

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017





**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
Fiscal Year Ended June 30, 2017**

# CITY OF OXNARD, CALIFORNIA

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JUNE 30, 2017

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# INTRODUCTORY SECTION





January 5, 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, 2017. 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.

The previous year's CAFR, for the fiscal year ended June 30, 2016, showed marked improvement versus year-end FY 2014-15, as only five findings, four related to housing reports, were issued by the auditors. Historically, the FY 2014-15 audit 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 team 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, thus is the reason for such a large improvement in the audit.

In order to meet a self-imposed date of June 30, 2018 for the completion of all 111 audit findings, the City hired a consulting firm to assist in the creation and implementation of the policies and procedures. All indications point to the City being able to meet this completion date, which is one full year ahead of the original schedule. The City, the consultant, and the external auditors are working in conjunction with each to ensure the proper path to success.

Due to prior issues with record keeping, as well as an antiquated finance system, Eadie and Payne, LLP, Certified Public Accountants, had 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.

However, given the extraordinary effort of the City's Finance department, this qualified opinion has been removed for the FY 2016-17 audit.

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. The MD&A compliments 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 208,000 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, 2017, 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 2016-17 budget was adopted on June 28, 2016.

## 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 approximately 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 Miami Dolphins conducted their summer training camps in Oxnard in 2017.

Businesses continue to expand in Oxnard and residential development has been strong. The Collection, a retail and entertainment complex in North Oxnard, is now over 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 \$18.5 billion, an increase of 5.11% from the prior year assessment roll of \$17.6 billion. According to Zillow.com the median home value in Oxnard is \$475,000. Oxnard home values have gone up 7.8% over the past year and Zillow predicts they will rise 4.7% 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 2017-18, and 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 year 2015-16. Past decisions delayed action on rate increases for years. As a result, necessary rate increases drew opposition.

### **Wastewater**

The Wastewater Fund has serious fiscal challenges due to the lack of revenue needed to cover operating costs and debt payments. Wastewater rates were approved in January 2016, with an initial 35% increase. However, a citizen's initiative was approved for the November 2016 ballot and passed with 72% approval. Unfortunately, the City was placed in a position that by repealing the rate increase, it would continue to be in default of debt covenants, and would be relying on fund reserves for operating and maintenance costs. The City will begin litigation in December 2017 concerning this matter, with the City Attorney office confident that the City will prevail.

The Wastewater Fund has ended the last three fiscal years in deficit, but with the new rates in place, the fund ended with a \$11.3M operating surplus. The Wastewater Fund has approximately \$115M in outstanding debt. Approximately \$16.0M 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 100%.

Standard and Poor's Credit Rating Agency has placed the Wastewater Fund on a negative "credit watch" 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.

JPMorgan Chase will be the new Letter of Credit holder for the City's wastewater variable rate debt, thus removing Union Bank from its current obligations.

In April 2017, the City implemented a new rate structure for wastewater, which maintained the original 35% increase, and then a 5.25% increase for each of the next five years. This plan should allow the fund to meet its debt covenants, as well as its operating and maintenance, plus some critical infrastructure needs. Within the next three years, it is expected that another rate study will be commenced with a capital improvement plan that will replace the large critically deficient sections of the facility.

### **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 2017.

The General Fund shows a cash position of approximately \$39.6M, 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 FY 2017-18 are for the General Fund to end the fiscal year in a minimum of a neutral financial position as compared to FY 2016-17. This is primarily due to continued increases in property tax valuation and sales taxes. As with the majority of cities in California, the City uses HdL for both the property tax and sales tax projections. Currently, the three largest revenue items, property tax, sales tax, and transient occupancy tax, all show favorable trends for FY 2017-18.

### **Water Fund**

The Water Fund ended the fiscal year with a deficit of \$4.2M. The Council was presented with an option for a single rate increase such that the fund would stop its deficit spending. During this 18-month period, city staff would begin the process of another rate study that would include a full capital improvement program. The new proposed rates would be brought back to Council within the 18-month period for approval.

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 of the CAFR in the first week of January 2018, or a little over six months after the end of the fiscal year, is an incredible achievement for the City of Oxnard given the amount of continued financial 'clean-up' that the Finance staff was required to do, including the complete inventory and valuation of all fixed assets, which thus removed the previous qualified finding.

In addition, this CAFR continues to make progress in limiting the number of findings or recommendations by the external auditor.

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. The summary of FY 2016-17 is that the City has made great strides in becoming financially stable. This progress will continue into FY 2017-18 and beyond, as more of the policies and procedures have been created, implemented, staff trained, and follow-up completed. The City of Oxnard has a very positive outlook.

## **ACKNOWLEDGEMENTS**

We want to acknowledge the support provided by the City Council in their support of the Finance Department and its needs. We also want to acknowledge the hard work of Assistant Chief Financial Officer – Deanne Purcell, Controller - Christine Williams, Management Accountant - Pam Greer, Utility Finance Officer - Licette Maldonado, Budget Manager – Beth Vo, and all the members of the Finance Department staff. Without their true dedication and hard work this CAFR would not have happened. We also want to acknowledge the expertise, hard work and problem solving skills of the Eadie + Payne audit team.

  
\_\_\_\_\_  
City Manager  
\_\_\_\_\_  
Assistant City Manager  
\_\_\_\_\_  
Chief Financial Officer

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## Elected Officials

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**Tim Flynn,**  
Mayor



**Carmen Ramirez,**  
Mayor Pro Tem



**Bryan A.  
MacDonald,**  
Councilman



**Bert Perello,**  
Councilmember



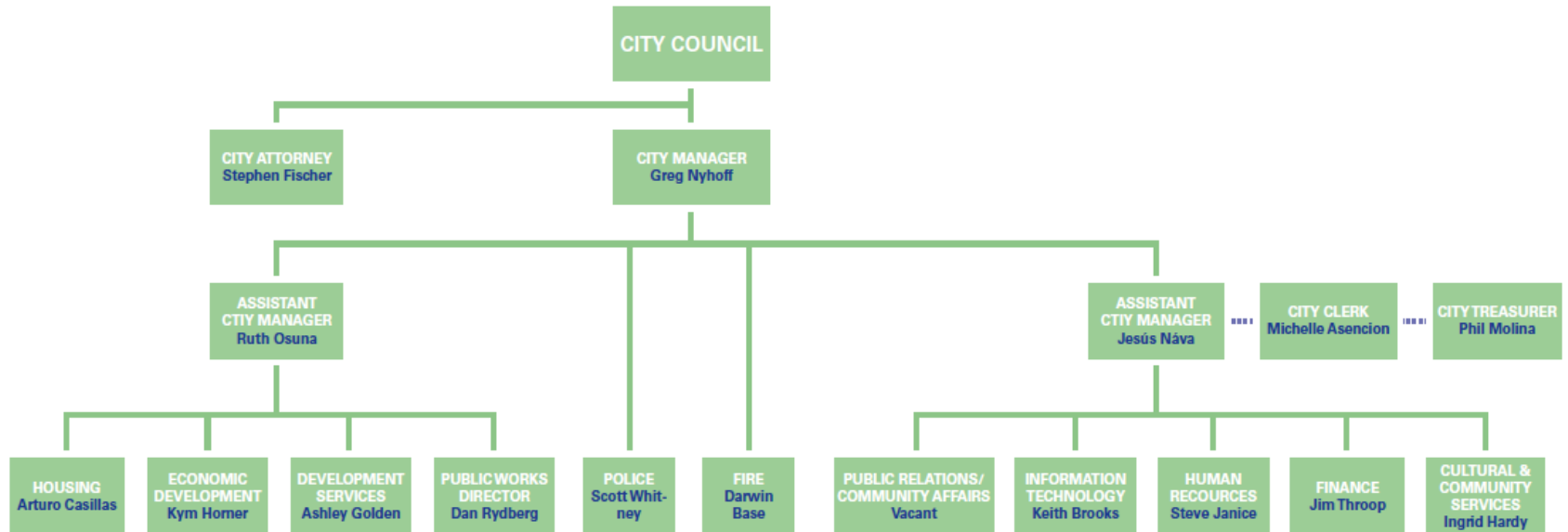
**Oscar Madrigal,**  
Councilmember



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## City of Oxnard Citywide Organizational Chart

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# **FINANCIAL SECTION**





## 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, 2017, 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.

#### **Eadie + Payne, LLP**

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## ***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 0.97% and 0.68% of total government-wide assets and net position as of June 30, 2017 and 7.26% 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.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

As discussed in Note II.K. 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 increased by \$582,947,366 and \$580,089,043, respectively, and total assets and net position of Business-type Activities increased by \$3,676,503 and \$4,308,075, respectively. Our opinion is not modified with respect to this matter.

### ***Uncertainty***

As discussed in Note V.B. to the financial statements, the City has a letter of credit with one bank that expires on January 31, 2018 and two other letters of credit with the same bank that expire on February 28, 2018 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. Management has obtained a commitment from another bank to replace the letter of credit expiring on January 31, 2018 and is actively in negotiation with the same bank to replace the other two letters of credit expiring on February 28, 2018. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note V. B. 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 6 through 20 and 137 through 145 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 basic 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 will also issue our report 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*

December 26, 2017  
Riverside, 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 (FY) ended June 30, 2017. Please read in conjunction with the transmittal letter on page i and the City's financial statements that begin on page 22.

### **FINANCIAL HIGHLIGHTS**

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

- Reported net position at June 30, 2017 is \$2.2 billion, which represents an increase of \$622 million from June 30, 2016. The increase was primarily due to \$37 million of revenues and special items in excess of expenses, and a \$585 million increase attributable to prior-period adjustments mostly related to a valuation of capital assets completed during the fiscal year.
- Of the total net position, \$2.2 billion is invested in capital assets and \$172 million is restricted. Unrestricted funds has a deficit balance of \$178 million due to the implementation of GASB 68; before adjusting for GASB 68, unrestricted funds were \$44 million. Unrestricted funds may be used by the City to meet ongoing operations, subject to applicable federal and state laws and regulations.
- As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$140 million, an increase of \$27 million from the prior year.
- Prior-period adjustments include increases in governmental activities totaling \$580 million, consisting of an increase of \$583 million due to the valuation of capital assets net of accumulated depreciation and an adjustment to deferred revenues related to notes receivable of \$3 million. In business-type activities, prior-period adjustments increased net capital assets by \$3 million and other assets by \$1 million.

#### **Fund financial statements**

- Reported governmental fund balances grew by \$27 million at the close of fiscal year 2016-2017. The General Fund increased by \$12 million and other governmental funds increased by \$15 million.
- Total governmental fund revenue increased by \$6 million to \$197 million. The increase was mainly attributable to growth and development fees of \$3 million and miscellaneous revenues of \$4 million that included legal settlements and insurance reimbursements.
- Total governmental expenses totaled \$180 million, a decrease of \$4 million from the prior year. Most of the decrease was attributable to lower capital outlay expenses.

- Water Fund operating revenue increased by \$3 million due to higher charges for services. Operating expenses increased by \$1 million due to higher water acquisition costs and a legal settlement payment.
- Wastewater Fund operating revenue increased by \$9 million, attributable to higher charges for services and connection fee revenues. Operating expenses decreased by \$2 million due to lower repairs and maintenance costs and contractual services.
- Environmental Resource operating revenue increased by \$7 million mostly due to higher reimbursements from the State of California for material recycling. Operating expenses increased by \$5 million due to higher personnel costs, higher recycling costs and waste hauling contractual services.

## **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 22-24 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 (special revenue, debt service, and capital projects funds). The City has two governmental funds classified as major funds requiring separate presentation in the basic financial statements: the General Fund and Affordable Housing Fund. 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 147-161. 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 144-145. The basic governmental funds financial statements can be found on pages 25-28 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 liability, workers' compensation, information services, and facilities and equipment maintenance. 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 163-169.

The basic proprietary funds financial statements can be found on pages 29-38 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 Community Development Commission (CDC) Successor Agency funds. The basic fiduciary funds financial statements can be found on page 39-40 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 41-136 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 137-145.

Footnotes providing additional detail about the CDC Successor Agency can be found on pages 130-136. In addition, further discussion of uncertainties affecting the City appears at pages 127-129.

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 147-161 of this report. Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 173-198 of this report.

## Net Position

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 149,497	\$ 134,525	\$ 105,638	\$ 82,078	\$ 255,135	\$ 216,603
Capital assets (net of accumulated depreciation)	2,088,870	1,519,188	520,266	527,607	2,609,136	2,046,795
Properties held for resale	250	105	290	-	540	105
Other assets	69,364	60,750	984	14,686	70,348	75,436
<b>Total Assets</b>	<b>2,307,981</b>	<b>1,714,568</b>	<b>627,178</b>	<b>624,371</b>	<b>2,935,159</b>	<b>2,338,939</b>
Deferred outflows of resources	68,597	39,842	18,712	13,986	87,309	53,828
<b>Total Assets and Deferred Outflows of Resources</b>	<b>2,376,578</b>	<b>1,754,410</b>	<b>645,890</b>	<b>638,357</b>	<b>3,022,468</b>	<b>2,392,767</b>
Current liabilities	46,921	51,948	23,990	27,554	70,911	79,502
Noncurrent liabilities	373,892	343,154	341,236	340,352	715,128	683,506
<b>Total Liabilities</b>	<b>420,813</b>	<b>395,102</b>	<b>365,226</b>	<b>367,906</b>	<b>786,039</b>	<b>763,008</b>
Deferred inflows of resources	9,815	21,992	2,283	5,269	12,098	27,261
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>430,628</b>	<b>417,094</b>	<b>367,509</b>	<b>373,175</b>	<b>798,137</b>	<b>790,269</b>
Net Position						
Net investment in capital assets	2,001,165	1,422,283	228,709	223,978	2,229,874	1,646,261
Restricted	130,018	112,286	41,733	38,065	171,751	150,351
Unrestricted	(185,233)	(197,253)	7,939	3,139	(177,294)	(194,114)
<b>NET POSITION</b>	<b>\$ 1,945,950</b>	<b>\$ 1,337,316</b>	<b>\$ 278,381</b>	<b>\$ 265,182</b>	<b>\$ 2,224,331</b>	<b>\$ 1,602,498</b>

- At June 30, 2017, the City's net position totaled \$2.2 billion. The largest portion consists of the City's net investment in capital assets in the amount of \$2.2 billion. This amount represents the total funds invested to acquire capital assets, reduced by the outstanding debt issued in connection with their construction or acquisition. Capital assets are not available, spendable resources, and generally are not liquidated to repay debt.
- Current assets increased by \$39 million, of which \$15 million increase is attributable to governmental activities and \$24 million increase is attributable to business-type activities. The majority of the increase was due to the transfer of bond proceeds of \$10 million from the Successor Agency to the City after obtaining approval from the Department of Finance. There were also increases in cash and investments of \$20 million and accounts receivables of \$5 million outstanding at year-end.
- The City's total capital assets increased by \$563 million during the current fiscal year. Capital assets for governmental activities increased by \$570 million and for business-type activities capital assets decreased by \$7 million. The significant changes in capital assets are due to information presented from a capital asset valuation and physical inventory performed by a consulting firm during the current fiscal year.

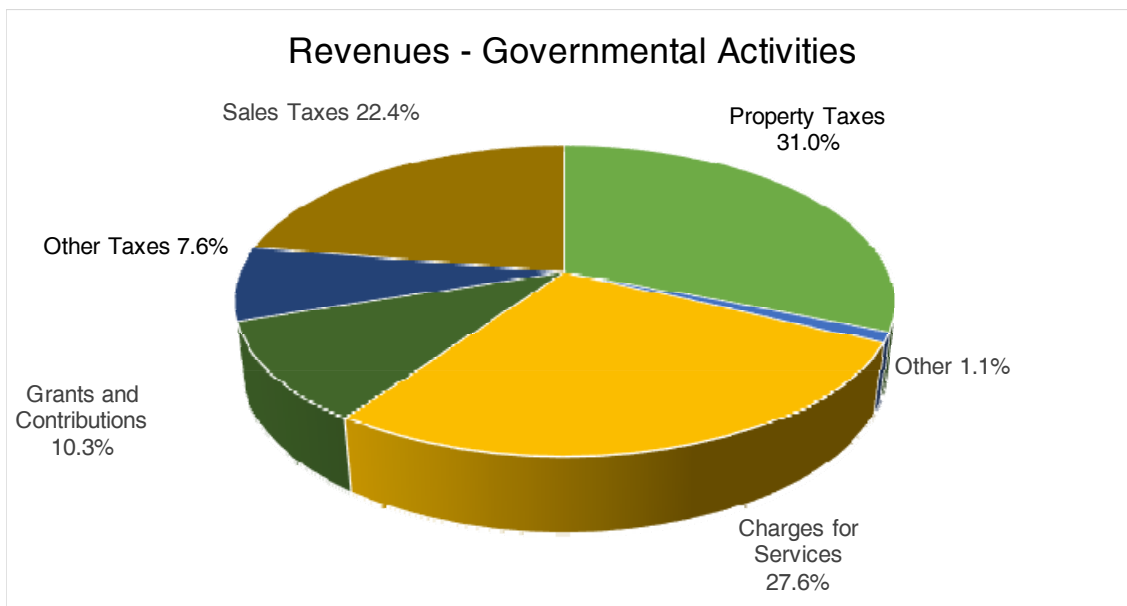
- The City's total liabilities increased by \$23 million, governmental activities increased by \$26 million whereas business-type activities decreased by \$3 million. Most of the increase in governmental activities was due to an increase in the net pension liability of \$36 million, although there was an offsetting decrease of \$9 million in capital leases and other debt.

SUMMARY OF CHANGES IN NET POSITION  
(\$THOUSANDS)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Program Revenues						
Charges for services	\$ 54,318	\$ 48,797	\$ 143,237	\$ 126,193	\$ 197,555	\$ 174,990
Operating grants and contributions	16,948	9,527	21,178	19,656	38,126	29,183
Capital grants and contributions	3,276	9,925	963	946	4,239	10,871
General Revenues						
Taxes	120,080	119,973	-	-	120,080	119,973
Interest on investments	1,989	752	2,441	2,483	4,430	3,235
<b>Total Revenues</b>	<u>196,611</u>	<u>188,974</u>	<u>167,819</u>	<u>149,278</u>	<u>364,430</u>	<u>338,252</u>
Expenses						
General government	30,058	8,354	-	-	30,058	8,354
Public safety	95,103	90,251	-	-	95,103	90,251
Transportation systems	8,753	29,435	-	-	8,753	29,435
Community development	12,476	12,634	-	-	12,476	12,634
Culture and leisure	26,193	28,227	-	-	26,193	28,227
Libraries	4,066	3,931	-	-	4,066	3,931
Interest on long-term debt	4,756	4,921	-	-	4,756	4,921
Water	-	-	57,904	56,786	57,904	56,786
Wastewater	-	-	32,926	34,808	32,926	34,808
Environmental resource	-	-	42,534	37,645	42,534	37,645
Oxnard Housing Authority	-	-	26,061	23,441	26,061	23,441
<b>Total Expenses</b>	<u>181,405</u>	<u>177,753</u>	<u>159,425</u>	<u>152,680</u>	<u>340,830</u>	<u>330,433</u>
<b>CHANGE IN NET POSITION BEFORE SPECIAL ITEMS, CONTRIBUTED CAPITAL, AND TRANSFERS</b>	15,206	11,221	8,394	(3,402)	23,600	7,819
<b>CONTRIBUTED CAPITAL</b>	(940)	-	940	-	-	-
<b>SPECIAL ITEMS</b>	13,836	-	-	-	13,836	-
<b>TRANSFERS</b>	443	62	(443)	(62)	-	-
<b>CHANGE IN NET POSITION</b>	28,545	11,283	8,891	(3,464)	37,436	7,819
<b>NET POSITION - JULY 1</b>	1,337,316	1,347,074	265,182	270,048	1,602,498	1,617,122
<b>PRIOR-PERIOD ADJUSTMENT</b>	580,089	(21,041)	4,308	(1,402)	584,397	(22,443)
<b>NET POSITION - JUNE 30</b>	<u>\$ 1,945,950</u>	<u>\$ 1,337,316</u>	<u>\$ 278,381</u>	<u>\$ 265,182</u>	<u>\$ 2,224,331</u>	<u>\$ 1,602,498</u>

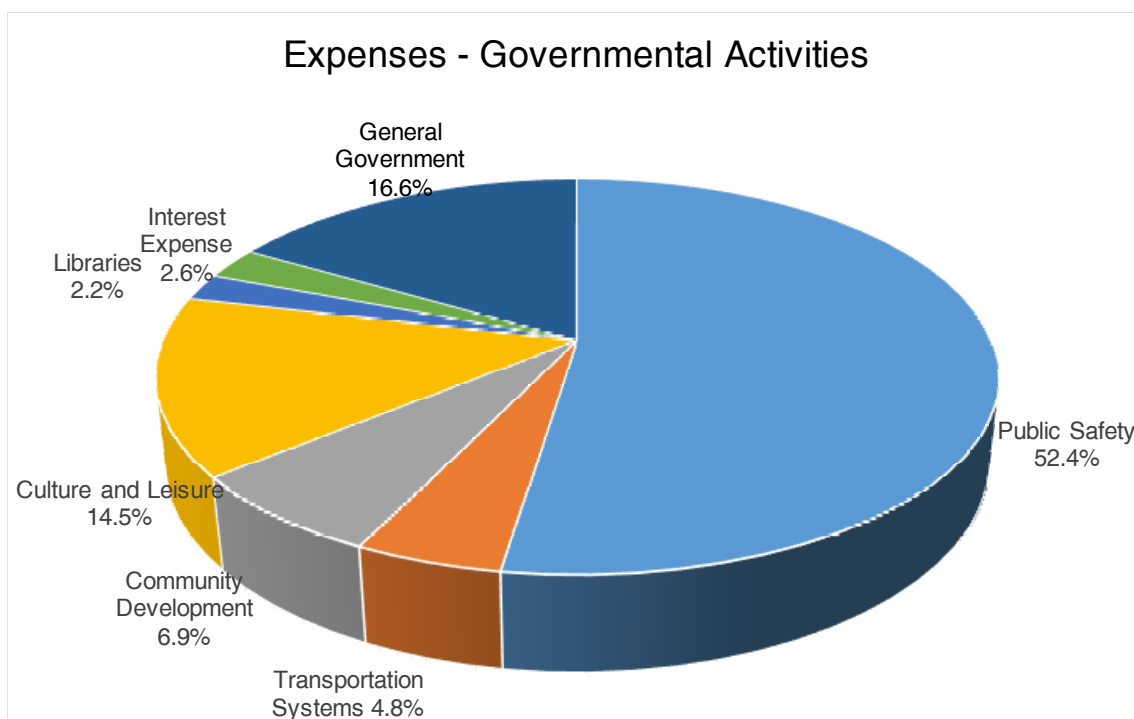
## Program Revenues

- Total revenues increased by \$25 million that included \$6 million attributable to governmental activities and \$19 million to business-type activities.
- Most of the increase in revenue for governmental activities was related to charges for services that increased \$6 million from the prior year, primarily due to higher development impact fee revenues, licenses and permits, and other reimbursements. An increase of \$1 million was also realized in interest on investments due to legal settlements and higher yield.
- Taxes increased by almost \$0.1 million which is consistent with the prior year amount.
- The increase in revenue of \$18 million for business-type activities was primarily due to charges for services that increased by \$17 million from the prior year. Most of the increase was due to user fees that were up in the Water Fund by \$3 million and the Wastewater Fund by \$7 million. The Wastewater Fund also realized an increase of \$2 million in connection fee revenues. Environmental Resource revenue increased by \$7 million mostly due to higher reimbursements from the State of California for material recycling.
- Operating grants and contributions increased by \$9 million and capital grants and contributions decreased by \$7 million. These two categories of revenues may fluctuate from year-to-year depending on grantor agency awards and reimbursements.
- The City also reported Special Items of \$14 million as a result of a transfer to the City from the Successor Agency that included bond proceeds of \$10 million (after obtaining approval from the Department of Finance) and capital assets of \$4 million.

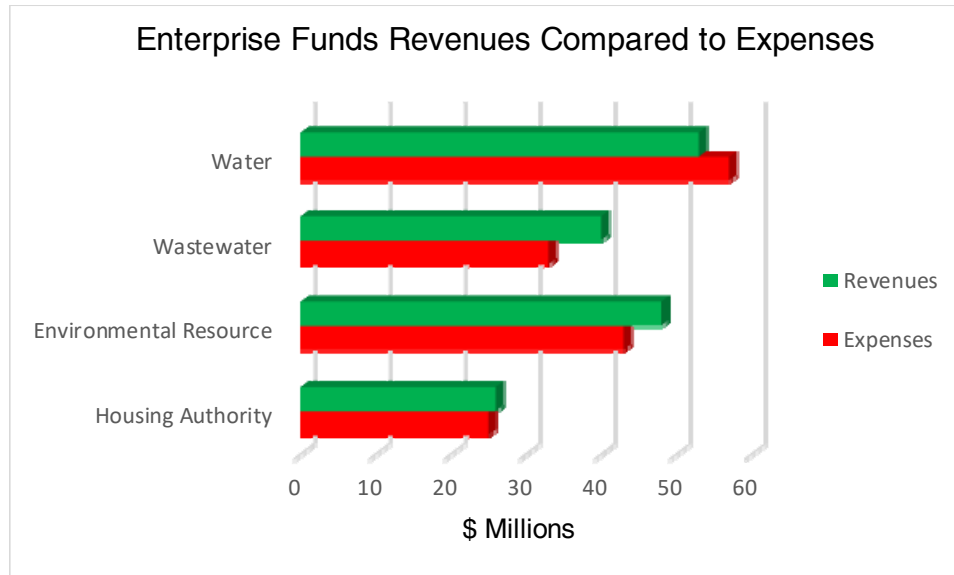


## Program Expenses

- Program expenses in governmental activities increased by \$4 million due to a significant increase in the General Government function. Most of the increase was due to higher depreciation expense on capital assets as a result of the valuation study performed during the fiscal year. There were other significant increases or decreases related to depreciation expense as a result of reclassification of capital assets within functions/programs.
- Program expenses in business-type activities increased by \$7 million primarily due to higher water acquisition costs funded by the Water Fund, as well as increased personnel costs, recycling costs and waste hauling contractual services in Environmental Resources.



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



## Fund Financial Statements

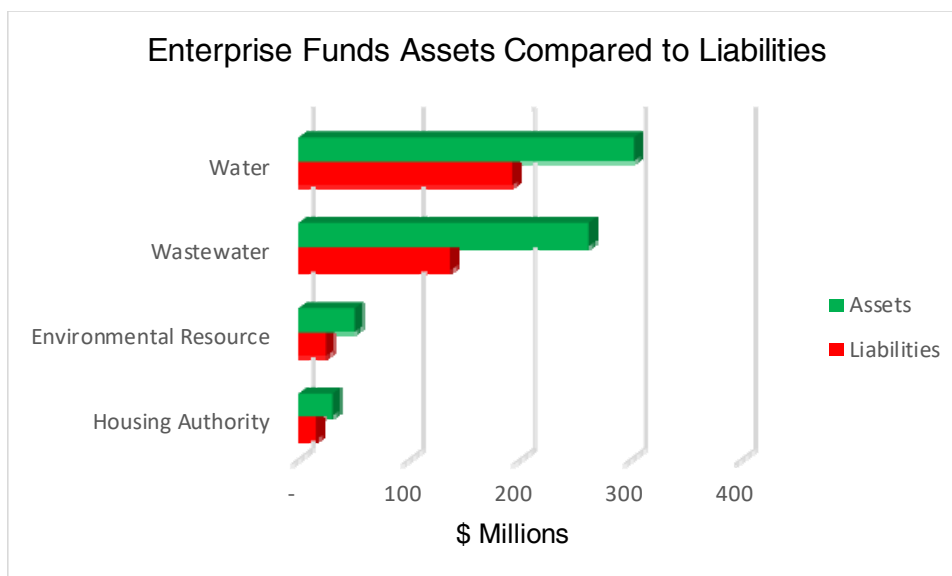
### GOVERNMENTAL FUNDS BALANCE SHEET SUMMARY (\$THOUSANDS)

	GENERAL FUND		AFFORDABLE HOUSING		OTHER GOVERNMENTAL		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
Assets	\$ 58,590	\$ 53,472	\$ 33,373	\$ 32,364	\$ 120,814	\$ 103,341	\$ 212,777	\$ 189,177
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 58,590</b>	<b>\$ 53,472</b>	<b>\$ 33,373</b>	<b>\$ 32,364</b>	<b>\$ 120,814</b>	<b>\$ 103,341</b>	<b>\$ 212,777</b>	<b>\$ 189,177</b>
Liabilities and Fund Balance								
Liabilities	\$ 12,322	\$ 19,184	\$ 31,599	\$ 29,178	\$ 28,398	\$ 27,447	\$ 72,319	\$ 75,809
<b>Total Liabilities and Deferred Inflows</b>	<b>12,322</b>	<b>19,184</b>	<b>31,599</b>	<b>29,178</b>	<b>28,398</b>	<b>27,447</b>	<b>72,319</b>	<b>75,809</b>
Fund Balances								
Nonspendable	-	-	-	105	-	-	-	105
Restricted	835	550	1,774	3,129	79,778	66,129	82,387	69,808
Assigned	23,283	15,879	-	-	12,775	10,008	36,058	25,887
Unassigned	22,150	17,859	-	(48)	(137)	(243)	22,013	17,568
<b>Total Fund Balances</b>	<b>46,268</b>	<b>34,288</b>	<b>1,774</b>	<b>3,186</b>	<b>92,416</b>	<b>75,894</b>	<b>140,458</b>	<b>113,368</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 58,590</b>	<b>\$ 53,472</b>	<b>\$ 33,373</b>	<b>\$ 32,364</b>	<b>\$ 120,814</b>	<b>\$ 103,341</b>	<b>\$ 212,777</b>	<b>\$ 189,177</b>

- Total assets in governmental funds increased by \$24 million, mostly due to the transfer of bond proceeds of \$10 million to the City from the Successor Agency. Total liabilities in governmental funds decreased by \$3 million mostly due to lower accrued expenses at year-end.

