

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018



CITY OF

OXNARD



CALIFORNIA



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
Fiscal Year Ended June 30, 2018**

CITY OF OXNARD, CALIFORNIA
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 JUNE 30, 2018

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INTRODUCTORY SECTION





December 12, 2018

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, 2018. 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.

STAFFING

For the last four years the City has been managing two major efforts. One is rebuilding administrative systems in administrative and operating departments that were weakened by years of inattention discovered in fiscal year 2014-2015. The other is effective management of the full range of services provided by this City of 210,000 residents. Both efforts were hampered by turnover in senior management positions including the city manager and, after the end of fiscal year 2017-2018, the assistant city manager supervising administrative departments, the chief financial officer and the assistant chief financial officer. In addition, adding and training qualified staff responsible for reaching the City's operational, reporting and compliance objectives has taken longer than expected due to the turnover.

Management, with strong support from the City Council, has undertaken major change efforts related to internal control, staff competency, classification and compensation of employees, selection of an enterprise resource planning vendor and ensuring compliance in areas like development impact funding, including administration of special assessment and taxing districts. Staff who work on reporting objectives have been hired and are being trained and supervised to improve the timeliness, accuracy and quality of information reported by the City. Significant progress was made in addressing legacy problems.

This effort has been supported by a wide range of subject matter experts who have generated hundreds of recommendations for improvement. Efforts to improve internal control and financial reporting include: performing physical inventories and valuations of capital assets, hiring qualified staff, correcting legacy problems that affected the accuracy of past financial reports and implementing improved capital planning and budgeting. In addition, we refunded variable rate debt and related derivatives to reduce risk in the debt portfolio.

The legacy problems described above are being addressed by the City, but those problems led to increased skepticism in the community and among employees and their labor representatives. Significant staff effort has been expended to respond to questions and concerns of the community, policy makers and advisory groups. Despite the time consumed by legacy problems, managing policies and operations for a full range of services was the primary focus of management and the Council. The City has appointed a new city manager, who in turn has appointed a new assistant city manager in November 2018, a new chief financial officer, and assistant chief financial officer starting January 2019. Also, new staff have been appointed in key positions in public works and finance. As a result, vacancies in senior positions are not expected to disrupt controls or operations in the near term.

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. Oxnard was founded in 1903 near the sugar beet processing facility owned by the Oxnard brothers. Henry T. Oxnard, the founder of Crystal Sugar, led the effort to incorporate the City. Shortly after incorporation the City opened the Oxnard Library.

The adjacent Oxnard Plain is one of the most productive agricultural areas in the world. It produces a third of the California strawberry crop that represents 85% of the U.S. market. Other high value crops are produced nearby including avocados, lemons, brussel sprouts, and artichokes, and Oxnard remains a leading agricultural and food center. The City is home to the West Coast operations of Procter and Gamble and Sysco. Port Hueneme, the only navigable port between Los Angeles and San Francisco attracted defense and aerospace businesses that served as a foundation for Oxnard's aerospace, technology and manufacturing businesses. Oxnard is leader in manufacturing in Southern California. Oxnard's harbor and beaches support a strong tourism industry. The local economy is diverse and robust. The Oxnard Plain has made Ventura County one of the wealthiest standard metropolitan statistical areas in the United States.

Oxnard is the largest of Ventura County's ten cities at 210,000. About 36% of the population was born in another country and approximately 75% of its residents are Latino. Oxnard's housing is 10 to 20% less expensive than the County average, depending on location. Lower cost and available flat land near the Pacific coast have prompted major housing developments in recent years. The City's voters have supported service levels by approving a special property tax prior to Proposition 13 to pay for part of the cost of public safety pensions and a ½% supplemental sales tax in 2008.

Zillow expectations for Oxnard's housing market at this report date follow. "The median home value in Oxnard is \$493,500. Oxnard home values have gone up 5.8% over the past year and Zillow predicts they will rise 7.4% within the next year. The median list price per square foot in Oxnard is \$321, which is lower than the Oxnard average of \$353. The median rent price in Oxnard is \$2,798, which is lower than the Oxnard-Thousand Oaks-Ventura Metro median of \$2,925."

