, 2015	June 30, 2014
City's proportion of the collective net pension liability	0.54962%	0.53857%
City's proportionate share of the collective net pension liability	\$ 37,725,705	\$33,512,523
City's covered-employee payroll (2)	\$ 9,283,898	\$ 9,105,774
City's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	406.36%	368.04%
Plan fiduciary net position as a percentage of the plan's total pension liability	78.40%	79.82%

(1 GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

(2 Covered-employee payroll presented is based on pensionable earnings provided by the City.

**Notes to Schedule:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

**Changes of Assumptions:** The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.



**CITY OF OXNARD, CALIFORNIA**  
**SCHEDULE OF PLAN CONTRIBUTIONS - CALPERS**  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2016</u>	<u>2015</u>
<u>MISCELLANEOUS</u>		
Actuarially determined contribution	\$ 7,636,986	\$ 7,237,123
Contributions in relation to the actuarially determined contribution	<u>(7,636,986)</u>	<u>(7,237,123)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll (2)	\$ 48,178,428	\$ 51,974,236
Contributions as a percentage of employee payroll	15.85%	13.92%
	<u>2016</u>	<u>2015</u>
<u>SAFETY-POLICE</u>		
Actuarially determined contribution	\$ 10,490,993	\$ 9,907,130
Contributions in relation to the actuarially determined contribution	<u>(10,490,993)</u>	<u>(9,907,130)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll (2)	\$ 25,894,736	\$ 25,228,753
Contributions as a percentage of employee payroll	40.51%	39.27%
	<u>2016</u>	<u>2015</u>
<u>SAFETY-FIRE</u>		
Actuarially determined contribution	\$ 4,204,589	\$ 4,004,186
Contributions in relation to the actuarially determined contribution	<u>(4,204,589)</u>	<u>(4,004,186)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll (2)	\$ 9,030,122	\$ 9,283,898
Contributions as a percentage of employee payroll	46.56%	43.13%

- (1) GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.
- (2) Covered-employee payroll presented in FY 2015 is based on pensionable earnings provided by the City. The amount presented in FY 2016 is the total payroll of employees that are provided pensions through the pension plan.

## SCHEDULE OF PLAN CONTRIBUTIONS - CALPERS (Continued)

### Notes to schedule

Valuation Date June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method/period	For details, see June 30, 2012 Funding Valuation Report.
Asset valuation method	Actuarial value of assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% Net of pension plan investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS experience study for the period from 1997 to 2007
Mortality	The probabilities of mortality are based on the 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include five years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF OXNARD, CALIFORNIA  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**PARS PLAN - AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PLAN**  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD	2016 June 30, 2015	2015 June 30, 2014
Total Pension Liability		
Service cost	\$ 2,043,000	\$ 2,220,000
Interest	5,545,000	5,238,000
Changes in assumptions	5,436,000	
Difference between actual and expected experience	(3,736,000)	
Benefit payments, including refunds of member contributions:	(2,866,000)	(2,599,000)
Net change in total pension liability	6,422,000	4,859,000
Total pension liability, beginning of year	81,536,000	76,677,000
Total pension liability, end of year	87,958,000	81,536,000
Plan Fiduciary Net Position		
Contributions - employee	2,922,000	2,731,000
Contributions - employer	1,043,000	985,000
Net investment income	2,133,000	6,805,000
Benefit payments, including refunds of member contributions	(2,866,000)	(2,599,000)
Administrative expenses	(68,000)	(65,000)
Net change in plan fiduciary net position	3,164,000	7,857,000
Total plan fiduciary net position, beginning of year	50,571,000	42,714,000
Total plan fiduciary net position, end of year	53,735,000	50,571,000
Net pension liability - ending	<u>\$34,223,000</u>	<u>\$ 30,965,000</u>
Plan fiduciary net position as a percentage of total pension liability	61.09%	62.02%
Covered-employee payroll	36,519,391	31,157,782
Net pension liability as a percentage of covered-employee payroll	93.71%	99.38%

(1) GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

**Notes to Schedule:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

**Changes of Assumptions:** The discount rate was changed from 6.5% to 6.75%.

**CITY OF OXNARD, CALIFORNIA**  
**SCHEDULE OF PLAN CONTRIBUTIONS - PARS**  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2016	2015
Actuarially determined contribution	\$ 3,589,787	\$ 4,184,000
Contributions in relation to the actuarially-determined contribution	<u>3,589,787</u>	<u>1,043,000</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ 3,141,000</u>
Covered-employee payroll	\$31,089,909	\$ 36,519,391
Contributions as a percentage of employee payroll	11.55%	11.46%

**Notes to Schedule:**

Valuation Date	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method/period	Level dollar amount, over approximate 10-year period
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount rate	6.50%
Salary increases	Aggregate 3.25%
	Merit CalPERS 1997-2011 Experience Study
Mortality, retirement, disability termination	CalPERS 1997-2011 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-14, modified to converge to ultimate improvement rates in 2022

(1) GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 6.5% to 6.75%.

**CITY OF OXNARD, CALIFORNIA**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
(Amounts 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
7-1-11	\$ -	\$ 12,772	\$ 12,772	-	\$ 82,501	15.5 %
7-1-13	-	16,061	16,061	-	85,208	18.9
7-1-15	-	25,758	25,758	-	83,614	30.8

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
<b>REVENUES</b>				
Taxes				
Property	\$ 46,812,018	\$ 47,162,018	\$ 48,476,175	\$ 1,314,157
Sales	40,601,065	40,601,065	43,163,411	2,562,346
Transient occupancy	4,318,680	4,718,680	5,044,231	325,551
Business license (net of refund)	5,450,880	5,450,880	5,422,499	(28,381)
Franchise	3,267,060	3,528,560	3,473,814	(54,746)
Other taxes	568,140	718,140	690,805	(27,335)
Licenses and permits	2,754,571	2,754,571	2,589,992	(164,579)
Intergovernmental	1,627,584	1,627,584	1,486,594	(140,990)
Charges for services	29,405,534	29,937,237	24,457,214	(5,480,023)
Fines and forfeitures	656,610	656,610	901,025	244,415
Investment earnings	127,927	127,927	166,072	38,145
Special assessments	75,480	75,480	68,628	(6,852)
Miscellaneous	2,143,491	3,419,351	4,101,209	681,858
<b>Total Revenues</b>	<u>137,809,040</u>	<u>140,778,103</u>	<u>140,041,669</u>	<u>(736,434)</u>
<b>EXPENDITURES</b>				
General Government				
Legislative				
City Council	350,654	350,654	321,230	29,424
City Treasurer	1,309,368	1,304,662	1,261,238	43,424
City Clerk	442,264	436,564	429,854	6,710
Administrative and Support Services				
City Manager	2,409,823	2,038,959	1,895,971	142,988
City Attorney	1,820,182	1,570,361	1,350,823	219,538
Financial services	3,301,553	3,941,853	3,910,518	31,335
Human resources	2,039,164	2,136,827	1,788,217	348,610
Nondepartmental	(3,369,450)	1,383,963	216,145	1,167,818
Public Safety				
Police	56,520,760	55,941,080	56,333,734	(392,654)
Fire	18,621,661	18,578,767	19,451,596	(872,829)
Transportation systems	2,021,911	2,051,342	1,079,338	972,004
Community Development				
Development services	5,967,952	7,162,802	6,214,938	947,864
Economic development and tourism service	1,386,330	1,013,903	1,323,476	(309,573)
Housing services	397,085	377,424	337,266	40,158
Community service	137,481	138,646	163,387	(24,741)
Culture and Leisure				
Recreation services	13,056,723	13,334,448	7,592,259	5,742,189
Park and public grounds	9,985,062	10,080,057	8,844,358	1,235,699
Library services	4,386,919	4,246,169	3,923,546	322,623
Capital outlay	828,299	6,164,765	3,022,068	3,142,697
<b>Total Expenditures</b>	<u>121,613,741</u>	<u>132,253,246</u>	<u>119,459,962</u>	<u>12,793,284</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>16,195,299</u>	<u>8,524,857</u>	<u>20,581,707</u>	<u>12,056,850</u>

See independent auditor's report.

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE (Continued)**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,084,217	\$ 1,059,980	\$ 37,000	\$ (1,022,980)
Transfers out	<u>(9,908,851)</u>	<u>(10,136,301)</u>	<u>(9,758,123)</u>	<u>378,178</u>
<b>Net Other Financing Sources (Uses)</b>	<u>(8,824,634)</u>	<u>(9,076,321)</u>	<u>(9,721,123)</u>	<u>(644,802)</u>
<b>NET CHANGE IN FUND BALANCES</b>	7,370,665	(551,464)	10,860,584	11,412,048
<b>FUND BALANCES, JULY 1</b>	24,775,765	24,775,765	24,775,765	
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>(1,348,277)</u>	<u>(1,348,277)</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 32,146,430</u>	<u>\$ 24,224,301</u>	<u>\$ 34,288,072</u>	<u>\$ 10,063,771</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**AFFORDABLE HOUSING FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 16,493	\$ 16,493
Miscellaneous	-	(12,066)	129,580	141,646
<b>Total Revenues</b>	-	(12,066)	146,073	158,139
<b>EXPENDITURES</b>				
Community development	-	12,066	89,212	(77,146)
<b>Total Expenditures</b>	-	12,066	89,212	(77,146)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(24,132)	56,861	80,993
<b>NET CHANGE IN FUND BALANCES</b>	-	(24,132)	56,861	80,993
<b>FUND BALANCES, JULY 1</b>	3,129,430	3,129,430	3,129,430	-
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 3,129,430</u>	<u>\$ 3,105,298</u>	<u>\$ 3,186,291</u>	<u>\$ 80,993</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.



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# **SUPPLEMENTARY INFORMATION**

**NON-MAJOR  
GOVERNMENTAL  
FUNDS**

## **Nonmajor Governmental Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than capital outlay and debt service 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 loans to low/moderate income families.

**CDBG Entitlement Fund** - This fund is used to account for community development block grants to develop viable urban communities.

**State and Federal Grants Fund** - This fund is used to account for state and federal grants.

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

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

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

**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**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	DEVELOPMENT FEES FUND	HUD AND CDBG GRANTS FUND	STATE AND FEDERAL GRANTS FUND	PUBLIC SAFETY RETIREMENT	DEBT SERVICE FUND	CAPITAL OUTLAY FUND
<b>ASSETS</b>						
Cash and cash equivalents	\$ 25,313,166	\$ 7,642	\$ 1,572,791	\$ 2,620,112	\$ 8,315	\$ 10,006,258
Investments with fiscal agents	-	-	-	-	27,652	16,482,204
Accounts and other receivables	15	312,623	5,535,707	-	-	95,672
Notes receivable	6,045,500	2,838,277	5,286,898	-	-	-
Due from other government	-	-	11,754	109,426	-	-
<b>Total Assets</b>	<b>\$ 31,358,681</b>	<b>\$ 3,158,542</b>	<b>\$ 12,407,150</b>	<b>\$ 2,729,538</b>	<b>\$ 35,967</b>	<b>\$ 26,584,134</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 266,600	\$ 76,534	\$ 857,711	\$ -	\$ -	\$ 2,397,197
Other liabilities	232,322	31,093	153,594	422,463	-	257,537
Due to other funds	-	187,153	4,323,753	-	-	152,909
Unearned revenues	6,045,500	2,872,547	6,531,916	-	-	-
<b>Total Liabilities</b>	<b>6,544,422</b>	<b>3,167,327</b>	<b>11,866,974</b>	<b>422,463</b>	<b>-</b>	<b>2,807,643</b>
<b>FUND BALANCES</b>						
Restricted for:						
Debt Service	-	-	-	-	27,652	-
Transportation systems	-	-	1,737	-	-	-
Maintenance districts	-	-	-	-	-	-
Street and traffic improvements/ maintenance	-	-	-	-	-	13,768,966
Infrastructure developments	24,814,259	-	-	-	-	-
Housing	-	4,693	7,426	-	-	-
Culture and leisure	-	-	139,182	-	-	-
Public safety	-	-	620,165	2,307,075	-	-
Assigned to:						
Capital projects	-	-	-	-	-	10,007,525
Unassigned	-	(13,478)	(228,334)	-	8,315	-
<b>Total Fund Balances</b>	<b>24,814,259</b>	<b>(8,785)</b>	<b>540,176</b>	<b>2,307,075</b>	<b>35,967</b>	<b>23,776,491</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,358,681</b>	<b>\$ 3,158,542</b>	<b>\$ 12,407,150</b>	<b>\$ 2,729,538</b>	<b>\$ 35,967</b>	<b>\$ 26,584,134</b>