- Restricted fund balances in other governmental (non-major funds) totaled \$80 million. The primary restricted amounts are maintenance, transportation and capital project related funds totaling \$46 million and mitigation impact funds totaling \$32 million.
- Total assignments and restrictions in non-major funds produced negative unassigned balances of \$0.1 million in fiscal 2017, mostly due pending state and federal grant reimbursements.

The following table compares Enterprise Funds assets and liabilities for the fiscal year:



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

	GENERAL FUND		AFFORDABLE HOUSING		OTHER GOVERNMENTAL		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenues</b>								
Taxes	\$ 109,470	\$ 106,271	\$ -	\$ -	\$ 10,381	\$ 13,476	\$ 119,851	\$ 119,747
Other revenues	36,176	33,771	68	146	40,716	37,538	76,960	71,455
<b>Total Revenues</b>	<u>145,646</u>	<u>140,042</u>	<u>68</u>	<u>146</u>	<u>51,097</u>	<u>51,014</u>	<u>196,811</u>	<u>191,202</u>
<b>Expenditures</b>								
Current	121,711	116,439	1,687	89	36,949	35,050	160,347	151,578
Capital outlay	1,319	3,022	-	-	7,418	17,877	8,737	20,899
Debt service	1,357	-	-	-	9,149	11,171	10,506	11,171
<b>Total Expenditures</b>	<u>124,387</u>	<u>119,461</u>	<u>1,687</u>	<u>89</u>	<u>53,516</u>	<u>64,098</u>	<u>179,590</u>	<u>183,648</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>21,259</u>	<u>20,581</u>	<u>(1,619)</u>	<u>57</u>	<u>(2,419)</u>	<u>(13,084)</u>	<u>17,221</u>	<u>7,554</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Net transfers	(9,370)	(9,721)	-	-	9,045	9,560	(325)	(161)
<b>Total Other Financing Sources (Uses)</b>	<u>(9,370)</u>	<u>(9,721)</u>	<u>-</u>	<u>-</u>	<u>9,045</u>	<u>9,560</u>	<u>(325)</u>	<u>(161)</u>
<b>SPECIAL ITEM</b>								
Bond proceeds from Successor Agency	-	-	-	-	9,896	-	9,896	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>11,889</u>	<u>10,860</u>	<u>(1,619)</u>	<u>57</u>	<u>16,522</u>	<u>(3,524)</u>	<u>26,792</u>	<u>7,393</u>
<b>FUND BALANCES, JULY 1</b>	<u>34,288</u>	<u>24,776</u>	<u>3,186</u>	<u>3,129</u>	<u>75,894</u>	<u>79,827</u>	<u>113,368</u>	<u>107,732</u>
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>92</u>	<u>(1,348)</u>	<u>207</u>	<u>-</u>	<u>-</u>	<u>(409)</u>	<u>299</u>	<u>(1,757)</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 46,269</u>	<u>\$ 34,288</u>	<u>\$ 1,774</u>	<u>\$ 3,186</u>	<u>\$ 92,416</u>	<u>\$ 75,894</u>	<u>\$ 140,459</u>	<u>\$ 113,368</u>

- The General Fund's fund balance increased by \$12 million in FY 2016-17, primarily due to a stronger local economy that generated higher property taxes by \$3 million, sales taxes by \$1 million, and development permit revenues by \$1 million. Expenditures also increased by \$5 million, debt service increased by \$1 million and materials, supplies, and contractual services increased by \$4 million.
- 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 1% 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.
- In FY 2016-17, the City collected \$10 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.



## Budget

### GENERAL FUND BUDGETARY SUMMARY (\$THOUSANDS)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>Revenues</b>				
Taxes	\$ 108,054	\$ 108,054	\$ 109,470	\$ 1,416
Other Revenues	<u>37,553</u>	<u>34,045</u>	<u>36,176</u>	<u>2,131</u>
<b>Total Revenues</b>	<u>145,607</u>	<u>142,099</u>	<u>145,646</u>	<u>3,547</u>
<b>Expenditures</b>				
Current	129,976	127,952	121,711	6,241
Capital outlay	2,950	3,677	1,319	2,358
Debt service	<u>1,475</u>	<u>1,460</u>	<u>1,357</u>	<u>103</u>
<b>Total Expenditures</b>	<u>134,401</u>	<u>133,089</u>	<u>124,387</u>	<u>8,702</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>11,206</u>	<u>9,010</u>	<u>21,259</u>	<u>12,249</u>
<b>Other Financing Sources (Uses)</b>				
Net transfers	<u>(7,310)</u>	<u>(9,138)</u>	<u>(9,370)</u>	<u>(232)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(7,310)</u>	<u>(9,138)</u>	<u>(9,370)</u>	<u>(232)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 3,896</u>	<u>\$ (128)</u>	<u>\$ 11,889</u>	<u>\$ 12,017</u>

- Differences between the original and final budget represent the City's practice of appropriating all funds previously authorized for funding by Measure O. This practice reduces comparability and was rendered infeasible by the use of Measure O funds to make transfers to other governmental funds as described above. Measure O is a component of the General Fund for financial reporting purposes because it is used to record the proceeds of a voter approved general tax that is subject to the discretionary control of the City Council.
- Higher revenues and lower spending than anticipated in the original budget increased fund balance \$21 million, offset by the need to transfer cash to other governmental funds of \$9 million for a net change (increase) to General Fund balance of \$12 million.

## Capital Assets (Note II.G. pages 71-73)

### CAPITAL ASSETS NET OF ACCUMULATED DEPRECIATION (\$THOUSANDS)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,418,639	\$ 1,025,205	\$ 17,043	\$ 19,886	\$ 1,435,682	\$ 1,045,091
Buildings	74,235	67,510	140,581	29,194	214,816	96,704
Other improvements	80,614	97,451	4,767	-	85,381	97,451
Machinery and equipment	4,676	8,075	60,177	3,812	64,853	11,887
Vehicles	6,596	-	-	-	6,596	-
Infrastructure	494,606	311,942	288,190	456,775	782,796	768,717
Construction in progress	9,504	9,005	9,508	17,941	19,012	26,946
<b>TOTALS</b>	<u>\$ 2,088,870</u>	<u>\$ 1,519,188</u>	<u>\$ 520,266</u>	<u>\$ 527,608</u>	<u>\$ 2,609,136</u>	<u>\$ 2,046,796</u>

- The total amount reported at June 30, 2017, as invested in Capital Assets is \$2.6 billion, an increase of \$563 million from fiscal year 2015-2016. This change is mainly due to an asset valuation of the City's capital assets that was prepared by a professional outside consultant. This valuation was done in an effort to remove the modified opinion in the prior year due to unauditable records.
- Governmental activities capital assets increased \$570 million in fiscal year 2016-2017, including Land increased by \$394 million, Buildings increased by \$7 million, Other Improvements decreased by \$17 million, Machinery and Equipment decreased by \$3 million, Vehicles increased by \$6.5 million, Infrastructure increased by \$182 million and Construction in Progress increased by \$.5 million.
- Business-type activities capital assets decreased by \$7 million in fiscal year 2017, including Land decreased by \$3 million, Buildings increased by \$111 million, Other Improvements increased by \$5 million, Machinery and Equipment increased by \$56 million, Infrastructure decreased by \$168 million and Construction in Progress decreased by \$8 million.

## Long-Term Debt (Note II.H. pages 74-98)

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2017	2016	2017	2016	2017	2016
Lease revenue bonds	\$ 64,280	\$ 66,824			\$ 64,280	\$ 66,824
Revenue bonds			\$ 295,316	\$ 305,515	295,316	305,515
Capital leases	19,874	22,041	553	1,035	20,427	23,076
Certificates of participation	22,840	23,465	-	-	22,840	23,465
<b>TOTALS</b>	<u>\$ 106,994</u>	<u>\$ 112,330</u>	<u>\$ 295,869</u>	<u>\$ 306,550</u>	<u>\$ 402,863</u>	<u>\$ 418,880</u>

Governmental activities outstanding debt decreased by \$5 million and business-type activities outstanding debt decreased by \$11 million. Decreases were due to principal payments made during the fiscal year.

Lease revenue bonds are secured by the General Fund rather than pledged revenues like the business-type activity revenue bonds.

The City's bonds are rated by Standard & Poor's. Currently ratings on the City are A- for governmental revenue bonds and lease revenue bonds, A for water revenue bonds, 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 2018 budget and in proposing the fiscal year 2019 budget that will be considered by the City Council in June 2018. Combined property and sales tax growth in fiscal 2017 was 6% and is estimated to increase by 4.7% in fiscal 2018 and 1.4% in fiscal 2019. Consultants with extensive experience across the State prepare the City's sales tax and property tax forecasts.

The City Council's decision to implement long delayed wastewater rate increase was controversial. A citizen who was unable to mount a successful Proposition 218 majority protest campaign has qualified an initiative to roll back the rate increase. In management's opinion the initiative should not be implemented because it impairs an existing contract in violation of the State and Federal constitutions which would worsen the ability of the City to meet debt coverage requirements.

Importantly, considering the nature of the issues disclosed in this report the City Council has approved increases in Finance and Human Resources Department staffing, an extensive training program, and adequate assistance from subject matter experts to analyze problem areas and issue recommendations for improvement. Rebuilding administrative 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, 2017**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 130,667,340	\$ 68,161,051	\$ 198,828,391
Accounts and other receivables (net of allowance for doubtful accounts)	11,601,003	21,102,789	32,703,792
Internal balances	(3,020,660)	3,020,660	-
Due from other governments	10,207,571	-	10,207,571
Due from Successor Agency	42,184	-	42,184
Properties held for resale	250,000	-	250,000
Other assets	32,900	289,723	322,623
Notes receivable (net of allowance for doubtful accounts)	47,630,058	984,200	48,614,258
Restricted:			
Investments with fiscal agents	21,700,963	13,353,567	35,054,530
Capital Assets not Being Depreciated			
Land	1,418,638,429	17,042,077	1,435,680,506
Construction in progress	9,504,032	9,508,394	19,012,426
Capital Assets, Net of Accumulated Depreciation			
Artwork	500	-	500
Buildings	74,234,848	140,581,167	214,816,015
Other improvements	80,614,263	4,767,325	85,381,588
Machinery and equipment	4,676,205	60,177,191	64,853,396
Vehicles	6,596,343	-	6,596,343
Infrastructure	494,605,691	288,190,001	782,795,692
<b>Total Assets</b>	<b>2,307,981,670</b>	<b>627,178,145</b>	<b>2,935,159,815</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred amount on refunding	44,910	1,702,882	1,747,792
Deferred outflow on derivative instruments	5,520,752	3,211,536	8,732,288
Deferred outflow on pension plans	63,031,014	13,797,576	76,828,590
<b>Total Deferred Outflow of Resources</b>	<b>68,596,676</b>	<b>18,711,994</b>	<b>87,308,670</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	8,034,002	9,148,001	17,182,003
Other liabilities	8,778,439	3,218,083	11,996,522
Compensated absences payable - current	9,652,918	1,599,268	11,252,186
Due to Successor Agency	425,215	269,710	694,925
Unearned revenues	6,960,170	-	6,960,170
Notes payable - current	370,496	-	370,496
Self insurance claims - current	7,212,379	-	7,212,379
Early retirement incentive plan payable - current	124,201	-	124,201
Capital leases and revenue bonds - current	5,363,583	9,755,005	15,118,588
<b>Noncurrent Liabilities</b>			
Interest rate swap liability	5,520,752	3,211,536	8,732,288
Other liabilities	-	221,963	221,963
Compensated absences payable	5,879,314	1,486,878	7,366,192
Notes payable	315,843	-	315,843
Other post-employment benefits payable	10,339,157	2,665,650	13,004,807
Early retirement incentive plan payable	280,859	-	280,859
Net pension liabilities	238,356,655	47,535,946	285,892,601
Self-insurance claims	11,568,690	-	11,568,690
Capital leases and revenue bonds, net of premiums and discount	101,630,209	286,114,491	387,744,700
<b>Total Liabilities</b>	<b>420,812,882</b>	<b>365,226,531</b>	<b>786,039,413</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow on pension plans	9,815,396	2,282,652	12,098,048
<b>Total Deferred Inflow of Resources</b>	<b>9,815,396</b>	<b>2,282,652</b>	<b>12,098,048</b>
<b>NET POSITION</b>			
Net investment in capital assets	2,001,165,357	228,709,541	2,229,874,898
Restricted for:			
Debt service	1,987,578	12,718,343	14,705,921
Culture and leisure	97,847	-	97,847
Housing	42,072,169	1,492	42,073,661
Infrastructure developments	39,135,294	29,012,810	68,148,104
Maintenance districts	17,242,465	-	17,242,465
Public safety retirement	1,518,983	-	1,518,983
Streets and traffic improvements/maintenance	25,112,630	-	25,112,630
Transportation systems	2,850,353	-	2,850,353
Unrestricted	(185,232,608)	7,938,770	(177,293,838)
<b>TOTAL NET POSITION</b>	<b>\$ 1,945,950,068</b>	<b>\$ 278,380,956</b>	<b>\$ 2,224,331,024</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, 2017

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	\$ 30,057,710	\$ 20,460,685	\$ 7,549,601	\$ -
Public safety	95,103,088	6,528,319	1,853,433	-
Transportation systems	8,753,004	3,072,659	-	3,276,277
Community development	12,476,593	13,353,523	4,530,107	-
Culture and leisure	26,192,756	10,530,587	3,014,981	-
Libraries	4,065,853	372,517	-	-
Interest on long-term debt	4,755,955	-	-	-
<b>Total Governmental Activities</b>	<u>181,404,959</u>	<u>54,318,290</u>	<u>16,948,122</u>	<u>3,276,277</u>
<b>Business-Type Activities</b>				
Water	57,904,193	50,364,868	-	-
Wastewater	32,926,365	39,565,773	-	-
Environmental resource	42,534,157	48,039,047	-	-
Oxnard Housing Authority	26,060,498	5,267,343	21,177,738	963,291
<b>Total Business-Type Activities</b>	<u>159,425,213</u>	<u>143,237,031</u>	<u>21,177,738</u>	<u>963,291</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 340,830,172</u>	<u>\$ 197,555,321</u>	<u>\$ 38,125,860</u>	<u>\$ 4,239,568</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				
<b>CONTRIBUTED CAPITAL</b>				
<b>SPECIAL ITEM - TRANSFERS OF CDC BOND PROCEEDS</b>				
<b>SPECIAL ITEM - TRANSFERS OF CDC CAPITAL ASSETS</b>				
<b>TRANSFERS</b>				
<b>Total General Revenues, Special Items, 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
\$ (2,047,424)	\$ -	\$ (2,047,424)
(86,721,336)	-	(86,721,336)
(2,404,068)	-	(2,404,068)
5,407,037	-	5,407,037
(12,647,188)	-	(12,647,188)
(3,693,336)	-	(3,693,336)
(4,755,955)	-	(4,755,955)
<u>(106,862,270)</u>	<u>-</u>	<u>(106,862,270)</u>
-	(7,539,325)	(7,539,325)
-	6,639,408	6,639,408
-	5,504,890	5,504,890
-	1,347,874	1,347,874
<u>-</u>	<u>5,952,847</u>	<u>5,952,847</u>
<u>\$ (106,862,270)</u>	<u>\$ 5,952,847</u>	<u>\$ (100,909,423)</u>
\$ 60,802,119	\$ -	\$ 60,802,119
44,092,707	-	44,092,707
5,174,427	-	5,174,427
3,703,971	-	3,703,971
729,609	-	729,609
5,348,086	-	5,348,086
228,899	-	228,899
1,989,004	2,440,982	4,429,986
(940,364)	940,364	-
9,896,298		9,896,298
3,939,374	-	3,939,374
<u>442,852</u>	<u>(442,852)</u>	<u>-</u>
<u>135,406,982</u>	<u>2,938,494</u>	<u>138,345,476</u>
28,544,712	8,891,341	37,436,053
1,337,316,313	265,181,540	1,602,497,853
<u>580,089,043</u>	<u>4,308,075</u>	<u>584,397,118</u>
<u>\$ 1,945,950,068</u>	<u>\$ 278,380,956</u>	<u>\$ 2,224,331,024</u>

CITY OF OXNARD, CALIFORNIA  
**BALANCE SHEET**  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

ASSETS

	GENERAL	AFFORDABLE HOUSING	NONMAJOR	TOTAL GOVERNMENT
<b>ASSETS</b>				
Cash and investments	\$ 39,640,935	\$ 1,527,346	\$ 75,827,125	\$ 116,995,406
Restricted investments with fiscal agents	-	-	21,700,963	21,700,963
Accounts and other receivables	4,770,932	-	6,741,880	11,512,812
Due from other funds	4,438,064	-	-	4,438,064
Due from other government	9,698,347		509,224	10,207,571
Due from Successor Agency	42,184	-	-	42,184
Notes receivable	-	31,595,399	16,034,659	47,630,058
Properties held for resale	-	250,000	-	250,000
<b>Total Assets</b>	<b>\$ 58,590,462</b>	<b>\$ 33,372,745</b>	<b>\$ 120,813,851</b>	<b>\$ 212,777,058</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,780,851	\$ -	\$ 2,871,012	\$ 6,651,863
Other liabilities	6,840,403	3,825	935,764	7,779,992
Due to other funds	121,139	-	4,590,971	4,712,110
Due to Successor Agency	408,725		16,490	425,215
Advances from other funds	1,109,527			1,109,527
Unearned revenues	61,027	31,595,399	19,983,802	51,640,228
<b>Total Liabilities</b>	<b>12,321,672</b>	<b>31,599,224</b>	<b>28,398,039</b>	<b>72,318,935</b>
<b>FUND BALANCES</b>				
<b>Restricted for:</b>				
Debt service	-	-	1,987,578	1,987,578
Transportation systems	-	-	2,850,353	2,850,353
Maintenance districts	-		17,242,465	17,242,465
Streets and traffic improvements/maintenance	-	-	25,112,630	25,112,630
Infrastructure developments	835,296	-	30,948,642	31,783,938
Housing	-	1,773,521	19,946	1,793,467
Culture and leisure	-	-	97,847	97,847
Public safety retirement	-	-	1,518,983	1,518,983
<b>Assigned to:</b>				
Capital projects	11,303,187	-	12,774,735	24,077,922
Measure "O" eligible services	10,480,885	-	-	10,480,885
Other purposes	1,499,019	-	-	1,499,019
<b>Unassigned</b>	<b>22,150,403</b>	<b>-</b>	<b>(137,367)</b>	<b>22,013,036</b>
<b>Total Fund Balances</b>	<b>46,268,790</b>	<b>1,773,521</b>	<b>92,415,812</b>	<b>140,458,123</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 58,590,462</b>	<b>\$ 33,372,745</b>	<b>\$ 120,813,851</b>	<b>\$ 212,777,058</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, 2017**

Fund balances of governmental funds		\$ 140,458,123
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets of \$2,358,411,651 net of accumulated depreciation (\$273,180,317) are not financial resources and, therefore, are not reported in the funds.		2,085,231,334
Deferred outflows for the following are not reported in the governmental funds:		
Deferred loss on refunding	\$ 44,910	
Deferred outflow on pension plans	<u>58,781,144</u>	58,826,054
Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds.		(653,067)
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.		44,680,058
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(14,397,399)	
Notes payable	(686,339)	
Other post-employment liability	(9,524,963)	
Early retirement incentive plan payable	(405,060)	
Net pension liabilities	(222,404,224)	
Self-insurance claims	(18,781,069)	
Capital leases and bonds payable, net of issuance discounts and \$1,855,108 issuance premium	<u>(106,993,792)</u>	(373,192,846)
Deferred inflows for pension plans are not reported in the governmental funds		(8,791,693)
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 \$2,559,166 from prior years and \$2,586,833 in the current year.		<u>(607,895)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 1,945,950,068</u></b>

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, 2017**

	GENERAL	AFFORDABLE HOUSING	NONMAJOR	TOTAL GOVERNMENTAL
<b>REVENUES</b>				
Taxes	\$ 109,470,295	\$ -	\$ 10,380,624	\$ 119,850,919
Licenses and permits	3,473,506		749,332	4,222,838
Intergovernmental	1,839,567		18,384,832	20,224,399
Growth and development fees	-		7,100,771	7,100,771
Charges for services	23,524,718		445,103	23,969,821
Fines and forfeitures	2,376,171		161,651	2,537,822
Interest on investments	362,830	56,924	1,529,735	1,949,489
Special assessments	530,151		7,836,881	8,367,032
Miscellaneous	4,068,970	11,163	4,508,424	8,588,557
<b>Total Revenues</b>	<u>145,646,208</u>	<u>68,087</u>	<u>51,097,353</u>	<u>196,811,648</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	13,295,412	-	65,275	13,360,687
Public safety	76,500,306	-	18,176,353	94,676,659
Transportation	1,591,295	-	6,722,862	8,314,157
Community development	9,362,535	1,687,511	5,412,021	16,462,067
Culture and leisure	17,477,538	-	6,571,281	24,048,819
Library services	3,483,561	-	1,620	3,485,181
<b>Capital Outlay</b>	1,319,347	-	7,418,051	8,737,398
<b>Debt Service</b>				
Principal	690,000	-	4,883,572	5,573,572
Interest and fiscal charges	667,544	-	4,265,357	4,932,901
<b>Total Expenditures</b>	<u>124,387,538</u>	<u>1,687,511</u>	<u>53,516,392</u>	<u>179,591,441</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>21,258,670</u>	<u>(1,619,424)</u>	<u>(2,419,039)</u>	<u>17,220,207</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	46,960	-	9,585,687	9,632,647
Transfers out	(9,416,588)	-	(540,977)	(9,957,565)
<b>Total Other Financing Sources (Uses)</b>	<u>(9,369,628)</u>	<u>-</u>	<u>9,044,710</u>	<u>(324,918)</u>
<b>SPECIAL ITEM</b>				
Bond proceeds from Successor Agency	-	-	9,896,298	9,896,298
<b>NET CHANGE IN FUND BALANCES</b>	11,889,042	(1,619,424)	16,521,969	26,791,587
<b>FUND BALANCES, JULY 1</b>	34,288,072	3,186,291	75,893,843	113,368,206
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>91,676</u>	<u>206,654</u>	<u>-</u>	<u>298,330</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 46,268,790</u>	<u>\$ 1,773,521</u>	<u>\$ 92,415,812</u>	<u>\$ 140,458,123</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, 2017**

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 26,791,587</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 (\$23,565,642) exceeded capital outlay, (\$7,482,258), that was capitalized in the current period.	(16,083,384)
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In the current year, construction in progress was transferred to business-type activities.	(940,364)
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In the current year, long-term assets from the Oxnard Community Development Commission of \$3,939,374 were transferred to the general fund.	3,939,374
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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.	5,152,748
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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 decrease in accrued interest, \$43,577, increase in self insurance, (\$38,165), net increase in compensated absences, (\$440,827), net increase in other post-employment benefits payable of (\$940,470), and net decrease in net pension liabilities, \$5,294,844.	3,918,959
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term 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 \$5,573,572 net of bond (discount)/premium of \$133,370.	5,706,942
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Net income of internal service funds of \$58,850 is reported with governmental activities.	58,850
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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 28,544,712</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, 2017**

	WATER	WASTEWATER	ENVIRONMENTAL RESOURCE
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 25,877,030	\$ 12,173,302	\$ 18,195,637
Restricted investments with fiscal agent	12,709,364	8,979	-
Accounts and other receivable (net of allowance for doubtful accounts)	5,019,437	8,115,546	6,416,838
Due from other funds	1,301,845	-	65,280
Due from other governments	-	-	-
Other assets	-	231,307	-
<b>Total Current Assets</b>	<u>44,907,676</u>	<u>20,529,134</u>	<u>24,677,755</u>
<b>Noncurrent Assets</b>			
Notes receivable (net of allowance for doubtful accounts)	-	984,200	-
Advances to other funds	3,395,042	-	-
<b>Total Noncurrent Assets</b>	<u>3,395,042</u>	<u>984,200</u>	<u>-</u>
<b>Capital Assets</b>			
Land	1,960,229	2,310,476	3,851,164
Construction in progress	8,453,086	976,439	-
Buildings	62,300,998	117,398,124	23,246,557
Improvements	1,670,158	7,482,003	-
Machinery and equipment	56,168,682	37,891,174	15,466,595
Vehicles	-	-	-
Infrastructure	205,141,657	198,580,197	2,839,837
Less: Accumulated depreciation	(85,088,239)	(130,405,559)	(24,245,440)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<u>250,606,571</u>	<u>234,232,854</u>	<u>21,158,713</u>
<b>Total Assets</b>	<u>298,909,289</u>	<u>255,746,188</u>	<u>45,836,468</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflow on derivative instruments	-	3,211,536	-
Deferred amount on refunding	1,702,882	-	-
Deferred outflow on pension plans	2,636,838	3,496,353	5,531,559
<b>Total Deferred Outflow of Resources</b>	<u>4,339,720</u>	<u>6,707,889</u>	<u>5,531,559</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	3,919,032	2,393,393	2,348,936
Compensated absences payable - current	400,000	465,000	700,000
Self-insurance claims - current	-	-	-
Other liabilities	1,512,525	766,267	523,478
Due to Successor Agency	-	-	-
Advances from other funds - current	-	-	1,093,077
Capital leases and revenue bonds - current	4,478,168	4,528,552	428,285
<b>Total Current Liabilities</b>	<u>10,309,725</u>	<u>8,153,212</u>	<u>5,093,776</u>
<b>Noncurrent Liabilities</b>			
Compensated absences payable	278,764	287,770	524,126
Other post-employment benefits payable	557,668	635,741	925,728
Net pension liabilities	8,923,451	13,534,754	16,364,589
Self-insurance claims	-	-	-
Interest rate swap liability	-	3,211,536	-
Other liabilities	-	-	-
Advances from other funds	-	-	2,285,515
Capital leases and revenue bonds, net of current portion and discount/premium	173,078,274	110,746,217	-
<b>Total Noncurrent Liabilities</b>	<u>182,838,157</u>	<u>128,416,018</u>	<u>20,099,958</u>
<b>Total Liabilities</b>	<u>193,147,882</u>	<u>136,569,230</u>	<u>25,193,734</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow on pension plans	351,140	537,233	596,758
<b>Total Deferred Inflow of Resources</b>	<u>351,140</u>	<u>537,233</u>	<u>596,758</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>			
\$11,915,082	\$ 68,161,051	\$ 13,671,934	Cash and investments
635,224	13,353,567	-	Restricted investments with fiscal agent
1,550,968	21,102,789	88,191	Accounts and other receivable (net of allowance for doubtful accounts)
-	1,367,125	-	Due from other funds
-	-	-	Due from other governments
58,416	289,723	32,900	Other assets
<u>14,159,690</u>	<u>104,274,255</u>	<u>13,793,025</u>	<b>Total Current Assets</b>
<b>Noncurrent Assets</b>			
-	984,200	-	Notes receivable (net of allowance for doubtful accounts)
-	3,395,042	949,746	Advances to other funds
<u>-</u>	<u>4,379,242</u>	<u>949,746</u>	<b>Total Noncurrent Assets</b>
<b>Capital Assets</b>			
8,920,208	17,042,077	-	Land
78,869	9,508,394	410,132	Construction in progress
41,595,438	244,541,117	447,410	Buildings
-	9,152,161	-	Improvements
1,870,925	111,397,376	4,850,871	Machinery and equipment
-	-	4,586,488	Vehicles
-	406,561,691	-	Infrastructure
(38,197,423)	(277,936,661)	(6,655,924)	Less: Accumulated depreciation
<u>14,268,017</u>	<u>520,266,155</u>	<u>3,638,977</u>	<b>Total Capital Assets (net of accumulated depreciation)</b>
<u>28,427,707</u>	<u>628,919,652</u>	<u>18,381,748</u>	<b>Total Assets</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
-	3,211,536	-	Deferred outflow on derivative instruments
-	1,702,882	-	Deferred amount on refunding
2,132,826	13,797,576	4,249,870	Deferred outflow on pension plans
<u>2,132,826</u>	<u>18,711,994</u>	<u>4,249,870</u>	<b>Total Deferred Outflow of Resources</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
486,640	9,148,001	1,382,139	Accounts payable
34,268	1,599,268	652,918	Compensated absences payable - current
-	-	7,212,379	Self-insurance claims - current
415,813	3,218,083	345,380	Other liabilities
269,710	269,710	-	Due to Successor Agency
-	1,093,077	-	Advances from other funds - current
320,000	9,755,005	-	Capital leases and revenue bonds - current
<u>1,526,431</u>	<u>25,083,144</u>	<u>9,592,816</u>	<b>Total Current Liabilities</b>
<b>Noncurrent Liabilities</b>			
396,218	1,486,878	481,915	Compensated absences payable
546,513	2,665,650	814,194	Other post-employment benefits payable
8,713,152	47,535,946	15,952,431	Net pension liabilities
-	-	10,844,399	Self-insurance claims
-	3,211,536	-	Interest rate swap liability
221,963	221,963	-	Other liabilities
949,746	3,235,261	-	Advances from other funds
2,290,000	286,114,491	-	Capital leases and revenue bonds, net of current portion and discount/premium
<u>13,117,592</u>	<u>344,471,725</u>	<u>28,092,939</u>	<b>Total Noncurrent Liabilities</b>
<u>14,644,023</u>	<u>369,554,869</u>	<u>37,685,755</u>	<b>Total Liabilities</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
797,521	2,282,652	1,023,703	Deferred inflow on pension plans
<u>797,521</u>	<u>2,282,652</u>	<u>1,023,703</u>	<b>Total Deferred Inflow of Resources</b>

# STATEMENT OF NET POSITION (Continued)

## PROPRIETARY FUNDS

	<u>WATER</u>	<u>WASTEWATER</u>	<u>ENVIRONMENTAL RESOURCE</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 74,753,011	\$ 118,958,085	\$ 20,730,428
Restricted for housing	-	-	-
Restricted for infrastructure development	21,278,389	6,357,769	1,376,652
Restricted for debt service	12,709,364	8,979	-
Unrestricted	<u>1,009,223</u>	<u>22,781</u>	<u>3,470,455</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 109,749,987</u></b>	<b><u>\$ 125,347,614</u></b>	<b><u>\$ 25,577,535</u></b>