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 Treasurer is elected and invests idle cash and supervises utility billing, business licensing and other cashing responsibilities. The elected City Clerk manages the City Council agenda process, official records and elections. In 2018 voters approved measures proposed by the City Council to increase City Council membership from four to six members elected by district and a Mayor elected at large. New Councilmembers were sworn in on December 11, 2018.

The City provides the following government and business type services:

| <u>Government Activities</u> | <u>Business Type Activities</u> |
|---|---|
| Governance, including finance, human resources, risk management, information technology, City Attorney, City Treasurer, City Clerk and City Manager | Water – Planning, source and supply, treatment and distribution |
| Police – including records, dispatch, patrol, investigations, code enforcement and animal control | Wastewater – Collection, treatment and, the recycled water program. Administration and operation of stormwater programs for drainage and surface runoff. |
| Fire —including hazardous materials storage regulation and incident response, prevention, suppression, medical rescue and emergency response | Integrated waste management – collection and disposal of solid waste and operation of recycling collection and marketing programs |
| Community Development – including land use planning, building inspection, zoning, successor agency obligations | Housing Authority – administration of Section 8 rental assistance program, affordable housing and Community Development Block Grant administration |
| Public Works – including engineering and capital asset planning, streets and roads, rights of way, park and landscape maintenance, special district administration and service management, facilities and fleet maintenance. Management of enterprise operations | |
| Culture, Leisure and Libraries – including recreation, after school, youth employment, Carnegie Museum, Performing Arts Community Center, golf courses and the library system | |

During fiscal year 2017-2018 the City Council consisted of four members and the Mayor. The community at large elected all members of the Council. In November 2018 voters at large elected the Mayor and voters in four districts elected council members two of whom are new Councilmembers.

Two at large Council seats with terms expiring in 2020 and one limited term district seat filled in 2018 will be filled by district voters in 2020.

Mayor term is two years 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, 2018 and at December 11, 2018, 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. The budget resolution establishes the fund as the budgetary control level. The fiscal year 2017-18 budget was adopted on June 20, 2017.

The City Council appropriates funds annually for the General Fund, and all non-major governmental funds. City staff is currently considering whether to reinstitute biennial budgets as legacy problems are resolved and the City's financial condition stabilizes.

ECONOMIC OUTLOOK

Oxnard's top employers in Oxnard are St. John's Regional Medical Center, Oxnard Union High School District, Waterway Plastics, City of Oxnard, Haas Automation and Aluminum Precision Products. Other major employers in and near the City include the United States Naval Base Ventura County employing 19,000 people, Ventura County, Boss Audio, Boskovich Farms, Gill Onions, Sysco and Procter and Gamble. Oxnard College is also a major employer. If the four districts providing K-8 education in Oxnard and the Oxnard Unified High School District were combined it would be one of the 75 largest school districts in the country with a combined total of 53,000 students. Oxnard is served on the collegiate level by Oxnard College and nearby California State University Channel Islands. Additionally, California Lutheran University, California State University Northridge, ITT, University of Phoenix, University of California, Santa Barbara, National University, and Azusa Pacific University have satellite campuses in Oxnard. The educational programs available in and near Oxnard support a workforce qualified for jobs in the diverse local economy. Channel Islands Harbor and the City's beaches, parks, festivals and golf courses support a strong tourism sector. The Dallas Cowboys and Los Angeles Rams conducted their summer training camps in Oxnard in 2017.

Businesses continue to expand in Oxnard and residential development has been strong. The Collection, a retail and entertainment complex in North Oxnard, continues to grow with plans in place for two new hotels. The adjacent Riverpark residential community is nearing completion. The Village, at the former Wagon Wheel site near the Collection, is currently in development and once complete, will boast 50,000 square feet of retail space, 1,500 new rental and ownership homes, park space, and a transit center. Also, near the Collection are 152 new ownership homes at the Gallery at River Ridge, the City's golf complex. Oxnard offers workforce housing in all categories from affordable apartments to beachfront luxury homes that are relatively affordable by Southern California standards. Oxnard property tax growth is stable. The Ventura County Assessor's Office indicates that property assessments for fiscal 2018-2019 total \$20.3 billion, an increase of 4.77% from the prior year.

The fiscal 2018 increase was 4.64% and the fiscal 2017 increase was 4.72%. In future years the City tax consultants expect property and sales tax revenues to grow, but at a slower pace than in recent years.