STATE GAS TAX	TRAFFIC SAFETY	TRANSPORTATION DEVELOPMENT FUND	MAINTENANCE ASSESSMENT DISTRICT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
\$4,194,924	\$617,191	\$2,770,776	\$17,579,824	\$64,690,999	<b>ASSETS</b>
					Cash and cash equivalents
1,730,504	-	-	-	18,240,360	Investments with fiscal agents
7,144	-	68,596	-	6,019,757	Accounts and other receivables
-	-	-	-	14,170,675	Notes receivable
-	21,451	-	76,655	219,286	Due from other government
<u>\$5,932,572</u>	<u>\$638,642</u>	<u>\$2,839,372</u>	<u>\$17,656,479</u>	<u>\$103,341,077</u>	<b>Total Assets</b>
					<b>LIABILITIES</b>
\$149,924	\$-	\$74,713	\$298,098	\$4,120,777	Accounts payable
100,803	4,830	1,976	38,688	1,243,306	Other liabilities
-	-	-	-	4,663,815	Due to other funds
-	-	1,969,373	-	17,419,336	Unearned revenues
<u>250,727</u>	<u>4,830</u>	<u>2,046,062</u>	<u>336,786</u>	<u>27,447,234</u>	<b>Total Liabilities</b>
					<b>FUND BALANCES</b>
					Restricted for:
1,730,504	-	-	-	1,758,156	Debt Service
-	-	793,822	-	795,559	Transportation systems
-	-	-	17,328,644	17,328,644	Maintenance districts
					Street and traffic improvements/
3,951,341	633,812	-	-	18,354,119	maintenance
-	-	-	-	24,814,259	Infrastructure developments
-	-	-	-	12,119	Housing
-	-	-	-	139,182	Culture and leisure
-	-	-	-	2,927,240	Public safety
					Assigned to:
-	-	-	-	10,007,525	Capital projects
-	-	(512)	(8,951)	(242,960)	Unassigned
<u>5,681,845</u>	<u>633,812</u>	<u>793,310</u>	<u>17,319,693</u>	<u>75,893,843</u>	<b>Total Fund Balances</b>
<u>\$5,932,572</u>	<u>\$638,642</u>	<u>\$2,839,372</u>	<u>\$17,656,479</u>	<u>\$103,341,077</u>	<b>TOTAL LIABILITIES AND FUND BALANCES</b>

**CITY OF OXNARD, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	DEVELOPMENT FEES FUND	HUD AND CDBG GRANTS FUND	STATE AND FEDERAL GRANTS FUND	PUBLIC SAFETY RETIREMENT	DEBT SERVICE FUND	CAPITAL OUTLAY FUND
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 13,095,485	\$ -	\$ 380,302
Licenses and permits	812,225	-	-	-	-	-
Intergovernmental	-	2,185,741	12,355,495	-	-	-
Growth and development fees	4,452,750	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	4,000	-	273,706	-	-	-
Interest	183,006	29	12,849	9,449	3,411	82,742
Special assessments	-	-	-	-	-	-
Miscellaneous	429,136	-	163,097	-	-	66,254
<b>Total Revenues</b>	<u>5,881,117</u>	<u>2,185,770</u>	<u>12,805,147</u>	<u>13,104,934</u>	<u>3,411</u>	<u>529,298</u>
<b>EXPENDITURES</b>						
Current						
General government	190,728	-	-	-	-	-
Public safety	650,416	-	3,042,164	11,316,619	-	-
Transportation systems	173,564	-	505,383	-	-	-
Community development	476,770	1,416,434	925,844	-	-	40,186
Culture and leisure	3,983	130,111	3,268,526	-	-	-
Library services	-	-	11,704	-	-	-
Capital outlay	1,573,030	648,010	4,039,012	-	-	9,633,008
Debt Service						
Principal	462,747	-	-	-	5,548,621	-
Interest and fiscal charges	-	-	-	-	3,450,676	-
<b>Total Expenditures</b>	<u>3,531,238</u>	<u>2,194,555</u>	<u>11,792,633</u>	<u>11,316,619</u>	<u>8,999,297</u>	<u>9,673,194</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,349,879</u>	<u>(8,785)</u>	<u>1,012,514</u>	<u>1,788,315</u>	<u>(8,995,886)</u>	<u>(9,143,896)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	736,322	-	580,942	-	9,007,314	527,000
Transfers out	(1,367,845)	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<u>(631,523)</u>	<u>-</u>	<u>580,942</u>	<u>-</u>	<u>9,007,314</u>	<u>527,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,718,356	(8,785)	1,593,456	1,788,315	11,428	(8,616,896)
<b>FUND BALANCES, JULY 1</b>	23,095,903	-	(911,750)	518,760	24,539	32,393,387
<b>PRIOR-PERIOD ADJUSTMENT</b>	-	-	(141,530)	-	-	-
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 24,814,259</u>	<u>\$ (8,785)</u>	<u>\$ 540,176</u>	<u>\$ 2,307,075</u>	<u>\$ 35,967</u>	<u>\$ 23,776,491</u>

STATE GAS TAX	TRAFFIC SAFETY	TRANSPORTATION DEVELOPMENT FUND	MAINTENANCE ASSESSMENT DISTRICT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
					<b>REVENUES</b>
\$ -	\$ -	\$ -	\$ -	\$ 13,475,787	Taxes
-	-	-	-	812,225	Licenses and permits
4,470,011	-	958,032	-	19,969,279	Intergovernmental
-	-	-	-	4,452,750	Growth and development fees
818,631	-	195,211	336	1,014,178	Charges for services
-	234,987	-	-	512,693	Fines and forfeitures
33,435	4,513	22,955	122,186	474,575	Interest
-	-	-	9,545,258	9,545,258	Special assessments
9,809	-	78,780	9,802	756,878	Miscellaneous
<u>5,331,886</u>	<u>239,500</u>	<u>1,254,978</u>	<u>9,677,582</u>	<u>51,013,623</u>	<b>Total Revenues</b>
					<b>EXPENDITURES</b>
					Current
3,626	-	-	-	194,354	General government
-	282,429	-	2,599,132	17,890,760	Public safety
4,470,050	-	793,727	303,451	6,246,175	Transportation systems
-	-	-	1,281,344	4,140,578	Community development
-	-	-	3,163,311	6,565,931	Culture and leisure
-	-	-	-	11,704	Library services
195,674	-	980,100	807,860	17,876,694	Capital outlay
630,000	-	-	-	6,641,368	Debt Service
1,079,450	-	-	-	4,530,126	Principal
<u>6,378,800</u>	<u>282,429</u>	<u>1,773,827</u>	<u>8,155,098</u>	<u>64,097,690</u>	Interest and fiscal charges
					<b>Total Expenditures</b>
<u>(1,046,914)</u>	<u>(42,929)</u>	<u>(518,849)</u>	<u>1,522,484</u>	<u>(13,084,067)</u>	<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>
					<b>OTHER FINANCING SOURCES (USES)</b>
-	-	-	75,987	10,927,565	Transfers in
-	-	-	-	(1,367,845)	Transfers out
-	-	-	75,987	9,559,720	<b>Net Other Financing Sources (Uses)</b>
(1,046,914)	(42,929)	(518,849)	1,598,471	(3,524,347)	<b>NET CHANGE IN FUND BALANCES</b>
6,728,759	676,741	1,579,793	15,721,222	79,827,354	<b>FUND BALANCES, JULY 1</b>
-	-	(267,634)	-	(409,164)	<b>PRIOR-PERIOD ADJUSTMENT</b>
<u>\$ 5,681,845</u>	<u>\$ 633,812</u>	<u>\$ 793,310</u>	<u>\$ 17,319,693</u>	<u>\$ 75,893,843</u>	<b>FUND BALANCES, JUNE 30</b>