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>
\$14,268,017	\$ 228,709,541	\$ 3,638,980	Net investment in capital assets
1,492	1,492	-	Restricted for housing
	29,012,810		Restricted for infrastructure development
-	12,718,343	-	Restricted for debt service
<u>849,480</u>	<u>5,351,939</u>	<u>(19,716,820)</u>	Unrestricted
<u>\$15,118,989</u>	275,794,125	<u>\$ (16,077,840)</u>	<b>TOTAL NET POSITION</b>
	<u>2,586,834</u>		
	<u>\$ 278,380,959</u>		

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	WATER	WASTEWATER	ENVIRONMENTAL RESOURCE
<b>OPERATING REVENUES</b>			
Charges for services	\$ 47,836,462	\$ 35,888,451	\$ 47,878,405
Connection fees	123,805	2,509,289	-
Rental income	-	-	-
Grant revenue for operations	-	-	-
Miscellaneous and reimbursements	2,404,601	1,168,033	160,642
<b>Total Operating Revenues</b>	<b>50,364,868</b>	<b>39,565,773</b>	<b>48,039,047</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	5,550,971	8,078,129	14,234,526
Contractual services	3,987,329	1,683,166	2,843,356
Housing assistance payments	-	-	-
Operating supplies	22,178,449	1,753,709	6,455,615
Utilities	1,092,098	3,439,899	7,479,643
Depreciation and amortization	7,180,457	7,852,653	1,134,049
General and administrative	6,800,672	5,000,802	5,692,487
Repairs and maintenance	979,295	478,481	4,575,131
Claims expenses	-	-	-
<b>Total Operating Expenses</b>	<b>47,769,271</b>	<b>28,286,839</b>	<b>42,414,807</b>
<b>OPERATING INCOME (LOSS)</b>	<b>2,595,597</b>	<b>11,278,934</b>	<b>5,624,240</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest on investments	2,327,439	43,912	38,010
Interest expense	(10,139,238)	(4,643,123)	(139,105)
<b>Net Nonoperating Revenues (Expenses)</b>	<b>(7,811,799)</b>	<b>(4,599,211)</b>	<b>(101,095)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(5,216,202)</b>	<b>6,679,723</b>	<b>5,523,145</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>940,364</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS IN</b>	<b>32,325</b>	<b>-</b>	<b>-</b>
<b>TRANSFERS OUT</b>	<b>(38,853)</b>	<b>(55)</b>	<b>(436,269)</b>
<b>CHANGES IN NET POSITION</b>	<b>(4,282,366)</b>	<b>6,679,668</b>	<b>5,086,876</b>
<b>NET POSITION, JULY 1</b>	<b>113,555,340</b>	<b>114,760,362</b>	<b>20,567,179</b>
<b>PRIOR-PERIOD ADJUSTMENT</b>	<b>477,014</b>	<b>3,907,584</b>	<b>(76,520)</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 109,749,988</b>	<b>\$ 125,347,614</b>	<b>\$ 25,577,535</b>

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	
\$ -	\$ 131,603,318	\$ 23,785,837	<b>OPERATING REVENUES</b>
-	2,633,094	-	Charges for services
4,770,311	4,770,311	-	Connection fees
21,177,738	21,177,738	-	Rental income
497,032	4,230,308	-	Grant revenue for operations
26,445,081	164,414,769	79,058	Miscellaneous and reimbursements
		23,864,895	<b>Total Operating Revenues</b>
			<b>OPERATING EXPENSES</b>
3,930,801	31,794,427	7,117,629	Salaries and wages
-	8,513,851	1,957,250	Contractual services
1,628,593	1,628,593	-	Housing assistance payments
206,397	30,594,170	4,243,431	Operating supplies
832,946	12,844,586	1,365,995	Utilities
627,289	16,794,448	567,632	Depreciation and amortization
845,369	18,339,330	2,390,945	General and administrative
17,856,135	23,889,042	1,026,188	Repairs and maintenance
-	-	5,916,592	Claims expenses
25,927,530	144,398,447	24,585,662	<b>Total Operating Expenses</b>
517,551	20,016,322	(720,767)	<b>OPERATING INCOME (LOSS)</b>
			<b>NONOPERATING REVENUES (EXPENSES)</b>
31,621	2,440,982	39,515	Interest on investments
(132,968)	(15,054,434)	-	Interest expense
(101,347)	(12,613,452)	39,515	<b>Net Nonoperating Revenues (Expenses)</b>
			<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>
416,204	7,402,870	(681,252)	<b>CAPITAL CONTRIBUTIONS</b>
963,291	1,903,655	-	<b>TRANSFERS IN</b>
-	32,325	781,954	<b>TRANSFERS OUT</b>
-	(475,177)	(14,184)	<b>CHANGES IN NET POSITION</b>
1,379,495	8,863,673	86,518	<b>NET POSITION, JULY 1</b>
13,739,494		(18,101,302)	<b>PRIOR-PERIOD ADJUSTMENT</b>
-		1,936,944	<b>NET POSITION, JUNE 30</b>
\$ 15,118,989		\$ (16,077,840)	

27,668

\$ 8,891,341

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>WATER</u>	<u>WASTEWATER</u>	<u>ENVIRONMENTAL RESOURCE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 50,583,850	\$ 38,392,426	\$ 46,099,247
Payments to suppliers	(37,777,975)	(13,117,158)	(27,599,620)
Payments to employees	(5,164,225)	(6,740,672)	(11,711,887)
Payments for housing assistance	-	-	-
Receipts from operating grants	-	-	-
Cash paid to claimants	-	-	-
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>7,641,650</u>	<u>18,534,596</u>	<u>6,787,740</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Repayment of advances to other funds	-	-	(1,061,240)
Collection/(issuance) of advances	1,178,851	-	-
Notes receivable collected	-	59,200	-
Transfers in	32,325	-	-
Transfers out	(38,853)	(55)	(436,269)
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<u>1,172,323</u>	<u>59,145</u>	<u>(1,497,509)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(1,843,534)	(2,945,088)	(180,871)
Interest and issuance cost paid on long-term debt	(10,155,757)	(5,136,546)	(163,895)
Principal paid on long-term debt	(4,297,065)	(4,399,165)	(429,041)
Received from grants	-	-	-
<b>Net Cash Provided By (Used In) Capital and Related Financing Activities</b>	<u>(16,296,356)</u>	<u>(12,480,799)</u>	<u>(773,807)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>2,327,439</u>	<u>43,912</u>	<u>38,010</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>2,327,439</u>	<u>43,912</u>	<u>38,010</u>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	(5,154,944)	6,156,854	4,554,434
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>43,741,338</u>	<u>6,025,427</u>	<u>13,641,203</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 38,586,394</u>	<u>\$ 12,182,281</u>	<u>\$ 18,195,637</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
<b>OPERATING INCOME (LOSS)</b>	\$ 2,595,597	\$ 11,278,934	\$ 5,624,240
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation and amortization	7,180,457	7,852,653	1,134,049
Other revenue			

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

OXNARD HOUSING AUTHORITY	TOTAL CURRENT YEAR	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS	
\$ 5,940,540	\$ 141,016,063	\$ 23,803,562	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
(2,768,139)	(81,262,892)	(10,385,408)	Receipts from customers and users
(4,714,525)	(28,331,309)	(8,198,731)	Payments to suppliers
(17,750,531)	(17,750,531)	-	Payments to employees
21,331,215	21,331,215	-	Payments for housing assistance
-	-	(5,527,836)	Receipts from operating grants
-	-	(308,413)	Cash paid to claimants
2,038,560	35,002,546		<b>Net Cash Provided By (Used In) Operating Activities</b>
			<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>
-	(1,061,240)	-	Repayment of advances to other funds
-	1,178,851	71,380	Collection/(issuance) of advances
	59,200		Notes receivable collected
-	32,325	781,954	Transfers in
-	(475,177)	(14,184)	Transfers out
-	(266,041)	839,150	<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>
			<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>
(655,615)	(5,625,108)	(593,938)	Purchases of capital assets
(136,300)	(15,592,498)	-	Interest and issuance cost paid on long-term debt
(310,000)	(9,435,271)	-	Principal paid on long-term debt
963,291	963,291	-	Received from grants
(138,624)	(29,689,586)	(593,938)	<b>Net Cash Provided By (Used In) Capital and Related Financing Activities</b>
			<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
31,621	2,440,982	39,515	Interest on investments
31,621	2,440,982	39,515	<b>Net Cash Provided By (Used In) Investing Activities</b>
			<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>
1,931,557	7,487,901	(23,686)	
10,618,749	74,026,717	13,695,620	<b>CASH AND INVESTMENTS, JULY 1</b>
\$ 12,550,306	\$ 81,514,618	\$ 13,671,934	<b>CASH AND INVESTMENTS, JUNE 30</b>
			<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>
\$ 517,551	\$ 20,016,322	\$ (720,767)	<b>OPERATING INCOME (LOSS)</b>
			Adjustments to Reconcile Operating Income (Loss)
			to Net Cash Provided By (Used In) Operating Activities
627,289	16,794,448	567,632	Depreciation and amortization
40,271	40,271		Other revenue

# STATEMENT OF CASH FLOWS (Continued)

## PROPRIETARY FUNDS

	WATER	WASTEWATER	ENVIRONMENTAL RESOURCE
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>			
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
<b>(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	\$ 195,956	\$ (1,173,347)	\$ (1,939,800)
(Increase) decrease in other assets	-	13,606	-
Increase (decrease) in accounts payable and			
other liabilities	(2,716,263)	(782,952)	(548,336)
Increase (decrease) in compensated absences	259,985	97,663	281,435
Increase (decrease) in other post-employment benefits payable	55,063	62,771	91,404
Increase (decrease) in net pension liabilities	70,855	1,185,268	2,144,748
Increase (decrease) in self-insurance liabilities	-	-	-
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 7,641,650</b>	<b>\$ 18,534,596</b>	<b>\$ 6,787,740</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>
			Adjustments to reconcile operating income (loss) to Net Cash Provided By Operating Activities (Continued)
			Changes in Operating Assets and Liabilities
\$ 870,929	\$ (2,046,262)	\$ (61,333)	(Increase) decrease in accounts receivable and due from other funds
43,302	56,908	-	(Increase) decrease in other assets
			Increase (decrease) in accounts payable
187,620	(3,859,931)	630,645	other liabilities
(45,569)	593,514	365,820	Increase (decrease) in compensated absences
53,961	263,199	80,391	Increase (decrease) in other post-employment benefits payable
(256,794)	3,144,077	(1,559,557)	Increase (decrease) in net pension liabilities
-	-	388,756	Increase (decrease) in self-insurance liabilities
<u>\$ 2,038,560</u>	<u>\$ 35,002,546</u>	<u>\$ (308,413)</u>	<b>Net Cash Provided By (Used In) Operating Activities</b>

**CITY OF OXNARD, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2017**

	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	\$ 11,302,921	\$ -	\$ 6,026,782
Investment with Fiscal Agents			
Certificates of deposit	2,756,294	2,283,500	2,493,391
Common stocks	-	14,090,984	-
Municipal issues	-	200,000	-
Foreign stocks		395,672	
Mutual funds - equity	-	26,964,108	-
Mutual funds - fixed income	-	25,248,286	-
Total investment with fiscal agents	2,756,294	69,182,550	2,493,391
Accounts and other receivables	538	452,456	-
Due from other governments	425,215		131,310
Notes receivable, net of uncollectible	817,363	-	-
Properties held for resale	1,373,151	-	-
Other assets	78,179	-	-
Capital Assets			
Construction in progress	295,373	-	-
Buildings (net of depreciation)	11,135,651	-	-
Improvements other than building (net of depreciation)	13,726,982	-	-
Infrastructure (net of depreciation)	22,055,888	-	-
<b>Total Assets</b>	<b>\$ 63,967,555</b>	<b>\$ 69,635,006</b>	<b>\$ 8,651,483</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension contributions	\$ 16,401		
<b>Total Deferred Outflow of Resources</b>	<b>16,401</b>		
<b>LIABILITIES</b>			
Accounts payable	1,537,519	\$ -	\$ 8,651,483
Other liabilities	572,331	-	-
Due to City of Oxnard	42,184	-	-
Net pension liabilities	10,478	-	-
<b>LONG-TERM DEBT</b>			
Due within one year	1,700,000	-	-
Due in more than one year	34,464,906	-	-
<b>TOTAL LIABILITIES</b>	<b>38,327,418</b>	<b>-</b>	<b>\$ 8,651,483</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Actuarial	54,798		
<b>Total Deferred Inflow of Resources</b>	<b>54,798</b>		
<b>NET POSITION</b>			
Held in trust for Successor Agency	25,601,740		
Net position restricted for pension	-	69,635,006	
<b>TOTAL NET POSITION</b>	<b>\$ 25,601,740</b>	<b>\$ 69,635,006</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, 2017**

	OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND	RETIREMENT ENHANCEMENT DEFINED BENEFIT PENSION TRUST FUND
<b>ADDITIONS</b>		
Taxes	\$ 7,568,942	\$ -
Contributions		
Employer	-	3,942,774
Plan members	-	2,309,893
Investment income	65,162	7,495,917
Investment expense	-	(95,664)
Net investment income	65,162	7,400,253
Rental income	44,790	-
<b>Total Additions</b>	<b>7,678,894</b>	<b>13,652,920</b>
<b>DEDUCTIONS</b>		
Administrative Costs		
Salaries and wages	185,745	-
Benefit distributions	-	3,569,328
Administrative costs	87,767	-
Professional services	256,461	-
Depreciation	1,526,925	-
Project improvements	2,145,718	-
Debt Service		
Interest and fiscal charges	1,618,639	-
<b>Total Deductions</b>	<b>5,821,255</b>	<b>3,569,328</b>
<b>SPECIAL ITEMS</b>		
Gain on write off advances to City of Oxnard	(3,544,532)	
Other proceeds from developers	(1,000,240)	
Loss on disposal of assets	226,630	
Loss on transfer of bond proceeds to City of Oxnard	9,896,298	
Loss on transfer of assets held for sale to City of Oxnard	3,939,374	
<b>Total Special Items</b>	<b>9,517,530</b>	
<b>CHANGE IN NET POSITION</b>	<b>(7,659,891)</b>	<b>10,083,592</b>
<b>NET POSITION - JULY 1, 2016</b>	<b>37,260,936</b>	<b>59,551,414</b>
<b>PRIOR-PERIOD ADJUSTMENT</b>	<b>(3,999,305)</b>	<b>-</b>
<b>NET POSITION - JUNE 30, 2017</b>	<b>\$ 25,601,740</b>	<b>\$ 69,635,006</b>

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

CITY OF OXNARD, CALIFORNIA  
**NOTES TO THE FINANCIAL STATEMENTS**  
JUNE 30, 2017

**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 and the City has operational responsibility for the Authority. 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 (PARS) 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 the following GASB pronouncements that became effective in the fiscal year ended June 30, 2017:

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.

Statement No. 80, *Blending requirements of certain Component Units (an amendment of GASB Statement No. 14)*. This statement which establishes an additional blending requirement for the financial statement presentation of component units.

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 GASB has issued several pronouncements prior to June 30, 2017, 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.

### 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. Notes receivable are reported as an asset in the amount of loan proceeds disbursed, net of allowance. Depending on the original funding source, the City reports 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	20 years
Parks improvements	20 years
Sports courts	20 years
Landscaping	20-50 years
Equipment and machinery	3-50 years
Vehicles	10 years
Infrastructure Assets	
Roadway network	40-100 years
Waterways/seawalls	75 years
Storm drain system	50 years
Water and sewer systems	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. Land is valued at original cost without depreciation.

**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 \$19,810,389. No interest was capitalized for this fiscal year.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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 CalPERS and Public Agency Retirement Services (PARS). 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. Gains or losses on Hedging Derivative Instruments are also reported as deferrals in the Statement of Net Position.

## 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 - unearned revenues. The governmental funds report unearned 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.

Per Resolution No. 14,952, the City Council will endeavor to maintain an operating reserve equal to 18% of General Fund operating budget, 25% of Water Fund and Wastewater Fund operating budgets, and 9% of Solid Waste Fund operating budget.

The City has not formally assigned or committed actual reserve levels as of June 30, 2017.

# NOTES TO THE FINANCIAL STATEMENTS (Continued)

## L. Property Taxes

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

Valuation Date	January 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 31 (unsecured)

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured, and utility tax rolls.

### Property Valuation

Valuations are established by the Assessor of the County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% 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, 2017, the City has recorded property taxes receivable of \$1,255,172, which is included in due from other governments in the accompanying balance sheet.

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

### **Tax Lien Dates**

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

### **Tax Collections**

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

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

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

#### **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.



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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).

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. **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. The City provides payroll services to City Corps. For the year ended June 30, 2017, the City paid payroll expenses amounting to \$230,284, which City Corps reimbursed.

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. The operating subsidy provided for the year ended June 30, 2017 was \$838,590.

In addition, the City acts as the custodian of funds for the Corporation, including recording of deposits and disbursements. City employees also perform management functions for the Corporation. On September 12, 2017 the Council approved the extension of the agreement between the City and the Corporation until June 30, 2018.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### R. 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 2017. Complete financial statements may be obtained from the Finance Department, City of Oxnard, 300 W. 3<sup>rd</sup> St, Oxnard, CA 93030.

As of June 30, 2017, the JPA had total assets of \$1,052,550, total net position of \$1,052,550, and total revenues of \$3,739 for the year then ended.

## II. DETAILED NOTES ON ALL FUNDS

### A. Cash and Investments

The City's cash and investments, including restricted investments with fiscal agents, consist of the following at June 30, 2017:

	AMOUNT
Petty cash	\$ 351,625
Deposits	17,036,918
Investments	<u>198,769,551</u>
Cash and investments	216,158,094
Restricted investments with fiscal agents	<u>109,486,765</u>
<b>TOTAL</b>	<u><u>\$ 325,644,859</u></u>

## 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	\$130,667,340	\$68,161,051	\$17,329,703	\$216,158,094
Restricted investments with fiscal agents	21,700,963	13,353,567	74,432,235	109,486,765
<b>TOTALS</b>	<u>\$152,368,303</u>	<u>\$81,514,618</u>	<u>\$91,761,938</u>	<u>\$325,644,859</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, 2017, the City has a bank balance of \$12,017,345 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.

### 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 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:

	<u>AMOUNT</u>
City Treasurer	\$ 204,243,014
Restricted investments held with Fiscal Agents	
Bond trustees for the City and its component units	39,668,989
PARS Trust Pool	69,182,550
Oxnard Housing Authority (includes investment held by fiscal agents)	<u>12,550,306</u>
<b>TOTAL</b>	<u><u>\$ 325,644,859</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 INVESTMENT POLICY	MAXIMUM MATURITY (YEARS)	MAXIMUM PERCENTAGE OF PORTFOLIO	MAXIMUM INVESTMENT IN ONE ISSUER	MINIMUM RATINGS
U.S. Treasury and agencies	Yes	5	None	None	None
Local agency bonds, notes	Yes	N/A	15%	None	None
Other bonds, notes, or evidences of indebtedness	Yes	N/A	15%	None	None
Bankers acceptances	Yes	180 days	40%	30%	None
Commercial paper	Yes	270 days	15%	10%	P1/A1
Negotiable CDs	Yes	5	30%	None	Aa/AA-
Certificate of deposit (CDs)	Yes	N/A	30%	None	A
Repurchase agreements	Yes	90 days	20%	None	None
Medium term notes	Yes	5	30%	None	A
Mutual funds	Yes	N/A	20%	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, 2017, 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 the 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.

For purposes of the Statement of Cash Flows of the proprietary fund types, cash and cash equivalents include all investments as the City operates an internal cash management pool which maintains the general characteristics of the demand deposit account.

## 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 restricted 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	\$ 19,222,460	\$ 126,641,015	\$ -	\$ 145,863,475
Corporate bonds	1,997,040			1,997,040
California Local Agency Investment Fund	46,746,664			46,746,664
Negotiable CD	242,372	3,920,000		4,162,372
Held by Trustee				
Money Market Fund	38,239,556			38,239,556
California Local Agency Investment Fund	2,064,659	-	-	2,064,659
<b>TOTAL INVESTMENTS</b>	<u>\$ 108,512,751</u>	<u>\$ 130,561,015</u>	<u>\$ -</u>	239,073,766
PARS Trust Pool				69,182,550
Cash in banks and on hand				<u>17,388,543</u>
<b>TOTAL CASH AND INVESTMENTS</b>				<u>\$ 325,644,859</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, 2017:

INVESTMENT TYPE	AAA	AA+	AA	A	TOTAL
Federal agency securities	\$ -	\$ 145,863,475	\$ -	\$ -	\$ 145,863,475
Corporate bonds (Disney)	-	-	-	1,997,040	1,997,040
<b>TOTALS</b>	<u>\$ -</u>	<u>\$ 145,863,475</u>	<u>\$ -</u>	<u>\$ 1,997,040</u>	147,860,515
<b>NOT RATED</b>					
California Local Agency Investment Fund					48,811,323
Money Market Fund					38,239,556
PARS Trust Pool					69,182,550
Negotiable CD					4,162,372
<b>Total Investments</b>					308,256,316
Cash in banks and on hand					17,388,543
<b>TOTAL</b>					<u>\$325,644,859</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, 2017:

ISSUER	TYPE OF INVESTMENTS	AMOUNTS
Federal National Mortgage Assn.	Federal National Mortgage Assn.	\$ 17,250,435
Federal Home Loan Bank	Federal Home Loan Bank Bonds	40,788,510
Federal Farm Credit Bank	Federal Farm Credit Bank Bonds	36,913,990

### ***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, 2017:

	INVESTMENTS AT FAIR VALUE AS OF JUNE 30, 2017			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Investment Type				
Federal agency securities	\$145,863,475	\$ -	\$ -	\$145,863,475
Corporate bonds	1,997,040			1,997,040
California Local Agency Investment Fund		46,746,664		46,746,664
Negotiable CD	4,162,372	-	-	4,162,372
	<u>152,022,887</u>	<u>46,746,664</u>	<u>-</u>	<u>198,769,551</u>
Held by Trustees/Fiscal Agent			-	
Money Market Fund	38,239,556			38,239,556
California Local Agency Investment Fund	-	2,064,659	-	2,064,659
	<u>38,239,556</u>	<u>2,064,659</u>	<u>-</u>	<u>40,304,215</u>
PARS Trust Pool				
Cash and equivalents	2,283,500			2,283,500
Municipal issues	200,000			200,000
Domestic common stocks	14,090,984			14,090,984
Foreign stocks	395,672			395,672
Mutual funds - equity	26,964,108			26,964,108
Mutual funds - fixed income	25,248,286	-	-	25,248,286
	<u>69,182,550</u>	<u>-</u>	<u>-</u>	<u>69,182,550</u>
<b>TOTAL INVESTMENTS AT FAIR VALUE</b>	<u><b>\$259,444,993</b></u>	<u><b>\$48,811,323</b></u>	<u><b>\$ -</b></u>	<u><b>\$308,256,316</b></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### B. Receivables and Payables

Accounts receivables and other receivables as of June 30, 2017 included in the accompanying Statement of Net Position primarily consist of the following:

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
<b>ACCOUNTS RECEIVABLE</b>		
Utilities receivable	\$ 1,379	\$ 8,895,141
Grants receivable	6,297,060	-
Accounts receivable billed and accrued	5,439,773	11,374,104
Other receivables	472,111	1,716,752
	12,210,323	21,985,997
Allowance for uncollectible receivables	(609,320)	(883,208)
<b>TOTALS</b>	<b>\$ 11,601,003</b>	<b>\$ 21,102,789</b>

Accounts payable and other liabilities as of June 30, 2017 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)	\$ 8,034,002	\$ 9,148,001
Other Liabilities		
Accrued payroll	4,300,927	1,383,699
Accrued benefits	1,477,532	-
Accrued interest	673,190	1,275,832
Other payables	2,326,790	558,552
<b>Total Other Liabilities</b>	<b>8,778,439</b>	<b>3,218,083</b>
<b>TOTALS</b>	<b>\$ 16,812,441</b>	<b>\$ 12,366,084</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### C. Interfund Receivables and Payables

Total interfund receivables and payables at June 30, 2017, 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	\$ 4,438,064	\$ 121,139	\$ 4,316,925	\$ (4,438,064)	\$ (121,139)
Nonmajor governmental funds	-	4,590,972	(4,590,972)	4,438,064	(152,908)
	<u>4,438,064</u>	<u>4,712,111</u>	<u>(274,047)</u>	<u>-</u>	<u>(274,047)</u>
<b>Advances To/From Other Funds</b>					
General Fund	-	1,109,527	(1,109,527)	-	(1,109,527)
Internal Service Fund	949,746	-	949,746	-	949,746
	<u>949,746</u>	<u>1,109,527</u>	<u>(159,781)</u>	<u>-</u>	<u>(159,781)</u>
<b>Total Governmental Activities</b>	<u>5,387,810</u>	<u>5,821,638</u>	<u>(433,828)</u>	<u>-</u>	<u>(433,828)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Due To/From Other Funds</b>					
Water	1,301,844	-	1,301,844	(1,093,077)	208,767
Environmental resource	65,280	-	65,280	-	65,280
	<u>1,367,124</u>	<u>-</u>	<u>1,367,124</u>	<u>(1,093,077)</u>	<u>274,047</u>
<b>Advances To/From Other Funds</b>					
Water	3,395,042	-	3,395,042	(2,285,515)	1,109,527
Environmental resource	-	3,378,592	(3,378,592)	3,378,592	-
Oxnard Housing Authority	-	949,746	(949,746)	-	(949,746)
	<u>3,395,042</u>	<u>4,328,338</u>	<u>(933,296)</u>	<u>1,093,077</u>	<u>159,781</u>
<b>Total Business-type Activities</b>	<u>4,762,166</u>	<u>4,328,338</u>	<u>433,828</u>	<u>-</u>	<u>433,828</u>
<b>TOTALS</b>	<u>\$10,149,976</u>	<u>\$10,149,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The interfund balances at June 30, 2017 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 \$2,586,832 in the current year.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

There were no transfers during Fiscal Year 2016-2017 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, 2017:

	DESCRIPTION	TRANSFERS IN	TRANSFERS OUT	NET TRANSFERS	ELIMINATIONS	TOTAL
<b>GOVERNMENTAL ACTIVITIES</b>						
General Fund	Program support	\$ 46,959	\$ 2,903,225	\$ (2,856,267)	\$ 2,870,901	\$ 14,634
General Fund	Debt service	-	6,513,360	(6,513,360)	6,513,360	-
Nonmajor governmental funds	Program support	2,580,232	540,978	2,039,254	(2,039,254)	-
Nonmajor governmental funds	Debt service	7,005,455	-	7,005,455	(7,005,455)	-
Internal Service Fund	Program support	781,954	14,184	767,770	(339,552)	428,218
<b>Total Governmental Activities</b>		<u>10,414,599</u>	<u>9,971,747</u>	<u>442,852</u>	<u>-</u>	<u>442,852</u>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Water	Program support	32,325	38,853	(6,528)	-	(6,528)
Wastewater	Program support	-	55	(55)	-	(55)
Environmental Resource	Program support	-	436,269	(436,269)	-	(436,269)
<b>Total Business-Type Activities</b>		<u>32,325</u>	<u>475,177</u>	<u>(442,852)</u>	<u>-</u>	<u>(442,852)</u>
<b>TOTAL GOVERNMENT-WIDE STATEMENTS</b>		<u>\$10,446,924</u>	<u>\$10,446,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### E. Special Items

The City reported the following special items:

- Transfer of property from the CDC of \$ 3.9M; and
- Transfer of bond proceeds for the CDC of \$ 9.8M.

Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### F. Loans Receivable

At June 30, 2017, the City's net loans receivable consisted of the following:

	BALANCE JULY 1, 2016	PRIOR-PERIOD ADJUSTMENT	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Residential Notes Receivable</b>					
CalHOME Loans	\$ 1,929,815	\$ -	\$ 980,240	\$ 196,362	\$ 2,713,693
BEGIN Loans	3,390,989	-	37,657	157,051	3,271,595
CDBG Loans	3,108,175	-	502,056	91,678	3,518,553
HOME Loans	10,014,436	-	448,755	1,165,887	9,297,304
NSP Loans	1,068,781	-	-	113,417	955,364
HERO Loans	550,836	-	42,000	20,716	572,120
Other	2,347,227	-	30,288	107,749	2,269,766
Allowance for doubtful accounts	(13,705,471)	-	(350,625)	709,381	(13,346,715)
	<u>8,704,788</u>	<u>-</u>	<u>1,690,371</u>	<u>2,562,241</u>	<u>9,251,680</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
Villa Madera	-	1,600,000	-	-	1,600,000
Sonata at Riverpark	-	1,350,000	1,650,000	-	3,000,000
Other	477,500	-	97,278	68,000	506,778
Allowance for doubtful accounts	(972,000)	-	-	(23,422)	(995,422)
	<u>33,772,522</u>	<u>2,950,000</u>	<u>1,747,278</u>	<u>44,578</u>	<u>38,378,378</u>
	<u>42,477,310</u>	<u>2,950,000</u>	<u>3,437,649</u>	<u>2,606,819</u>	<u>47,630,058</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Wastewater Loans	1,043,400	-	-	59,200	984,200
	<u>1,043,400</u>	<u>-</u>	<u>-</u>	<u>59,200</u>	<u>984,200</u>
<b>TOTAL GOVERNMENT-WIDE STATEMENTS</b>					
	<u>\$43,520,710</u>	<u>\$2,950,000</u>	<u>\$3,437,649</u>	<u>\$2,666,019</u>	<u>\$48,614,258</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, 2017 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	\$ 30,000	3.00 %	30	No
BEGIN	27,000	3.00	30	No
CDBG	24,000	-	20	Yes
HOME	18,000	-	12	Yes
NSP	30,000	-	20	Yes
HERO	11,000	-	6	Yes
Other	22,000	-	24	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.

Three of the affordable housing loans in the aggregate amount of \$10,890,000 as of June 30, 2017 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.