FISCAL CONDITIONS

In addition to the legacy problems described above, the City continues to face fiscal challenges. As the City worked to rebuild credibility and trust, the City's wastewater utility rate setting process was challenged (by one ratepayer) in 2016, further complicating the City Council's effort to improve financial condition and management practices.

Wastewater

An initial unsuccessful majority protest effort to prevent new wastewater rates from going into effect was followed by a successful voter initiative to roll back adopted rates. The legality of that initiative was challenged by the City as discussed in more detail in the notes to the financial statements. Also, lawsuits were filed relating to the level of costs allocated to utility operations for general government services and to the adequacy of the City's monthly financial reporting. The effort to respond to lawsuits and to rebuild credibility significantly affected management's ability to oversee planned administrative improvements during the fiscal year.

The Wastewater Fund rates subject to lawsuit were replaced by new, lower rates that took effect on July 1, 2017, and those rates have not been challenged. The new rates assure that the fund can meet its debt covenants and operations and maintenance costs and can support limited infrastructure investment funded with a combination of debt and cash.

The court, however, ruled against the City's position that the initiative rolling back the rates adopted in 2016 was illegal. The City Council will consider whether it will appeal the court's decision in early 2019. If the initiative is upheld the City may be liable for refund of the difference between the 2016 and pre-2016 rates collected pursuant to a stay issued by the court for the period following the date the initiative took effect through the date the 2017 rates took effect. The fund has adequate cash to cover this contingent liability but use of that cash would impair its ability to make needed capital asset investments and deal with the fiscal impacts of an extended drought. Wastewater revenues are affected by drought because rate calculations are based primarily on water consumption.

VARIABLE RATE DEBT

The City's challenges in setting adequate wastewater rates that led to negative rating agency guidance and its difficulty in finding a replacement letter of credit for its variable rate debt after MUFG/Union Bank decided to terminate the relationship caused the City Council to review its tolerance for the risks inherent in variable rate debt. Risk associated with incurring an interest rate swap termination penalty triggered by a lower bond rating or with incurring high letter of credit fees if it could not find a replacement letter of credit provider easily prompted the Council to consider replacing variable rate debt with fixed rate debt. Rising interest rates reduced the amount of the swap termination penalty.

On April 26, 2018 the City refunded variable rate demand lease revenue bonds supported by the General Fund that were hedged by an interest rate swap. A second set of refundings of variable rate debt with fixed rate bonds was completed on November 28, 2018.

The interest environment during this period allowed the City to achieve economic and cash flow savings with swap termination costs included in the analysis. These refundings eliminated all variable rate debt from the General Fund, Water and Wastewater debt portfolios.

Standard and Poor's considered reduction of variable rate risk positive for the City and increased the rating from BBB to A- for the wastewater refunding, A for the water refunding and A- for the General Fund lease revenue refunding. The issuer rating for the City of Oxnard is currently AA. The improvement in ratings resulted from concentrated effort by the City and its financial advisors to communicate with all its capital markets partners.

General Fund

In fiscal year 2016-2017 the General Fund balance increased by \$11.9 million while in fiscal 2017-2018 the fund balance decreased by \$5.8 million. The fund balance is \$6.1 million higher than July 1, 2016. Revenues did not grow in total because core tax revenues were offset by reductions in fees for service and other revenue. Increased expenditures caused most of the change in fund balance. The expenses did not exceed the amount of the adjusted General Fund budget. New staffing primarily augmented public safety and in development services.

Part of the increase in spending resulted from high position vacancy levels throughout the year as the City built capacity in its Human Resources recruitment staff. Positions budgeted for a full year but vacant in fiscal year 2016-2017 were filled during the year. In addition, staffing increases approved in the fiscal year 2016-2017 mid-year review, the fiscal year 2017-2018 budget and in the fiscal 2017-2018 mid-year review increased expenditure levels.

Other spending increases resulted from expected increases in pension costs resulting from reductions in the California Public Employee Retirement System's expected portfolio yield, portfolio yield volatility and reductions in the amount of the City's voter approved public safety pension property tax limit override. Correction of pay and benefit practices for part time and temporary employees increased salary and benefit costs as the City applied established compensation standards to more positions as it implemented recommendations of its consultants.