**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - DEVELOPMENT FEES SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Licenses and permits	\$ 920,677	\$ 919,762	\$ 812,225	\$ (107,537)
Growth and development fees	1,806,578	1,806,578	4,452,750	2,646,172
Charges for services	-	-	-	-
Fines and forfeitures	-	-	4,000	4,000
Interest	194,602	194,602	183,006	(11,596)
Miscellaneous	344,204	345,119	429,136	84,017
<b>Total Revenues</b>	<u>3,266,061</u>	<u>3,266,061</u>	<u>5,881,117</u>	<u>2,615,056</u>
<b>EXPENDITURES</b>				
General government	120,713	120,713	190,728	(70,015)
Public safety	704,208	704,208	650,416	53,792
Transportation systems	166,469	8,564	173,564	(165,000)
Community development	170,905	170,905	476,770	(305,865)
Culture and leisure	-	3,983	3,983	-
Capital outlay	653,349	10,782,793	1,573,030	9,209,763
Debt Service				
Principal	-	-	462,747	(462,747)
<b>Total Expenditures</b>	<u>1,815,644</u>	<u>11,791,166</u>	<u>3,531,238</u>	<u>8,259,928</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,450,417</u>	<u>(8,525,105)</u>	<u>2,349,879</u>	<u>10,874,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	602,489	602,489	736,322	133,833
Transfers out	(930,937)	(930,937)	(1,367,845)	(436,908)
<b>Net Other Financing Sources (Uses)</b>	<u>(328,448)</u>	<u>(328,448)</u>	<u>(631,523)</u>	<u>(303,075)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,121,969	(8,853,553)	1,718,356	10,571,909
<b>FUND BALANCES, JULY 1</b>	<u>23,095,903</u>	<u>23,095,903</u>	<u>23,095,903</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 24,217,872</u>	<u>\$ 14,242,350</u>	<u>\$ 24,814,259</u>	<u>\$ 10,571,909</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - CDBG AND HUD**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 2,996,194	\$ 2,903,082	\$ 2,185,741	\$ (717,341)
Interest	-	-	29	29
<b>Total Revenues</b>	<u>2,996,194</u>	<u>2,903,082</u>	<u>2,185,770</u>	<u>(717,312)</u>
<b>EXPENDITURES</b>				
Public safety	200,000	-	-	-
Community development	1,607,955	2,479,446	1,416,434	1,063,012
Culture and leisure	146,669	131,669	130,111	1,558
Capital outlay	<u>975,290</u>	<u>2,669,946</u>	<u>648,010</u>	<u>2,021,936</u>
<b>Total Expenditures</b>	<u>2,929,914</u>	<u>5,281,061</u>	<u>2,194,555</u>	<u>3,086,506</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>66,280</u>	<u>(2,377,979)</u>	<u>(8,785)</u>	<u>2,369,194</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>66,280</u>	<u>(2,377,979)</u>	<u>(8,785)</u>	<u>2,369,194</u>
<b>FUND BALANCES, JULY 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 66,280</u>	<u>\$ (2,377,979)</u>	<u>\$ (8,785)</u>	<u>\$ 2,369,194</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - STATE AND FEDERAL GRANT FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 1,541,815	\$ 10,599,831	\$ 12,355,495	\$ 1,755,664
Fines and forfeitures			273,706	273,706
Interest	6,932	6,932	12,849	5,917
Miscellaneous	-	57,586	163,097	105,511
<b>Total Revenues</b>	<u>1,548,747</u>	<u>10,664,349</u>	<u>12,805,147</u>	<u>2,140,798</u>
<b>EXPENDITURES</b>				
Public safety	1,129,679	6,715,597	3,042,164	3,673,433
Transportation systems	-	560,717	505,383	55,334
Community development	191,219	1,958,778	925,844	1,032,934
Culture and leisure	-	3,267,860	3,268,526	(666)
Library services	-	13,347	11,704	1,643
Capital outlay	-	8,232,040	4,039,012	4,193,028
<b>Total Expenditures</b>	<u>1,320,898</u>	<u>20,748,339</u>	<u>11,792,633</u>	<u>8,955,706</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>227,849</u>	<u>(10,083,990)</u>	<u>1,012,514</u>	<u>11,096,504</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	580,942	580,942
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>580,942</u>	<u>580,942</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>227,849</u>	<u>(10,083,990)</u>	<u>1,593,456</u>	<u>11,677,446</u>
<b>FUND BALANCES, JULY 1</b>	<u>(911,750)</u>	<u>(911,750)</u>	<u>(911,750)</u>	<u>-</u>
<b>PRIOR-PERIOD ADJUSTMENT</b>			<u>(141,530)</u>	<u>(141,530)</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ (683,901)</u>	<u>\$ (10,995,740)</u>	<u>\$ 540,176</u>	<u>\$ 11,535,916</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - PUBLIC SAFETY RETIREMENT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Taxes	\$ 10,510,119	\$ 10,510,119	\$ 13,095,485	\$ 2,585,366
Investment income	-	-	9,449	9,449
<b>Total Revenues</b>	<u>10,510,119</u>	<u>10,510,119</u>	<u>13,104,934</u>	<u>2,594,815</u>
<b>EXPENDITURES</b>				
Public safety	<u>10,510,119</u>	<u>10,510,119</u>	<u>11,316,619</u>	<u>(806,500)</u>
<b>Total Expenditures</b>	<u>10,510,119</u>	<u>10,510,119</u>	<u>11,316,619</u>	<u>(806,500)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>1,788,315</u>	<u>1,788,315</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>1,788,315</u>	<u>1,788,315</u>
<b>FUND BALANCES, JULY 1</b>	<u>518,760</u>	<u>518,760</u>	<u>518,760</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 518,760</u>	<u>\$ 518,760</u>	<u>\$ 2,307,075</u>	<u>\$ 1,788,315</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - DEBT SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Interest	\$ 36,060	\$ 36,060	\$ 3,411	\$ (32,649)
<b>Total Revenues</b>	<u>36,060</u>	<u>36,060</u>	<u>3,411</u>	<u>(32,649)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	3,435,485	3,435,485	5,548,621	(2,113,136)
Interest	<u>2,513,458</u>	<u>2,513,458</u>	<u>3,450,676</u>	<u>(937,218)</u>
<b>Total Expenditures</b>	<u>5,948,943</u>	<u>5,948,943</u>	<u>8,999,297</u>	<u>(3,050,354)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(5,912,883)</u>	<u>(5,912,883)</u>	<u>(8,995,886)</u>	<u>(3,083,003)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>8,436,365</u>	<u>8,436,365</u>	<u>9,007,314</u>	<u>570,949</u>
<b>Total Other Financing Sources (Uses)</b>	<u>8,436,365</u>	<u>8,436,365</u>	<u>9,007,314</u>	<u>570,949</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,523,482	2,523,482	11,428	(2,512,054)
<b>FUND BALANCES, JULY 1</b>	<u>24,539</u>	<u>24,539</u>	<u>24,539</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 2,548,021</u>	<u>\$ 2,548,021</u>	<u>\$ 35,967</u>	<u>\$ (2,512,054)</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - CAPITAL OUTLAY FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 380,302	\$ 380,302
Interest	20,855	20,855	82,742	61,887
Miscellaneous	-	-	66,254	66,254
<b>Total Revenues</b>	<u>20,855</u>	<u>20,855</u>	<u>529,298</u>	<u>508,443</u>
<b>EXPENDITURES</b>				
Community development	-	-	40,186	(40,186)
Capital outlay	-	21,202,340	9,633,008	11,569,332
<b>Total Expenditures</b>	<u>-</u>	<u>21,202,340</u>	<u>9,673,194</u>	<u>11,529,146</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>20,855</u>	<u>(21,181,485)</u>	<u>(9,143,896)</u>	<u>12,037,589</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	527,000	527,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>527,000</u>	<u>527,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>20,855</u>	<u>(20,654,485)</u>	<u>(8,616,896)</u>	<u>12,037,589</u>
<b>FUND BALANCES, JULY 1</b>	<u>32,393,387</u>	<u>32,393,387</u>	<u>32,393,387</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 32,414,242</u>	<u>\$ 11,738,902</u>	<u>\$ 23,776,491</u>	<u>\$ 12,037,589</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - STATE GAS TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 5,224,402	\$ 5,224,402	\$ 4,470,011	\$ (754,391)
Charges for services	986,399	986,399	818,631	(167,768)
Interest	108,888	108,888	33,435	(75,453)
Miscellaneous	13,272	13,272	9,809	(3,463)
<b>Total Revenues</b>	<u>6,332,961</u>	<u>6,332,961</u>	<u>5,331,886</u>	<u>(1,001,075)</u>
<b>EXPENDITURES</b>				
General government	5,125	5,125	3,626	1,499
Transportation systems	4,335,299	4,742,637	4,470,050	272,587
Capital outlay	507	347,936	195,674	152,262
Debt Service				
Principal	630,000	630,000	630,000	-
Interest	1,079,450	1,079,450	1,079,450	-
<b>Total Expenditures</b>	<u>6,050,381</u>	<u>6,805,148</u>	<u>6,378,800</u>	<u>426,348</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>282,580</u>	<u>(472,187)</u>	<u>(1,046,914)</u>	<u>(574,727)</u>
<b>NET CHANGE IN FUND BALANCES</b>	282,580	(472,187)	(1,046,914)	(574,727)
<b>FUND BALANCES, JULY 1</b>	<u>6,728,759</u>	<u>6,728,759</u>	<u>6,728,759</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 7,011,339</u>	<u>\$ 6,256,572</u>	<u>\$ 5,681,845</u>	<u>\$ (574,727)</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - TRAFFIC SAFETY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Fines and forfeitures	\$ 290,000	\$ 290,000	\$ 234,987	\$ (55,013)
Interest	-	-	4,513	4,513
<b>Total Revenues</b>	<u>290,000</u>	<u>290,000</u>	<u>239,500</u>	<u>(50,500)</u>
<b>EXPENDITURES</b>				
Public safety	274,229	274,229	282,429	(8,200)
<b>Total Expenditures</b>	<u>274,229</u>	<u>274,229</u>	<u>282,429</u>	<u>(8,200)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	15,771	15,771	(42,929)	(58,700)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	300,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	315,771	15,771	(42,929)	(58,700)
<b>FUND BALANCES, JULY 1</b>	<u>676,741</u>	<u>676,741</u>	<u>676,741</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 992,512</u>	<u>\$ 692,512</u>	<u>\$ 633,812</u>	<u>\$ (58,700)</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.



**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - TRANSPORTATION DEPARTMENT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 595,000	\$ 595,000	\$ 958,032	\$ 363,032
Charges for services	204,000	204,000	195,211	(8,789)
Interest	30,662	30,662	22,955	(7,707)
Miscellaneous	-	-	78,780	78,780
<b>Total Revenues</b>	<u>829,662</u>	<u>829,662</u>	<u>1,254,978</u>	<u>425,316</u>
<b>EXPENDITURES</b>				
Transportation systems	595,525	890,176	793,727	96,449
Capital outlay	(24)	<u>1,427,276</u>	<u>980,100</u>	<u>447,176</u>
<b>Total Expenditures</b>	<u>595,501</u>	<u>2,317,452</u>	<u>1,773,827</u>	<u>543,625</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>234,161</u>	<u>(1,487,790)</u>	<u>(518,849)</u>	<u>968,941</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>234,161</u>	<u>(1,487,790)</u>	<u>(518,849)</u>	<u>968,941</u>
<b>FUND BALANCES, JULY 1</b>	<u>1,579,793</u>	<u>1,579,793</u>	1,579,793	-
<b>PRIOR-PERIOD ADJUSTMENT</b>			<u>(267,634)</u>	<u>(267,634)</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 1,813,954</u>	<u>\$ 92,003</u>	<u>\$ 793,310</u>	<u>\$ 701,307</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - MAINTENANCE ASSESSMENT DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Special assessments	\$ 9,041,087	\$ 9,651,204	\$ 9,545,258	\$ (105,946)
Charges for services	-	-	336	336
Interest	630,331	152,962	122,186	(30,776)
Miscellaneous	17,937	42,624	9,802	(32,822)
<b>Total Revenues</b>	<u>9,689,355</u>	<u>9,846,790</u>	<u>9,677,582</u>	<u>(169,208)</u>
<b>EXPENDITURES</b>				
Public safety	2,743,482	2,741,938	2,599,132	142,806
Transportation systems	790,114	863,020	303,451	559,569
Community development	1,905,073	2,302,205	1,281,344	1,020,861
Culture and leisure	3,532,764	4,477,193	3,163,311	1,313,882
Capital outlay	22,195	1,014,102	807,860	206,242
<b>Total Expenditures</b>	<u>8,993,628</u>	<u>11,398,458</u>	<u>8,155,098</u>	<u>3,243,360</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>695,727</u>	<u>(1,551,668)</u>	<u>1,522,484</u>	<u>3,074,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	612,968	612,968	75,987	(536,981)
Transfer out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>612,968</u>	<u>612,968</u>	<u>75,987</u>	<u>(536,981)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>1,308,695</u>	<u>(938,700)</u>	<u>1,598,471</u>	<u>2,537,171</u>
<b>FUND BALANCES, JULY 1</b>	<u>15,721,222</u>	<u>15,721,222</u>	<u>15,721,222</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 17,029,917</u>	<u>\$ 14,782,522</u>	<u>\$ 17,319,693</u>	<u>\$ 2,537,171</u>

**Note to Budgetary Comparison Schedule:**

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

See independent auditor's report.

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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 departments 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  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
JUNE 30, 2016

	PUBLIC LIABILITY/ PROPERTY DAMAGE	WORKERS' COMPENSATION	UTILITY CUSTOMER SERVICE	INFORMATION SERVICES
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,383,464	\$ 8,415,907	\$ 395,404	\$ 2,141,703
Accounts and other receivables (net of allowance for uncollectibles)	24,436	-	-	-
Other assets	-	-	32,900	-
<b>Total Current Assets</b>	<u>2,407,900</u>	<u>8,415,907</u>	<u>428,304</u>	<u>2,141,703</u>
<b>Noncurrent Assets</b>				
Advances to other funds	-	1,021,126	-	-
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>1,021,126</u>	<u>-</u>	<u>-</u>
<b>CAPITAL ASSETS</b>				
Land	595,500	-	-	-
Improvements	-	-	-	-
Machinery and equipment	62,621	62,260	42,507	1,709,213
Construction in progress	-	-	-	266,704
<b>Total Capital Assets</b>	<u>658,121</u>	<u>62,260</u>	<u>42,507</u>	<u>1,975,917</u>
Less: Accumulated depreciation	<u>59,046</u>	<u>57,603</u>	<u>42,507</u>	<u>1,373,202</u>
<b>Net Total Capital Assets (net of accumulated depreciation)</b>	<u>599,075</u>	<u>4,657</u>	<u>-</u>	<u>602,715</u>
<b>Total Assets</b>	<u>3,006,975</u>	<u>9,441,690</u>	<u>428,304</u>	<u>2,744,418</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred outflow on pension plans	16,909	162,089	140,372	424,716
<b>Total Deferred Outflow of Resources</b>	<u>16,909</u>	<u>162,089</u>	<u>140,372</u>	<u>424,716</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	84,967	74,718	28,060	138,643
Other liabilities	1,745	42,719	19,380	47,832
Compensated absences payable - current	-	1,000	1,000	121,719
Self-insurance claims - due within one year	1,724,050	4,852,832	-	-
<b>Total Current Liabilities</b>	<u>1,810,762</u>	<u>4,971,269</u>	<u>48,440</u>	<u>308,194</u>
<b>Noncurrent Liabilities</b>				
Compensated absences payable	-	50,860	33,382	-
Other post-employment benefits payable	-	40,208	50,260	211,094
Net pension liabilities	90,040	689,109	826,885	3,085,513
Self-insurance claims	1,810,262	9,280,878	-	-
<b>Total Noncurrent Liabilities</b>	<u>1,900,302</u>	<u>10,061,055</u>	<u>910,527</u>	<u>3,296,607</u>
<b>Total Liabilities</b>	<u>3,711,064</u>	<u>15,032,324</u>	<u>958,967</u>	<u>3,604,801</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflow on pension plans	10,785	88,210	104,722	516,123
<b>Total Deferred Inflow of Resources</b>	<u>10,785</u>	<u>88,210</u>	<u>104,722</u>	<u>516,123</u>
<b>NET POSITION</b>				
Net investment in capital assets	599,075	4,657	-	602,715
Unrestricted	<u>(1,297,040)</u>	<u>(5,521,412)</u>	<u>(495,013)</u>	<u>(1,554,505)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (697,965)</u>	<u>\$(5,516,755)</u>	<u>\$(495,013)</u>	<u>\$ (951,790)</u>