#### G. Capital Assets

Changes in the City's capital assets for the year ended June 30, 2017 consisted of the following:

	BALANCE JULY 1, 2016	PRIOR-PERIOD ADJUSTMENTS	INCREASES	DECREASES	TRANSFERS	BALANCE JUNE 30, 2017
<b>GOVERNMENTAL ACTIVITIES</b>						
Capital Assets, Not Being Depreciated						
Land	\$1,025,204,899	\$389,494,156	\$ -	\$ -	\$3,939,374	\$1,418,638,429
Construction in progress	9,005,104	(29,390)	4,961,894	3,529,212	(904,364)	9,504,032
<b>Total Capital Assets, Not Being Depreciated</b>	<b>1,034,210,003</b>	<b>389,464,766</b>	<b>4,961,894</b>	<b>3,529,212</b>	<b>3,035,010</b>	<b>1,428,142,461</b>
Capital Assets, Being Depreciated						
Artwork	-	87,000	-	-	-	87,000
Buildings	102,108,466	9,136,400	343,215	-	-	111,588,081
Improvements other than buildings	126,562,350	(23,565,721)	2,544,583	-	-	105,541,212
Equipment and machinery	47,342,993	(32,704,861)	2,305,827	-	-	16,943,959
Vehicles	-	24,474,283	-	-	-	24,474,283
Infrastructure	646,648,192	33,521,051	1,760,313	-	-	681,929,556
<b>Total Capital Assets, Being Depreciated</b>	<b>922,662,001</b>	<b>10,948,152</b>	<b>6,953,938</b>	<b>-</b>	<b>-</b>	<b>940,564,091</b>
Less: Accumulated Depreciation						
Artwork	-	(85,500)	(1,000)	-	-	(86,500)
Buildings	(34,598,779)	(459,696)	(2,294,758)	-	-	(37,353,233)
Improvements other than buildings	(29,111,637)	6,631,704	(2,447,016)	-	-	(24,926,949)
Equipment and machinery	(39,267,479)	29,162,020	(2,162,295)	-	-	(12,267,754)
Vehicles	-	(17,679,443)	(198,497)	-	-	(17,877,940)
Infrastructure	(334,706,442)	164,412,285	(17,029,708)	-	-	(187,323,865)
<b>Total Accumulated Depreciation</b>	<b>(437,684,337)</b>	<b>181,981,370</b>	<b>(24,133,274)</b>	<b>-</b>	<b>-</b>	<b>(279,836,241)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>484,977,664</b>	<b>192,929,522</b>	<b>(17,179,336)</b>	<b>-</b>	<b>-</b>	<b>660,727,850</b>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$1,519,187,667</b>	<b>\$582,394,288</b>	<b>\$ (12,217,442)</b>	<b>\$ 3,529,212</b>	<b>\$3,035,010</b>	<b>\$2,088,870,311</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	BALANCE JULY 1, 2016	PRIOR-PERIOD ADJUSTMENTS	INCREASES	DECREASES	TRANSFERS	BALANCE JUNE 30, 2017
<b>BUSINESS-TYPE ACTIVITIES</b>						
Capital Assets, Not Being Depreciated						
Land	\$ 19,886,237	\$ (2,848,160)	\$ 4,000	\$ -	\$ -	\$ 17,042,077
Construction in progress	17,941,095	(174,584)	4,929,197	14,091,678	904,364	9,508,394
<b>Total Capital Assets, Not Being Depreciated</b>						
<b>Depreciated</b>	37,827,332	(3,022,744)	4,933,197	14,091,678	904,364	26,550,471
Capital assets, Being Depreciated						
Buildings	88,169,807	158,599,526	634,404	2,862,620	-	244,541,117
Improvements other than buildings	-	6,442,797	2,709,364	-	-	9,152,161
Equipment and machinery	43,500,377	67,328,838	825,482	257,321	-	111,397,376
Infrastructure	654,976,249	(259,064,897)	10,650,339	-	-	406,561,691
<b>Total Capital Assets, Being Depreciated</b>						
<b>Depreciated</b>	786,646,433	(26,693,736)	14,819,589	3,119,941	-	771,652,345
Less: Accumulated Depreciation						
Buildings	(58,976,274)	(42,821,694)	(4,984,332)	2,822,350	-	(103,959,950)
Improvements other than buildings	-	(4,223,766)	(161,070)	-	-	(4,384,836)
Equipment and machinery	(39,688,660)	(7,849,706)	(3,939,139)	257,320	-	(51,220,185)
Infrastructure	(198,201,571)	87,539,790	(7,709,909)	-	-	(118,371,690)
<b>Total Accumulated Depreciation</b>	(296,866,505)	32,644,624	(16,794,450)	3,079,670	-	(277,936,661)
<b>Total Capital Assets, Being Depreciated, Net</b>	489,779,928	5,950,888	(1,974,861)	6,199,611	-	493,715,684
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<u>\$ 527,607,260</u>	<u>\$ 2,928,144</u>	<u>\$ 2,958,336</u>	<u>\$20,291,289</u>	<u>\$ 904,364</u>	<u>\$ 520,266,155</u>
<b>TOTALS</b>	<u>\$2,046,794,927</u>	<u>\$585,322,432</u>	<u>\$ (9,259,106)</u>	<u>\$23,820,501</u>	<u>\$3,939,374</u>	<u>\$2,609,136,466</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2017 depreciation expense on capital assets was charged as follows:

	<u>AMOUNT</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
Administration and support	\$ 18,325,308
Public safety	1,107,091
Transportation (highways and streets)	422,021
Community development	1,128,895
Culture and leisure	2,020,371
Libraries	561,956
Capital assets held by the City's internal service fund	<u>567,632</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	
<b>DEPRECIATION EXPENSE</b>	<u><u>\$ 24,133,274</u></u>
<b>BUSINESS-TYPE ACTIVITIES</b>	
Water	\$ 7,180,457
Wastewater	7,852,653
Environmental resources	1,134,049
Oxnard Housing Authority	<u>627,289</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	
<b>DEPRECIATION EXPENSE</b>	<u><u>\$ 16,794,448</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### H. 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, 2017:

	BALANCE JULY 1, 2016	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2017	DUE WITHIN ONE YEAR
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Lease Revenue Bonds</b>					
Variable rate demand lease revenue bonds, series 2003B	\$ 9,855,000	\$ -	\$ 455,000	\$ 9,400,000	\$ 470,000
Variable rate demand lease revenue bonds, series 2006	19,040,000	-	655,000	18,385,000	680,000
Lease revenue refunding bonds, series 2011	20,215,000	-	370,000	19,845,000	410,000
Lease revenue refunding bonds, series 2014	15,665,000	-	900,000	14,765,000	935,000
Unamortized premiums	2,264,639	-	174,203	2,090,436	-
Unamortized discounts	(216,106)	-	(10,805)	(205,301)	-
<b>Certificate of Participation</b>					
Gas tax revenue certificate of participation	23,525,000	-	655,000	22,870,000	690,000
Unamortized discounts	(60,055)	-	(30,027)	(30,028)	-
<b>Capital Leases</b>					
2009 CIP lease purchase, draw #1	383,298	-	103,404	279,894	108,180
2009 CIP lease purchase, draw #10	513,379	-	106,351	407,028	110,625
2009 CIP lease purchase, draw #13	1,607,094	-	627,800	979,294	647,745
2009 CIP lease purchase, draw #14	40,769	-	40,769	-	-
2009 CIP lease purchase, draw #15	5,023	-	5,023	-	-
2009 CIP lease purchase, draw #16	12,279	-	8,129	4,150	4,150
2009 CIP lease purchase, draw #17	41,612	-	27,547	14,065	14,065
2009 CIP lease purchase, draw #19	647,265	-	157,018	490,247	160,174
2009 CIP lease purchase, draw #20	185,872	-	73,324	112,548	74,686
2012 Lease purchase	4,308,474	-	328,710	3,979,764	343,958
2014 Lease purchase	14,296,695	-	690,000	13,606,695	715,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 112,330,238</b>	<b>\$ -</b>	<b>\$ 5,336,446</b>	<b>\$ 106,993,792</b>	<b>\$ 5,363,583</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	BALANCE JULY 1, 2016 AS RESTATED	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2017	DUE WITHIN ONE YEAR
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>Water Fund</b>					
<b>Revenue Bonds</b>					
Water revenue project bonds, series 2006	\$ 47,350,000	\$ -	\$ 1,105,000	\$ 46,245,000	\$ 1,150,000
Water revenue project bonds, series 2010A	9,935,000	-	1,460,000	8,475,000	1,535,000
Water revenue project bonds, series 2010B	83,670,000	-	-	83,670,000	-
Water revenue refunding bonds, series 2012	7,730,000	-	430,000	7,300,000	445,000
Water revenue refunding bonds, series 2014	32,572,335	-	1,295,245	31,277,090	1,344,671
Unamortized premiums	1,434,301	-	164,695	1,269,606	
Unamortized discounts	(715,681)	-	(31,930)	(683,751)	
<b>Capital Leases</b>					
2009 CIP lease purchase, draw #9	10,317	-	6,820	3,497	3,497
<b>TOTAL WATER FUND</b>	<u>\$ 181,986,272</u>	<u>\$ -</u>	<u>\$ 4,429,830</u>	<u>\$ 177,556,442</u>	<u>\$ 4,478,168</u>
<b>Wastewater Fund</b>					
<b>Revenue Bonds</b>					
Wastewater revenue bonds, series 2004B	\$ 16,750,000	\$ -	\$ 1,025,000	\$ 15,725,000	\$ 1,050,000
Wastewater revenue bonds, series 2006	10,030,000	-	315,000	9,715,000	330,000
Wastewater revenue refunding bonds, series 2013	12,574,441	-	3,013,176	9,561,265	3,101,192
Wastewater revenue refunding bonds, series 2014	71,985,000	-	-	71,985,000	-
Unamortized premiums	8,647,881	-	480,438	8,167,443	-
<b>Capital Leases</b>					
2009 CIP lease purchase, draw #18	167,050	-	45,989	121,061	47,360
<b>TOTAL WASTEWATER FUND</b>	<u>\$ 120,154,372</u>	<u>\$ -</u>	<u>\$ 4,879,603</u>	<u>\$ 115,274,769</u>	<u>\$ 4,528,552</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	BALANCE JULY 1, 2016	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2017	DUE WITHIN ONE YEAR
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>(Continued)</b>					
<b>Environmental Resources Fund</b>					
<b>Capital Lease</b>					
Lease purchase trash containers	\$ 803,958	\$ -	\$ 393,764	\$ 410,194	\$ 410,194
2009 CIP lease purchase, draw #9	53,368	-	35,277	18,091	18,091
<b>TOTAL ENVIRONMENTAL     RESOURCES FUND</b>	<u>\$ 857,326</u>	<u>\$ -</u>	<u>\$ 429,041</u>	<u>\$ 428,285</u>	<u>\$ 428,285</u>
<b>Oxnard Housing Authority Fund</b>					
<b>Revenue Bonds</b>					
2004 Capital Fund Revenue Bonds	\$ 2,920,000	\$ -	\$ 310,000	\$ 2,610,000	\$ 320,000
<b>TOTAL OXNARD HOUSING     AUTHORITY FUND</b>	<u>\$ 2,920,000</u>	<u>\$ -</u>	<u>\$ 310,000</u>	<u>\$ 2,610,000</u>	<u>\$ 320,000</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>\$ 305,917,970</u>	<u>\$ -</u>	<u>\$ 10,048,474</u>	<u>\$ 295,869,496</u>	<u>\$ 9,755,005</u>
<b>TOTALS</b>	<u>\$ 418,248,208</u>	<u>\$ -</u>	<u>\$ 15,384,920</u>	<u>\$ 402,863,288</u>	<u>\$ 15,118,588</u>

### 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 February 28, 2018. The balance outstanding as of June 30, 2017 is \$9,400,000. 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***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 February 28, 2018. The outstanding balance as of June 30, 2017 is \$18,385,000. 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.

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, 2017 is \$19,845,000. 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)

### ***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, 2017 is \$14,765,000. 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, 2017 is \$22,870,000. 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.

### ***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, 2017, the total outstanding balance on this line of credit was \$2,287,225. Lease payments constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the lease at October 1, 2020.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### ***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, 2017 is \$3,979,764. 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, 2017 is \$13,606,695.

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, 2017 is \$46,245,000. 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, 2017 is \$8,475,000. 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, 2017 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, 2017 is \$7,300,000. 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, 2017 is \$31,277,090.

### ***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 January 31, 2018. The balance outstanding as of June 30, 2017 is \$15,725,000. 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, 2017 is \$9,715,000. 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, 2017 is \$9,561,265. 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, 2017 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.

***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, 2017 is \$2,610,000.

### ***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, 2017 is \$410,194. 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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, 2017, the total outstanding balance on this line of credit was \$142,649. 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.

### ***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.

Principal and interest paid for the current year and net water revenue were \$14,429,483 and \$11,979,688, respectively. The debt service coverage ratio of 83% 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.

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

Principal and interest paid for the current year and net wastewater revenue were \$8,996,299 and \$19,175,499, respectively. The debt service coverage ratio of 213% is in compliance with 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 wastewater 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.

The U.S. Department of Housing and Urban Development has approved the issuance of the bonds and the certificates and has authorized the Authority to pledge and assign its Capital Fund Program monies to the payment of the bonds and, therefore, the certificates. During the year, \$1,430,348 of Capital Fund Grand revenue was earned, of which, \$310,000 was applied to the repayment of the bonds.

## 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. In the current year, the swap had a positive net change in fair value of \$832,224 resulting in a negative fair value of \$1,952,653 as of June 30, 2017. 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, 2017, the swap's notional amount of \$9,400,000 matches the \$9,400,000 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, 2017. 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, 2017, 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, 2017, the SIFMA Municipal Swap Index rate was 0.91%, whereas 68% of one-month LIBOR was 0.83%.
  - 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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. In the current year, the swap had a positive net change in fair value of \$1,667,863 resulting in a negative fair value of \$3,568,099 as of June 30, 2017. 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, 2017, the swap's notional amount of \$18,385,000 matches the \$18,385,000 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, 2017. 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, 2017, 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, 2017, the SIFMA Municipal Swap Index rate was 0.91%, whereas 68% of one-month LIBOR was 0.83%.
  - 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

If the swap is terminated, the City would be exposed to interest rate risk. Also, if at the time of termination the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

3. **City of Oxnard Financing Authority Variable Rate Demand 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. In the current year, the swap had a positive net change in fair value of \$1,394,863 resulting in a negative fair value of \$13,211,536 as of June 30, 2017. 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, 2017, the swap's notional amount of \$15,725,000 matches the \$15,725,000 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, 2017. 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, 2017, 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, 2017, the SIFMA Municipal Swap Index rate was 0.91%, whereas 68% of one-month LIBOR was 0.83%.
- 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.

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

As of June 30, 2017, debt service requirements of the City's variable-rate debt and net receipts/payments on associated hedging derivatives are shown on pages 94 and 96. 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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, 2017.

### Credit Rating

As of June 30, 2017, the City carried underlying ratings of A with negative implications for the Water and BBB with negative implications for Wastewater Funds. The City's institutional credit rating for general obligation debt had a rating of A with negative implications.

As of September 18, 2017, Standard and Poor's downgraded the City's institutional credit rating for general obligation from A to A-. Negative implications on the Water and Wastewater Funds were also removed, maintaining ratings of A and BBB for Water and Wastewater Funds, respectively.

### 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
2018	\$ 5,363,583	\$ 4,668,068	\$ 10,031,652	\$ 9,755,005	\$ 15,062,219	\$ 24,817,225
2019	5,188,190	4,496,551	9,684,741	9,670,048	14,693,276	24,363,324
2020	4,925,433	4,276,209	9,201,642	10,012,122	14,318,259	24,330,381
2021	4,879,800	4,048,688	8,928,488	10,248,227	13,944,744	24,192,971
2022	5,054,841	3,826,589	8,881,430	10,723,850	13,459,205	24,183,055
2023-2027	29,294,654	15,548,459	44,843,113	59,957,125	57,296,661	117,253,786
2028-2032	28,847,184	8,574,601	37,421,785	73,853,920	42,733,127	116,587,047
2033-2037	19,940,000	2,792,858	22,732,858	67,215,901	23,204,317	90,420,218
2038-2042	1,645,000	6,141,978	7,786,978	35,680,000	5,069,050	40,749,050
<b>TOTALS</b>	<b>\$105,138,685</b>	<b>\$54,374,002</b>	<b>\$159,512,687</b>	<b>\$287,116,198</b>	<b>\$199,780,858</b>	<b>\$486,897,057</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

FISCAL YEAR	COUNTERPARTY					
	PRINCIPAL	SWAP PAYMENT*		INTEREST TO BONDHOLDERS	TOTAL INTEREST	TOTAL
		TO	FROM			
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	333,324	(27,024)	34,625	340,925	835,925
2021	510,000	313,787	(25,440)	32,595	320,942	830,942
2022	525,000	293,657	(23,808)	30,504	300,353	825,353
2023-2027	2,875,000	1,144,433	(92,784)	118,880	1,170,528	4,045,528
2028-2032	3,320,000	542,713	(44,000)	56,375	555,088	3,875,088
2033-2037	720,000	28,418	(2,304)	2,952	29,066	749,066
<b>TOTALS</b>	<b>\$ 9,400,000</b>	<b>\$ 3,379,816</b>	<b>\$ (274,016)</b>	<b>\$ 351,083</b>	<b>\$ 3,456,883</b>	<b>\$ 12,856,883</b>

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

FISCAL YEAR	COUNTERPARTY					
	PRINCIPAL	SWAP PAYMENT*		INTEREST TO BONDHOLDERS	TOTAL INTEREST	TOTAL
		TO	FROM			
2018	\$ 680,000	\$ 632,444	\$ (58,832)	\$ 75,379	\$ 648,991	\$ 1,328,991
2019	705,000	609,052	(56,656)	72,591	624,987	1,329,987
2020	735,000	584,800	(54,400)	69,700	600,100	1,335,100
2021	760,000	559,516	(52,048)	66,687	574,155	1,334,155
2022	790,000	533,372	(49,616)	63,571	547,327	1,337,327
2023-2027	4,415,000	2,238,408	(208,224)	266,787	2,296,971	6,711,971
2028-2032	5,305,000	1,420,032	(132,096)	169,248	1,457,184	6,762,184
2033-2037	4,995,000	437,568	(40,704)	52,152	449,016	5,444,016
<b>TOTALS</b>	<b>\$ 18,385,000</b>	<b>\$ 7,015,192</b>	<b>\$ (652,576)</b>	<b>\$ 836,114</b>	<b>\$ 7,198,729</b>	<b>\$ 25,583,729</b>

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

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

FISCAL YEAR	SERIES 2011 (1)			SERIES 2014 (1)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2018	\$ 410,000	\$ 1,051,195	\$ 1,461,195	\$ 935,000	\$ 728,900	\$ 1,663,900
2019	455,000	1,034,795	1,489,795	975,000	691,500	1,666,500
2020	505,000	1,017,733	1,522,733	1,020,000	642,750	1,662,750
2021	560,000	992,483	1,552,483	1,075,000	591,750	1,666,750
2022	620,000	964,483	1,584,483	1,125,000	538,000	1,663,000
2023-2027	4,065,000	4,341,883	8,406,883	6,540,000	1,786,750	8,326,750
2028-2032	6,175,000	3,100,720	9,275,720	3,095,000	234,000	3,329,000
2033-2037	7,055,000	1,053,975	8,108,975	-	-	-
<b>TOTALS</b>	<b>\$ 19,845,000</b>	<b>\$13,557,265</b>	<b>\$ 33,402,265</b>	<b>\$ 14,765,000</b>	<b>\$ 5,213,650</b>	<b>\$ 19,978,650</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FISCAL YEAR	GAS TAX REVENUE CERTIFICATE OF PARTICIPATION ISSUED 2007 (1)			2009 MASTER EQUIPMENT LEASE PURCHASE (1)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2018	\$ 690,000	\$ 1,020,300	\$ 1,710,300	\$ 1,119,625	\$ 68,276	\$ 1,187,901
2019	720,000	992,100	1,712,100	761,053	36,004	797,057
2020	745,000	962,800	1,707,800	344,908	9,878	354,786
2021	775,000	932,400	1,707,400	61,640	1,226	62,866
2022	810,000	899,395	1,709,395	-	-	-
2023-2027	4,595,000	3,929,693	8,524,693	-	-	-
2028-2032	5,720,000	2,769,947	8,489,947	-	-	-
2033-2037	7,170,000	1,272,897	8,442,897	-	-	-
2038-2042	1,645,000	39,069	1,684,069	-	-	-
<b>TOTALS</b>	<b>\$ 22,870,000</b>	<b>\$12,818,600</b>	<b>\$ 35,688,600</b>	<b>\$ 2,287,226</b>	<b>\$ 115,384</b>	<b>\$ 2,402,610</b>

FISCAL YEAR	2012 LEASE PURCHASE (1)			2014 LEASE PURCHASE (1)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2018	\$ 343,958	\$140,884	\$ 484,842	\$ 715,000	\$ 655,052	\$ 1,370,052
2019	353,797	128,708	482,505	733,340	619,653	1,352,993
2020	313,272	116,183	429,455	767,253	582,615	1,349,868
2021	327,974	105,093	433,067	810,186	543,782	1,353,968
2022	337,247	93,483	430,730	847,594	502,974	1,350,568
2023-2027	1,885,147	278,751	2,163,898	4,919,507	1,828,543	6,748,050
2028-2032	418,369	14,810	433,179	4,813,815	492,379	5,306,194
<b>TOTALS</b>	<b>\$ 3,979,764</b>	<b>\$ 877,912</b>	<b>\$ 4,857,676</b>	<b>\$ 13,606,695</b>	<b>\$ 5,224,998</b>	<b>\$ 18,831,693</b>

FISCAL YEAR	WATER REVENUE PROJECT BONDS SERIES 2006 (2)		
	PRINCIPAL	INTEREST	TOTAL
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	1,390,000	2,043,100	3,433,100
2023-2027	7,980,000	9,164,513	17,144,513
2028-2032	11,790,000	6,974,000	18,764,000
2033-2037	20,125,000	2,871,750	22,996,750
<b>TOTALS</b>	<b>\$46,245,000</b>	<b>\$29,807,093</b>	<b>\$ 76,052,093</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FISCAL YEAR	WATER REVENUE PROJECT BONDS SERIES 2010A (2)			WATER REVENUE PROJECT BONDS SERIES 2010B (2)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
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	1,865,000	102,575	1,967,575	-	5,786,173	5,786,173
2023-2027	-	-	-	10,765,000	27,526,149	38,291,149
2028-2032	-	-	-	13,365,000	23,517,447	36,882,447
2033-2037	-	-	-	23,860,000	18,549,470	42,409,470
2038-2042	-	-	-	35,680,000	5,069,050	40,749,050
<b>TOTALS</b>	<b>\$ 8,475,000</b>	<b>\$ 1,373,275</b>	<b>\$ 9,848,275</b>	<b>\$83,670,000</b>	<b>\$ 103,592,980</b>	<b>\$187,262,980</b>

FISCAL YEAR	WATER REVENUE PROJECT BONDS SERIES 2012 (2)			WATER REVENUE REFUNDING BONDS SERIES 2014 (2)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
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	237,619	732,619	1,503,227	1,029,573	2,532,800
2022	515,000	212,869	727,869	1,558,850	972,450	2,531,300
2023-2027	2,890,000	762,194	3,652,194	8,727,125	3,927,626	12,654,751
2028-2032	2,025,000	170,813	2,195,813	10,518,920	2,138,331	12,657,251
2033-2037	-	-	-	4,785,901	274,450	5,060,351
<b>TOTALS</b>	<b>\$ 7,300,000</b>	<b>\$ 2,203,100</b>	<b>\$ 9,503,100</b>	<b>\$31,277,090</b>	<b>\$ 11,752,914</b>	<b>\$ 43,030,004</b>

FISCAL YEAR	WASTEWATER REVENUE BONDS SERIES 2004B (2)					
	COUNTERPARTY SWAP PAYMENT*			INTEREST TO BONDHOLDERS	TOTAL	
	PRINCIPAL	TO	FROM		INTEREST	TOTAL
2018	\$ 1,050,000	\$ 617,521	\$ (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	760,000	461,226	(37,584)	48,155	471,797	1,231,797
2023-2027	4,130,000	1,841,370	(150,048)	192,249	1,883,571	6,013,571
2028-2032	4,760,000	982,535	(80,064)	102,582	1,005,053	5,765,053
2033-2037	2,095,000	123,897	(10,096)	12,936	126,736	2,221,736
<b>TOTALS</b>	<b>\$15,725,000</b>	<b>\$ 5,626,606</b>	<b>\$ (458,496)</b>	<b>\$ 587,448</b>	<b>\$ 5,755,558</b>	<b>\$ 21,480,558</b>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

WASTEWATER REVENUE BONDS SERIES 2006 (2)				WASTEWATER REVENUE REFUNDING BONDS SERIES 2013 (2)		
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2018	\$ 330,000	\$ 466,943	\$ 796,943	\$ 3,101,192	\$ 265,803	\$ 3,366,995
2019	345,000	452,753	797,753	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	390,000	405,218	795,218	-	-	-
2023-2027	2,245,000	1,744,373	3,989,373	-	-	-
2028-2032	2,840,000	1,147,250	3,987,250	-	-	-
2033-2037	2,830,000	362,500	3,192,500	-	-	-
<b>TOTALS</b>	<u>\$ 9,715,000</u>	<u>\$ 5,438,685</u>	<u>\$ 15,153,685</u>	<u>\$ 9,561,265</u>	<u>\$ 536,471</u>	<u>\$ 10,097,736</u>

WASTEWATER REVENUE REFUNDING BONDS SERIES 2014 (2)			
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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	3,855,000	3,415,500	7,270,500
2023-2027	22,380,000	13,985,250	36,365,250
2028-2032	28,555,000	7,802,750	36,357,750
2033-2037	13,520,000	1,022,250	14,542,250
<b>TOTALS</b>	<u>\$71,985,000</u>	<u>\$40,622,750</u>	<u>\$112,607,750</u>

2004 CAPITAL FUND REVENUE BONDS HOUSING AUTHORITY (2)			
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
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	390,000	60,095	450,095
2023-2024	840,000	62,660	902,660
<b>TOTALS</b>	<u>\$ 2,610,000</u>	<u>\$ 525,915</u>	<u>\$ 3,135,915</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FISCAL YEAR	2009 MASTER EQUIPMENT LEASE PURCHASE (1) AND (2)			PURCHASE AGREEMENT ISSUE 2008 (2)		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2018	\$ 68,948	\$ 3,603	\$ 72,551	\$ 410,194	\$ 12,749	\$ 422,943
2019	48,775	1,823	50,598	-	-	-
2020	24,926	369	25,295	-	-	-
2021	-	-	-	-	-	-
<b>TOTALS</b>	<u>\$ 142,649</u>	<u>\$ 5,795</u>	<u>\$ 148,444</u>	<u>\$ 410,194</u>	<u>\$ 12,749</u>	<u>\$ 422,943</u>

\*Variable rate used was LIBOR rate .83% as of June 30, 2017.

(1) Governmental activity debt

(2) Business-type activity debt

### 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, 2017 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.)	\$ 10,095,000
<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.)	7,960,000
<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.)	6,210,000
<b>Oxnard Boulevard/Highway 101 Interchange Assessment District 2000-1</b>	
1915 Act Improvement Limited Obligation Bonds	1,745,000
<b>Community Facilities District No. 3</b>	
Special Tax Refunding Bond (Seabridge Mandalay Bay) 2013	<u>26,340,000</u>
<b>TOTAL</b>	<u><u>\$ 52,350,000</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### I. Compensated Absences

The accrual for compensated absences was reported as follows as of June 30, 2017:

	BALANCE JULY 1, 2016	ADDITIONS	PAYMENTS	BALANCE JUNE 30, 2017	DUE WITHIN ONE YEAR
<b>GOVERNMENTAL ACTIVITIES</b>					
General Fund	\$14,642,698	\$ 8,564,822	\$ 8,810,122	\$14,397,398	\$ 9,000,000
Internal Service Fund	769,013	1,040,169	674,348	1,134,834	652,918
	<u>15,411,711</u>	<u>9,604,991</u>	<u>9,484,470</u>	<u>15,532,232</u>	<u>9,652,918</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Water	418,779	669,651	409,666	678,764	400,000
Wastewater	655,107	547,905	450,241	752,771	465,000
Environmental resources	942,691	994,491	713,057	1,224,125	700,000
Oxnard Housing Authority	476,055	228,563	274,132	430,486	34,268
	<u>2,492,632</u>	<u>2,440,610</u>	<u>1,847,096</u>	<u>3,086,146</u>	<u>1,599,268</u>
<b>TOTALS</b>	<u>\$17,904,343</u>	<u>\$12,045,601</u>	<u>\$11,331,566</u>	<u>\$18,618,378</u>	<u>\$11,252,186</u>

Accrued compensated absences includes an adjustment of \$724,291 for California Labor Code Section 4850 benefits for public employees in a specified class.

### J. Fund Balances

The following funds/subfunds had deficit fund balances as of June 30, 2017:

	AMOUNT
Water Resources Grant-State	\$ 11,612
State Term Grants Funds	17,140
21st Century CLCP-ASESP	22,721
Federal Transport-MY Grants	33,794
CDBG Entitlement	54,047
Public Liability and Property Damage	1,545,399
Workers' Compensation	5,939,719
Customer Billing Operating Fund	876,238
Facilities Maintenance	3,965,195
Fleet Services	3,830,706

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### K. Prior-Period Adjustments

Effective July 1, 2016, the City made restatements to the net position and fund balance as follows:

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
<b><u>Net Position</u></b>		
<b><u>Correction of Errors</u></b>		
To correct amounts reported in capital assets	\$ 580,803,768	\$ 2,928,143
To correct amounts reported in ISF capital assets	1,936,944	
To accrue funds due to the CDC	(16,020)	
To accrue funds due from the CDC	61,390	
To adjust for an agency fund payable	107,701	
To adjust for properties held for sale	145,260	
To reverse deferred revenue recognized in fund financial statements	(2,950,000)	
To accrue a receivable due from Port Hueneme		748,360
To remove a bond premium that was refunded in a prior year	-	631,572
<b>TOTALS</b>	<b><u>\$ 580,089,043</u></b>	<b><u>\$ 4,308,075</u></b>

The net effect of the prior-period adjustments to change in net position for the year ended June 30, 2016 was not determined.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The net effect of the prior-period adjustments to change in fund balance for the year ended June 30, 2016 was an increase of \$298,330.