Reprioritization of services that shifted resources to public safety were delayed in prior years by spending reductions. Those reductions were prompted by concern about the impacts of legacy problems on the City's financial condition. As fiscal condition stabilized the City Council added resources to critical areas.

The budget adopted for fiscal 2018-2019 provides for the known costs of position and compensation changes added after adoption of the fiscal year 2016-2017 budget. Balancing the budget to accommodate new priorities required difficult decisions. Management expects that the process will continue as the City confronts increasing retirement system costs and the increasing likelihood of a slowing economy. The City's long-range forecasting model provides information about the impacts of economic slowdowns or recession during the course of evaluating budget alternatives.

Note that expenditures, liabilities and net position in governmental and business-type activities reports and in proprietary and internal service fund reports increased as a result of implementation of the Governmental Accounting Standards Board's Statement 75 covering other post-employment benefits.

Oxnard provides the minimum contribution for retiree health care required when benefits are provided by CalPERS. It also provides contributions to its police and fire employee's retiree medical care trusts that are negotiated and not tied to changes in health care premium amounts. Policies regarding funding of actuarial liabilities related to workers' compensation, general liability, and employee benefits will be considered in connection with the fiscal 2019-2020 budget.

Final Comments

We express our appreciation to the City Council and the staff members in the Finance Department and other departments and Eadie and Payne's audit staff in assuring that the City's Comprehensive Annual Financial Report meets the highest standard of reporting and provides useful information to users of the financial statements.

Respectfully submitted,



Alexander Nguyen, City Manager



Ashley Golden, Assistant City Manager



Dave Millican, Interim Chief Financial Officer

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Oxnard
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO

Elected Officials at June 30, 2018



Tim Flynn,
Mayor



Carmen Ramirez,
Mayor Pro Tem



**Bryan A.
MacDonald,**
Councilman



Bert Perello,
Councilmember



Oscar Madrigal,
Councilmember



Michelle Ascencion,
City Clerk



Phil Molina,
City Treasurer

New Elected Officials at December 11, 2018

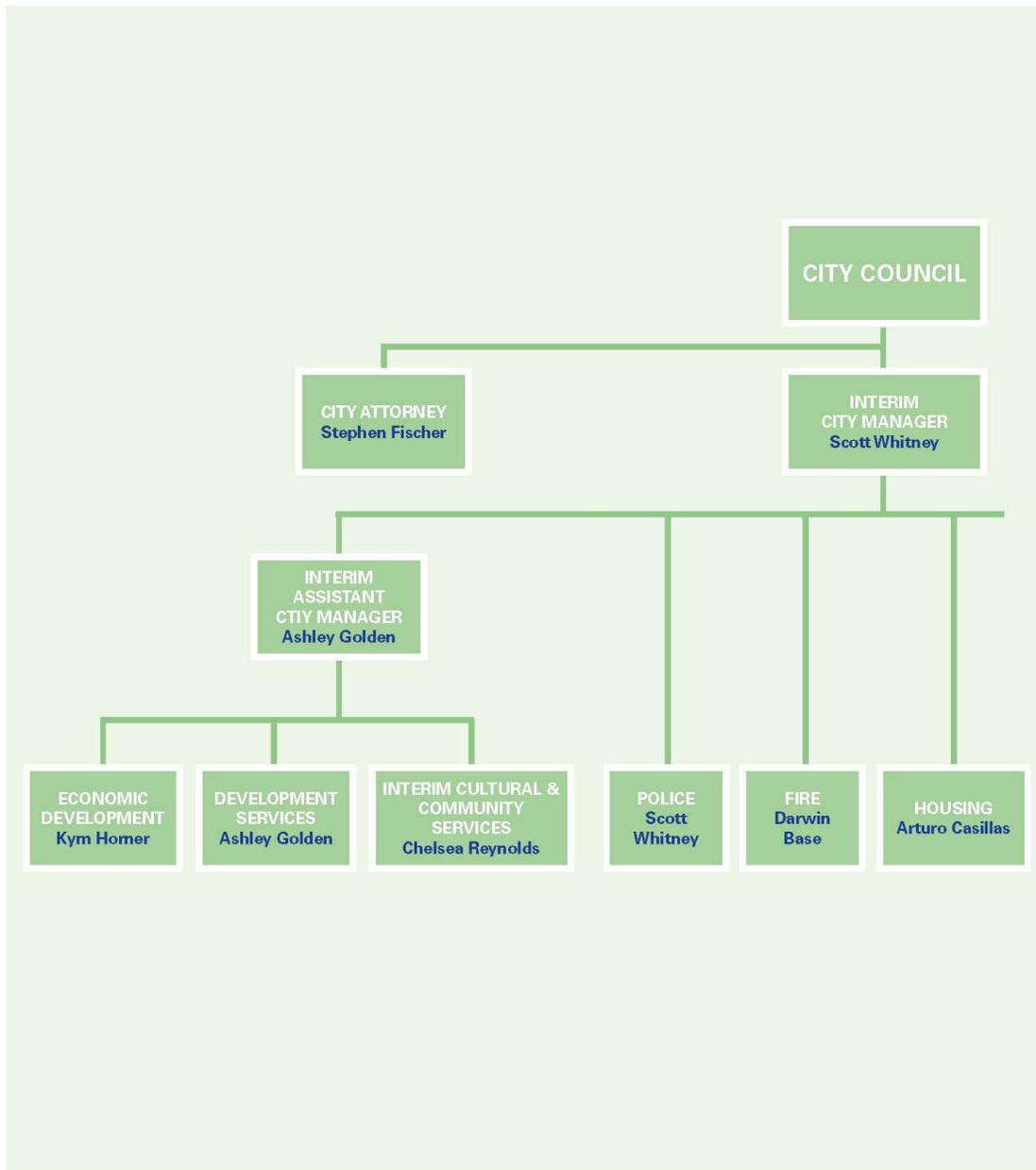


Vianey Lopez,
Councilmember

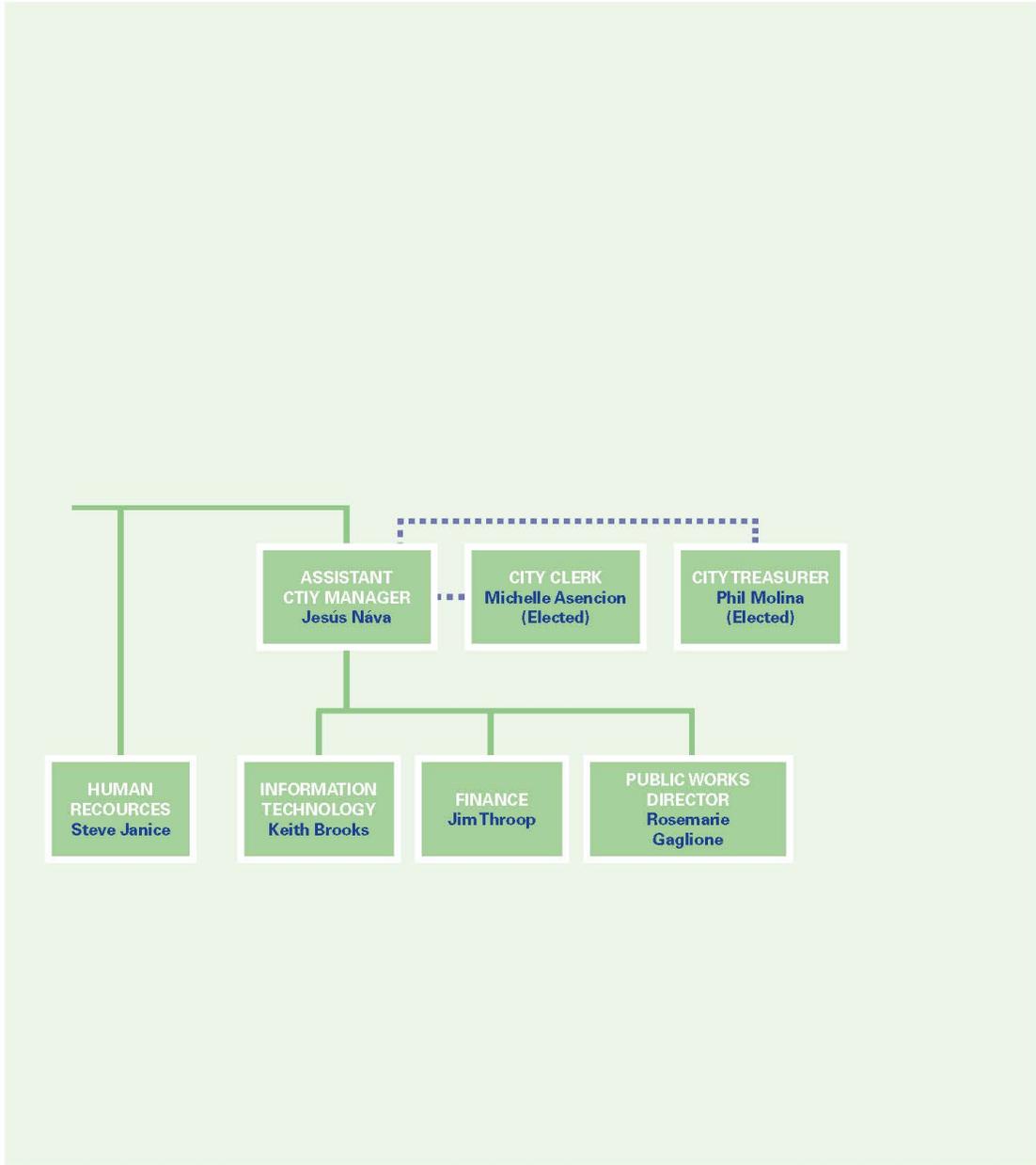


Gabriela Basua,
Councilwoman

City of Oxnard Citywide Organizational Chart - as of June 30, 2018



City of Oxnard Citywide Organizational Chart - as of June 30, 2018



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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Oxnard
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, 2018, 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.

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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 1.02% and 0.70% of total government-wide assets and net position as of June 30, 2018 and 7.43% 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, 2018, 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.

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, the schedules of changes in net pension liability and related ratios, the schedule of proportionate share of the net pension liability and related ratios, the schedules of plan contributions, and the schedule of changes in total OPEB liability and related ratios on pages 5 through 20 and 131 through 139 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 12, 2018
Riverside, California

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, 2018. Please read this document in conjunction with the transmittal letter on page i and the City's basic financial statements and notes that begin on page 21.

FINANCIAL HIGHLIGHTS

The City as a Whole

- Reported net position at June 30, 2018 is \$2.2 billion, which represents a decrease of \$37 million from June 30, 2017.
- Of the total net position, \$2.2 billion is invested in capital assets and \$183 million is restricted.
- As of June 30, 2018, the City's governmental funds reported combined ending fund balances of \$132 million, a decrease of \$9 million from the prior year. Most of the decrease related to increased spending in the General Fund as vacant positions were filled, retirement costs increased faster than revenues and new positions were added in public safety and other critical operations.