FACILITIES MAINTENANCE	EQUIPMENT MAINTENANCE	TOTAL	
			<b>ASSETS</b>
			<b>Current Assets</b>
\$ 359,142	\$ -	\$ 13,695,620	Cash and cash equivalents
75	-	24,511	Accounts and other receivables (net of allow for uncollectibles)
-	-	32,900	Other assets
<u>359,217</u>	<u>-</u>	<u>13,753,031</u>	<b>Total Current Assets</b>
			<b>Noncurrent Assets</b>
-	-	1,021,126	Advances to other funds
<u>-</u>	<u>-</u>	<u>1,021,126</u>	<b>Total Noncurrent Assets</b>
			<b>CAPITAL ASSETS</b>
-	-	595,500	Land
202,684	-	202,684	Improvements
798,718	931,198	3,606,517	Machinery and equipment
<u>-</u>	<u>-</u>	<u>266,704</u>	Construction in progress
1,001,402	931,198	4,671,405	<b>Total Capital Assets</b>
760,819	702,501	2,995,678	Less: Accumulated depreciation
240,583	228,697	1,675,727	<b>Net Total Capital Assets (net of accumulated dep</b>
599,800	228,697	16,449,884	<b>Total Assets</b>
			<b>DEFERRED OUTFLOW OF RESOURCES</b>
638,818	999,812	2,382,716	Deferred outflow on pension plans
<u>638,818</u>	<u>999,812</u>	<u>2,382,716</u>	<b>Total Deferred Outflow of Resources</b>
			<b>LIABILITIES</b>
			<b>Current Liabilities</b>
33,554	421,412	781,354	Accounts payable
84,177	117,319	313,172	Other liabilities
165,000	286,000	574,719	Compensated absences payable - current
-	-	6,576,882	Self-insurance claims - due within one year
<u>282,731</u>	<u>824,731</u>	<u>8,246,127</u>	<b>Total Current Liabilities</b>
			<b>Noncurrent Liabilities</b>
82,004	28,048	194,294	Compensated absences payable
170,886	261,355	733,803	Other post-employment benefits payable
3,835,080	5,922,545	14,449,172	Net pension liabilities
<u>-</u>	<u>-</u>	<u>11,091,140</u>	Self-insurance claims
4,087,970	6,211,948	26,468,409	<b>Total Noncurrent Liabilities</b>
<u>4,370,701</u>	<u>7,036,679</u>	<u>34,714,536</u>	<b>Total Liabilities</b>
			<b>DEFERRED INFLOW OF RESOURCES</b>
733,815	765,711	2,219,366	Deferred inflow on pension plans
<u>733,815</u>	<u>765,711</u>	<u>2,219,366</u>	<b>Total Deferred Inflow of Resources</b>
			<b>NET POSITION</b>
240,583	228,697	1,675,727	Net investment in capital assets
(4,106,481)	(6,802,578)	(19,777,029)	Unrestricted
<u>\$ (3,865,898)</u>	<u>\$(6,573,881)</u>	<u>\$ (18,101,302)</u>	<b>TOTAL NET POSITION</b>

**CITY OF OXNARD, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	PUBLIC LIABILITY/ PROPERTY DAMAGE	WORKERS' COMPENSATION	UTILITY CUSTOMER SERVICE	INFORMATION SERVICES
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,783,323	\$ 4,802,686	\$ 1,590,320	\$ 3,745,392
Miscellaneous	<u>94,063</u>	<u>131,516</u>	<u>-</u>	<u>-</u>
<b>Total Operating Income</b>	<u>2,877,386</u>	<u>4,934,202</u>	<u>1,590,320</u>	<u>3,745,392</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	(66,073)	369,503	409,500	1,144,881
Contractual services	958,692	567,367	69,262	246,914
Operating supplies	-	-	-	43,853
Utilities	-	2,500	8,193	862,107
Depreciation	1,425	-	-	58,735
General and administrative	90,796	324,557	1,000,739	421,692
Repairs and maintenance	11,897	24,614	12,736	225,086
Claims expense	<u>2,281,457</u>	<u>5,268,089</u>	<u>-</u>	<u>-</u>
<b>Total Operating Expenses</b>	<u>3,278,194</u>	<u>6,556,630</u>	<u>1,500,430</u>	<u>3,003,268</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(400,808)</u>	<u>(1,622,428)</u>	<u>89,890</u>	<u>742,124</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	13,655	63,266	3,470	13,899
Interest (expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>13,655</u>	<u>63,266</u>	<u>3,470</u>	<u>13,899</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(387,153)</u>	<u>(1,559,162)</u>	<u>93,360</u>	<u>756,023</u>
<b>TRANSFERS IN</b>	-	-	-	-
<b>TRANSFERS OUT</b>	<u>-</u>	<u>-</u>	<u>(23,932)</u>	<u>-</u>
<b>CHANGES IN NET POSITION</b>	<u>(387,153)</u>	<u>(1,559,162)</u>	<u>69,428</u>	<u>756,023</u>
<b>NET POSITION - JULY 1</b>	<u>(310,812)</u>	<u>(3,957,593)</u>	<u>(564,441)</u>	<u>(1,707,813)</u>
<b>NET POSITION - JUNE 30</b>	<u>\$ (697,965)</u>	<u>\$ (5,516,755)</u>	<u>\$ (495,013)</u>	<u>\$ (951,790)</u>



<u>FACILITIES MAINTENANCE</u>	<u>EQUIPMENT MAINTENANCE</u>	<u>TOTAL</u>	
			<b>OPERATING REVENUES</b>
\$ 3,712,427	\$ 8,669,134	\$ 25,303,282	Charges for services
<u>50,264</u>	<u>13,879</u>	<u>289,722</u>	Miscellaneous
<u>3,762,691</u>	<u>8,683,013</u>	<u>25,593,004</u>	<b>Total Operating Income</b>
			<b>OPERATING EXPENSES</b>
1,689,330	2,892,136	6,439,277	Salaries and wages
131,849	40,467	2,014,551	Contractual services
193,302	4,201,185	4,438,340	Operating supplies
559,868	15,479	1,448,147	Utilities
7,303	56,471	123,934	Depreciation
209,333	501,014	2,548,131	General and administrative
83,790	839,810	1,197,933	Repairs and maintenance
-	-	7,549,546	Claims expense
<u>2,874,775</u>	<u>8,546,562</u>	<u>25,759,859</u>	<b>Total Operating Expenses</b>
<u>887,916</u>	<u>136,451</u>	<u>(166,855)</u>	<b>OPERATING INCOME (LOSS)</b>
			<b>NONOPERATING REVENUES (EXPENSES)</b>
1,416	(779)	94,927	Interest income
-	(221)	(221)	Interest (expense)
<u>1,416</u>	<u>(1,000)</u>	<u>94,706</u>	<b>Total Nonoperating Revenues (Expenses)</b>
			<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>
<u>889,332</u>	<u>135,451</u>	<u>(72,149)</u>	
-	247,731	247,731	<b>TRANSFERS IN</b>
-	-	(23,932)	<b>TRANSFERS OUT</b>
889,332	383,182	151,650	<b>CHANGES IN NET POSITION</b>
<u>(4,755,230)</u>	<u>(6,957,063)</u>	<u>(18,252,952)</u>	<b>NET POSITION - JULY 1</b>
<u>\$ (3,865,898)</u>	<u>\$ (6,573,881)</u>	<u>\$ (18,101,302)</u>	<b>NET POSITION - JUNE 30</b>

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**CITY OF OXNARD, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	PUBLIC LIABILITY/ PROPERTY DAMAGE	WORKERS' COMPENSATION	UTILITY CUSTOMER SERVICE	INFORMATION SERVICES	FACILITIES MAINTENANCE	EQUIPMENT MAINTENANCE	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 2,856,242	\$ 4,934,203	\$ 1,590,320	\$ 3,745,392	\$ 3,765,601	\$ 8,683,013	\$ 25,574,771
Payments to suppliers	(1,000,649)	(962,895)	(1,092,409)	(1,848,383)	(1,179,187)	(5,548,821)	(11,632,344)
Payments to employees	(47,109)	(354,594)	(526,158)	(1,472,774)	(2,228,688)	(3,365,768)	(7,995,091)
Cash paid to claimants	(1,879,924)	(4,170,771)	-	-	-	-	(6,050,695)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>(71,440)</u>	<u>(554,057)</u>	<u>(28,247)</u>	<u>424,235</u>	<u>357,726</u>	<u>(231,576)</u>	<u>(103,359)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Collection/(issuance) of advances	-	(7,945)	-	-	-	-	(7,945)
Transfers in	-	-	-	-	-	247,731	247,731
Transfers out	-	-	(23,932)	-	-	-	(23,932)
<b>Net Cash Provided By (Used In) Capital Financing Activities</b>	<u>-</u>	<u>(7,945)</u>	<u>(23,932)</u>	<u>-</u>	<u>-</u>	<u>247,731</u>	<u>215,854</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>							
Purchases of capital assets	-	-	-	(294,151)	-	-	(294,151)
Interest paid on long-term debt	-	-	-	-	-	(221)	(221)
Principal paid on long-term debt	-	-	-	-	-	(15,155)	(15,155)
<b>Net Cash Provided By (Used In) Capital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(294,151)</u>	<u>-</u>	<u>(15,376)</u>	<u>(309,527)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest on investments	13,655	63,266	3,470	13,899	1,416	(779)	94,927
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>13,655</u>	<u>63,266</u>	<u>3,470</u>	<u>13,899</u>	<u>1,416</u>	<u>(779)</u>	<u>94,927</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>							
	(57,785)	(498,736)	(48,709)	143,983	359,142	-	(102,105)
<b>CASH AND CASH EQUIVALENTS - JULY 1</b>	<u>2,441,249</u>	<u>8,914,643</u>	<u>444,113</u>	<u>1,997,720</u>	<u>-</u>	<u>-</u>	<u>13,797,725</u>
<b>CASH AND CASH EQUIVALENTS - JUNE 30</b>	<u>\$ 2,383,464</u>	<u>\$ 8,415,907</u>	<u>\$ 395,404</u>	<u>\$ 2,141,703</u>	<u>\$ 359,142</u>	<u>\$ -</u>	<u>\$ 13,695,620</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ (400,808)	\$ (1,622,428)	\$ 89,890	\$ 742,124	\$ 887,916	\$ 136,451	\$ (166,855)
Adjustments to Reconcile Operating Income (Loss) to Net Cash							
Provided by (Used In) Operating Activities							
Depreciation and amortization	1,425	-	-	58,735	7,303	56,471	123,934
Changes in Operating Assets and Liabilities							
(Increase) decrease in accounts receivable and due from other funds and governments	(21,144)	1	-	-	2,910	-	(18,233)
Increase (decrease) in accounts payable and other liabilities	61,111	(40,528)	1,095	(55,501)	5,867	53,344	25,388
Increase (decrease) in compensated absences	-	1,709	(5,044)	(90,288)	(16,413)	(22,253)	(132,289)
Increase (decrease) in other post-employment benefits payable	(114,210)	25,901	(29,534)	51,507	(90,257)	14,720	(141,873)
Increase (decrease) in net pension liabilities	653	(16,030)	(84,654)	(282,342)	(439,600)	(470,309)	(1,292,282)
Increase (decrease) in self-insurance liability	401,533	1,097,318	-	-	-	-	1,498,851
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>\$ (71,440)</u>	<u>\$ (554,057)</u>	<u>\$ (28,247)</u>	<u>\$ 424,235</u>	<u>\$ 357,726</u>	<u>\$ (231,576)</u>	<u>\$ (103,359)</u>

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# **FIDUCIARY FUNDS**

CITY OF OXNARD, CALIFORNIA  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**ALL AGENCY FUNDS**  
JUNE 30, 2016

	BALANCE JULY 1, 2015	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2016
<b>ARTWORKS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 54,094	\$ 389	\$ -	\$ 54,483
<b>Total Assets</b>	<u>\$ 54,094</u>	<u>\$ 389</u>	<u>\$ -</u>	<u>\$ 54,483</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 54,094	\$ 389	\$ -	\$ 54,483
<b>Total Liabilities</b>	<u>\$ 54,094</u>	<u>\$ 389</u>	<u>\$ -</u>	<u>\$ 54,483</u>
<b>IMPROVEMENT DISTRICTS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,757,198	\$ 4,905,964	\$ 5,136,737	\$ 4,526,425
Due from other governments	-	40,092	-	40,092
Investments with fiscal agents	3,360,346	28,425	-	3,388,771
<b>Total Assets</b>	<u>\$ 8,117,544</u>	<u>\$ 4,974,481</u>	<u>\$ 5,136,737</u>	<u>\$ 7,955,288</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 8,117,544	\$ 4,974,481	\$ 5,136,737	\$ 7,955,288
<b>Total Liabilities</b>	<u>\$ 8,117,544</u>	<u>\$ 4,974,481</u>	<u>\$ 5,136,737</u>	<u>\$ 7,955,288</u>
<b>ODMD</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,642	\$ 136,941	\$ 890	\$ 150,693
Due from other governments	-	4,532	-	4,532
<b>Total Assets</b>	<u>\$ 14,642</u>	<u>\$ 141,473</u>	<u>\$ 890</u>	<u>\$ 155,225</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 14,642	\$ 141,473	\$ 890	\$ 155,225
<b>Total Liabilities</b>	<u>\$ 14,642</u>	<u>\$ 141,473</u>	<u>\$ 890</u>	<u>\$ 155,225</u>
<b>RIVERPARK JPA</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,041,315	\$ 7,495	\$ -	\$ 1,048,810
<b>Total Assets</b>	<u>\$ 1,041,315</u>	<u>\$ 7,495</u>	<u>\$ -</u>	<u>\$ 1,048,810</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 1,041,315	\$ 7,495	\$ -	\$ 1,048,810
<b>Total Liabilities</b>	<u>\$ 1,041,315</u>	<u>\$ 7,495</u>	<u>\$ -</u>	<u>\$ 1,048,810</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,867,249	\$ 5,050,789	\$ 5,137,627	\$ 5,780,411
Due from other governments	-	44,624	-	44,624
Investments with fiscal agents	3,360,346	28,425	-	3,388,771
<b>Total Assets</b>	<u>\$ 9,227,595</u>	<u>\$ 5,123,838</u>	<u>\$ 5,137,627</u>	<u>\$ 9,213,806</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 9,227,595	\$ 5,123,838	\$ 5,137,627	\$ 9,213,806
<b>Total Liabilities</b>	<u>\$ 9,227,595</u>	<u>\$ 5,123,838</u>	<u>\$ 5,137,627</u>	<u>\$ 9,213,806</u>