	GENERAL FUND	AFFORDABLE HOUSING	NONMAJOR FUND
<b><u>Fund Balance</u></b>			
<b><u>Correction of Errors</u></b>			
To accrue funds due from the CDC		\$ 61,390	
To adjust for properties held for sale		145,264	
To accrue funds due to the CDC	\$ (16,025)		
To record notes receivable		1,650,000	\$ 1,300,000
To record deferred revenue for notes receivable		(1,650,000)	(1,300,000)
To remove agency expenses that that were misposted to the General fund	107,701	-	-
<b>TOTALS</b>	<b>\$ 91,676</b>	<b>\$ 206,654</b>	<b>\$ -</b>

### 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 agent multiple-employer plans for its Miscellaneous 2% at 55 and 2% at 62 and Police 3% at 50 and 2.7% at 57, and in the cost-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>.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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, 2017, the City's total contributions for the Miscellaneous and Safety Plans were \$22,209,040. The City's contributions recognized as part of the pension expense for the year ended June 30, 2017 was \$18,148,982 for the Miscellaneous and Safety Plans.

The Plan's provisions and benefits in effect at June 30, 2017 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%	6.00%
Required employer contribution rates	16.868%	16.686%



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<b>Safety-Police</b>	
	Prior to <u>January 1, 2013</u>	On or After <u>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%	13.75%
Required employer contribution rates	42.435%	42.435%

	<b>Safety-Fire</b>	
	Prior to <u>January 1, 2013</u>	On or After <u>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%	12.25%
Required employer contribution rates	38.283%	38.283%

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

At June 30, 2016 (measurement date), the following employees were covered by the benefit terms of the Plan:

Description	Number of Members		
	Miscellaneous	Safety-Police	Safety-Fire
Active members	958	224	83
Transferred members	538	39	24
Terminated members	1,247	31	9
Retired members and beneficiaries	<u>953</u>	<u>255</u>	<u>130</u>
<b>TOTALS</b>	<u><u>3,696</u></u>	<u><u>549</u></u>	<u><u>246</u></u>

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

The June 30, 2016 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	7.5% 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, 2015 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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, 2016, 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, rolled forward to June 30, 2016, 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, 2015 (Valuation Date)	<u>\$403,377,202</u>	<u>\$319,148,656</u>	<u>\$ 84,228,546</u>
Changes Recognized for the Measurement Period			
Service cost	7,242,480		7,242,480
Interest on the total pension liability	30,496,717		30,496,717
Changes of assumptions	-		-
Differences between expected and actual experience	1,414,899		1,414,899
Plan to plan resource movement		-	-
Employer contributions		7,657,753	(7,657,753)
Employee contributions (paid by employer)		3,490,315	(3,490,315)
Net investment income		1,772,032	(1,772,032)
Benefit payments, included refunds of employee contributions	(19,526,906)	(19,526,906)	-
Administrative expense	-	(194,504)	194,504
Net changes	<u>19,627,190</u>	<u>(6,801,310)</u>	<u>26,428,500</u>
<b>Balance at June 30, 2016 (Measurement Date)</b>	<u><b>\$423,004,392</b></u>	<u><b>\$312,347,346</b></u>	<u><b>\$110,657,046</b></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

<b>Safety-Police Plan</b>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015 (Valuation Date)	<u>\$319,020,758</u>	<u>\$238,320,301</u>	<u>\$ 80,700,457</u>
Changes Recognized for the Measurement Period			
Service cost	8,500,329		8,500,329
Interest on the total pension liability	24,033,111		24,033,111
Changes of assumptions	-		-
Differences between expected and actual experience	(1,859,473)		(1,859,473)
Employer contributions		10,491,299	(10,491,299)
Employee contributions (paid by employer)		2,556,415	(2,556,415)
Net investment income		1,190,876	(1,190,876)
Benefit payments, included refunds of employee contributions	(14,506,274)	(14,506,274)	-
Administrative expense	-	(145,244)	145,244
Net changes	<u>16,167,693</u>	<u>(412,928)</u>	<u>16,580,621</u>
<b>Balance at June 30, 2016 (Measurement Date)</b>	<b><u>\$335,188,451</u></b>	<b><u>\$237,907,373</u></b>	<b><u>\$ 97,281,078</u></b>

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>	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)	Proportionate Share of the Collective Net Pension Liability
Balance at June 30, 2015 (Valuation Date)	\$139,632,332	\$101,906,627	\$37,725,705	0.54962%
Net changes during 2015-2016	<u>4,367,168</u>	<u>(3,334,606)</u>	<u>7,701,774</u>	<u>-0.02463%</u>
<b>Balance at June 30, 2016 (Measurement Date)</b>	<b><u>\$143,999,500</u></b>	<b><u>\$ 98,572,021</u></b>	<b><u>\$45,427,479</u></b>	<b><u>0.52499%</u></b>

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, 2015 used for funding purposes.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

- (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, 2015 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, 2016, 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, 2017, the City recognized pension expense of \$9,509,557, \$12,783,792, and \$3,278,018 for the Miscellaneous, Safety-Police, and Safety-Fire Plans, respectively. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date:		
Miscellaneous Plan	\$ 10,208,560	\$ -
Safety-Police	12,000,480	
Safety-Fire	4,565,809	
Net difference between projected and actual earnings on pension plan investments:		
Miscellaneous Plan	16,957,875	
Safety-Police	13,188,886	
Safety-Fire	7,096,928	
Changes of assumptions		
Miscellaneous Plan		2,606,323
Safety-Police		3,595,832
Safety-Fire		1,444,534
Differences between expected and actual experiences		
Miscellaneous Plan		572,428
Safety-Police	1,268,087	1,494,870
Safety-Fire		331,310
Change in proportion		
Safety-Fire	1,376,172	
Difference between the employer's contributions and the employer's proportionate share of contributions	<u>837,228</u>	<u>-</u>
<b>TOTALS</b>	<u><u>\$ 67,500,025</u></u>	<u><u>\$ 10,045,297</u></u>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred outflows of resources related to contributions subsequent to the measurement date of \$26,774,849 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:

### **Miscellaneous**

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2017	\$ (919,548)
2018	2,453,013
2019	7,797,210
2020	4,448,449
2021	-
<b>TOTAL</b>	<b><u>\$13,779,124</u></b>

### **Police**

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2017	\$ 798,342
2018	798,341
2019	4,781,462
2020	3,024,584
2021	(36,458)
<b>TOTAL</b>	<b><u>\$ 9,366,271</u></b>

### **Fire**

Measurement Period Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2017	\$ 1,170,722
2018	1,226,357
2019	3,289,868
2020	1,847,537
2021	-
<b>TOTAL</b>	<b><u>\$ 7,534,484</u></b>

## 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 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:

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
<b><u>Net Pension Liability (Asset)</u></b>			
Miscellaneous Plan	\$ 168,413,626	\$ 110,657,046	\$ 63,136,755
Safety-Police	145,526,533	97,281,078	57,996,582
Safety-Fire	64,974,496	45,427,479	29,381,381
<b>TOTALS</b>	<b><u>\$ 378,914,655</u></b>	<b><u>\$ 253,365,603</u></b>	<b><u>\$ 150,514,718</u></b>

## Public Agency Retirement System Retirement Enhancement Plan

### A. Plan Description

The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS), 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

At June 30, 2016, the following employees were covered by the benefit:

<u>Description</u>	<u>Number of Members</u>
Active members	321
Inactives entitled to benefit payments	13
Inactives currently receiving benefit payments	<u>427</u>
<b>TOTAL</b>	<u><b>761</b></u>

### 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%
Confidential - hourly	2.50%	5.50%

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, 2017 was 12% of eligible employee gross wages. The City contributed \$4,360,966 to PARS for the year ended June 30, 2017. The contributions recognized as part of the pension expense for the plan was \$2,112,000.

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

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

The June 30, 2016 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.

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, 2016, 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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, 2015 (Valuation Date)	<u>\$87,958,000</u>	<u>\$53,735,000</u>	<u>\$34,223,000</u>
Changes Recognized for the Measurement Period			
Service cost	2,007,000		2,007,000
Interest on the total pension liability	5,715,000		5,715,000
Changes of assumptions			-
Differences between expected and actual experience			-
Employer contributions		6,586,000	(6,586,000)
Employee contributions (paid by employer)		2,513,000	(2,513,000)
Net investment income		388,524	(388,524)
Benefit payments, included refunds of employee contributions	(4,068,000)	(4,068,000)	-
Administrative expenses	-	(80,000)	80,000
Net changes	<u>3,654,000</u>	<u>5,339,524</u>	<u>(1,685,524)</u>
<b>Balance at June 30, 2016 (Measurement Date)</b>	<u><b>\$91,612,000</b></u>	<u><b>\$59,074,524</b></u>	<u><b>\$32,537,476</b></u>

For the year ended June 30, 2017, the City recognized pension expense of \$2,112,000, for the PARS Plan. At June 30, 2017, 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	\$ 4,360,966	\$ -
Net difference between projected and actual earnings on pension plan investments	1,794,000	-
Changes in assumptions	3,190,000	-
Differences between expected and actual experiences	-	2,107,549
<b>TOTALS</b>	<u><b>\$ 9,344,966</b></u>	<u><b>\$ 2,107,549</b></u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred outflows of resources related to contributions subsequent to the measurement date of \$4,360,966 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:

<u>Measurement Period</u> <u>Ending June 30,</u>	<u>Deferred Outflows/</u> <u>(Inflows) of Resources</u>
2018	\$ 477,000
2019	475,000
2020	1,199,000
2021	<u>725,451</u>
<b>TOTAL</b>	<u><b>\$ 2,876,451</b></u>

### 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:

	<u>Discount Rate -</u> <u>1%</u> <u>(5.50%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.50%)</u>	<u>Discount Rate +</u> <u>1%</u> <u>(7.50%)</u>
Net Pension Liability	<u>\$ 45,212,000</u>	<u>\$ 32,537,476</u>	<u>\$ 21,992,000</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 Plan is closed to new participants. The City's payable to the plan at June 30, 2017 is \$405,060, payable through 2020 at annual payments ranging from \$63,314 to \$132,849.

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

### **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 has established the City of Oxnard Retiree Health Insurance Plan, a single-employer defined benefit health care plan administered through 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 Medical and Hospital Care Act (PEMHCA).

#### **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 contributions for calendar years 2017 and 2016 were \$128 and \$122, respectively. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City contribution.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

	<u>FY 2017</u>
Annual Required Contribution (ARC)	\$ 2,590,311
Interest on Net OPEB Obligation	468,830
Amortization adjustment to ARC	<u>(677,812)</u>
Annual OPEB Cost	2,381,329
Employer Contribution	<u>(1,097,267)</u>
Change in OPEB Obligation	1,284,062
Net OPEB Obligation, 6/30/16	<u>11,720,747</u>
<b>NET OPEB OBLIGATION, 6/30/17</b>	<b><u>\$ 13,004,809</u></b>

For fiscal 2016-2017, the City's annual OPEB cost of \$2,381,329 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
6-30-15	\$ 1,502,243	\$ 442,507	29.5	\$ 10,340,386
6-30-16	2,405,941	1,025,580	42.6	11,720,747
6-30-17	2,381,329	1,097,267	46.1	13,004,809



## 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:

	<u>AMOUNT</u>
Actuarial accrued liability (AAL)	\$ 25,758,026
Actuarial value of plan assets	<u>-</u>
<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																														
Claim Cost per Retiree or Spouse	<table><tr><th>Age</th><th>Medical/Rx</th></tr><tr><td>50</td><td>\$ 7,233</td></tr><tr><td>55</td><td>8,385</td></tr><tr><td>60</td><td>9,721</td></tr><tr><td>64</td><td>10,941</td></tr><tr><td>65+</td><td>4,567</td></tr></table>	Age	Medical/Rx	50	\$ 7,233	55	8,385	60	9,721	64	10,941	65+	4,567																		
Age	Medical/Rx																														
50	\$ 7,233																														
55	8,385																														
60	9,721																														
64	10,941																														
65+	4,567																														
Retirement Rates	<table><tr><th>Age</th><th>Percent Retiring</th></tr><tr><td>50-51</td><td>4.0 %</td></tr><tr><td>52</td><td>5.0</td></tr><tr><td>53</td><td>6.0</td></tr><tr><td>54</td><td>8.0</td></tr><tr><td>55</td><td>10.0</td></tr><tr><td>56</td><td>12.0</td></tr><tr><td>57-59</td><td>7.0</td></tr><tr><td>60-61</td><td>12.0</td></tr><tr><td>62</td><td>20.0</td></tr><tr><td>63-64</td><td>15.0</td></tr><tr><td>65</td><td>25.0</td></tr><tr><td>66</td><td>20.0</td></tr><tr><td>67</td><td>100.0</td></tr></table>	Age	Percent Retiring	50-51	4.0 %	52	5.0	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		
Age	Percent Retiring																														
50-51	4.0 %																														
52	5.0																														
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:																														
	<table><tr><th>FYB</th><th>Medical/Rx</th><th>Medical CPI</th></tr><tr><td>2015</td><td>8.0%</td><td>3.5%</td></tr><tr><td>2016</td><td>7.0%</td><td>3.5%</td></tr><tr><td>2017</td><td>6.0%</td><td>3.5%</td></tr><tr><td>2018+</td><td>5.0%</td><td>3.5%</td></tr></table>	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%															
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 required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### **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 \$18,781,069 recorded at June 30, 2017, 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 2.0%. 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 2016-2017 was \$722,253. During the past five-year period, the average claims filed each year for general liability amounted to 192 claims totaling \$1,632,128 per year (an average of \$8,465 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, 2017 was \$3,648,503. The following schedule presents the changes in self-insurance claims liabilities for the past two years:

	PUBLIC LIABILITY AND PROPERTY DAMAGE	
	<u>FY 2016-2017</u>	<u>FY 2015-2016</u>
<b>Unpaid claims and claims adjustment expenses - July 1</b>	<u>\$ 3,534,312</u>	<u>\$ 3,132,779</u>
Incurred Claims and Claims Adjustment Expenses		
Increase (decrease) in provision for insured events	2,376,974	14,503
Increase (decrease) in actuarially incurred but not reported claims (IBNR)	<u>(2,262,783)</u>	<u>387,030</u>
<b>Total Incurred Claims and Claims Adjustment Expenses</b>	<u>114,191</u>	<u>401,533</u>
Unpaid claims and claims adjustment expenses - June 30	<u>\$ 3,648,503</u>	<u>\$ 3,534,312</u>
<b>CLAIMS AND JUDGMENTS DUE WITHIN ONE YEAR</b>	<u>\$ 2,391,477</u>	<u>\$ 1,724,050</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 2016-2017 was \$250,564.

Within the City's self-insured program for workers' compensation, there has been an average of 231 claims filed per year for the past five years, with an average of approximately \$4,262,914 per year in total reported losses (an average of \$18,454 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, 2017 was \$14,408,275.

## 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 2016-2017	FY 2015-2016
<b>Unpaid claims and claims adjustment expenses - July 1</b>	<u>\$ 14,133,710</u>	<u>\$ 13,036,392</u>
Incurring Claims and Claims Adjustment Expenses		
Increase (decrease) in provision for insured events	227,047	660,806
Increase (decrease) in actuarially incurred but not reported claims (IBNR)	<u>47,518</u>	<u>436,512</u>
<b>Total Incurred Claims and Claims Adjustment Expenses</b>	<u>274,565</u>	<u>1,097,318</u>
Unpaid claims and claims adjustment expenses - June 30*	<u>\$ 14,408,275</u>	<u>\$ 14,133,710</u>
<b>CLAIMS AND JUDGMENTS DUE WITHIN ONE YEAR</b>	<u>\$ 4,820,902</u>	<u>\$ 5,148,706</u>

### V. OTHER INFORMATION

#### A. Commitments and Contingencies

As of June 30, 2017, the City had significant construction commitments as follows:

	AMOUNT
Governmental Activities	\$ 21,993,338
Water Fund	12,837,046
Wastewater Fund	450,000
Information Systems	<u>311,361</u>
<b>TOTAL</b>	<u>\$ 35,591,745</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of June 30, 2017, 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*	\$ 343,382
Other nonmajor funds	<u>3,951,653</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 4,295,035</u>
<b>PROPRIETARY FUNDS</b>	
Water funds	\$ 331,820
Wastewater funds	<u>622,065</u>
<b>TOTAL PROPRIETARY FUNDS</b>	<u>\$ 953,885</u>

\* Includes \$66,000 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, 2017.

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

### **B. Risk and Uncertainties**

#### **Measure M Litigation**

The City is currently a party in a suit filed with the Ventura County Superior Courts, City of Oxnard v. Aaron Starr. The City filed suit against Aaron Starr due to his sponsorship of the City of Oxnard "Measure M Initiative" ballot measure from the November 2016 local election. The Measure M Initiative, which received the required votes for passage, repealed wastewater service charges adopted on January 26, 2016 and effective on March 1, 2016. The City's suit against Aaron Starr claims the Measure M initiative compels the City to violate both State and Federal contract laws and therefore shall not be legally enforced. The City was granted a temporary restraining order on the implementation of the Measure M Initiative by the Ventura County Superior Courts, which will remain in place until a final court ruling is handed down. The temporary restraining order allows the City to continue to collect of wastewater service charges as prescribed in the rates effective on March 1, 2016. The City subsequently adopted wastewater services charges on May 23, 2017 that became effective on July 1, 2017, none of which are subject to the Measure M Initiative. A ruling in favor of Mr. Starr could potentially compel the City to rebate approximately \$ 8.5 million to the City's wastewater customers from the City's Wastewater Fund. The City's chances of prevailing on the merits are strong though litigation is uncertain. A trial date has been set for December 27, 2017 for City of Oxnard v. Aaron Starr.

#### **Infrastructure Use Fee Litigation**

The City is currently a party in a suit filed with the Ventura County Superior Courts, Aaron Starr v. City of Oxnard. Mr. Starr filed suit against the City to challenge the legality of the City's collection of infrastructure use fees (IUF) paid by the City's utility funds (water, wastewater and solid waste enterprise funds) to the City's General Fund and Street Maintenance Fund. Plaintiff alleges the City's IUF is not based on actual costs associated with utility operations. He seeks an order directing the City to cease its IUF transfers and to refund IUF revenues transferred to the General Fund and Street Maintenance Fund in the last three years back to the utility enterprise funds to the extent those transfers exceeded actual costs attributable to utilities. He does not seek a refund to utility ratepayers. The City intends to vigorously oppose plaintiff's claims however the outcome of this litigation is uncertain. No trial dates have been set.



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

### **City Council Recall**

A citizen of the City has submitted petition signatures to the City Clerk initiating recall elections for four of the five City Council seats. Mayor Tim Flynn, Mayor Pro-Tem Carmen Ramirez, Council Member Bert Perello, and Council Member Oscar Madrigal will be subject to a recall election in Spring 2018 if the County of Ventura Clerk and Recorder's Office verifies the requisite petition signatures are valid. If a recall election were to occur, the City Council membership composition and future initiatives relating to the Wastewater Fund could change.

### **Letter of Credit**

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. On July 17, 2013, MUFG renewed the letters of credit through August 26, 2016.

On May 5, 2016, MUFG informed the City that it is not intending to renew these letters of credit beyond August 26, 2016. MUFG subsequently extended the letters of credit through January 30, 2018 for the Wastewater Revenue Bonds, Series 2004B and February 28, 2018 for the Variable Rate Demand Lease Revenue Bonds, Series 2003B and Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006.

The City is currently working with its financial team (bond counsel, financial advisors, trustee and a replacement letter of credit provider) to develop the necessary legal and financing documents for the replacement of the MUFG letters of credit with a credit facility from JP Morgan Chase (JPMC).

JP Morgan Chase is currently completing the replacement of the letter of credit for the Wastewater Revenue Bonds, Series 2004B. Additionally, JPMC is conducting its final credit review for the replacement letters of credit for the Variable Rate Demand Lease Revenue Bonds, Series 2003B and Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project), Series 2006. JPMC's review requires the City's June 30, 2017 audit report. City staff intends to provide this documentation the first week of January with the anticipated JPMC credit approval within 30 days of receipt of the information.

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

It is anticipated that the City Council will approve the appropriate resolutions and form of financing documents at a regularly scheduled meeting in February with the replacement credit facility put into place in late February.

In case the replacement credit facility is not in place in late February, the City expects the following scenarios: Scenario 1 is the most likely outcome, with Scenario 2 being the second most likely, and finally Scenario 3 which is considered a very unlikely outcome to the process.

Scenario 1: MUFG grants 60-day extension (most likely in excess of 2.50%) and JPMC replaces MUFG letters of credit mid-March 2018 for the 2003B/2006 Bonds.

Scenario 2: MUFG grants 60-day extension (most likely in excess of 2.50%); however, JPMC declines to replace MUFG letter of credit. Additional MUFG extensions may be requested to facilitate a fixed rate refunding of the 2003B/2006 Bonds.

Scenario 3: MUFG declines 60-day extension and JPMC declines to replace MUFG letter of credit. Upon expiration of the letter of credit, the 2003B/2006 bonds become Bank Bonds held by MUFG accruing interest at the Bank Bond rate. The 2003B/2006 Bonds would remain Bank Bonds until the bonds are refunded. No acceleration of principal is allowed and annual bond payments are capped to the fair rental value of the leased assets.

### **Wastewater Spill**

On July 16, 2017, the Oxnard Wastewater Treatment Plant (OWTP) experienced a power outage from Southern California Edison. The wastewater treatment plant is equipped with emergency standby generators but the generators failed to transfer electrical load into the wastewater treatment plant electrical system. During the power outage, some of the treated primary effluent was bypassed into the chlorine contact tank (CCT) which comingled with the treated secondary effluent in the CCT and discharged into the ocean outfall pipeline. The City immediately conducted sampling and posted warning signs at the beach areas. No beach contaminations were observed. On August 29, 2017, the Los Angeles Regional Water Quality Control Board (Regional Board) issued a notice of violation (NOV) to the City of Oxnard. The reason for the NOV is because the OWTP violated the National Pollution Discharge Elimination System (NPDES) permit of unauthorized bypass of primary treated effluent. The NOV states what the Regional Board's legal options are regarding a potential fine, but the NOV does not state—and City staff does not at this time otherwise know—what amount, if any, the Regional Board plans to fine the City and what possible alternative actions, if any, the Regional Board is considering.

## **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 14,135, 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.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### b. Cash and Investments

Cash and investments with fiscal agents of the Successor Agency are comprised of the following at June 30, 2017:

	FAIR VALUE
Deposits and investments	\$ 11,302,921
Restricted investments with fiscal agents	<u>2,756,294</u>
<b>TOTAL</b>	<u><u>\$ 14,059,215</u></u>

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

### c. Notes Receivable

Notes receivable consists of the following:

	BALANCE JULY 1, 2016	PRIOR-PERIOD ADJUSTMENT	ADDITIONS	DELETIONS	BALANCE JULY 1, 2017
Heritage Square	\$ 66,982	\$ -	\$ -	\$ -	\$ 66,982
Baldwin Company	17,873	-	-	-	17,873
Strand Cinemas	770,571	-	-	38,063	732,508
Oxnard Theater Group	3,638,575	1,762,500	546,700	-	5,947,775
Allowance for uncollectible	<u>(3,638,575)</u>	<u>(1,762,500)</u>	<u>(546,700)</u>	-	<u>(5,947,775)</u>
<b>TOTALS</b>	<u>\$ 855,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$38,063</u>	<u>\$ 817,363</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### d. Capital Assets

Changes in the Successor Agency's capital assets for the year ended June 30, 2017 are as follows:

	BALANCE JULY 1, 2016	PRIOR-PERIOD ADJUSTMENT	INCREASES	DECREASES	BALANCE JUNE 30, 2017
<b>FIDUCIARY ACTIVITIES</b>					
Capital Assets, Not Being Depreciated					
Land	\$ 1,221,289	\$ (1,221,289)	\$ -	\$ -	\$ -
Construction in progress	3,395,149	-	-	3,099,776	295,373
<b>Total Capital Assets, Not Being Depreciated</b>	<b>4,616,438</b>	<b>(1,221,289)</b>	<b>-</b>	<b>3,099,776</b>	<b>295,373</b>
Capital Assets, Being Depreciated					
Buildings	905,636	12,231,175	-	-	13,136,811
Improvements other than buildings	53,953,171	(38,045,421)	1,165,699	-	17,073,449
Equipment and machinery	89,082	(55,069)	-	-	34,013
Infrastructure	5,358,866	25,814,246	1,934,077	-	33,107,189
<b>Total Capital Assets, Being Depreciated</b>	<b>60,306,755</b>	<b>(55,069)</b>	<b>3,099,776</b>	<b>-</b>	<b>63,351,462</b>
Less: Accumulated Depreciation					
Buildings	(498,168)	(1,213,707)	(289,285)	-	(2,001,160)
Improvements other than buildings	(12,937,347)	10,006,440	(415,560)	-	(3,346,467)
Equipment and machinery	(89,082)	55,069	-	-	(34,013)
Infrastructure	(75,377)	(10,153,844)	(822,080)	-	(11,051,301)
<b>Total Accumulated Depreciation</b>	<b>(13,599,974)</b>	<b>(1,306,042)</b>	<b>(1,526,925)</b>	<b>-</b>	<b>(16,432,941)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>46,706,781</b>	<b>(1,361,111)</b>	<b>1,572,851</b>	<b>-</b>	<b>46,918,521</b>
<b>TOTALS</b>	<b>\$ 51,323,219</b>	<b>\$ (2,582,400)</b>	<b>\$ 1,572,851</b>	<b>\$3,099,776</b>	<b>\$ 47,213,894</b>

### e. Special Items

The Successor Agency has reported the following special items:

- Gain on write off advances to City of Oxnard of \$ 3.5M;
- Other proceeds from developers of \$ 1M;
- Loss on disposal of assets of \$ 0.2M;
- Loss on transfer of bond proceeds to City of Oxnard of \$ 9.9M; and
- Loss on transfer of assets held for sale to City of Oxnard of \$ 3.9M.

Special items are significant transactions or other events that are either unusual or infrequent within the control of management.

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### f. Long-Term Obligations

The following is a summary of changes in the Successor Agency's long-term obligations for the year ended June 30, 2017:

	BALANCE JULY 1, 2016	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2017	DUE WITHIN ONE YEAR
Tax allocation refunding bonds Series 2004A	\$ 10,790,000	\$ -	\$ 870,000	\$ 9,920,000	\$ 910,000
Tax allocation bond financing Series 2006	16,600,000	-	540,000	16,060,000	555,000
HERO project tax allocation bonds Series 2008	10,440,000	-	220,000	10,220,000	235,000
Less: Unamortized discounts	(23,396)	-	11,698	(35,094)	-
<b>TOTAL LONG-TERM INDEBTEDNESS</b>	<b>\$ 37,806,604</b>	<b>\$ -</b>	<b>\$ 1,641,698</b>	<b>\$ 36,164,906</b>	<b>\$ 1,700,000</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, 2017 is \$9,920,000.

#### ***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, 2017 is \$16,060,000.

## 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, 2017 is \$10,220,000.

### **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, 2017.

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		
	PRINCIPAL	INTEREST	TOTAL
2018	\$ 910,000	\$ 451,471	\$ 1,361,471
2019	945,000	411,240	1,356,240
2020	990,000	367,498	1,357,498
2021	875,000	324,445	1,199,445
2022	915,000	282,283	1,197,283
2023-2027	5,285,000	678,241	5,963,241
2028-2032	-	-	-
2033-2037	-	-	-
2038-2049	-	-	-
<b>TOTALS</b>	<u>\$ 9,920,000</u>	<u>\$ 2,515,178</u>	<u>\$ 12,435,178</u>

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FISCAL YEAR	TAX ALLOCATION BONDS SERIES 2006		
	PRINCIPAL	INTEREST	TOTAL
2018	\$ 555,000	\$ 660,509	\$ 1,215,509
2019	580,000	639,366	1,219,366
2020	600,000	616,866	1,216,866
2021	620,000	592,841	1,212,841
2022	645,000	567,541	1,212,541
2023-2027	3,635,000	2,413,144	6,048,144
2028-2032	4,475,000	1,560,856	6,035,856
2033-2037	4,950,000	509,263	5,459,263
2038-2049	-	-	-
<b>TOTALS</b>	<b>\$ 16,060,000</b>	<b>\$ 7,560,387</b>	<b>\$ 23,620,387</b>

FISCAL YEAR	HERO PROJECT TAX ALLOCATION BONDS SERIES 2008		
	PRINCIPAL	INTEREST	TOTAL
2018	\$ 235,000	\$ 473,138	\$ 708,138
2019	240,000	462,438	702,438
2020	255,000	451,338	706,338
2021	270,000	440,838	710,838
2022	275,000	429,663	704,663
2023-2027	1,580,000	1,952,699	3,532,699
2028-2032	1,960,000	1,547,405	3,507,405
2033-2037	2,620,000	997,006	3,617,006
2038-2049	2,785,000	133,831	2,918,831
<b>TOTALS</b>	<b>\$ 10,220,000</b>	<b>\$ 6,888,355</b>	<b>\$ 17,108,355</b>

### g. Prior-Period Adjustments

Effective July 1, 2016, the City made restatements to net position as follows:

	<u>AMOUNT</u>
<u>Correction of Errors</u>	
To correct the cost of construction in progress and capital assets, net of accumulated depreciation	\$ (3,927,425)
To record notes receivable	1,762,500
To record allowance for uncollectible	(1,762,500)
To correct amounts reported for ROPS	<u>(71,880)</u>
<b>TOTAL</b>	<b>\$ (3,999,305)</b>



## NOTES TO THE FINANCIAL STATEMENTS (Continued)

The net effect of the prior-period adjustments to change in net position for the year ended June 30, 2016 was not determined.