- Prior-period adjustments relating to the implementation of Governmental Accounting Standards Board Statement 75 for other post-employment benefits reduced combined net position by \$13 million with an \$8 million reduction in governmental activities and a \$5 million reduction in business-type activities.

Fund financial statements

- Reported governmental fund balances decreased by \$9 million at the close of fiscal year 2017-2018. The General Fund decreased by \$6 million and other governmental funds decreased by \$3 million.
- Total governmental fund revenue decreased by \$4 million to \$192 million. The decrease was mainly attributable to \$3 million decrease in other governmental funds and a \$1 million decrease in the General Fund resulting from decreases in fees for service and sales tax payments deferred past the accrual deadline for fund revenues. The State Board of Equalization's implementation of a new financial management system caused delays in the sales tax payments.
- Total governmental expenditures totaled \$238 million, an increase of \$59 million from the prior year.

Most of the increase was attributable to General Fund activities that resulted from higher contribution rates for employee pensions, collective bargaining agreements, costs associated with correcting compensation issues relating to part time, seasonal and temporary employees, recording the full year's compensation costs for position added partway through the prior year and increasing success in filling vacancies after additional staff were hired for the Human Resources department. All ongoing costs associated with these changes have been incorporated in the City's balanced fiscal year 2018-2019 budget.

In addition, costs were increased by recording an allowance for uncollectible accounts receivable of \$1 million as a result of detailed analysis of collection experience related to general accounts receivable. General fund infrastructure maintenance costs increased because assets providing general benefit to the community were removed from special assessment landscape maintenance districts to comply with state law. Increases in water and wastewater rates in the City's proprietary funds resulted in increased costs for infrastructure maintenance and for subsidies to the City's golf courses. Water Fund operating revenue increased by \$12 million due to increases in charges for water services during the year. Operating expenses decreased by \$0.7 million primarily due to a reduction in allocated government services costs related to public safety.