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# **STATISTICAL SECTION**





**Statistical Section  
(Unaudited)**

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Schedule II	Changes in Net Position
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# City of Oxnard, California

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities					
Net investment in capital asset	\$ 1,329,023,654	\$ 1,357,202,580	\$ 1,371,345,945	\$ 1,377,784,811	\$ 1,411,737,702
Restricted	33,774,265	48,175,216	12,852,498	25,080,711	72,142,274
Unrestricted	94,848,663	79,025,330	111,642,569	97,095,180	41,934,961
Total governmental activities net position	<u>\$ 1,457,646,582</u>	<u>\$ 1,484,403,126</u>	<u>\$ 1,495,841,012</u>	<u>\$ 1,499,960,702</u>	<u>\$ 1,525,814,937</u>
Business-type activities					
Net investment in capital asset	\$ 225,311,825	\$ 229,468,962	\$ 238,066,640	\$ 250,720,062	\$ 265,617,506
Restricted	12,508,465	8,782,553	7,811,268	17,706,319	18,417,110
Unrestricted	46,954,212	47,628,743	55,267,595	38,725,334	43,239,167
Total business-type activities net position	<u>\$ 284,774,502</u>	<u>\$ 285,880,258</u>	<u>\$ 301,145,503</u>	<u>\$ 307,151,715</u>	<u>\$ 327,273,783</u>
Primary government					
Net investment in capital asset	\$ 1,554,335,479	\$ 1,586,671,542	\$ 1,609,412,585	\$ 1,628,504,873	\$ 1,677,355,208
Restricted	46,282,730	56,957,769	20,663,766	42,787,030	90,559,384
Unrestricted	141,802,875	126,654,073	166,910,164	135,820,514	85,174,128
Total primary government net position	<u>\$ 1,742,421,084</u>	<u>\$ 1,770,283,384</u>	<u>\$ 1,796,986,515</u>	<u>\$ 1,807,112,417</u>	<u>\$ 1,853,088,720</u>

Source: Finance Department, City of Oxnard

# City of Oxnard, California

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

		Fiscal Year			
2012	2013	2014	2015	2016	
					Governmental activities
\$ 1,386,189,664	\$ 1,407,060,810	\$ 1,400,890,107	\$ 1,436,070,269	\$ 1,422,282,798	Net investment in capital asset
18,707,789	28,720,391	45,801,395	112,198,502	112,286,017	Restricted
58,748,720	22,539,194	8,226,160	(201,194,858)	(197,252,502)	Unrestricted
<u>\$ 1,463,646,173</u>	<u>\$ 1,458,320,395</u>	<u>\$ 1,454,917,662</u>	<u>\$ 1,347,073,913</u>	<u>\$ 1,337,316,313</u>	Total governmental activities net position
					Business-type activities
\$ 264,692,784	\$ 285,475,430	\$ 287,649,591	\$ 224,703,837	\$ 223,977,717	Net investment in capital asset
17,602,552	16,577,898	17,096,075	15,400,679	38,064,498	Restricted
50,315,899	34,418,934	44,328,734	29,943,846	3,139,325	Unrestricted
<u>\$ 332,611,235</u>	<u>\$ 336,472,262</u>	<u>\$ 349,074,400</u>	<u>\$ 270,048,362</u>	<u>265,181,540</u>	Total business-type activities net position
					Primary government
\$ 1,650,882,448	\$ 1,692,536,240	\$ 1,688,539,698	\$ 1,660,774,106	\$1,646,260,515	Net investment in capital asset
36,310,341	45,298,289	62,897,470	127,599,181	150,350,515	Restricted
109,064,619	56,958,128	52,554,894	(171,251,012)	(194,113,177)	Unrestricted
<u>\$ 1,796,257,408</u>	<u>\$ 1,794,792,657</u>	<u>\$ 1,803,992,062</u>	<u>\$ 1,617,122,275</u>	<u>\$1,602,497,853</u>	Total primary government net position

# City of Oxnard, California

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

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government	\$ 19,130,468	\$ 21,898,728	\$ 19,717,999	\$ 18,695,220	\$ 20,845,702
Public safety	80,579,263	88,547,776	86,249,353	92,554,917	92,702,882
Transportation	9,893,618	10,847,730	10,600,127	10,321,184	10,521,098
Community development	19,369,860	27,123,076	26,989,828	32,863,176	26,225,688
Culture and leisure	16,015,957	18,162,564	20,945,072	19,016,619	19,047,037
Libraries	5,025,580	5,517,965	5,341,028	5,176,704	5,230,252
Interest on long-term debt	3,263,821	4,701,143	6,519,008	5,583,856	5,503,330
Total governmental activities expenses	<u>153,278,567</u>	<u>176,798,982</u>	<u>176,362,415</u>	<u>184,211,676</u>	<u>180,075,989</u>
<b>Business-type activities:</b>					
Water	30,683,509	33,417,143	29,837,359	36,797,806	34,062,940
Wastewater	29,033,021	24,009,381	22,337,575	24,205,554	23,052,505
Environmental resource	39,817,351	45,329,486	41,117,534	39,296,115	41,405,568
Performing arts and convention center	1,761,156	1,829,853	1,799,861	1,651,658	1,606,129
Oxnard housing authority	23,494,108	23,758,739	26,153,807	25,259,519	24,911,450
Municipal golf course	4,433,702	3,794,080	7,601,054	4,507,360	6,104,614
Total business-type activities expenses	<u>129,222,847</u>	<u>132,138,682</u>	<u>128,847,190</u>	<u>131,718,012</u>	<u>131,143,206</u>
Total primary government expenses	<u>\$ 282,501,414</u>	<u>\$ 308,937,664</u>	<u>\$ 305,209,605</u>	<u>\$ 315,929,688</u>	<u>\$ 311,219,195</u>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
Charges for services:					
General government	\$ 17,237,868	\$ 8,515,014	\$ 9,765,771	\$ 10,203,810	\$ 8,422,050
Public safety	6,114,255	4,921,670	5,017,708	4,202,162	4,246,985
Transportation	4,217,846	4,050,457	4,042,492	5,068,843	2,131,535
Community development	11,095,658	15,030,222	11,825,981	6,366,499	7,198,058
Culture and leisure	3,903,705	4,401,090	5,273,551	5,237,167	5,037,380
Libraries	320,939	246,576	260,577	428,872	399,582
Operating grants and contributions	25,025,965	23,207,919	25,875,331	24,380,018	27,293,717
Capital grants and contributions	6,804,709	12,902,805	9,420,033	17,106,111	35,331,568
Total governmental activities program revenues	<u>\$ 74,720,945</u>	<u>\$ 73,275,753</u>	<u>\$ 71,481,444</u>	<u>\$ 72,993,482</u>	<u>\$ 90,060,875</u>

# City of Oxnard, California

## SCHEDULE II Changes in Net Position Last Ten Fiscal Years

(accrual basis of accounting)

		Fiscal Year			
2012	2013	2014	2015	2016	
					<b>Expenses</b>
					<b>Governmental activities:</b>
\$ 18,680,585	\$ 18,129,124	\$ 17,851,478	\$ 12,223,337	\$ 8,354,282	General government
98,603,456	103,079,427	105,886,922	97,913,468	90,250,813	Public safety
11,030,990	10,331,822	10,151,437	23,333,586	29,435,256	Transportation
33,705,121	21,162,624	16,445,165	13,137,896	12,634,325	Community development
18,858,694	19,334,566	20,089,724	28,136,349	28,226,543	Culture and leisure
5,203,318	4,916,628	4,901,223	4,498,950	3,930,974	Libraries
3,532,902	2,973,016	2,792,053	4,517,686	4,920,717	Interest on long-term debt
189,615,066	179,927,207	178,118,002	183,761,272	177,752,910	Total governmental activities expenses
					<b>Business-type activities:</b>
37,910,096	44,762,850	44,839,558	55,799,990	56,786,402	Water
29,078,392	34,396,819	34,959,148	37,993,468	34,807,726	Wastewater
41,581,865	40,601,250	39,083,017	37,802,942	37,644,732	Environmental resource
1,587,496	1,534,353	1,543,601			Performing arts and convention center
24,398,669	25,397,453	25,617,591	23,584,181	23,441,364	Oxnard housing authority
6,048,938	6,150,325	6,399,227			Municipal golf course
140,605,456	152,843,050	152,442,142	155,180,581	152,680,224	Total business-type activities expenses
\$ 330,220,522	\$ 332,770,257	\$ 330,560,144	\$ 338,941,853	\$330,433,134	Total primary government expenses
					<b>Program Revenues</b>
					<b>Governmental activities:</b>
					Charges for services:
\$ 9,471,575	\$ 8,408,578	\$ 8,808,647	\$ 5,165,703	\$ 20,541,355	General government
4,426,984	4,460,425	4,878,804	4,904,728	8,015,887	Public safety
2,145,431	3,152,660	3,345,515	2,630,954	5,730,798	Transportation
12,576,655	4,316,880	7,767,004	16,542,075	10,212,020	Community development
5,605,866	4,667,879	4,889,702	7,932,322	3,845,441	Culture and leisure
378,004	427,152	444,458	521,672	451,633	Libraries
30,155,325	27,406,424	32,350,516	29,420,545	9,526,620	Operating grants and contributions
16,598,931	8,313,758	7,486,869	12,300,850	9,925,337	Capital grants and contributions
\$ 81,358,771	\$ 61,153,756	\$ 69,971,515	\$ 79,418,849	\$68,249,091	Total governmental activities program revenues

# City of Oxnard, California

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

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Business-type activities:</b>					
Charges for services:					
Water	\$ 36,855,486	\$ 35,378,947	\$ 38,477,754	\$ 38,439,653	\$ 43,170,566
Wastewater	24,503,133	27,621,114	24,846,717	22,566,372	25,157,094
Environmental resource	40,122,057	42,795,069	39,695,711	40,468,627	45,047,154
Performing arts and convention center	517,766	485,548	483,371	513,857	439,653
Oxnard housing authority	23,137,523	23,785,335	6,105,106	4,686,681	4,786,715
Municipal golf course	3,999,148	3,234,074	4,398,074	4,278,241	3,905,224
Operating grants and contributions	-	-	19,635,556	20,781,204	20,524,235
Capital grants and contributions	-	-	543,140	192,400	2,308,206
Total business-like activities program revenues	<u>129,135,113</u>	<u>133,300,087</u>	<u>134,185,429</u>	<u>131,927,035</u>	<u>145,338,847</u>
Total primary government program revenues	<u>\$ 203,856,058</u>	<u>\$ 206,575,840</u>	<u>\$ 205,666,873</u>	<u>\$ 204,920,517</u>	<u>\$ 235,399,722</u>
 Net (expense) revenue					
Governmental activities	\$ (78,557,622)	\$ (103,523,229)	\$ (104,880,971)	\$ (111,218,194)	\$ (90,015,114)
Business-like activities	(87,734)	1,161,405	5,338,239	209,023	14,195,641
Total primary government net expense	<u>\$ (78,645,356)</u>	<u>\$ (102,361,824)</u>	<u>\$ (99,542,732)</u>	<u>\$ (111,009,171)</u>	<u>\$ (75,819,473)</u>
 <b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes					
Property taxes	\$ 68,429,117	\$ 75,726,666	\$ 76,681,392	\$ 72,817,719	\$ 71,118,203
Sales taxes	25,783,808	24,205,622	24,043,286	28,103,051	33,396,737
Transient occupancy taxes	3,550,903	3,618,611	3,328,803	3,061,163	3,301,864
Franchise taxes	3,686,627	3,986,567	4,635,616	3,439,645	3,495,532
Deed transfer taxes	880,370	860,378	573,882	509,370	528,563
Business license taxes	4,504,455	4,662,658	5,059,323	4,692,615	4,412,881
Penalties on delinquent taxes	129,679	123,956	145,945	136,565	105,158
Investment earnings	6,653,231	7,561,978	5,556,004	2,769,250	1,934,083
Sale of capital assets	-	4,351,772	59,319	694,185	141,123
Transfers	(2,166,406)	5,181,566	(3,764,713)	(885,679)	(2,564,795)
Extraordinary loss	-	-	-	-	-
Contributions to other government	-	-	-	-	-
Total governmental activities	<u>111,451,784</u>	<u>130,279,774</u>	<u>116,318,857</u>	<u>115,337,884</u>	<u>115,869,349</u>
<b>Business-type activities:</b>					
Investment earnings	7,480,785	5,125,917	3,299,336	1,911,510	3,361,632
Sale of capital assets	23,476,670	-	2,862,957	-	-
Transfers	2,166,406	(5,181,566)	3,764,713	885,679	2,564,795
Total business-type activities	<u>33,123,861</u>	<u>(55,649)</u>	<u>9,927,006</u>	<u>2,797,189</u>	<u>5,926,427</u>
Total primary program	<u>\$ 144,575,645</u>	<u>\$ 130,224,125</u>	<u>\$ 126,245,863</u>	<u>\$ 118,135,073</u>	<u>\$ 121,795,776</u>
 <b>Change in Net Position</b>					
Governmental activities	\$ 32,894,162	\$ 26,756,545	\$ 11,437,886	\$ 4,119,690	\$ 25,854,235
Business-type activities	33,036,127	1,105,756	15,265,245	3,006,212	20,122,068
Total primary government	<u>\$ 65,930,289</u>	<u>\$ 27,862,301</u>	<u>\$ 26,703,131</u>	<u>\$ 7,125,902</u>	<u>\$ 45,976,303</u>