### **h. 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, 2017, 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)**

MEASUREMENT DATE	2017 June 30, 2016	2016 June 30, 2015	2015 June 30, 2014
Total Pension Liability			
Service cost	\$ 7,242,480	\$ 7,317,452	\$ 7,507,381
Interest	30,496,717	29,025,141	27,937,746
Changes in assumptions	-	(7,345,091)	-
Difference between expected and actual experience	1,414,899	(4,271,504)	-
Benefit payments, including refunds of member contributions:	<u>(19,526,906)</u>	<u>(17,440,515)</u>	<u>(16,205,985)</u>
Net change in total pension liability	19,627,190	7,285,483	19,239,142
Total pension liability, beginning of year	<u>403,377,202</u>	<u>396,091,719</u>	<u>376,852,577</u>
Total pension liability, end of year	<u>423,004,392</u>	<u>403,377,202</u>	<u>396,091,719</u>
Plan Fiduciary Net Position			
Contributions - employee	3,490,315	3,701,640	3,730,681
Contributions - employer	7,657,753	7,237,123	6,858,454
Net investment income (2)	1,772,032	7,288,474	47,653,092
Benefit payments, including refunds of member contributions	(19,526,906)	(17,440,515)	(16,205,985)
Plan to plan resource movement	-	216,371	-
Administrative expenses	(194,504)	(445,021)	-
Net change in plan fiduciary net position	(6,801,310)	558,072	42,036,242
Total plan fiduciary net position, beginning of year	<u>319,148,656</u>	<u>318,590,584</u>	<u>276,554,342</u>
Total plan fiduciary net position, end of year	<u>312,347,346</u>	<u>319,148,656</u>	<u>318,590,584</u>
Net pension liability - ending	<u>\$ 110,657,046</u>	<u>\$ 84,228,546</u>	<u>\$ 77,501,135</u>
Plan fiduciary net position as a percentage of total pension liability	73.84%	79.12%	80.43%
Covered-employee payroll (3)	52,250,772	51,974,236	50,863,015
Net pension liability as a percentage of covered-employee payroll	211.78%	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: In 2016, there were no changes. In 2015, 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)**

	2017	2016	2015
MEASUREMENT DATE	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability			
Service cost	\$ 8,500,329	\$ 8,136,777	\$ 8,379,851
Interest	24,033,111	22,863,767	21,472,209
Changes in assumptions	-	(5,993,052)	-
Difference between expected and actual experience	(1,859,473)	2,113,477	-
Benefit payments, including refunds of member contributions:	<u>(14,506,274)</u>	<u>(13,568,341)</u>	<u>(12,980,263)</u>
Net change in total pension liability	16,167,693	13,552,628	16,871,797
Total pension liability, beginning of year	<u>319,020,758</u>	<u>305,468,130</u>	<u>288,596,333</u>
Total pension liability, end of year	<u>335,188,451</u>	<u>319,020,758</u>	<u>305,468,130</u>
Plan Fiduciary Net Position			
Contributions - employee	2,556,415	2,531,718	2,505,819
Contributions - employer	10,491,299	9,907,130	8,947,610
Net investment income (2)	1,190,876	5,184,911	34,904,812
Benefit payments, including refunds of member contributions	<u>(14,506,274)</u>	<u>(13,568,341)</u>	<u>(12,980,263)</u>
Administrative expenses	<u>(145,244)</u>	<u>(268,265)</u>	<u>-</u>
Net change in plan fiduciary net position	(412,928)	3,787,153	33,377,978
Total plan fiduciary net position, beginning of year	<u>238,320,301</u>	<u>234,533,148</u>	<u>201,155,170</u>
Total plan fiduciary net position, end of year	<u>237,907,373</u>	<u>238,320,301</u>	<u>234,533,148</u>
Net pension liability - ending	<u>\$ 97,281,078</u>	<u>\$ 80,700,457</u>	<u>\$ 70,934,982</u>
Plan fiduciary net position as a percentage of total pension liability	70.98%	74.70%	76.78%
Covered-employee payroll (3)	26,539,474	25,228,753	24,705,477
Net pension liability as a percentage of covered-employee payroll	366.55%	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: In 2016, there were no changes. In 2015, 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)**

	2017	2016	2015
MEASUREMENT DATE	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the collective net pension liability	0.52499%	0.54962%	0.53857%
City's proportionate share of the collective net pension liability	\$ 45,427,479	\$ 37,725,705	\$ 33,512,523
City's covered-employee payroll (2)	\$ 9,030,122	\$ 9,283,898	\$ 9,105,774
City's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	503.07%	406.36%	368.04%
Plan fiduciary net position as a percentage of the plan's total pension liability	74.06%	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:** In 2016, there were no changes. In 2015, 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>2017</u>	<u>2016</u>	<u>2015</u>
<u>MISCELLANEOUS</u>			
Actuarially determined contribution	\$ 10,208,560	\$ 7,657,753	\$ 7,237,123
Contributions in relation to the actuarially determined contribution	<u>(10,208,560)</u>	<u>(7,657,753)</u>	<u>(7,237,123)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll (2)	\$ 48,178,428	\$ 52,250,772	\$ 51,974,236
Contributions as a percentage of employee payroll	21.19%	14.66%	13.92%
	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>SAFETY-POLICE</u>			
Actuarially determined contribution	\$ 12,000,480	\$ 10,491,299	\$ 9,907,130
Contributions in relation to the actuarially determined contribution	<u>(12,000,480)</u>	<u>(10,491,299)</u>	<u>(9,907,130)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll (2)	\$ 25,894,736	\$ 26,539,474	\$ 25,228,753
Contributions as a percentage of employee payroll	46.34%	39.53%	39.27%
	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>SAFETY-FIRE</u>			
Actuarially determined contribution	\$ 4,565,809	\$ 4,204,589	\$ 4,004,186
Contributions in relation to the actuarially determined contribution	<u>(4,565,809)</u>	<u>(4,204,589)</u>	<u>(4,004,186)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll (2)	\$ 10,987,654	\$ 9,030,122	\$ 9,283,898
Contributions as a percentage of employee payroll	41.55%	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 is based on pensionable earnings provided by the City.

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

	2017	2016	2015
MEASUREMENT DATE	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability			
Service cost	\$ 2,007,000	\$ 2,043,000	\$ 2,220,000
Interest	5,715,000	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:	(4,068,000)	(2,866,000)	(2,599,000)
Net change in total pension liability	3,654,000	6,422,000	4,859,000
Total pension liability, beginning of year	87,958,000	81,536,000	76,677,000
Total pension liability, end of year	91,612,000	87,958,000	81,536,000
Plan Fiduciary Net Position			
Contributions - employee	2,513,000	2,922,000	2,731,000
Contributions - employer	6,586,000	1,043,000	985,000
Net investment income	388,524	2,133,000	6,805,000
Benefit payments, including refunds of member contributions	(4,068,000)	(2,866,000)	(2,599,000)
Administrative expenses	(80,000)	(68,000)	(65,000)
Net change in plan fiduciary net position	5,339,524	3,164,000	7,857,000
Total plan fiduciary net position, beginning of year	53,735,000	50,571,000	42,714,000
Total plan fiduciary net position, end of year	59,074,524	53,735,000	50,571,000
Net pension liability - ending	<u>\$ 32,537,476</u>	<u>\$ 34,223,000</u>	<u>\$ 30,965,000</u>
Plan fiduciary net position as a percentage of total pension liability	64.48%	61.09%	62.02%
Covered-employee payroll	31,089,909	36,519,391	31,157,782
Net pension liability as a percentage of covered-employee payroll	104.66%	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).

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

	2017	2016	2015
Actuarially determined contribution	\$ 4,360,966	\$ 3,589,787	\$ 4,184,000
Contributions in relation to the actuarially-determined contribution	<u>4,360,966</u>	<u>3,589,787</u>	<u>1,043,000</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,141,000</u>
Covered-employee payroll	\$ 28,874,000	\$ 31,089,909	\$ 36,519,391
Contributions as a percentage of employee payroll	15.10%	11.55%	11.46%

(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).



**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

**CITY OF OXNARD, CALIFORNIA**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Taxes				
Property	\$ 51,355,609	\$ 51,355,609	\$ 50,886,499	\$ (469,110)
Sales	42,425,000	42,425,000	44,092,707	1,667,707
Transient occupancy	4,794,000	4,794,000	5,174,427	380,427
Business license (net of refund)	5,200,000	5,200,000	5,348,086	148,086
Franchise	3,546,661	3,546,661	3,238,967	(307,694)
Other taxes	732,502	732,502	729,609	(2,893)
Licenses and permits	2,840,470	2,840,470	3,473,506	633,036
Intergovernmental	1,971,871	1,971,871	1,839,567	(132,304)
Charges for services	28,142,376	24,310,562	23,524,718	(785,844)
Fines and forfeitures	2,177,917	2,177,917	2,376,171	198,254
Investment earnings	230,872	230,872	362,830	131,958
Special assessments	548,989	548,989	530,151	(18,838)
Miscellaneous	1,640,125	1,964,525	4,068,970	2,104,445
<b>Total Revenues</b>	<u>145,606,392</u>	<u>142,098,978</u>	<u>145,646,208</u>	<u>3,547,230</u>
<b>EXPENDITURES</b>				
General Government				
Legislative				
City Council	358,836	358,836	313,436	45,400
City Treasurer	1,311,708	1,311,708	1,175,630	136,078
City Clerk	657,365	657,365	446,147	211,218
Administrative and Support Services				
City Manager	1,733,102	1,743,860	1,545,882	197,978
City Attorney	1,821,062	1,831,062	1,593,606	237,456
Financial services	4,367,473	4,846,643	4,450,612	396,031
Human resources	2,323,695	2,388,695	2,055,104	333,591
Nondepartmental	3,252,898	3,085,877	1,714,995	1,370,882
Public Safety				
Police	56,674,361	55,987,533	55,011,041	976,492
Fire	18,780,555	19,720,457	21,489,265	(1,768,808)
Transportation systems	1,332,982	1,950,082	1,591,295	358,787
Community Development				
Development services	8,211,911	8,724,572	7,899,755	824,817
Economic development and tourism service	1,559,990	1,791,990	1,032,171	759,819
Housing services	505,821	505,821	302,702	203,119
Community service	87,094	87,094	127,907	(40,813)
Culture and Leisure				
Recreation services	12,709,755	9,095,218	8,945,209	150,009
Park and public grounds	10,427,964	10,000,738	8,532,329	1,468,409
Library services	3,859,160	3,864,758	3,483,561	381,197
Capital outlay	2,949,625	3,677,438	1,319,347	2,358,091
Principal	807,611	807,611	690,000	117,611
Interest and fiscal charges	667,600	652,600	667,544	(14,944)
<b>Total Expenditures</b>	<u>134,400,568</u>	<u>133,089,958</u>	<u>124,387,538</u>	<u>8,702,420</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>11,205,824</u>	<u>9,009,020</u>	<u>21,258,670</u>	<u>12,249,650</u>

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 37,000	\$ 37,000	\$ 46,960	\$ 9,960
Transfers out	(7,346,687)	(9,174,641)	(9,416,588)	(241,947)
<b>Net Other Financing Sources (Uses)</b>	<u>(7,309,687)</u>	<u>(9,137,641)</u>	<u>(9,369,628)</u>	<u>(231,987)</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,896,137	(128,621)	11,889,042	12,017,663
<b>FUND BALANCES, JULY 1</b>	34,288,072	34,288,072	34,288,072	
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>91,676</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 38,184,209</u>	<u>\$ 34,159,451</u>	<u>\$ 46,268,790</u>	<u>\$ 12,017,663</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

The City does not prepare a budget for the Affordable Housing Fund.

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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 Districts** - 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, 2017**

	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	\$ 31,634,175	\$ 121,245	\$ 2,067,713	\$ 789,161	\$ -	\$ 15,379,586
Investments with fiscal agents	-	-	-	-	37,502	19,930,264
Accounts and other receivables	16	1,053,242	5,516,436	-	-	93,384
Notes receivable	7,351,356	2,754,244	5,929,059	-	-	-
Due from other government	-	-	67,668	278,138	-	-
<b>Total Assets</b>	<b>\$ 38,985,547</b>	<b>\$ 3,928,731</b>	<b>\$ 13,580,876</b>	<b>\$ 1,067,299</b>	<b>\$ 37,502</b>	<b>\$ 35,403,234</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 414,223	\$ 1,070,895	\$ 481,185	\$ 604	\$ -	\$ 159,567
Other liabilities	254,836	107,861	180,392	180,255	-	81,604
Due to other funds	-	85,039	4,315,521	-	37,502	152,909
Due to Successor Agency	16,490	-	-	-	-	-
Unearned revenues	7,351,356	2,715,080	7,940,592	-	-	-
<b>Total Liabilities</b>	<b>8,036,905</b>	<b>3,978,875</b>	<b>12,917,690</b>	<b>180,859</b>	<b>37,502</b>	<b>394,080</b>
<b>FUND BALANCES</b>						
Restricted for:						
Debt Service	-	-	-	-	-	254,381
Transportation systems	-	-	73	-	-	-
Maintenance districts	-	-	-	-	-	-
Street and traffic improvements/ maintenance	-	-	-	-	-	21,980,038
Infrastructure developments	30,948,642	-	-	-	-	-
Housing	-	3,903	16,043	-	-	-
Culture and leisure	-	-	97,847	-	-	-
Public safety	-	-	632,543	886,440	-	-
Assigned to:						
Capital projects	-	-	-	-	-	12,774,735
Unassigned	-	(54,047)	(83,320)	-	-	-
<b>Total Fund Balances</b>	<b>30,948,642</b>	<b>(50,144)</b>	<b>663,186</b>	<b>886,440</b>	<b>-</b>	<b>35,009,154</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 38,985,547</b>	<b>\$ 3,928,731</b>	<b>\$ 13,580,876</b>	<b>\$ 1,067,299</b>	<b>\$ 37,502</b>	<b>\$ 35,403,234</b>

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



STATE GAS TAX	TRAFFIC SAFETY	TRANSPORTATION DEVELOPMENT FUND	MAINTENANCE ASSESSMENT DISTRICTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
\$2,620,291	\$ 734,306	\$4,897,154	\$ 17,583,494	\$ 75,827,125	<b>ASSETS</b>
1,733,197	-	-	-	21,700,963	Cash and cash equivalents
11,341	-	67,461	-	6,741,880	Investments with fiscal agents
-	-	-	-	16,034,659	Accounts and other receivables
-	32,733	-	130,685	509,224	Notes receivable
<u>\$4,364,829</u>	<u>\$ 767,039</u>	<u>\$4,964,615</u>	<u>\$ 17,714,179</u>	<u>\$ 120,813,851</u>	Due from other government
					<b>Total Assets</b>
\$ 175,883	\$ -	\$ 135,700	\$ 432,955	\$ 2,871,012	<b>LIABILITIES</b>
84,567	5,629	1,861	38,759	935,764	Accounts payable
-	-	-	-	4,590,971	Other liabilities
-	-	1,976,774	-	16,490	Due to other funds
-	-	-	-	19,983,802	Due to Successor Agency
260,450	5,629	2,114,335	471,714	28,398,039	Unearned revenues
					<b>Total Liabilities</b>
					<b>FUND BALANCES</b>
1,733,197	-	-	-	1,987,578	Restricted for:
-	-	2,850,280	-	2,850,353	Debt Service
-	-	-	17,242,465	17,242,465	Transportation systems
2,371,182	761,410	-	-	25,112,630	Maintenance districts
-	-	-	-	30,948,642	Street and traffic improvements/
-	-	-	-	19,946	maintenance
-	-	-	-	97,847	Infrastructure developments
-	-	-	-	1,518,983	Housing
-	-	-	-	12,774,735	Culture and leisure
-	-	-	-	(137,367)	Public safety
4,104,379	761,410	2,850,280	17,242,465	92,415,812	Assigned to:
					Capital projects
					Unassigned
<u>\$4,364,829</u>	<u>\$ 767,039</u>	<u>\$4,964,615</u>	<u>\$ 17,714,179</u>	<u>\$ 120,813,851</u>	<b>Total Fund Balances</b>
					<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, 2017**

	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	\$ -	\$ -	\$ -	\$ 9,915,620	\$ -	\$ 465,004
Licenses and permits	749,332	-	-	-	-	-
Intergovernmental	1,602	3,684,714	9,955,875	-	-	-
Growth and development fees	7,100,771	-	-	-	-	-
Charges for services	-	-	14,000	-	-	-
Fines and forfeitures	500	-	158,790	-	-	-
Interest	332,700	(740)	7,473	1,756	9,883	273,032
Special assessments	-	-	-	-	-	-
Miscellaneous	1,715,337	-	230,723	-	20,000	875,248
<b>Total Revenues</b>	<u>9,900,242</u>	<u>3,683,974</u>	<u>10,366,861</u>	<u>9,917,376</u>	<u>29,883</u>	<u>1,613,284</u>
<b>EXPENDITURES</b>						
Current						
General government	61,650	-	-	-	-	-
Public safety	588,877	-	3,060,848	11,338,011	-	-
Transportation systems	-	-	50,348	-	-	1,170,041
Community development	443,133	1,587,037	1,309,404	-	-	284,537
Culture and leisure	-	140,463	3,208,019	-	-	-
Library services	-	-	1,620	-	-	-
Capital outlay	1,901,521	1,997,833	2,633,126	-	-	608,324
Debt Service						
Principal	372,148	-	-	-	3,856,424	-
Interest and fiscal charges	-	-	-	-	3,214,882	-
<b>Total Expenditures</b>	<u>3,367,329</u>	<u>3,725,333</u>	<u>10,263,365</u>	<u>11,338,011</u>	<u>7,071,306</u>	<u>2,062,902</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,532,913</u>	<u>(41,359)</u>	<u>103,496</u>	<u>(1,420,635)</u>	<u>(7,041,423)</u>	<u>(449,618)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	100,203	-	19,514	-	7,005,456	1,785,983
Transfers out	(498,733)	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<u>(398,530)</u>	<u>-</u>	<u>19,514</u>	<u>-</u>	<u>7,005,456</u>	<u>1,785,983</u>
<b>SPECIAL ITEM</b>						
Bond proceeds from Successor Agency	-	-	-	-	-	9,896,298
<b>NET CHANGE IN FUND BALANCES</b>	6,134,383	(41,359)	123,010	(1,420,635)	(35,967)	11,232,663
<b>FUND BALANCES, JULY 1</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>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 30,948,642</u>	<u>\$ (50,144)</u>	<u>\$ 663,186</u>	<u>\$ 886,440</u>	<u>\$ -</u>	<u>\$ 35,009,154</u>

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

STATE GAS TAX	TRAFFIC SAFETY	TRANSPORTATION DEVELOPMENT FUND	MAINTENANCE ASSESSMENT DISTRICTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
					<b>REVENUES</b>
\$ -	\$ -	\$ -	\$ -	\$ 10,380,624	Taxes
-	-	-	-	749,332	Licenses and permits
3,941,223	285,247	516,171	-	18,384,832	Intergovernmental
-	-	-	-	7,100,771	Growth and development fees
427,152	-	3,951	-	445,103	Charges for services
-	-	-	2,361	161,651	Fines and forfeitures
19,927	1,252	813,013	71,439	1,529,735	Interest
-	-	-	7,836,881	7,836,881	Special assessments
90,402	-	1,563,808	12,906	4,508,424	Miscellaneous
<u>4,478,704</u>	<u>286,499</u>	<u>2,896,943</u>	<u>7,923,587</u>	<u>51,097,353</u>	<b>Total Revenues</b>
					<b>EXPENDITURES</b>
					Current
3,625	-	-	-	65,275	General government
-	308,901	-	2,879,716	18,176,353	Public safety
4,312,284	-	659,394	530,795	6,722,862	Transportation systems
-	-	-	1,787,910	5,412,021	Community development
-	-	-	3,222,799	6,571,281	Culture and leisure
-	-	-	-	1,620	Library services
7,464	-	180,579	89,204	7,418,051	Capital outlay
					Debt Service
655,000	-	-	-	4,883,572	Principal
1,050,475	-	-	-	4,265,357	Interest and fiscal charges
<u>6,028,848</u>	<u>308,901</u>	<u>839,973</u>	<u>8,510,424</u>	<u>53,516,392</u>	<b>Total Expenditures</b>
<u>(1,550,144)</u>	<u>(22,402)</u>	<u>2,056,970</u>	<u>(586,837)</u>	<u>(2,419,039)</u>	<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>
					<b>OTHER FINANCING SOURCES (USES)</b>
-	150,000	-	524,531	9,585,687	Transfers in
<u>(27,322)</u>	<u>-</u>	<u>-</u>	<u>(14,922)</u>	<u>(540,977)</u>	Transfers out
<u>(27,322)</u>	<u>150,000</u>	<u>-</u>	<u>509,609</u>	<u>9,044,710</u>	<b>Net Other Financing Sources (Uses)</b>
					<b>SPECIAL ITEM</b>
-	-	-	-	9,896,298	Bond proceeds from Successor Agency
<u>(1,577,466)</u>	<u>127,598</u>	<u>2,056,970</u>	<u>(77,228)</u>	<u>16,521,969</u>	<b>NET CHANGE IN FUND BALANCES</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, JULY 1</b>
<u>\$ 4,104,379</u>	<u>\$ 761,410</u>	<u>\$ 2,850,280</u>	<u>\$ 17,242,465</u>	<u>\$ 92,415,812</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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Licenses and permits	\$ 772,393	\$ 772,393	\$ 749,332	\$ (23,061)
Intergovernmental	2,248	2,248	1,602	(646)
Growth and development fees	2,941,751	3,241,751	7,100,771	3,859,020
Fines and forfeitures	-	-	500	500
Interest	181,126	181,126	332,700	151,574
Miscellaneous	301,535	301,535	1,715,337	1,413,802
<b>Total Revenues</b>	<u>4,199,053</u>	<u>4,499,053</u>	<u>9,900,242</u>	<u>5,401,189</u>
<b>EXPENDITURES</b>				
General government	71,870	71,870	61,650	10,220
Public safety	712,584	712,584	588,877	123,707
Transportation systems	165,000	165,000	-	165,000
Community development	170,905	674,599	443,133	231,466
Capital outlay	985,737	8,654,561	1,901,521	6,753,040
Debt Service				
Principal	-	-	372,148	(372,148)
<b>Total Expenditures</b>	<u>2,106,096</u>	<u>10,278,614</u>	<u>3,367,329</u>	<u>6,911,285</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,092,957</u>	<u>(5,779,561)</u>	<u>6,532,913</u>	<u>12,312,474</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	100,203	100,203
Transfers out	(470,533)	(470,533)	(498,733)	(28,200)
<b>Net Other Financing Sources (Uses)</b>	<u>(470,533)</u>	<u>(470,533)</u>	<u>(398,530)</u>	<u>72,003</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,622,424	(6,250,094)	6,134,383	12,384,477
<b>FUND BALANCES, JULY 1</b>	<u>24,814,259</u>	<u>24,814,259</u>	<u>24,814,259</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 26,436,683</u>	<u>\$ 18,564,165</u>	<u>\$ 30,948,642</u>	<u>\$ 12,384,477</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 2,924,570	\$ 3,536,568	\$ 3,684,714	\$ 148,146
Interest	-	-	(740)	(740)
<b>Total Revenues</b>	<u>2,924,570</u>	<u>3,536,568</u>	<u>3,683,974</u>	<u>147,406</u>
<b>EXPENDITURES</b>				
Community development	1,862,370	3,043,325	1,587,037	1,456,288
Culture and leisure	151,400	153,139	140,463	12,676
Capital outlay	<u>1,013,985</u>	<u>3,514,947</u>	<u>1,997,833</u>	<u>1,517,114</u>
<b>Total Expenditures</b>	<u>3,027,755</u>	<u>6,711,411</u>	<u>3,725,333</u>	<u>2,986,078</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(103,185)</u>	<u>(3,174,843)</u>	<u>(41,359)</u>	<u>3,133,484</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(103,185)</u>	<u>(3,174,843)</u>	<u>(41,359)</u>	<u>3,133,484</u>
<b>FUND BALANCES, JULY 1</b>	<u>(8,785)</u>	<u>(8,785)</u>	<u>(8,785)</u>	-
<b>FUND BALANCES, JUNE 30</b>	<u>\$ (111,970)</u>	<u>\$ (3,183,628)</u>	<u>\$ (50,144)</u>	<u>\$ 3,133,484</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - STATE AND FEDERAL GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 5,088,998	\$ 8,222,123	\$ 9,955,875	\$ 1,733,752
Charges for services	-	-	14,000	14,000
Fines and forfeitures	-	-	158,790	158,790
Interest	3,785	3,785	7,473	3,688
Miscellaneous	-	123,401	230,723	107,322
<b>Total Revenues</b>	<u>5,092,783</u>	<u>8,349,309</u>	<u>10,366,861</u>	<u>2,017,552</u>
<b>EXPENDITURES</b>				
Public safety	1,090,209	4,888,202	3,060,848	1,827,354
Transportation systems	-	50,009	50,348	(339)
Community development	1,092,579	2,230,358	1,309,404	920,954
Culture and leisure	3,246,752	3,572,872	3,208,019	364,853
Library services	-	1,619	1,620	(1)
Capital outlay	-	4,119,433	2,633,126	1,486,307
<b>Total Expenditures</b>	<u>5,429,540</u>	<u>14,862,493</u>	<u>10,263,365</u>	<u>4,599,128</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(336,757)</u>	<u>(6,513,184)</u>	<u>103,496</u>	<u>6,616,680</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	19,514	19,514
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>19,514</u>	<u>19,514</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(336,757)</u>	<u>(6,513,184)</u>	<u>123,010</u>	<u>6,636,194</u>
<b>FUND BALANCES, JULY 1</b>	<u>540,176</u>	<u>540,176</u>	<u>540,176</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 203,419</u>	<u>\$ (5,973,008)</u>	<u>\$ 663,186</u>	<u>\$ 6,636,194</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Taxes	\$ 7,684,510	\$ 7,684,510	\$ 9,915,620	\$ 2,231,110
Investment income	-	-	1,756	1,756
<b>Total Revenues</b>	<u>7,684,510</u>	<u>7,684,510</u>	<u>9,917,376</u>	<u>2,232,866</u>
<b>EXPENDITURES</b>				
Public safety	<u>10,425,723</u>	<u>10,425,723</u>	<u>11,338,011</u>	<u>(912,288)</u>
<b>Total Expenditures</b>	<u>10,425,723</u>	<u>10,425,723</u>	<u>11,338,011</u>	<u>(912,288)</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(2,741,213)</u>	<u>(2,741,213)</u>	<u>(1,420,635)</u>	<u>1,320,578</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(2,741,213)</u>	<u>(2,741,213)</u>	<u>(1,420,635)</u>	<u>1,320,578</u>
<b>FUND BALANCES, JULY 1</b>	<u>2,307,075</u>	<u>2,307,075</u>	<u>2,307,075</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ (434,138)</u>	<u>\$ (434,138)</u>	<u>\$ 886,440</u>	<u>\$ 1,320,578</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 9,883	\$ 9,883
Miscellaneous	-	-	20,000	20,000
<b>Total Revenues</b>	-	-	29,883	29,883
<b>EXPENDITURES</b>				
Debt Service				
Principal	3,856,376	3,856,426	3,856,424	2
Interest	3,176,968	3,176,918	3,214,882	(37,964)
<b>Total Expenditures</b>	7,033,344	7,033,344	7,071,306	(37,962)
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(7,033,344)	(7,033,344)	(7,041,423)	(8,079)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	7,034,403	7,034,403	7,005,456	(28,947)
<b>Total Other Financing Sources (Uses)</b>	7,034,403	7,034,403	7,005,456	(28,947)
<b>NET CHANGE IN FUND BALANCES</b>	1,059	1,059	(35,967)	(37,026)
<b>FUND BALANCES, JULY 1</b>	35,967	35,967	35,967	-
<b>FUND BALANCES, JUNE 30</b>	\$ 37,026	\$ 37,026	\$ -	\$ (37,026)

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).