- Wastewater Fund operating revenue increased by \$1.5 million, attributable to increases in charges for services. These increases resulted from adoption of new rates to replace rates that were challenged by a voter initiative described more fully on page 122. Operating expenses increased by \$0.4 million due to increases in utilities, repairs and operating supplies that were partially offset by reductions in personnel costs and allocated general government service costs related to public safety.
- Environmental Resource operating revenue increased by \$1 million due to normal fluctuations in waste disposal volumes and changes in prices for recycled materials. Operating expenses increased by \$0.5 million due to increases in spending in various accounts offset by a \$1.8 million decrease in allocated general government service costs related to public safety, \$0.2 million lower personnel costs and a \$0.1 million decrease in depreciation expense.

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 provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The focus of these statements is to report all financial resources and obligations of the City. 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.

Generally, deferred inflows and outflows represent amounts related to differences in timing of recognition of revenues or expenses compared to the timing of related financial resources. In many cases these amounts have been recorded as assets or liabilities in the past and in the future new accounting standards will specify whether these accounts are to be used. Notable examples of recent standards using these accounts are GASB statements 68 and 75 relating to pensions and other post-employment benefits.

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 21-23 of this report.

Fund financial statements

Fund financial statements 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 142-145. 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 146-155. The basic governmental funds financial statements can be found on pages 24-27 of this report. Proprietary funds are generally used to account for services for which the City charges fees to 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 158-161.

The basic proprietary funds financial statements can be found on pages 28-37 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 38-39 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 40-130 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 within the Schedules of Changes in Net Pension Liability and Related Ratios, and Schedule of Plan Contributions. RSI can be found on pages 131-139.

Footnotes providing additional detail about the CDC Successor Agency can be found on pages 124-129. In addition, further discussion of uncertainties affecting the City appears at page 123

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 142-165 of this report. Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 167-194 of this report.

Net Position

SUMMARY OF NET POSITION (\$THOUSANDS)