Source: Finance Department, City of Oxnard

# City of Oxnard, California

## SCHEDULE II Changes in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)

		Fiscal Year				
	2012	2013	2014	2015	2016	
						<b>Business-type activities:</b>
						Charges for services:
						Water
\$	46,769,748	\$ 51,056,102	\$ 52,742,289	\$ 48,048,380	\$ 47,502,553	Wastewater
	31,528,171	30,998,260	31,335,380	32,074,140	30,622,683	Environmental resource
	44,217,775	42,535,271	44,392,421	43,394,227	41,498,072	Performing arts and convention center
	545,270	483,778	666,820			Oxnard housing authority
	5,157,388	5,173,132	26,158,985		6,569,503	Municipal golf course
	4,063,299	4,157,668	4,471,706	5,168,698		Operating grants and contributions
	18,727,259	18,595,158	53,734	17,853,909	19,655,951	Capital grants and contributions
	1,002,582	966,935	671,012	919,149	946,347	Total business-like activities program revenues
	152,011,492	153,966,304	160,492,347	147,458,503	146,795,109	Total primary government program revenues
\$	233,370,263	\$ 215,120,060	\$ 230,463,862	\$ 226,877,352	\$215,044,200	
						Net (expense) revenue
\$	(108,256,295)	\$ (118,773,451)	\$ (108,146,487)	\$ (104,342,423)	\$ (109,503,819)	Governmental activities
	11,406,036	1,123,254	8,050,205	(7,722,078)	(5,885,115)	Business-like activities
\$	(96,850,259)	\$ (117,650,197)	\$ (100,096,282)	\$ (112,064,501)	\$ (115,388,934)	Total primary government net expense
						<b>General Revenues and Other Changes in Net Position</b>
						<b>Governmental activities:</b>
						Taxes
\$	63,176,888	\$ 55,148,254	\$ 54,783,756	\$ 58,633,590	\$ 61,571,660	Property taxes
	37,453,124	35,156,013	38,330,268	40,624,737	43,163,411	Sales taxes
	3,402,793	3,826,954	4,239,111	4,649,292	5,044,231	Transient occupancy taxes
	3,435,823	3,842,351	3,775,233	4,093,435	3,854,116	Franchise taxes
	412,471	628,780	519,093	758,502	690,805	Deed transfer taxes
	6,125,278	4,562,692	5,125,801	5,104,859	5,422,499	Business license taxes
	126,609	121,064	157,998	141,127	225,990	Penalties on delinquent taxes
	1,354,128	(21,216)	1,165,783	807,618	752,064	Investment earnings
	57,768	119,184	114,348			Sale of capital assets
	(2,184,229)	(2,166,145)	(2,207,463)	6,439,487	62,396	Transfers
	(65,066,037)	-	-	-	-	Extraordinary loss
	(14,627)	-	-	-	-	Contributions to other government
	48,279,989	101,217,931	106,003,928	121,252,647	120,787,172	Total governmental activities
						<b>Business-type activities:</b>
	3,168,662	2,445,183	2,997,078	2,735,395	2,482,980	Investment earnings
	-	-	-	-	-	Sale of capital assets
	2,184,229	2,166,145	2,207,463	(6,439,487)	(62,396)	Transfers
	5,352,891	4,611,328	5,204,541	(3,704,092)	2,420,584	Total business-type activities
\$	53,632,880	\$ 105,829,259	\$ 111,208,469	\$ 117,548,555	\$123,207,756	Total primary program
						<b>Change in Net Position</b>
\$	(59,976,306)	\$ (17,555,520)	\$ (2,142,559)	\$ 16,910,224	\$ 11,283,353	Governmental activities
	16,758,927	5,734,582	13,254,746	(11,426,170)	(3,464,531)	Business-type activities
\$	(43,217,379)	\$ (11,820,938)	\$ 11,112,187	\$ 5,484,054	\$7,818,822	Total primary government

# City of Oxnard, California

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

			Fiscal Year		
	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 3,573,245	\$ 344,987	\$ -	\$ -	\$ -
Unreserved	21,424,406	20,108,117	23,794,737	29,726,794	-
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	17,472,751
Unassigned	-	-	-	-	15,648,084
Total general fund	<u>\$ 24,997,651</u>	<u>\$ 20,453,104</u>	<u>\$ 23,794,737</u>	<u>\$ 29,726,794</u>	<u>\$ 33,120,835</u>
All other governmental funds					
Reserved	\$ 30,201,020	\$ 11,148,128	\$ 12,852,498	\$ 13,811,524	\$ -
Unreserved, reported in:					
Special revenue funds	51,516,503	61,096,986	61,924,849	61,896,005	-
Capital projects funds	47,966,047	81,877,539	72,705,295	59,395,831	-
Nonspendable	-	-	-	-	13,230,067
Restricted	-	-	-	-	34,500,580
Assigned	-	-	-	-	80,823,243
Unassigned	-	-	-	-	(2,764,967)
Total all other governmental funds	<u>\$129,683,570</u>	<u>\$ 154,122,653</u>	<u>\$ 147,482,642</u>	<u>\$ 135,103,360</u>	<u>\$ 125,788,923</u>

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

Source: Finance Department, City of Oxnard



# City of Oxnard, California

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

		Fiscal Year			
2012	2013	2014	2015	2016	
\$ -	\$ -	\$ -	\$ -	\$ -	General Fund
-	-	-	-	-	Reserved
-	4,714,203	4,620,492	-	-	Unreserved
-	1,482,872	-	-	550,000	Nonspendable
18,093,783	14,658,123	18,409,417	11,315,859	15,879,092	Restricted
15,666,268	11,359,847	13,916,093	13,459,906	17,858,980	Assigned
\$ 33,760,051	\$ 32,215,045	\$ 36,946,002	\$ 24,775,765	\$ 34,288,072	Unassigned
					Total general fund
\$ -	\$ -	\$ -	\$ -	\$ -	All other governmental funds
-	-	-	-	-	Reserved
-	-	-	-	-	Unreserved, reported in:
-	-	-	-	-	Special revenue funds
-	3,305,113	-	-	104,736	Capital projects funds
18,707,789	27,237,519	49,083,954	74,810,464	69,258,707	Nonspendable
51,415,603	4,456,543	5,498,036	9,639,955	10,007,525	Restricted
(6,386,154)	14,859,161	(2,062,158)	(1,493,635)	(290,834)	Assigned
\$ 63,737,238	\$ 49,858,336	\$ 52,519,832	\$ 82,956,784	\$ 79,080,134	Unassigned
					Total all other governmental funds

# City of Oxnard, California

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

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Revenues</b>					
Taxes	\$ 106,964,959	\$113,184,458	\$ 114,468,247	\$112,760,128	\$ 116,358,938
Licenses and permits	3,434,727	2,792,191	2,470,865	2,267,581	2,002,416
Intergovernmental	31,830,674	36,110,724	32,290,549	42,232,125	58,971,454
Growth and development fees	4,984,467	5,724,940	7,210,668	1,502,781	2,663,779
Charges for services	11,418,999	12,877,753	10,705,908	11,007,992	10,668,661
Fines and forfeitures	1,383,780	1,350,628	1,408,066	1,213,655	1,233,733
Interest	6,653,231	7,561,978	5,556,004	2,769,250	1,934,083
Special assessments	14,967,993	9,014,090	8,611,926	9,168,150	9,013,480
Contributions from property owners	-	-	-	-	-
Miscellaneous	6,700,305	9,757,199	5,837,966	8,268,073	3,673,052
Total revenues	<u>188,339,135</u>	<u>198,373,961</u>	<u>188,560,199</u>	<u>191,189,735</u>	<u>206,519,596</u>
<b>Expenditures</b>					
General government	12,283,152	12,390,389	11,883,205	11,145,722	11,041,050
Public safety	75,815,578	80,409,884	74,877,737	84,818,990	84,439,008
Transportation	10,136,221	10,642,590	9,829,554	10,137,568	10,338,211
Community development	18,962,172	26,158,572	25,832,640	32,073,825	24,803,125
Culture and leisure	15,141,511	16,894,790	19,348,413	17,751,755	17,789,287
Library services	4,558,864	4,950,293	4,755,540	4,632,177	4,682,033
Capital outlay	56,309,445	52,283,436	43,704,965	34,739,151	54,785,588
Debt Service:					
Principal	2,251,795	2,754,823	3,168,595	3,743,020	3,926,631
Interest	2,411,174	3,810,737	5,574,369	5,230,494	5,151,761
Total expenditures	<u>197,869,912</u>	<u>210,295,514</u>	<u>198,975,018</u>	<u>204,272,702</u>	<u>216,956,694</u>
Excess of revenues over (under) expenditures	<u>(9,530,777)</u>	<u>(11,921,553)</u>	<u>(10,414,819)</u>	<u>(13,082,967)</u>	<u>(10,437,098)</u>
<b>Other Financing Sources (Uses)</b>					
Payment to escrow agent	-	-	-	-	-
Proceeds from sale of property	-	-	-	-	-
Proceeds from sale of bonds	42,459,723	26,634,523	11,790,000	1,395,646	1,295,771
Cost of issuance	-	-	-	-	-
Bond discount	-	-	(116,979)	-	-
Transfers in	13,159,636	14,107,966	10,573,077	10,550,390	11,718,345
Transfers out	(15,326,042)	(8,926,400)	(14,337,790)	(5,310,294)	(8,497,414)
Total other financing sources (uses)	<u>40,293,317</u>	<u>31,816,089</u>	<u>7,908,308</u>	<u>6,635,742</u>	<u>4,516,702</u>
<b>Special items:</b>					
Contributions from other funds	-	-	-	-	-
Contributions to other funds	-	-	-	-	-
Capital contributions	-	-	-	-	-
Extraordinary loss	-	-	-	-	-
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 30,762,540</u>	<u>\$ 19,894,536</u>	<u>\$ (2,506,511)</u>	<u>\$ (6,447,225)</u>	<u>\$ (5,920,396)</u>
Debt service as a percentage of noncapital expenditures	3.29%	4.16%	5.63%	5.29%	5.60%