**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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Taxes	\$ 376,000	\$ 376,000	\$ 465,004	\$ 89,004
Interest	24,531	24,531	273,032	248,501
Miscellaneous	-	-	875,248	875,248
<b>Total Revenues</b>	<u>400,531</u>	<u>400,531</u>	<u>1,613,284</u>	<u>1,212,753</u>
<b>EXPENDITURES</b>				
Transportation	-	-	1,170,041	(1,170,041)
Community development	-	461,897	284,537	177,360
Capital outlay	-	9,190,814	608,324	8,582,490
<b>Total Expenditures</b>	<u>-</u>	<u>9,652,711</u>	<u>2,062,902</u>	<u>7,589,809</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>400,531</u>	<u>(9,252,180)</u>	<u>(449,618)</u>	<u>8,802,562</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,577,085	1,785,983	208,898
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>1,577,085</u>	<u>1,785,983</u>	<u>208,898</u>
<b>SPECIAL ITEM</b>				
Bond proceeds from Successor Agency	-	-	9,896,298	9,896,298
<b>NET CHANGE IN FUND BALANCES</b>	<u>400,531</u>	<u>(7,675,095)</u>	<u>11,232,663</u>	<u>18,907,758</u>
<b>FUND BALANCES, JULY 1</b>	<u>23,776,491</u>	<u>23,776,491</u>	<u>23,776,491</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 24,177,022</u>	<u>\$ 16,101,396</u>	<u>\$ 35,009,154</u>	<u>\$ 18,907,758</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 4,204,955	\$ 4,204,955	\$ 3,941,223	\$ (263,732)
Charges for services	974,478	974,478	427,152	(547,326)
Interest	45,000	45,000	19,927	(25,073)
Miscellaneous	5,112	5,112	90,402	85,290
<b>Total Revenues</b>	<u>5,229,545</u>	<u>5,229,545</u>	<u>4,478,704</u>	<u>(750,841)</u>
<b>EXPENDITURES</b>				
General government	5,125	5,125	3,625	1,500
Transportation systems	5,047,012	5,009,529	4,312,284	697,245
Capital outlay	886	376,121	7,464	368,657
Debt Service				
Principal	655,000	655,000	655,000	-
Interest	1,050,475	1,050,475	1,050,475	-
<b>Total Expenditures</b>	<u>6,758,498</u>	<u>7,096,250</u>	<u>6,028,848</u>	<u>1,067,402</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(1,528,953)</u>	<u>(1,866,705)</u>	<u>(1,550,144)</u>	<u>316,561</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(27,322)	(27,322)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(27,322)</u>	<u>(27,322)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(1,528,953)</u>	<u>(1,866,705)</u>	<u>(1,577,466)</u>	<u>316,561</u>
<b>FUND BALANCES, JULY 1</b>	<u>5,681,845</u>	<u>5,681,845</u>	<u>5,681,845</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 4,152,892</u>	<u>\$ 3,815,140</u>	<u>\$ 4,104,379</u>	<u>\$ 316,561</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 295,800	\$ 295,800	\$ 285,247	\$ (10,553)
Interest	-	-	1,252	1,252
<b>Total Revenues</b>	<u>295,800</u>	<u>295,800</u>	<u>286,499</u>	<u>(9,301)</u>
<b>EXPENDITURES</b>				
Public safety	357,892	357,892	308,901	48,991
<b>Total Expenditures</b>	<u>357,892</u>	<u>357,892</u>	<u>308,901</u>	<u>48,991</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(62,092)</u>	<u>(62,092)</u>	<u>(22,402)</u>	<u>39,690</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	150,000	150,000	150,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	87,908	87,908	127,598	39,690
<b>FUND BALANCES, JULY 1</b>	<u>633,812</u>	<u>633,812</u>	<u>633,812</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 721,720</u>	<u>\$ 721,720</u>	<u>\$ 761,410</u>	<u>\$ 39,690</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**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, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental	\$ 606,059	\$ 606,059	\$ 516,171	\$ (89,888)
Charges for services	20,802	20,802	3,951	(16,851)
Interest	34,973	34,973	813,013	778,040
Miscellaneous	192,973	208,753	1,563,808	1,355,055
<b>Total Revenues</b>	<u>854,807</u>	<u>870,587</u>	<u>2,896,943</u>	<u>2,026,356</u>
<b>EXPENDITURES</b>				
Transportation systems	645,843	693,343	659,394	33,949
Capital outlay	-	2,094,783	180,579	1,914,204
<b>Total Expenditures</b>	<u>645,843</u>	<u>2,788,126</u>	<u>839,973</u>	<u>1,948,153</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>208,964</u>	<u>(1,917,539)</u>	<u>2,056,970</u>	<u>3,974,509</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>208,964</u>	<u>(1,917,539)</u>	<u>2,056,970</u>	<u>3,974,509</u>
<b>FUND BALANCES, JULY 1</b>	<u>793,310</u>	<u>793,310</u>	<u>793,310</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 1,002,274</u>	<u>\$ (1,124,229)</u>	<u>\$ 2,850,280</u>	<u>\$ 3,974,509</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**CITY OF OXNARD, CALIFORNIA**  
**NONMAJOR - MAINTENANCE ASSESSMENT DISTRICTS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	ORIGINAL BUDGET	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Special assessments	\$ 7,830,910	\$ 7,830,910	\$ 7,836,881	\$ 5,971
Fines and forfeitures	-	-	2,361	2,361
Interest	70,874	70,874	71,439	565
Miscellaneous	23,189	23,189	12,906	(10,283)
<b>Total Revenues</b>	<u>7,924,973</u>	<u>7,924,973</u>	<u>7,923,587</u>	<u>(1,386)</u>
<b>EXPENDITURES</b>				
Public safety	3,019,285	3,019,285	2,879,716	139,569
Transportation systems	488,929	1,034,311	530,795	503,516
Community development	1,924,307	2,182,683	1,787,910	394,773
Culture and leisure	4,290,822	4,571,488	3,222,799	1,348,689
Capital outlay	114,402	152,533	89,204	63,329
<b>Total Expenditures</b>	<u>9,837,745</u>	<u>10,960,300</u>	<u>8,510,424</u>	<u>2,449,876</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,912,772)</u>	<u>(3,035,327)</u>	<u>(586,837)</u>	<u>2,448,490</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	539,424	949,608	524,531	(425,077)
Transfer out	-	(231,827)	(14,922)	216,905
<b>Total Other Financing Sources (Uses)</b>	<u>539,424</u>	<u>717,781</u>	<u>509,609</u>	<u>(208,172)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(1,373,348)</u>	<u>(2,317,546)</u>	<u>(77,228)</u>	<u>2,240,318</u>
<b>FUND BALANCES, JULY 1</b>	<u>17,319,693</u>	<u>17,319,693</u>	<u>17,319,693</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 15,946,345</u>	<u>\$ 15,002,147</u>	<u>\$ 17,242,465</u>	<u>\$ 2,240,318</u>

**Note to Budgetary Comparison Schedule:**

Budgets are prepared using a current financial resources measurement focus and the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

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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, 2017**

	PUBLIC LIABILITY/ PROPERTY DAMAGE	WORKERS' COMPENSATION	UTILITY CUSTOMER SERVICE	INFORMATION SERVICES
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 2,218,050	\$ 8,360,696	\$ 86,778	\$ 2,287,876
Accounts and other receivables (net of allowance for doubtful accounts)	16,811	71,380	-	-
Other assets	-	-	32,900	-
<b>Total Current Assets</b>	<u>2,234,861</u>	<u>8,432,076</u>	<u>119,678</u>	<u>2,287,876</u>
<b>Noncurrent Assets</b>				
Advances to other funds	-	949,746	-	-
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>949,746</u>	<u>-</u>	<u>-</u>
<b>CAPITAL ASSETS</b>				
Buildings				
Machinery, equipment, and vehicles	17,234	-	-	2,703,471
Vehicles	45,387	-	-	-
Construction in progress	-	-	-	410,132
<b>Total Capital Assets</b>	<u>62,621</u>	<u>-</u>	<u>-</u>	<u>3,113,603</u>
Less: Accumulated depreciation	57,121	-	-	1,965,090
<b>Net Total Capital Assets (net of accumulated depreciation)</b>	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>1,148,513</u>
<b>Total Assets</b>	<u>2,240,361</u>	<u>9,381,822</u>	<u>119,678</u>	<u>3,436,389</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred outflow on pension plans	29,987	229,697	254,517	877,103
<b>Total Deferred Outflow of Resources</b>	<u>29,987</u>	<u>229,697</u>	<u>254,517</u>	<u>877,103</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	50,200	193,349	54,851	550,179
Other liabilities	3,767	41,630	17,439	97,462
Compensated absences payable - current	-	12,918	25,000	200,000
Self-insurance claims - due within one year	2,391,477	4,820,902	-	-
<b>Total Current Liabilities</b>	<u>2,445,444</u>	<u>5,068,799</u>	<u>97,290</u>	<u>847,641</u>
<b>Noncurrent Liabilities</b>				
Compensated absences payable	-	24,163	20,371	108,713
Other post-employment benefits payable	-	44,613	55,767	234,220
Net pension liabilities	108,925	794,674	1,037,102	2,808,844
Self-insurance claims	1,257,026	9,587,373	-	-
<b>Total Noncurrent Liabilities</b>	<u>1,365,951</u>	<u>10,450,823</u>	<u>1,113,240</u>	<u>3,151,777</u>
<b>Total Liabilities</b>	<u>3,811,395</u>	<u>15,519,622</u>	<u>1,210,530</u>	<u>3,999,418</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflow on pension plans	4,352	31,616	39,903	234,657
<b>Total Deferred Inflow of Resources</b>	<u>4,352</u>	<u>31,616</u>	<u>39,903</u>	<u>234,657</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,503	-	-	1,148,513
Unrestricted	(1,550,902)	(5,939,719)	(876,238)	(1,069,096)
<b>TOTAL NET POSITION</b>	<u>\$ (1,545,399)</u>	<u>\$(5,939,719)</u>	<u>\$(876,238)</u>	<u>\$ 79,417</u>

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

<u>FACILITIES MAINTENANCE</u>	<u>EQUIPMENT MAINTENANCE</u>	<u>TOTAL</u>	
			<b>ASSETS</b>
			<b>Current Assets</b>
\$ 110,387	\$ 608,147	\$ 13,671,934	Cash and investments
-	-	88,191	Accounts and other receivables (net of allowance for doubtful accounts)
-	-	32,900	Other assets
<u>110,387</u>	<u>608,147</u>	<u>13,793,025</u>	<b>Total Current Assets</b>
			<b>Noncurrent Assets</b>
-	-	949,746	Advances to other funds
-	-	949,746	<b>Total Noncurrent Assets</b>
			<b>CAPITAL ASSETS</b>
196,868	250,542	447,410	Buildings
12,483	2,117,683	4,850,871	Machinery, equipment, and vehicles
506,372	4,034,729	4,586,488	Vehicles
-	-	410,132	Construction in progress
<u>715,723</u>	<u>6,402,954</u>	<u>10,294,901</u>	<b>Total Capital Assets</b>
<u>508,431</u>	<u>4,125,282</u>	<u>6,655,924</u>	Less: Accumulated depreciation
<u>207,292</u>	<u>2,277,672</u>	<u>3,638,977</u>	<b>Net Total Capital Assets (net of accumulated depreciation)</b>
<u>317,679</u>	<u>2,885,819</u>	<u>18,381,748</u>	<b>Total Assets</b>
			<b>DEFERRED OUTFLOW OF RESOURCES</b>
<u>1,143,848</u>	<u>1,714,718</u>	<u>4,249,870</u>	Deferred outflow on pension plans
<u>1,143,848</u>	<u>1,714,718</u>	<u>4,249,870</u>	<b>Total Deferred Outflow of Resources</b>
			<b>LIABILITIES</b>
			<b>Current Liabilities</b>
33,631	499,929	1,382,139	Accounts payable
76,756	108,326	345,380	Other liabilities
165,000	250,000	652,918	Compensated absences payable - current
-	-	7,212,379	Self-insurance claims - due within one year
<u>275,387</u>	<u>858,255</u>	<u>9,592,816</u>	<b>Total Current Liabilities</b>
			<b>Noncurrent Liabilities</b>
166,386	162,282	481,915	Compensated absences payable
189,607	289,987	814,194	Other post-employment benefits payable
4,364,961	6,837,925	15,952,431	Net pension liabilities
-	-	10,844,399	Self-insurance claims
<u>4,720,954</u>	<u>7,290,194</u>	<u>28,092,939</u>	<b>Total Noncurrent Liabilities</b>
<u>4,996,341</u>	<u>8,148,449</u>	<u>37,685,755</u>	<b>Total Liabilities</b>
			<b>DEFERRED INFLOW OF RESOURCES</b>
<u>430,381</u>	<u>282,794</u>	<u>1,023,703</u>	Deferred inflow on pension plans
<u>430,381</u>	<u>282,794</u>	<u>1,023,703</u>	<b>Total Deferred Inflow of Resources</b>
			<b>NET POSITION</b>
207,292	2,277,672	3,638,980	Net investment in capital assets
<u>(4,172,487)</u>	<u>(6,108,378)</u>	<u>(19,716,820)</u>	Unrestricted
<u>\$ (3,965,195)</u>	<u>\$ (3,830,706)</u>	<u>\$ (16,077,840)</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, 2017**

	PUBLIC LIABILITY/ PROPERTY DAMAGE	WORKERS' COMPENSATION	UTILITY CUSTOMER SERVICE	INFORMATION SERVICES
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,680,029	\$ 4,581,052	\$ 921,950	\$ 4,469,576
Miscellaneous	28,888	-	-	-
<b>Total Operating Income</b>	<u>2,708,917</u>	<u>4,581,052</u>	<u>921,950</u>	<u>4,469,576</u>
<b>OPERATING EXPENSES</b>				
Salaries and wages	47,248	212,071	516,286	1,619,937
Contractual services	718,381	591,427	71,411	468,943
Operating supplies	-	-	-	102,923
Utilities	600	3,600	6,854	804,639
Depreciation	1,000	-	-	240,286
General and administrative	146,554	334,858	677,995	468,077
Repairs and maintenance	5,064	14,720	15,911	269,540
Claims expense	2,052,140	3,864,452	-	-
<b>Total Operating Expenses</b>	<u>2,970,987</u>	<u>5,021,128</u>	<u>1,288,457</u>	<u>3,974,345</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(262,070)</u>	<u>(440,076)</u>	<u>(366,507)</u>	<u>495,231</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	7,211	21,769	(534)	9,417
Interest (expense)	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>7,211</u>	<u>21,769</u>	<u>(534)</u>	<u>9,417</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(254,859)</u>	<u>(418,307)</u>	<u>(367,041)</u>	<u>504,648</u>
<b>TRANSFERS IN</b>	-	-	-	-
<b>TRANSFERS OUT</b>	-	-	(14,184)	-
<b>CHANGES IN NET POSITION</b>	(254,859)	(418,307)	(381,225)	504,648
<b>NET POSITION - JULY 1</b>	(697,965)	(5,516,755)	(495,013)	(951,790)
<b>PRIOR-PERIOD ADJUSTMENT</b>	<u>(592,575)</u>	<u>(4,657)</u>	-	526,559
<b>NET POSITION - JUNE 30</b>	<u>\$ (1,545,399)</u>	<u>\$ (5,939,719)</u>	<u>\$ (876,238)</u>	<u>\$ 79,417</u>

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

<u>FACILITIES MAINTENANCE</u>	<u>EQUIPMENT MAINTENANCE</u>	<u>TOTAL</u>	
			<b>OPERATING REVENUES</b>
\$ 3,041,785	\$ 8,091,445	\$ 23,785,837	Charges for services
<u>31,448</u>	<u>18,722</u>	<u>79,058</u>	Miscellaneous
<u>3,073,233</u>	<u>8,110,167</u>	<u>23,864,895</u>	<b>Total Operating Income</b>
			<b>OPERATING EXPENSES</b>
1,930,060	2,792,027	7,117,629	Salaries and wages
87,049	20,039	1,957,250	Contractual services
273,800	3,866,708	4,243,431	Operating supplies
536,956	13,346	1,365,995	Utilities
16,850	309,496	567,632	Depreciation
261,818	501,643	2,390,945	General and administrative
63,186	657,767	1,026,188	Repairs and maintenance
-	-	5,916,592	Claims expense
<u>3,169,719</u>	<u>8,161,026</u>	<u>24,585,662</u>	<b>Total Operating Expenses</b>
<u>(96,486)</u>	<u>(50,859)</u>	<u>(720,767)</u>	<b>OPERATING INCOME (LOSS)</b>
			<b>NONOPERATING REVENUES (EXPENSES)</b>
2,650	(998)	39,515	Interest income
-	-	-	Interest (expense)
<u>2,650</u>	<u>(998)</u>	<u>39,515</u>	<b>Total Nonoperating Revenues (Expenses)</b>
			<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>
<u>(93,836)</u>	<u>(51,857)</u>	<u>(681,252)</u>	<b>TRANSFERS IN</b>
10,979	770,975	781,954	<b>TRANSFERS OUT</b>
-	-	(14,184)	<b>CHANGES IN NET POSITION</b>
(82,857)	719,118	86,518	<b>NET POSITION - JULY 1</b>
(3,865,898)	(6,573,881)	(18,101,302)	<b>PRIOR-PERIOD ADJUSTMENT</b>
<u>(16,440)</u>	<u>2,024,057</u>	<u>1,936,944</u>	<b>NET POSITION - JUNE 30</b>
<u>\$ (3,965,195)</u>	<u>\$ (3,830,706)</u>	<u>\$ (16,077,840)</u>	

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**CITY OF OXNARD, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	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	\$ 2,716,542	\$ 4,509,672	\$ 921,950	\$ 4,469,576	\$ 3,075,655	\$ 8,110,167	\$ 23,803,562
Payments to suppliers	(905,366)	(825,974)	(745,380)	(1,702,587)	(1,225,078)	(4,981,023)	(10,385,408)
Payments to employees	(45,852)	(242,171)	(470,478)	(2,370,710)	(2,112,961)	(2,956,559)	(8,198,731)
Cash paid to claimants	(1,937,949)	(3,589,887)	-	-	-	-	(5,527,836)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>(172,625)</u>	<u>(148,360)</u>	<u>(293,908)</u>	<u>396,279</u>	<u>(262,384)</u>	<u>172,585</u>	<u>(308,413)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Collection/(issuance) of advances	-	71,380	-	-	-	-	71,380
Transfers in	-	-	-	-	10,979	770,975	781,954
Transfers out	-	-	(14,184)	-	-	-	(14,184)
<b>Net Cash Provided By (Used In) Capital Financing Activities</b>	<u>-</u>	<u>71,380</u>	<u>(14,184)</u>	<u>-</u>	<u>10,979</u>	<u>770,975</u>	<u>839,150</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>							
Purchases of capital assets	-	-	-	(259,523)	-	(334,415)	(593,938)
<b>Net Cash Provided By (Used In) Capital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,523)</u>	<u>-</u>	<u>(334,415)</u>	<u>(593,938)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest on investments	7,211	21,769	(534)	9,417	2,650	(998)	39,515
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>7,211</u>	<u>21,769</u>	<u>(534)</u>	<u>9,417</u>	<u>2,650</u>	<u>(998)</u>	<u>39,515</u>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	(165,414)	(55,211)	(308,626)	146,173	(248,755)	608,147	(23,686)
<b>CASH AND INVESTMENTS - JULY 1</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>CASH AND INVESTMENTS - JUNE 30</b>	<u>\$ 2,218,050</u>	<u>\$ 8,360,696</u>	<u>\$ 86,778</u>	<u>\$ 2,287,876</u>	<u>\$ 110,387</u>	<u>\$ 608,147</u>	<u>\$ 13,671,934</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ (262,070)	\$ (440,076)	\$ (366,507)	\$ 495,231	\$ (96,486)	\$ (50,859)	\$ (720,767)
Adjustments to Reconcile Operating Income (Loss) to Net Cash							
Provided by (Used In) Operating Activities							
Depreciation and amortization	1,000	-	-	240,286	16,850	309,496	567,632
Changes in Operating Assets and Liabilities							
(Increase) decrease in accounts receivable and due from other funds and governments	7,625	(71,380)	-	-	2,422	-	(61,333)
Increase (decrease) in accounts payable and other liabilities	(32,745)	117,542	24,850	461,164	(9,691)	69,525	630,645
Increase (decrease) in compensated absences	-	(14,779)	10,989	186,994	84,382	98,234	365,820
Increase (decrease) in other post-employment benefits payable	-	4,405	5,507	23,126	18,721	28,632	80,391
Increase (decrease) in net pension liabilities	(626)	(18,637)	31,253	(1,010,522)	(278,582)	(282,443)	(1,559,557)
Increase (decrease) in self-insurance liability	114,191	274,565	-	-	-	-	388,756
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>\$ (172,625)</u>	<u>\$ (148,360)</u>	<u>\$ (293,908)</u>	<u>\$ 396,279</u>	<u>\$ (262,384)</u>	<u>\$ 172,585</u>	<u>\$ (308,413)</u>

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

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# **FIDUCIARY FUNDS**



CITY OF OXNARD, CALIFORNIA  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -**  
**ALL AGENCY FUNDS**  
JUNE 30, 2017

	BALANCE JULY 1, 2016 AS RESTATED	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2017
<b>ARTWORKS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 54,483	\$ 195	\$ -	\$ 54,678
<b>Total Assets</b>	<u>\$ 54,483</u>	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ 54,678</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 54,483	\$ 195	\$ -	\$ 54,678
<b>Total Liabilities</b>	<u>\$ 54,483</u>	<u>\$ 195</u>	<u>\$ -</u>	<u>\$ 54,678</u>
<b>IMPROVEMENT DISTRICTS FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,526,425	\$ 5,090,460	\$ 4,752,369	\$ 4,864,516
Due from other governments	40,092	78,478	-	118,570
Investments with fiscal agents	3,388,771	(895,380)	-	2,493,391
<b>Total Assets</b>	<u>\$ 7,955,288</u>	<u>\$ 4,273,558</u>	<u>\$ 4,752,369</u>	<u>\$ 7,476,477</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 7,955,288	\$ 4,273,558	\$ 4,752,369	\$ 7,476,477
<b>Total Liabilities</b>	<u>\$ 7,955,288</u>	<u>\$ 4,273,558</u>	<u>\$ 4,752,369</u>	<u>\$ 7,476,477</u>
<b>ODMD</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 42,992	\$ 308,546	\$ 296,499	\$ 55,039
Due from other governments	4,532	8,208	-	12,740
<b>Total Assets</b>	<u>\$ 47,524</u>	<u>\$ 316,754</u>	<u>\$ 296,499</u>	<u>\$ 67,779</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 47,524	\$ 316,754	\$ 296,499	\$ 67,779
<b>Total Liabilities</b>	<u>\$ 47,524</u>	<u>\$ 316,754</u>	<u>\$ 296,499</u>	<u>\$ 67,779</u>
<b>RIVERPARK JPA</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,048,810	\$ 3,739	\$ -	\$ 1,052,549
<b>Total Assets</b>	<u>\$ 1,048,810</u>	<u>\$ 3,739</u>	<u>\$ -</u>	<u>\$ 1,052,549</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 1,048,810	\$ 3,739	\$ -	\$ 1,052,549
<b>Total Liabilities</b>	<u>\$ 1,048,810</u>	<u>\$ 3,739</u>	<u>\$ -</u>	<u>\$ 1,052,549</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,672,710	\$ 5,402,940	\$ 5,048,868	\$ 6,026,782
Due from other governments	44,624	86,686	-	131,310
Investments with fiscal agents	3,388,771	(895,380)	-	2,493,391
<b>Total Assets</b>	<u>\$ 9,106,105</u>	<u>\$ 4,594,246</u>	<u>\$ 5,048,868</u>	<u>\$ 8,651,483</u>
<b>LIABILITIES</b>				
Trust and agency payables	\$ 9,106,105	\$ 4,594,246	\$ 5,048,868	\$ 8,651,483
<b>Total Liabilities</b>	<u>\$ 9,106,105</u>	<u>\$ 4,594,246</u>	<u>\$ 5,048,868</u>	<u>\$ 8,651,483</u>

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

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# STATISTICAL SECTION



**Statistical Section  
(Unaudited)**

Schedule I	Net Position by Component
Schedule II	Changes in Net Position
Schedule III	Fund Balances of Governmental Funds
Schedule IV	Changes in Fund Balances of Governmental Funds
Schedule V	Governmental Activities Tax Revenues by Source
Schedule VI	Assessed Value and Estimated Value of Taxable Property
Schedule VII	Direct and Overlapping Property Tax Rates
Schedule VIII	Principal Property Taxpayers
Schedule IX	Property Tax Levies and Collections
Schedule X	Ratios of Outstanding Debt by Type
Schedule XI	Direct and Overlapping Governmental Activities Debt
Schedule XII	Legal Debt Margin Information
Schedule XIII	Pledged Revenue Coverage
Schedule XIV	Demographic and Economic Statistics
Schedule XV	Full-Time Equivalent City Government Employees by Function
Schedule XVI	Operating Indicators by Function
Schedule XVII	Capital Assets by Function
Schedule XVIII	Principal Employers

# City of Oxnard, California

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

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

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			
2013	2014	2015	2016	2017	
					Governmental activities
\$ 1,407,060,810	\$ 1,400,890,107	\$ 1,455,133,818	\$ 1,422,282,798	\$ 2,001,165,357	Net investment in capital asset
28,720,391	45,801,395	112,198,502	112,286,017	130,017,319	Restricted
22,539,194	8,226,160	(220,258,407)	(197,252,502)	(185,232,608)	Unrestricted
<u>\$ 1,458,320,395</u>	<u>\$ 1,454,917,662</u>	<u>\$ 1,347,073,913</u>	<u>\$ 1,337,316,313</u>	<u>\$ 1,945,950,068</u>	Total governmental activities net position
					Business-type activities
\$ 285,475,430	\$ 287,649,591	\$ 225,738,617	\$ 223,977,717	\$ 228,709,541	Net investment in capital asset
16,577,898	17,096,075	15,400,679	38,064,498	41,732,645	Restricted
34,418,934	44,328,734	28,909,066	3,139,325	7,938,770	Unrestricted
<u>\$ 336,472,262</u>	<u>\$ 349,074,400</u>	<u>\$ 270,048,362</u>	<u>\$ 265,181,540</u>	<u>\$ 278,380,956</u>	Total business-type activities net position
					Primary government
\$ 1,692,536,240	\$ 1,688,539,698	\$ 1,680,872,435	\$1,646,260,515	2,229,874,898	Net investment in capital asset
45,298,289	62,897,470	127,599,181	150,350,515	171,749,964	Restricted
56,958,128	52,554,894	(191,349,341)	(194,113,177)	(177,293,838)	Unrestricted
<u>\$ 1,794,792,657</u>	<u>\$ 1,803,992,062</u>	<u>\$ 1,617,122,275</u>	<u>\$ 1,602,497,853</u>	<u>\$ 2,224,331,024</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		
	2008	2009	2010	2011	2012
<b>Expenses</b>					
<b>Governmental activities:</b>					
General government	\$ 21,898,728	\$ 19,717,999	\$ 18,695,220	\$ 20,845,702	\$ 18,680,585
Public safety	88,547,776	86,249,353	92,554,917	92,702,882	98,603,456
Transportation	10,847,730	10,600,127	10,321,184	10,521,098	11,030,990
Community development	27,123,076	26,989,828	32,863,176	26,225,688	33,705,121
Culture and leisure	18,162,564	20,945,072	19,016,619	19,047,037	18,858,694
Libraries	5,517,965	5,341,028	5,176,704	5,230,252	5,203,318
Interest on long-term debt	4,701,143	6,519,008	5,583,856	5,503,330	3,532,902
Total governmental activities expenses	<u>176,798,982</u>	<u>176,362,415</u>	<u>184,211,676</u>	<u>180,075,989</u>	<u>189,615,066</u>
<b>Business-type activities:</b>					
Water	33,417,143	29,837,359	36,797,806	34,062,940	37,910,096
Wastewater	24,009,381	22,337,575	24,205,554	23,052,505	29,078,392
Environmental resource	45,329,486	41,117,534	39,296,115	41,405,568	41,581,865
Performing arts and convention center	1,829,853	1,799,861	1,651,658	1,606,129	1,587,496
Oxnard housing authority	23,758,739	26,153,807	25,259,519	24,911,450	24,398,669
Municipal golf course	3,794,080	7,601,054	4,507,360	6,104,614	6,048,938
Total business-type activities expenses	<u>132,138,682</u>	<u>128,847,190</u>	<u>131,718,012</u>	<u>131,143,206</u>	<u>140,605,456</u>
Total primary government expenses	<u>\$ 308,937,664</u>	<u>\$ 305,209,605</u>	<u>\$ 315,929,688</u>	<u>\$ 311,219,195</u>	<u>\$ 330,220,522</u>
<b>Program Revenues</b>					
<b>Governmental activities:</b>					
Charges for services:					
General government	\$ 8,515,014	\$ 9,765,771	\$ 10,203,810	\$ 8,422,050	\$ 9,471,575
Public safety	4,921,670	5,017,708	4,202,162	4,246,985	4,426,984
Transportation	4,050,457	4,042,492	5,068,843	2,131,535	2,145,431
Community development	15,030,222	11,825,981	6,366,499	7,198,058	12,576,655
Culture and leisure	4,401,090	5,273,551	5,237,167	5,037,380	5,605,866
Libraries	246,576	260,577	428,872	399,582	378,004
Operating grants and contributions	23,207,919	25,875,331	24,380,018	27,293,717	30,155,325
Capital grants and contributions	12,902,805	9,420,033	17,106,111	35,331,568	16,598,931
Total governmental activities program revenues	<u>\$ 73,275,753</u>	<u>\$ 71,481,444</u>	<u>\$ 72,993,482</u>	<u>\$ 90,060,875</u>	<u>\$ 81,358,771</u>

# City of Oxnard, California

## SCHEDULE II Changes in Net Position

Last Ten Fiscal Years  
(accrual basis of accounting)