Source: Finance Department, City of Oxnard

# City of Oxnard, California

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

Fiscal Year					
2012	2013	2014	2015	2016	
					<b>Revenues</b>
\$114,132,986	\$ 103,286,108	\$ 106,888,431	\$ 113,864,415	\$ 119,746,722	Taxes
3,662,851	2,702,302	3,628,916	3,092,838	3,402,217	Licenses and permits
39,321,626	38,740,617	40,960,669	41,721,395	21,455,873	Intergovernmental
5,979,605	1,828,294	3,512,534	3,442,898	4,452,750	Growth and development fees
9,967,288	9,175,312	9,617,645	11,144,204	25,471,392	Charges for services
1,311,689	977,098	699,521	765,857	1,413,718	Fines and forfeitures
1,354,128	(21,216)	1,165,783	657,609	657,140	Interest
8,084,122	7,971,903	8,022,913	7,993,871	9,613,886	Special assessments
-	-	-	-	-	Contributions from property owners
8,453,610	4,359,097	6,803,374	11,233,279	4,987,667	Miscellaneous
192,267,905	169,019,515	181,299,786	193,916,366	191,201,365	Total revenues
					<b>Expenditures</b>
10,355,408	10,438,952	9,926,024	13,384,549	11,368,350	General government
86,218,656	91,190,673	93,875,139	95,777,400	93,676,090	Public safety
10,347,787	9,659,263	9,495,806	9,228,976	7,325,513	Transportation
22,357,237	20,333,591	15,495,566	12,680,862	12,268,857	Community development
17,175,797	17,779,933	18,504,287	24,346,307	23,002,548	Culture and leisure
4,553,275	4,334,991	4,241,345	4,498,950	3,935,250	Library services
46,868,230	33,897,212	13,983,543	13,835,114	20,898,762	Capital outlay
					Debt Service:
4,362,740	3,451,261	3,764,935	6,884,661	6,641,368	Principal
4,061,894	2,941,600	2,776,612	4,225,920	4,530,126	Interest
206,301,024	194,027,476	172,063,257	184,862,739	183,646,864	Total expenditures
(14,033,119)	(25,007,961)	9,236,529	9,053,627	7,554,501	Excess of revenues over (under) expenditures
					<b>Other Financing Sources (Uses)</b>
-	(6,197,285)	-	-	-	Payment to escrow agent
-	-	-	-	-	Proceeds from sale of property
3,680,714	6,802,986	363,387	17,727,656	-	Proceeds from sale of bonds
-	-	-	(283,147)	-	Cost of issuance
-	48,238	-	2,540,460	-	Bond discount/premium
6,108,518	5,869,128	5,570,120	14,564,092	10,964,565	Transfers in
(8,292,747)	(8,035,273)	(7,777,583)	(19,495,238)	(11,125,968)	Transfers out
1,496,485	(1,512,206)	(1,844,076)	15,053,823	(161,403)	Total other financing sources (uses)
					<b>Special items:</b>
76,891,362	-	-	-	-	Contributions from other funds
(76,891,362)	-	-	-	-	Contributions to other funds
(14,627)	-	-	-	-	Capital contributions
(48,861,208)	-	-	-	-	Extraordinary loss
(48,875,835)	-	-	-	-	Total special items
\$ (61,412,469)	\$ (26,520,167)	\$ 7,392,453	\$ 24,107,450	\$ 7,393,098	Net change in fund balances
5.28%	3.99%	4.14%	6.50%	6.86%	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)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Transient Occupancy Tax</b>	<b>Franchise Tax</b>	<b>Deed Transfer Tax</b>	<b>Business License</b>	<b>Penalties and Interest</b>	<b>Total</b>
2007	\$ 68,429,117	\$ 25,783,808	\$ 3,550,903	\$ 3,686,627	\$ 880,370	\$ 4,504,455	\$ 129,679	\$ 106,964,959
2008	75,726,666	24,205,622	3,618,611	3,986,567	860,378	4,662,658	123,956	113,184,458
2009	76,681,392	24,043,286	3,328,803	4,635,616	573,882	5,059,323	145,945	114,468,247
2010	72,817,719	28,103,051	3,061,163	3,439,645	509,370	4,692,615	136,565	112,760,128
2011	71,118,203	33,396,737	3,301,864	3,495,532	528,563	4,412,881	105,158	116,358,938
2012	63,176,888	37,453,124	3,402,793	3,435,823	412,471	6,125,278	126,609	114,132,986
2013	55,148,254	35,156,013	3,826,954	3,842,351	628,780	4,562,692	121,064	103,286,108
2014	54,783,756	38,287,439	4,239,111	3,775,233	519,093	5,125,801	157,998	106,888,431
2015	58,633,590	40,624,737	4,649,292	4,093,435	758,502	5,104,859	142,127	114,006,542
2016	61,571,660	43,163,411	5,044,231	3,854,116	690,805	5,422,499	225,990	119,972,712

Source: Finance Department, City of Oxnard

# City of Oxnard, California

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

Fiscal Year	Land	Improvements	Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007	6,122,287,297	8,427,981,083	598,530,800	2,126,175,049	13,022,624,131	1.16564%	13,022,624,131	100.00%
2008	7,043,458,754	8,801,081,711	608,929,391	2,299,830,016	14,153,639,840	1.17864%	14,153,639,840	100.00%
2009	7,364,501,802	8,753,745,455	637,023,113	2,692,759,267	14,062,511,103	1.19334%	14,062,511,103	100.00%
2010	6,699,090,916	8,441,834,476	648,608,797	654,220,264	15,135,313,925	1.20384%	15,135,313,925	100.00%
2011	6,524,818,244	8,540,793,743	618,870,116	654,216,502	15,030,265,601	1.22054%	15,030,265,601	100.00%
2012	6,423,814,010	8,584,579,684	596,771,651	673,465,559	14,931,699,786	1.20544%	14,931,699,786	100.00%
2013	6,304,938,777	8,677,033,769	617,612,672	422,079,822	15,177,505,396	1.20424%	15,177,505,396	100.00%
2014	6,551,413,092	9,120,556,468	638,670,637	694,237,291	15,616,402,906	1.23154%	15,616,402,906	100.00%
2015	7,084,272,773	9,694,262,028	631,218,103	708,835,243	16,700,917,661	1.22204%	16,700,917,661	100.00%
2016	7,653,508,229	10,068,135,286	652,518,246	753,110,464	17,621,051,297	1.24681%	17,621,051,297	100.00%

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

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

# City of Oxnard, California

## SCHEDULE VII Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rates			Overlapping Rates			Total Direct & Overlapping Rates
	Basic (1)	Debt Service (2)	Total Direct (3)	School Districts (4)	Water Districts (5)	Total Overlapping	
2007	1.000000%	0.16564%	1.16564%	0.08220%	0.03742%	0.11962%	1.28526%
2008	1.000000%	0.17864%	1.17864%	0.10500%	0.03372%	0.13872%	1.31736%
2009	1.000000%	0.19334%	1.19334%	0.11160%	0.01720%	0.12880%	1.32214%
2010	1.000000%	0.20384%	1.20384%	0.11470%	0.01720%	0.13190%	1.33574%
2011	1.000000%	0.22054%	1.22054%	0.11990%	1.48000%	1.59990%	2.82044%
2012	1.000000%	0.20544%	1.20544%	0.12200%	0.01480%	0.13680%	1.34224%
2013	1.000000%	0.20424%	1.20424%	0.11980%	0.00350%	0.12330%	1.32754%
2014	1.000000%	0.23154%	1.23154%	0.14140%	0.00350%	0.14490%	1.37644%
2015	1.000000%	0.22204%	1.22204%	0.12060%	0.00350%	0.12410%	1.34614%
2016	1.000000%	0.21146%	1.24681%	0.12640%	0.00350%	0.12990%	1.37671%

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.

(2) Total Direct Rate is the weighted average of all individual direct rates applied by the Entity preparing the statistical section and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rates. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For report purposes, residual revenue is assumed to have been distributed to the City in the same proportion as General Fund Revenue.

(3) Total Direct rate as presented is the Basic Levy plus Direct Debt Service

(4) The school district rates are for applicable school districts

(5) Overlapping rate for Metropolitan Water District and Calleguas Muni Water Annex#16. Reflects actual overlapping rate. Not all overlapping rates apply to all city property owners.

Source: County of Ventura, Office of the Auditor-Controller  
HdL, Coren & Cone

# City of Oxnard, California

## SCHEDULE VIII Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Proctor & Gamble Paper Products	\$331,568,800	1	1.87%	\$270,310,165	1	1.83%
Essex Arbors LP	206,907,258	2	1.16%			
Vintage Production California, LLC	161,249,447	3	0.91%			
Serenade Apartment Property	87,047,904	4	0.49%			
Prime Peninsula LP	86,618,468	5	0.49%			
NRG CA South LP - Ormond Beach	85,304,653	6	0.48%			
SOCMI LLC	84,463,318	7	0.48%			
HAAS Automation Inc	84,400,700	8	0.48%			
New-Indy Oxnard LLC	76,146,182	9	0.43%			
Duesenberg Investment Company	70,144,595	10	0.39%			
Reliant Energy Ormond Beach, INC				142,000,000	2	0.96%
710 Del Norte, LLC				94,600,000	3	0.64%
GS Channel Islands LLC				79,957,700	4	0.54%
Essex Tierra Vista				78,010,211	5	0.53%
SI VIII LLC				77,910,667	6	0.53%
EF Oxnard, LLC				75,276,100	7	0.51%
Standard Pacific Corp				74,017,134	8	0.50%
Riverpark A LLC				72,948,177	9	0.49%
Fred Kavli				63,613,687	10	0.43%
Other taxpayers	16,489,313,968		92.83%	13,720,339,781		93.03%
Totals	\$17,763,165,293		100.00%	\$14,748,983,622		100.00%

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

# City of Oxnard, California

## SCHEDULE IX Property Tax Levies and Collections Last Ten Fiscal Years

Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2007	\$62,871,775	\$62,416,666	99.28%	\$129,679	\$62,546,345	99.48%
2008	73,234,168	71,707,923	97.92%	121,075	71,828,998	98.08%
2009	71,489,249	71,034,625	99.36%	145,945	71,180,570	99.57%
2010	75,929,128	71,755,189	94.50%	136,565	71,891,754	94.68%
2011	72,434,536	71,118,203	98.18%	105,158	71,223,361	98.33%
2012	70,330,200	63,176,888	89.83%	9,629	63,186,517	89.84%
2013	53,833,600	52,537,321	97.59%	1,560	52,538,881	97.59%
2014	55,367,000	50,243,275	90.75%	456,769	50,700,044	91.57%
2015	56,032,000	53,289,829	95.11%	910,819	54,200,648	96.73%
2016	61,480,511	57,222,321	93.07%	350,407	57,572,728	93.64%

Source: (1) Finance Department, City of Oxnard  
(2) County of Ventura



# City of Oxnard, California

## SCHEDULE X Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government	(1) Percentage of	(2)
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Capital Leases	Revenue Bonds	Capital Leases		Personal Income	Per Capita
2007	\$43,109,750	\$7,395,000	\$37,940,000	\$749,911	\$292,625,260	\$1,536,788	\$383,356,709	10.970%	2,025
2008	41,746,367	34,835,000	37,040,000	493,471	286,428,643	4,603,874	405,147,355	11.009%	2,112
2009	40,337,356	34,350,000	47,755,000	293,886	278,427,654	4,053,370	405,217,266	10.800%	2,090
2010	38,877,717	33,600,000	46,475,000	1,436,151	370,257,293	3,632,411	494,278,572	13.333%	2,510
2011	37,359,198	32,820,000	45,155,000	2,552,594	383,230,810	3,623,668	504,741,270	13.498%	2,524
2012	35,781,802	32,010,000	-	5,665,006	372,713,206	2,963,438	449,133,452	11.319%	2,241
2013	34,146,715	25,335,000	-	11,101,548	361,808,291	2,620,593	435,012,147	10.825%	2,166
2014	32,453,939	24,755,000	-	9,943,968	347,340,473	2,093,846	416,587,226	10.252%	2,046
2015	71,026,930	24,064,918	-	22,159,563	316,333,774	1,546,350	435,131,535	10.581%	2,139
2016	66,823,533	23,464,945	-	22,041,760	305,514,850	1,034,693	418,879,781	10.054%	2,024

NOTE: (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data HDL Coren & Coen

Source: Finance Department, City of Oxnard

# City of Oxnard, California

## SCHEDULE XI Direct and Overlapping Governmental Activities Debt As of June 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>City of Oxnard Overlapping Debt:</b>			
Metropolitan Water District	\$92,865,000	0.717%	\$665,842
Ventura County Community College District	297,490,041	14.962%	44,510,460
Oxnard Union High School District	161,707,016	46.427%	75,075,716
Oxnard School District	182,643,758	92.339%	168,651,420
Rio School District	49,910,000	86.318%	43,081,314
Rio School District - Community Facilities District No 1	65,795,000	100.000%	65,795,000
Hueneme School District	33,813,671	43.528%	14,718,415
Ocean View School District	13,905,247	41.796%	5,811,837
City of Oxnard Community Facilities District 1	8,180,000	100.000%	8,180,000
City of Oxnard Community Facilities District 3	26,925,000	100.000%	26,925,000
City of Oxnard Boulevard Highway Communities Facilities District	7,110,000	100.000%	7,110,000
City of Oxnard - Rose Avenue/Hwy 101 Assessment District 96-1	670,000	100.000%	670,000
City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1	10,550,000	100.000%	10,550,000
City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1	1,805,000	100.000%	1,805,000
Ventura County General Fund Obligations	371,995,000	14.957%	55,639,292
Ventura County Superintendent of Schools - Certificates of Participation	10,425,000	14.957%	1,559,267
Oxnard Union High School District - Certificates of Participation	5,363,000	46.427%	2,489,880
Ocean View School District - Certificates of Participation	1,222,900	41.796%	511,123
Oxnard School District - Certificates of Participation	12,073,600	92.339%	11,148,642
Rio School District - Certificates of Participation	12,235,000	86.318%	10,561,007
Successor Agency - Tax Increment Debt	37,830,000	100.000%	37,830,000
Subtotal - Overlapping Debt	1,404,514,233		593,289,215
<b>City of Oxnard Direct Debt:</b>			
City of Oxnard Lease Revenue Bonds			66,823,533
City of Oxnard Certificates of Participation			23,464,945
City of Oxnard Capital Lease Obligations			22,041,760
Subtotal - Direct Debt			112,330,238
<b>Total direct and overlapping debt</b>			<b>\$705,619,453</b>

### Notes:

(1) The percentage of overlapping debt applicable to the City is estimated using assessed property values. Applicable percentages were estimated by determining the portion of the overlapping District's assessed value that is within the boundaries of the City divided by the District's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds, and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

# City of Oxnard, California

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 2,250,164	\$ 2,449,824	\$ 2,493,677	\$ 2,349,884	\$ 2,333,523	\$ 2,322,196	\$ 2,319,396	\$ 2,427,380	\$ 2,593,772	\$ 2,643,158
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 2,250,164</u>	<u>\$ 2,449,824</u>	<u>\$ 2,493,677</u>	<u>\$ 2,349,884</u>	<u>\$ 2,333,523</u>	<u>\$ 2,322,196</u>	<u>\$ 2,319,396</u>	<u>\$ 2,427,380</u>	<u>\$ 2,593,772</u>	<u>\$ 2,643,158</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

### Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 14,169,660
Add back: exempt real property	<u>3,451,391</u>
Total assessed value	17,621,051
Debt limit (15% of total assessed value)	2,643,158
Debt applicable to limit:	
General obligation bonds	395,803
Less: assets in debt service funds for principal payments	
Revenue bonds - governmental activities	(66,823)
Revenue bonds - business-type activities	(305,515)
Tax allocation bonds-community development commission	
Certificates of participation	<u>(23,465)</u>
Total net debt applicable limit	-
Legal debt margin	<u>\$ 2,643,158</u>

Source: Finance Department, City of Oxnard

# City of Oxnard, California

## SCHEDULE XIII Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds					
	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
2007	\$40,719,155	\$22,674,080	\$18,045,075	\$1,205,000	\$2,625,730	4.71
2008	38,369,885	27,732,616	10,637,269	1,235,000	5,253,315	1.64
2009	40,395,380	25,883,824	14,511,556	2,040,000	5,149,575	2.02
2010	39,764,998	28,681,992	11,083,006	2,105,000	8,049,790	1.09
2011	46,118,265	29,910,426	16,207,839	2,209,809	11,621,908	1.17
2012	49,580,413	30,309,016	19,271,397	3,195,568	11,858,798	1.28
2013	53,306,397	36,096,926	17,209,471	3,479,490	10,524,675	1.23
2014	55,340,757	36,361,905	18,978,852	3,858,359	10,838,887	1.29
2015	50,487,289	39,181,785	11,305,504	3,972,718	10,399,251	0.79
2016	49,612,518	39,489,138	10,123,380	4,144,638	10,259,011	0.70

Fiscal Year	Environmental Resources Revenue Bonds					
	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage
2007	40,322,484	38,170,528	2,151,956	2,142,556	1,036,405	0.68
2008	42,986,155	43,113,155	(127,000)	2,102,040	943,620	(0.04)
2009	39,901,815	38,055,524	1,846,291	2,335,505	970,779	0.56
2010	40,614,642	37,258,502	3,356,140	2,447,346	885,840	1.01
2011	45,243,032	39,058,556	6,184,476	2,534,094	1,178,081	1.67
2012	44,403,042	38,874,986	5,528,056	2,651,878	929,973	1.54
2013	42,668,594	38,235,619	4,432,975	2,729,777	763,442	1.27
2014	44,670,034	36,624,969	8,045,065	2,681,421	752,146	2.34
2015	43,578,972	35,911,447	7,667,525	2,390,000	321,340	2.83
2016	41,677,411	36,427,580	5,249,831	1,930,153	250,937	2.41

Note: The above operating expenses figures do not include depreciation and debt service expenses  
The City's bond obligations are secured by the pledge of the net system revenues.

Source: Finance Department, City of Oxnard

# City of Oxnard, California

## SCHEDULE XIII Pledged Revenue Coverage Last Ten Fiscal Years

<b>Wastewater Revenue Bonds</b>						Fiscal Year
Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage	
\$27,322,064	\$16,956,481	\$10,365,583	\$2,135,000	\$7,259,743	1.10	2007
29,054,646	17,562,559	11,492,087	2,260,000	7,418,756	1.19	2008
28,762,308	16,268,395	12,493,913	3,155,000	7,282,032	1.20	2009
23,165,658	17,588,757	5,576,901	3,255,000	7,284,462	0.53	2010
25,373,362	16,484,729	8,888,633	3,367,079	7,359,648	0.83	2011
31,680,309	18,146,959	13,533,350	3,532,784	7,060,378	1.28	2012
31,045,715	18,763,458	12,282,257	3,709,555	6,882,148	1.16	2013
31,496,211	19,228,381	12,267,830	4,316,967	6,738,688	1.11	2014
32,169,034	23,984,003	8,185,031	4,114,299	5,404,525	0.86	2015
30,622,683	21,786,745	8,835,938	4,302,474	4,731,254	0.98	2016
<b>Oxnard Housing Authority Revenue Bonds</b>						Fiscal Year
Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage	
22,616,071	21,496,289	1,119,782	215,000	243,407	2.44	2007
23,956,893	21,916,273	2,040,620	220,000	218,233	4.66	2008
25,784,589	24,427,197	1,357,392	225,000	209,945	3.12	2009
24,847,419	23,750,482	1,096,937	235,000	212,903	2.45	2010
25,312,733	23,531,077	1,781,656	240,000	198,220	4.07	2011
23,905,239	23,029,780	875,459	250,000	189,204	1.99	2012
23,782,397	23,948,254	(165,857)	260,000	180,456	(0.38)	2013
26,172,885	24,332,827	1,840,058	270,000	168,169	4.20	2014
23,119,454	22,350,935	768,519	280,000	175,304	1.69	2015
26,325,530	22,587,321	3,738,209	295,000	149,436	8.41	2016

# 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
2007	192,997	\$3,494,586	\$18,463	31	37,956	6.1%
2008	194,905	3,680,019	19,185	36	37,703	7.4%
2009	197,067	3,751,908	19,352	30	38,911	11.0%
2010	200,004	3,707,181	18,829	29.7	39,135	14.4%
2011	199,722	3,739,475	18,697	30.5	38,595	14.2%
2012	200,390	3,968,123	19,802	30.3	39,231	13.0%
2013	200,855	4,018,506	20,007	30.1	38,813	10.1%
2014	203,645	4,063,329	19,953	30.3	39,418	8.6%
2015	206,148	4,112,210	20,210	30.5	39,266	5.8%
2016	206,997	4,166,242	20,127	30.7	39,425	6.2%

Sources:

- (1) California Department of Finance, Demographic Research Unit
- (2) HdL Coren & Cone
- (3) HdL Coren & Cone, US Census Bureau Community Facts
- (4) Oxnard School Districts (Elementary) and Oxnard Union High School District, Oxnard College

# City of Oxnard, California

## SCHEDULE XV Full-Time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	214	186	234	234	234	228	227	230	230	228
Public Safety										
Police										
Officers	236	236	293	237	237	236	252	249	252	243
Civilians	151	151	95	151	151	151	155	159	157	151
Fire										
Firefighters & officers	102	103	100	103	103	101	101	110	125	125
Civilians	5	4	7	3	3	3	3	3	3	3
Transportation	56	84	50	50	50	49	49	44	43	25
Community development	59	67	66	66	66	66	60	58	59	50
Culture and recreation	83	85	85	85	85	83	83	83	81	67
Utilities										
Water	47	46	45	51	51	51	51	50	50	52
Wastewater	72	74	72	72	72	70	76	79	80	81
Environmental Resources	81	76	78	78	78	79	79	80	118	113
Housing	81	81	81	81	81	83	82	82	81	80
Total	1,187	1,193	1,206	1,211	1,211	1,200	1,217	1,226	1,278	1,218

Source: Finance Department, City of Oxnard

# City of Oxnard, California

## SCHEDULE XVI Operating Indicators by Function Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Physical arrests	8,835	8,425	7,842	7,794	8,116	7,278	6,790	6,169	7,388	7,063
Parking violations	31,462	51,046	37,968	35,346	35,091	34,914	32,120	25,130	26,033	32,288
Traffic violations	20,525	16,673	23,305	25,288	25,517	22,294	15,800	17,775	18,596	15,845
Fire										
Number of calls answered	11,212	12,210	13,310	13,417	13,813	13,381	14,127	14,770	15,560	17,678
Inspections	3,693	3,190	4,244	4,777	5,614	4,212	5,000	3,588	3,030	2,296
Highways and streets										
Potholes repaired	12,200	12,375	12,300	12,650	13,000	14,000	13,000	13,500	13,000	12,500
Sanitation										
Total number of customers	45,731	43,489	37,195	37,124	43,991	44,034	44,312	44,677	44,944	45,266
Refuse/recyclables collected (tons/day)	681	581	571	570	577	558	569	582	605	608
Recyclables collected (tons/day)	13	13	95	91	93	98	98	101	98	101
Culture and recreation										
Community center admissions	42,831	43,230	51,872	27,934	29,655	33,751	29,910	22,980	35,857	28,896
Water										
Total number of customers	38,816	39,531	40,206	40,756	40,785	41,064	41,019	41,319	41,437	41,635
Average daily consumption	29,000,000	29,326,500	25,781,331	23,246,924	23,293,140	23,094,489	23,578,792	24,041,322	21,014,055	21,701,750
Wastewater										
Total number of customers	35,646	36,484	37,251	38,081	38,158	38,379	38,712	38,971	39,210	39,374
Average daily sewerage treatment	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	19,700,000	19,700,000	19,700,000

Source: Various departments, City of Oxnard



# City of Oxnard, California

## SCHEDULE XVII Capital Assets by Function Last Ten Fiscal Years

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	345	269	223	171	264	275	268	268	311	233
Fire										
Stations	7	7	7	7	7	7	7	7	8	8
Hydrants	5,000	5,150	6,282	5,413	5,413	5,430	5,500	5,500	5,500	5,500
Sanitation										
Collection trucks	57	52	52	52	52	51	51	51	50	52
Highways and streets										
Streets (miles)	400	400	400	400	400	400	400	400	400	432
City-owned streetlights	650	654	654	674	674	674	974	974	972	980
SCE-owned streetlights	9,258	9,314	9,371	9,943	9,943	10,005	10,067	10,192	10,225	10,225
Culture and recreation										
Parks acreage	469	494	550	550	550	550	550	550	555	561
Parks	49	55	58	58	58	58	58	58	59	62
Ball diamonds	30	30	30	30	37	37	37	37	37	22
Basketball courts	19	24	29	29	47	47	47	47	48	25
Craft/Activity buildings	8	8	8	8	10	10	10	10	10	2
Gymnasium	3	3	2	2	2	2	2	2	2	2
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	31	32	31	31	30	30	30	30	30	25
Community centers	3	3	3	3	3	3	3	3	3	2
Library										
Number of books	433,008	355,151	353,455	356,456	356,624	362,753	337,015	325,906	318,644	316,646
Number of microfilms	8,473	8,510	8,525	8,572	8,634	8,708	8,726	8,729	8,729	5,885
Number of audiotapes	20,284	21,055	20,864	21,345	22,105	21,676	20,060	20,423	19,618	18,902
Number of videotapes	14,709	15,582	15,318	16,045	16,015	17,288	14,688	15,025	14,167	14,259
Number of CD-ROMS (data disk)	808	755	632	689	617	620	438	447	16	3,072
Water										
Water mains (miles)	600	601	663	592	592	597	600	600	600	600
Maximum daily treatment capacity	18,000,000	18,600,000	18,600,000	18,600,000	18,600,000	18,600,000	18,600,000	18,600,000	18,600,000	18,600,000
Sewer										
Miles of sewer lines	440	445	445	445	445	445	445	430	430	430

Source: Various departments, City of Oxnard