		Fiscal Year			
2013	2014	2015	2016	2017	
					<b>Expenses</b>
					<b>Governmental activities:</b>
\$ 18,129,124	\$ 17,851,478	\$ 12,223,337	\$ 8,354,282	\$ 30,057,710	General government
103,079,427	105,886,922	97,913,468	90,250,713	95,103,088	Public safety
10,331,822	10,151,437	23,333,586	29,435,256	8,753,004	Transportation
21,162,624	16,445,165	13,137,896	12,634,325	12,476,593	Community development
19,334,566	20,089,724	28,136,349	28,226,543	26,192,756	Culture and leisure
4,916,628	4,901,223	4,498,950	3,930,974	4,065,853	Libraries
2,973,016	2,792,053	4,517,686	4,920,717	4,755,955	Interest on long-term debt
<u>179,927,207</u>	<u>178,118,002</u>	<u>183,761,272</u>	<u>177,752,810</u>	<u>181,404,959</u>	Total governmental activities expenses
					<b>Business-type activities:</b>
44,762,850	44,839,558	55,799,990	56,786,402	57,904,193	Water
34,396,819	34,959,148	37,993,468	34,807,726	32,926,365	Wastewater
40,601,250	39,083,017	37,802,942	37,644,732	42,534,157	Environmental resource
1,534,353	1,543,601				Performing arts and convention center
25,397,453	25,617,591	23,584,181	23,441,364	26,060,498	Oxnard housing authority
6,150,325	6,399,227				Municipal golf course
<u>152,843,050</u>	<u>152,442,142</u>	<u>155,180,581</u>	<u>152,680,224</u>	<u>159,425,213</u>	Total business-type activities expenses
<u>\$ 332,770,257</u>	<u>\$ 330,560,144</u>	<u>\$ 338,941,853</u>	<u>\$ 330,433,034</u>	<u>\$340,830,172</u>	Total primary government expenses
					<b>Program Revenues</b>
					<b>Governmental activities:</b>
					Charges for services:
\$ 8,408,578	\$ 8,808,647	\$ 5,165,703	\$ 20,541,355	\$ 20,460,685	General government
4,460,425	4,878,804	4,904,728	8,015,887	6,528,319	Public safety
3,152,660	3,345,515	2,630,954	5,930,798	3,072,659	Transportation
4,316,880	7,767,004	16,542,075	10,212,020	13,353,523	Community development
4,667,879	4,889,702	7,932,322	3,845,441	10,530,587	Culture and leisure
427,152	444,458	521,672	451,633	372,517	Libraries
27,406,424	32,350,516	29,420,545	9,526,620	16,948,122	Operating grants and contributions
8,313,758	7,486,869	12,300,850	9,925,337	3,276,277	Capital grants and contributions
<u>\$ 61,153,756</u>	<u>\$ 69,971,515</u>	<u>\$ 79,418,849</u>	<u>\$ 68,449,091</u>	<u>\$74,542,689</u>	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				
	2008	2009	2010	2011	2012
<b>Business-type activities:</b>					
Charges for services:					
Water	\$ 35,378,947	\$ 38,477,754	\$ 38,439,653	\$ 43,170,566	\$ 46,769,748
Wastewater	27,621,114	24,846,717	22,566,372	25,157,094	31,528,171
Environmental resource	42,795,069	39,695,711	40,468,627	45,047,154	44,217,775
Performing arts and convention center	485,548	483,371	513,857	439,653	545,270
Oxnard housing authority	23,785,335	6,105,106	4,686,681	4,786,715	5,157,388
Municipal golf course	3,234,074	4,398,074	4,278,241	3,905,224	4,063,299
Operating grants and contributions	-	19,635,556	20,781,204	20,524,235	18,727,259
Capital grants and contributions	-	543,140	192,400	2,308,206	1,002,582
Total business-like activities program revenues	133,300,087	134,185,429	131,927,035	145,338,847	152,011,492
Total primary government program revenues	<u>\$ 206,575,840</u>	<u>\$ 205,666,873</u>	<u>\$ 204,920,517</u>	<u>\$ 235,399,722</u>	<u>\$ 233,370,263</u>
Net (expense) revenue					
Governmental activities	\$ (103,523,229)	\$ (104,880,971)	\$ (111,218,194)	\$ (90,015,114)	\$ (108,256,295)
Business-like activities	1,161,405	5,338,239	209,023	14,195,641	11,406,036
Total primary government net expense	<u>\$ (102,361,824)</u>	<u>\$ (99,542,732)</u>	<u>\$ (111,009,171)</u>	<u>\$ (75,819,473)</u>	<u>\$ (96,850,259)</u>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes					
Property taxes	\$ 75,726,666	\$ 76,681,392	\$ 72,817,719	\$ 71,118,203	\$ 63,176,888
Sales taxes	24,205,622	24,043,286	28,103,051	33,396,737	37,453,124
Transient occupancy taxes	3,618,611	3,328,803	3,061,163	3,301,864	3,402,793
Franchise taxes	3,986,567	4,635,616	3,439,645	3,495,532	3,435,823
Deed transfer taxes	860,378	573,882	509,370	528,563	412,471
Business license taxes	4,662,658	5,059,323	4,692,615	4,412,881	6,125,278
Penalties on delinquent taxes	123,956	145,945	136,565	105,158	126,609
Investment earnings	7,561,978	5,556,004	2,769,250	1,934,083	1,354,128
Sale of capital assets	4,351,772	59,319	694,185	141,123	57,768
Special items					
Extraordinary loss	-	-	-	-	(65,066,037)
Contributions to/(from) other government	-	-	-	-	(14,627)
Transfers	5,181,566	(3,764,713)	(885,679)	(2,564,795)	(2,184,229)
Total governmental activities	<u>130,279,774</u>	<u>116,318,857</u>	<u>115,337,884</u>	<u>115,869,349</u>	<u>48,279,989</u>
<b>Business-type activities:</b>					
Investment earnings	5,125,917	3,299,336	1,911,510	3,361,632	3,168,662
Sale of capital assets	-	2,862,957	-	-	-
Contributions to/(from) other government					
Transfers	(5,181,566)	3,764,713	885,679	2,564,795	2,184,229
Total business-type activities	<u>(55,649)</u>	<u>9,927,006</u>	<u>2,797,189</u>	<u>5,926,427</u>	<u>5,352,891</u>
Total primary government	<u>\$ 130,224,125</u>	<u>\$ 126,245,863</u>	<u>\$ 118,135,073</u>	<u>\$ 121,795,776</u>	<u>\$ 53,632,880</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 26,756,545	\$ 11,437,886	\$ 4,119,690	\$ 25,854,235	\$ (59,976,306)
Business-type activities	1,105,756	15,265,245	3,006,212	20,122,068	16,758,927
Total primary government	<u>\$ 27,862,301</u>	<u>\$ 26,703,131</u>	<u>\$ 7,125,902</u>	<u>\$ 45,976,303</u>	<u>\$ (43,217,379)</u>

# City of Oxnard, California

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

		Fiscal Year			
		2015	2016	2017	
2013	2014				
					<b>Business-type activities:</b>
					Charges for services:
\$ 51,056,102	\$ 52,742,289	\$ 48,048,380	\$ 47,502,553	\$ 50,364,868	Water
30,998,260	31,335,380	32,074,140	30,622,683	39,565,773	Wastewater
42,535,271	44,392,421	43,394,227	41,498,072	48,039,047	Environmental resource
483,778	666,820				Performing arts and convention center
5,173,132	26,158,985		6,569,503	5,267,343	Oxnard housing authority
4,157,668	4,471,706	5,168,698			Municipal golf course
18,595,158	53,734	17,853,909	19,655,951	21,177,738	Operating grants and contributions
966,935	671,012	919,149	946,347	963,291	Capital grants and contributions
<u>153,966,304</u>	<u>160,492,347</u>	<u>147,458,503</u>	<u>146,795,109</u>	<u>165,378,060</u>	Total business-like activities program revenues
<u>\$ 215,120,060</u>	<u>\$ 230,463,862</u>	<u>\$ 226,877,352</u>	<u>\$ 215,244,200</u>	<u>\$239,920,749</u>	Total primary government program revenues
					Net (expense) revenue
\$ (118,773,451)	\$ (108,146,487)	\$ (104,342,423)	\$ (109,503,819)	\$ (106,862,270)	Governmental activities
1,123,254	8,050,205	(7,722,078)	(5,885,115)	5,952,847	Business-like activities
<u>\$ (117,650,197)</u>	<u>\$ (100,096,282)</u>	<u>\$ (112,064,501)</u>	<u>\$ (115,388,934)</u>	<u>(\$100,909,423)</u>	Total primary government net expense
					<b>General Revenues and Other Changes in Net Position</b>
					<b>Governmental activities:</b>
					Taxes
\$ 55,148,254	\$ 54,783,756	\$ 58,633,590	\$ 61,571,660	\$ 60,802,119	Property taxes
35,156,013	38,330,268	40,624,737	43,163,411	44,092,707	Sales taxes
3,826,954	4,239,111	4,649,292	5,044,231	5,174,427	Transient occupancy taxes
3,842,351	3,775,233	4,093,435	3,854,116	3,703,971	Franchise taxes
628,780	519,093	758,502	690,805	729,609	Deed transfer taxes
4,562,692	5,125,801	5,104,859	5,422,499	5,348,086	Business license taxes
121,064	157,998	141,127	225,990	228,899	Penalties on delinquent taxes
(21,216)	1,165,783	807,618	752,064	1,989,004	Investment earnings
119,184	114,348				Sale of capital assets
				13,835,672	Special items
-	-	-	-	-	Extraordinary loss
-	-	-	-	(940,364)	Contributions to other government
<u>(2,166,145)</u>	<u>(2,207,463)</u>	<u>6,439,487</u>	<u>62,396</u>	<u>442,852</u>	Transfers
<u>101,217,931</u>	<u>106,003,928</u>	<u>121,252,647</u>	<u>120,787,172</u>	<u>135,406,982</u>	Total governmental activities
					<b>Business-type activities:</b>
2,445,183	2,997,078	2,735,395	2,482,980	2,440,982	Investment earnings
-	-	-	-	-	Sale of capital assets
				940,364	Contributions to/(from) other government
<u>2,166,145</u>	<u>2,207,463</u>	<u>(6,439,487)</u>	<u>(62,396)</u>	<u>(442,852)</u>	Transfers
<u>4,611,328</u>	<u>5,204,541</u>	<u>(3,704,092)</u>	<u>2,420,584</u>	<u>2,938,494</u>	Total business-type activities
<u>\$ 105,829,259</u>	<u>\$ 111,208,469</u>	<u>\$ 117,548,555</u>	<u>\$ 123,207,756</u>	<u>\$138,345,476</u>	Total primary program
					<b>Change in Net Position</b>
\$ (17,555,520)	\$ (2,142,559)	\$ 16,910,224	\$ 11,283,353	\$ 28,544,712	Governmental activities
5,734,582	13,254,746	(11,426,170)	(3,464,531)	8,891,341	Business-type activities

# City of Oxnard, California

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

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

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 (modified accrual basis of accounting)

		Fiscal Year			
2013	2014	2015	2016	2017	
\$ -	\$ -	\$ -	\$ -	\$ -	General Fund
-	-	-	-	-	Reserved
4,714,203	4,620,492	-	-	-	Unreserved
1,482,872	-	-	550,000	835,296	Nonspendable
14,658,123	18,409,417	11,315,859	15,879,092	23,283,091	Restricted
11,359,847	13,916,093	13,459,906	17,858,980	22,150,403	Assigned
\$ 32,215,045	\$ 36,946,002	\$ 24,775,765	\$ 34,288,072	\$ 46,268,790	Unassigned
					Total general fund
					All other governmental funds
\$ -	\$ -	\$ -	\$ -	\$ -	Reserved
					Unreserved, reported in:
-	-	-	-	-	Special revenue funds
-	-	-	-	-	Capital projects funds
3,305,113	-	-	104,736	-	Nonspendable
27,237,519	49,083,954	74,810,464	69,258,707	81,551,965	Restricted
4,456,543	5,498,036	9,639,955	10,007,525	12,774,735	Assigned
14,859,161	(2,062,158)	(1,493,635)	(290,834)	(137,367)	Unassigned
\$ 49,858,336	\$ 52,519,832	\$ 82,956,784	\$ 79,080,134	\$ 94,189,333	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				
	2008	2009	2010	2011	2012
<b>Revenues</b>					
Taxes	\$113,184,458	\$ 114,468,247	\$112,760,128	\$ 116,358,938	\$114,132,986
Licenses and permits	2,792,191	2,470,865	2,267,581	2,002,416	3,662,851
Intergovernmental	36,110,724	32,290,549	42,232,125	58,971,454	39,321,626
Growth and development fees	5,724,940	7,210,668	1,502,781	2,663,779	5,979,605
Charges for services	12,877,753	10,705,908	11,007,992	10,668,661	9,967,288
Fines and forfeitures	1,350,628	1,408,066	1,213,655	1,233,733	1,311,689
Interest	7,561,978	5,556,004	2,769,250	1,934,083	1,105,534
Special assessments	9,014,090	8,611,926	9,168,150	9,013,480	8,084,122
Rental income	-	-	-	-	148,993
Investment income	-	-	-	-	248,594
Miscellaneous	9,757,199	5,837,966	8,268,073	3,673,052	8,304,617
Total revenues	<u>198,373,961</u>	<u>188,560,199</u>	<u>191,189,735</u>	<u>206,519,596</u>	<u>192,267,905</u>
<b>Expenditures</b>					
General government	12,390,389	11,883,205	11,145,722	11,041,050	10,355,408
Public safety	80,409,884	74,877,737	84,818,990	84,439,008	86,218,656
Transportation	10,642,590	9,829,554	10,137,568	10,338,211	10,347,787
Community development	26,158,572	25,832,640	32,073,825	24,803,125	22,357,237
Culture and leisure	16,894,790	19,348,413	17,751,755	17,789,287	17,175,797
Library services	4,950,293	4,755,540	4,632,177	4,682,033	4,553,275
Capital outlay	52,283,436	43,704,965	34,739,151	54,785,588	46,868,230
Debt Service:					
Principal	2,754,823	3,168,595	3,743,020	3,926,631	4,362,740
Interest	3,810,737	5,574,369	5,230,494	5,151,761	4,061,894
Total expenditures	<u>210,295,514</u>	<u>198,975,018</u>	<u>204,272,702</u>	<u>216,956,694</u>	<u>206,301,024</u>
Excess of revenues over (under) expenditures	<u>(11,921,553)</u>	<u>(10,414,819)</u>	<u>(13,082,967)</u>	<u>(10,437,098)</u>	<u>(14,033,119)</u>
<b>Other Financing Sources (Uses)</b>					
Payment to escrow agent	-	-	-	-	-
Proceeds from sale of bonds	26,634,523	11,790,000	1,395,646	1,295,771	3,680,714
Cost of issuance	-	-	-	-	-
Bond discount	-	(116,979)	-	-	-
Transfers in	14,107,966	10,573,077	10,550,390	11,718,345	6,108,518
Transfers out	(8,926,400)	(14,337,790)	(5,310,294)	(8,497,414)	(8,292,747)
Total other financing sources (uses)	<u>31,816,089</u>	<u>7,908,308</u>	<u>6,635,742</u>	<u>4,516,702</u>	<u>1,496,485</u>
<b>Special items:</b>					
Contributions from other funds	-	-	-	-	76,891,362
Contributions to other funds	-	-	-	-	(76,891,362)
Capital contributions	-	-	-	-	(14,627)
Extraordinary loss	-	-	-	-	(48,861,208)
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,875,835)</u>
Net change in fund balances	<u>\$ 19,894,536</u>	<u>\$ (2,506,511)</u>	<u>\$ (6,447,225)</u>	<u>\$ (5,920,396)</u>	<u>\$ (61,412,469)</u>
Debt service as a percentage of noncapital expenditures	4.16%	5.63%	5.29%	5.60%	5.28%

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					
2013	2014	2015	2016	2017	
\$ 103,286,108	\$ 106,888,431	\$ 113,864,415	\$ 119,746,722	\$ 119,850,919	<b>Revenues</b>
2,702,302	3,628,916	3,092,838	3,402,217	4,222,838	Taxes
38,740,617	40,960,669	41,721,395	21,455,873	20,224,399	Licenses and permits
1,828,294	3,512,534	3,442,898	4,452,750	7,100,771	Intergovernmental
9,175,312	9,617,645	11,144,204	25,471,392	23,969,821	Growth and development fees
977,098	699,521	765,857	1,413,718	2,537,822	Charges for services
(21,216)	1,165,783	657,609	657,140	1,949,489	Fines and forfeitures
7,971,903	8,022,913	7,993,871	9,613,886	8,367,032	Interest
-	-	-	-	-	Special assessments
-	-	-	-	-	Rental income
4,359,097	6,803,374	11,233,279	4,987,667	8,588,557	Investment income
169,019,515	181,299,786	193,916,366	191,201,365	196,811,648	Miscellaneous
10,438,952	9,926,024	13,384,549	11,368,350	13,360,687	Total revenues
91,190,673	93,875,139	95,777,400	93,676,090	94,676,659	<b>Expenditures</b>
9,659,263	9,495,806	9,228,976	7,325,513	8,314,157	General government
20,333,591	15,495,566	12,680,862	12,268,857	16,462,067	Public safety
17,779,933	18,504,287	24,346,307	23,002,548	24,048,819	Transportation
4,334,991	4,241,345	4,498,950	3,935,250	3,485,181	Community development
33,897,212	13,983,543	13,835,114	20,898,762	8,737,398	Culture and leisure
3,451,261	3,764,935	6,884,661	6,641,368	5,573,572	Library services
2,941,600	2,776,612	4,225,920	4,530,126	4,932,901	Capital outlay
194,027,476	172,063,257	184,862,739	183,646,864	179,591,441	Debt Service:
(25,007,961)	9,236,529	9,053,627	7,554,501	17,220,207	Principal
(6,197,285)	-	-	-	-	Interest
6,802,986	363,387	23,765,460	-	-	Total expenditures
-	-	(3,764,693)	-	-	Excess of revenues over (under) expenditures
48,238	-	-	-	-	<b>Other Financing Sources (Uses)</b>
5,869,128	5,570,120	14,594,844	10,964,565	9,632,647	Payment to escrow agent
(8,035,273)	(7,777,583)	(19,495,238)	(11,125,968)	(9,957,565)	Proceeds from sale of bonds
(1,512,206)	(1,844,076)	15,100,373	(161,403)	(324,918)	Cost of issuance
-	-	-	-	-	Bond discount/premium
-	-	-	-	-	Transfers in
-	-	-	-	-	Transfers out
-	-	-	-	-	Total other financing sources (uses)
-	-	-	-	-	<b>Special items:</b>
-	-	-	-	9,896,298	Contributions from other funds
-	-	-	-	-	Contributions to other funds
-	-	-	-	-	Capital contributions
-	-	-	-	-	Extraordinary loss
-	-	-	-	9,896,298	Total special items
\$ (26,520,167)	\$ 7,392,453	\$ 24,154,000	\$ 7,393,098	\$ 26,791,587	Net change in fund balances
3.99%	4.14%	6.50%	6.86%	6.10%	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>
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
2017	60,802,119	44,092,707	5,174,427	3,703,971	729,609	5,348,086	228,899	120,079,818

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
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%
2017	8,130,791,365	10,403,624,296	664,679,543	784,759,788	18,414,335,416	1.22456%	18,414,335,416	100.00%

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

Source: County of Ventura, Office of the Auditor-Controller  
Finance Department, City of Oxnard Coren & Cone



# 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	
2008	1.00000%	0.17864%	1.17864%	0.10500%	0.03372%	0.13872%	1.31736%
2009	1.00000%	0.19334%	1.19334%	0.11160%	0.01720%	0.12880%	1.32214%
2010	1.00000%	0.20384%	1.20384%	0.11470%	0.01720%	0.13190%	1.33574%
2011	1.00000%	0.22054%	1.22054%	0.11990%	1.48000%	1.59990%	2.82044%
2012	1.00000%	0.20544%	1.20544%	0.12200%	0.01480%	0.13680%	1.34224%
2013	1.00000%	0.20424%	1.20424%	0.11980%	0.00350%	0.12330%	1.32754%
2014	1.00000%	0.23154%	1.23154%	0.14140%	0.00350%	0.14490%	1.37644%
2015	1.00000%	0.22204%	1.22204%	0.12060%	0.00350%	0.12410%	1.34614%
2016	1.00000%	0.21146%	1.24681%	0.12640%	0.00350%	0.12990%	1.37671%
2017	1.00000%	0.22456%	1.22456%	0.13840%	0.00350%	0.14190%	1.36646%

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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Proctor & Gamble Paper Products	\$322,623,055	1	1.739%	\$272,454,248	1	1.656%
Essex Arbors LP	210,176,045	2	1.133%			
Vintage Production California, LLC	166,511,320	3	0.897%			
Serenade Apts Properties Owner LLC	106,439,583	4	0.574%			
HAAS Automation Inc.	92,034,300	5	0.496%			
SOCMI LLC	90,646,697	6	0.489%			
Prime Peninsula LP	87,949,170	7	0.474%			
New-Indy Oxnard LLC	78,629,177	8	0.424%			
Duesenberg Investment Company	72,388,277	9	0.390%			
MC Gaelic Group	71,167,681	10	0.384%			
St. John's Regional Medical Center				206,858,598	2	1.257%
Shea Limited Partnership				106,371,168	3	0.647%
Essex Tierra Vista Limited Partnership				79,547,071	4	0.483%
Hass Automation Inc.				76,685,700	5	0.466%
SI VIII LLC				75,420,345	6	0.458%
DR Horton LA Holding Company				64,428,654	7	0.392%
Duesenberg Investment Company				63,972,388	8	0.389%
Fred Kavli				63,182,789	9	0.384%
Weyerhaeuser Company				51,412,300	10	0.312%
Other taxpayers	17,255,611,907		93.001%	15,392,811,262		93.555%
Totals	\$18,554,177,212		100.000%	\$16,453,144,523		100.00%

Source: HdL Coren & Cone, Ventura County Assessor 2013/14 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
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%
2017	59,960,303	50,883,749	84.86%	1,523,414	52,407,163	87.40%

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
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
2017	64,280,135	22,839,972	-	19,873,685	295,316,653	552,843	402,863,288	9.708%	1,939

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 & Cone

Source: Finance Department, City of Oxnard  
HDL Coren & Cone

# City of Oxnard, California

## SCHEDULE XI Direct and Overlapping Governmental Activities Debt As of June 30, 2017

<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	\$ 74,905,000	0.711%	\$ 532,575
Ventura County Community College District	290,844,117	15.070%	43,830,208
Oxnard Union High School District	156,307,016	46.660%	72,932,854
Oxnard School District	257,793,788	92.714%	239,010,933
Rio School District	48,465,000	87.029%	42,178,605
Rio School District Community Facilities District No 1	65,730,000	100.000%	65,730,000
Hueneme School District	36,205,269	43.200%	15,640,676
Ocean View School District	13,370,247	41.515%	5,550,658
City of Oxnard Community Facilities District 1	7,960,000	100.000%	7,960,000
City of Oxnard Community Facilities District 3	26,340,000	100.000%	26,340,000
City of Oxnard Boulevard Highway Communities Facilities District	6,210,000	100.000%	6,210,000
City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1	10,095,000	100.000%	10,095,000
City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1	1,745,000	100.000%	1,745,000
California Statewide Community Development Authority 1915 Act Bond	146,373	100.000%	146,373
Ventura County General Fund Obligations	346,795,000	15.065%	52,244,667
Ventura County Superintendent of Schools - Certificates of Participation	10,040,000	15.065%	1,512,526
Oxnard Union High School District - Certificates of Participation	4,698,000	46.660%	2,192,087
Ocean View School District - Certificates of Participation	1,109,200	41.515%	460,484
Oxnard School District - Certificates of Participation	11,791,000	92.714%	10,931,908
Rio School District - Certificates of Participation	11,755,000	87.029%	10,230,259
Successor Agency - Tax Increment Debt	36,200,000	100.000%	36,200,000
Subtotal - Overlapping Debt	1,418,505,010		651,674,812
<b>City of Oxnard Direct Debt:</b>			
City of Oxnard Lease Revenue Bonds			62,395,000
City of Oxnard Lease Purchase Agreements			16,550,341
City of Oxnard Capital Lease Obligations			2,291,924
Subtotal - Direct Debt			81,237,265
<b>Total direct and overlapping debt</b>			<b>\$ 732,912,077</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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 2,762,153
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 2,762,153</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 2017

Assessed value	\$ 13,880,705
Add back: exempt real property	<u>4,533,650</u>
Total assessed value	18,414,355
Debt limit (15% of total assessed value)	2,762,153
Debt applicable to limit:	
General obligation bonds	382,437
Less: assets in debt service funds for principal payments	
Revenue bonds - governmental activities	(64,280)
Revenue bonds - business-type activities	(295,317)
Tax allocation bonds-community development commission	0
Certificates of participation	<u>(22,840)</u>
Total net debt applicable limit	-
Legal debt margin	<u>\$ 2,762,153</u>

Source: County of Ventura  
Finance Department, City of Oxnard

# City of Oxnard, California

## SCHEDULE XIII Pledged Revenue Coverage Last Ten Fiscal Years

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenues</b>	<b>Debt Service Principal</b>	<b>Interest</b>	<b>Coverage</b>
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	4,017,916	10,480,270	0.78
2016	49,612,518	39,489,138	10,123,380	4,144,638	10,259,011	0.70
2017	52,568,502	40,588,814	11,979,688	4,290,245	10,139,238	0.83
<b>Environmental Resources Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenues</b>	<b>Debt Service Principal</b>	<b>Interest</b>	<b>Coverage</b>
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	2,813,015	254,592	2.50
2016	41,677,411	36,427,580	5,249,831	1,930,153	250,937	2.41
2017*	-	-	-	-	-	-

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.

\* There was no pledged revenue during the year.

Source: Finance Department, City of Oxnard

# City of Oxnard, California

## SCHEDULE XIII Pledged Revenue Coverage Last Ten Fiscal Years

Wastewater Revenue Bonds						
Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage	Fiscal Year
\$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	23,548,005	8,621,029	4,193,581	6,586,349	0.80	2015
30,622,683	21,786,745	8,835,938	4,302,474	4,731,254	0.98	2016
39,609,685	20,434,186	19,175,499	4,353,176	4,643,123	2.13	2017
Oxnard Housing Authority Revenue Bonds						
Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service Principal	Interest	Coverage	Fiscal Year
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	22,346,820	772,634	280,000	160,170	1.76	2015
23,119,454	22,587,321	532,133	295,000	149,436	1.20	2016
26,476,702	25,300,241	1,176,461	310,000	132,968	2.66	2017



# 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
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%
2017	207,772	4,149,665	19,972	30.8	41,338	5.6%

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	186	234	234	234	228	227	230	230	228	224
Public Safety										
Police										
Officers	236	293	237	237	236	252	249	252	243	252
Civilians	151	95	151	151	151	155	159	157	151	110
Fire										
Firefighters & officers	103	100	103	103	101	101	110	125	125	125
Civilians	4	7	3	3	3	3	3	3	3	3
Transportation	84	50	50	50	49	49	44	43	25	16
Community development	67	66	66	66	66	60	58	59	50	52
Culture and recreation	85	85	85	85	83	83	83	81	67	55
Utilities										
Water	46	45	51	51	51	51	50	50	52	53
Wastewater	74	72	72	72	70	76	79	80	81	81
Environmental Resources	76	78	78	78	79	79	80	118	113	118
Housing	81	81	81	81	83	82	82	81	80	81
Total	1,193	1,206	1,211	1,211	1,200	1,217	1,226	1,278	1,218	1,170

Source: Finance Department, City of Oxnard

# City of Oxnard, California

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Physical arrests	8,425	7,842	7,794	8,116	7,278	6,790	6,169	7,388	7,063	6,641
Parking violations	51,046	37,968	35,346	35,091	34,914	32,120	25,130	26,033	32,288	32,273
Traffic violations	16,673	23,305	25,288	25,517	22,294	15,800	17,775	18,596	15,845	16,935
Fire										
Number of calls answered	12,210	13,310	13,417	13,813	13,381	14,127	14,770	15,560	17,678	17,974
Inspections	3,190	4,244	4,777	5,614	4,212	5,000	3,588	3,030	2,296	1,463
Highways and streets										
Potholes repaired	12,375	12,300	12,650	13,000	14,000	13,000	13,500	13,000	12,500	12,500
Sanitation										
Total number of customers	43,489	37,195	37,124	43,991	44,034	44,312	44,677	44,944	45,266	45,537
Refuse/recyclables collected (tons/day)	581	571	570	577	558	569	582	605	608	626
Recyclables collected (tons/day)	13	95	91	93	98	98	101	98	101	104
Culture and recreation										
Community center admissions	43,230	51,872	27,934	29,655	33,751	29,910	22,980	35,857	28,896	26,343
Water										
Total number of customers	39,531	40,206	40,756	40,785	41,064	41,019	41,319	41,437	41,635	42,301
Average daily consumption	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	22,130,222
Wastewater										
Total number of customers	36,484	37,251	38,081	38,158	38,379	38,712	38,971	39,210	39,374	39,580
Average daily sewerage treatment	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	18,800,000

Source: Various departments, City of Oxnard

# City of Oxnard, California

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	269	223	171	264	275	268	268	311	233	236
Fire										
Stations	7	7	7	7	7	7	7	8	8	8
Hydrants	5,150	6,282	5,413	5,413	5,430	5,500	5,500	5,500	5,500	5,551
Sanitation										
Collection trucks	52	52	52	52	51	51	51	50	52	52
Highways and streets										
Streets (miles)	400	400	400	400	400	400	400	400	432	432
City-owned streetlights	654	654	674	674	674	974	974	972	980	1,025
SCE-owned streetlights	9,314	9,371	9,943	9,943	10,005	10,067	10,192	10,225	10,225	10,240
Culture and recreation										
Parks acreage	494	550	550	550	550	550	550	555	561	561
Parks	55	58	58	58	58	58	58	59	62	61
Ball diamonds	30	30	30	37	37	37	37	37	22	27
Basketball courts	24	29	29	47	47	47	47	48	25	30
Craft/Activity buildings	8	8	8	10	10	10	10	10	2	2
Gymnasium	3	2	2	2	2	2	2	2	2	2
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	32	31	31	30	30	30	30	30	25	33
Community centers	3	3	3	3	3	3	3	3	2	3
Library										
Number of books	355,151	353,455	356,456	356,624	362,753	337,015	325,906	318,644	316,646	333,016
Number of microfilms	8,510	8,525	8,572	8,634	8,708	8,726	8,729	8,729	5,885	8,323
Number of audiotapes	21,055	20,864	21,345	22,105	21,676	20,060	20,423	19,618	18,902	10,922
Number of videotapes	15,582	15,318	16,045	16,015	17,288	14,688	15,025	14,167	14,259	
Number of DVD										19,249
Number of CD-ROMS (data disk)	755	632	689	617	620	438	447	16	3,072	-
Water										
Water mains (miles)	601	663	592	592	597	600	600	600	600	624
Maximum daily treatment capacity	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	18,600,000
Sewer										
Miles of sewer lines	445	445	445	445	445	445	430	430	430	430

Source: Various departments, City of Oxnard  
\* Transitioned from video tapes to DVDs

# City of Oxnard, California

## SCHEDULE XVIII Principal Employers Current Year and Nine Years Ago

Employer	2017		2008 *	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
City of Oxnard	1,406	1.47%	DATA NOT AVILABLE	DATA NOT AVILABLE
St. Johns Regional Medical Center	1,286	1.35%	DATA NOT AVILABLE	DATA NOT AVILABLE
Haas Automation	1,200	1.26%	DATA NOT AVILABLE	DATA NOT AVILABLE
Frontier Communications	860	0.90%	DATA NOT AVILABLE	DATA NOT AVILABLE
Procter & Gamble-Paper Products	650	0.68%	DATA NOT AVILABLE	DATA NOT AVILABLE
Boskovich Farms	610	0.64%	DATA NOT AVILABLE	DATA NOT AVILABLE
Waterway Plastics Inc	600	0.63%	DATA NOT AVILABLE	DATA NOT AVILABLE
Dole Berry Co	500	0.52%	DATA NOT AVILABLE	DATA NOT AVILABLE
Oxnard College	500	0.52%	DATA NOT AVILABLE	DATA NOT AVILABLE
Gills Onions	400	0.42%	DATA NOT AVILABLE	DATA NOT AVILABLE

*\*New report in FY2017, data not available for 2008.*

Source: EDD, Labor Market Information  
Economic Development Collaborative-Ventura County  
City of Oxnard