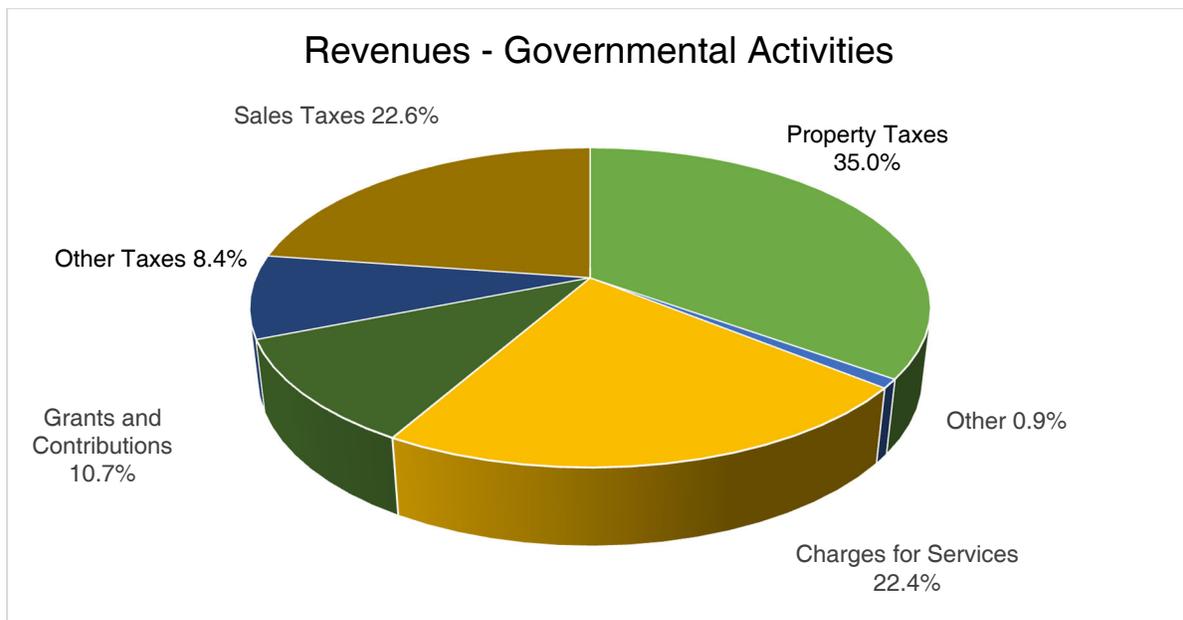
| | GOVERNMENTAL | | BUSINESS-TYPE | | TOTAL | |
|--|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
| | ACTIVITIES | | ACTIVITIES | | | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Current assets | \$ 135,943 | \$ 149,497 | \$ 129,421 | \$ 105,638 | \$ 265,364 | \$ 255,135 |
| Capital assets (net of accumulated depreciation) | 2,080,954 | 2,088,870 | 512,351 | 520,266 | 2,593,305 | 2,609,136 |
| Properties held for resale | - | 250 | 300 | 290 | 300 | 540 |
| Other assets | 77,365 | 69,364 | 1,176 | 984 | 78,541 | 70,348 |
| Total Assets | 2,294,262 | 2,307,981 | 643,248 | 627,178 | 2,937,510 | 2,935,159 |
| Deferred outflows of resources | 71,748 | 68,597 | 18,226 | 18,712 | 89,974 | 87,309 |
| Total Assets and Deferred Outflows of Resources | 2,366,010 | 2,376,578 | 661,474 | 645,890 | 3,027,484 | 3,022,468 |
| Current liabilities | 46,768 | 46,921 | 22,554 | 23,990 | 69,322 | 70,911 |
| Noncurrent liabilities | 408,814 | 373,892 | 340,511 | 341,236 | 749,325 | 715,128 |
| Total Liabilities | 455,582 | 420,813 | 363,065 | 365,226 | 818,647 | 786,039 |
| Deferred inflows of resources | 16,597 | 9,815 | 4,615 | 2,283 | 21,212 | 12,098 |
| Total Liabilities and Deferred Inflows of Resources | 472,179 | 430,628 | 367,680 | 367,509 | 839,859 | 798,137 |
| Net Position | | | | | | |
| Net investment in capital assets | 1,994,003 | 2,001,165 | 224,140 | 228,709 | 2,218,143 | 2,229,874 |
| Restricted | 134,054 | 130,018 | 48,790 | 41,733 | 182,844 | 171,751 |
| Unrestricted | (234,226) | (185,233) | 20,863 | 7,939 | (213,363) | (177,294) |
| NET POSITION | \$1,893,831 | \$1,945,950 | \$ 293,793 | \$ 278,381 | \$2,187,624 | \$2,224,331 |

- At June 30, 2018, 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. Restricted net position totaled \$183 million and unrestricted net deficit totaled \$213 million primarily attributable, to the implementation of GASB statements 68 and 75 to record liabilities for employee pensions and other post employment benefits. These liabilities will be liquidated with revenues received in future years that cannot be accrued in these financial statements.
- Current assets increased by \$10 million, comprised of a \$24 million increase attributable to business-type activities and a \$14 million decrease attributable to governmental activities. The majority of the business-type activity increase was due to proprietary fund operations net of non-operating items. The reduction in governmental activities resulted from use of cash and fund balances including a \$6 million net asset reduction from General Fund activities and a \$3.5 million change in internal balances.
- The City's total capital assets decreased by \$16 million during the current fiscal year primarily due to depreciation.

- The City's total liabilities increased by \$33 million to \$ 819 million. Governmental activities' liabilities increased by \$35 million whereas business-type activities decreased by \$2 million. Most of the increase in governmental activities was due to a \$17 million increase in liabilities resulting from the implementation of GASB 75 relating to other post-employment benefits and a \$17 million increase in pension liabilities. The reduction in business type activity liabilities' resulted from amortization of bonded debt and a \$1 million reduction in the calculated interest rate swap termination penalty, partially offset by implementation of GASB 75 and an increase in pension liabilities of less than \$1 million.

SUMMARY OF CHANGES IN NET POSITION
(\$THOUSANDS)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|--|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Program Revenues | | | | | | |
| Charges for services | \$ 42,849 | \$ 54,318 | \$ 158,404 | \$ 143,237 | \$ 201,253 | \$ 197,555 |
| Operating grants and contributions | 16,939 | 16,948 | 21,636 | 21,178 | 38,575 | 38,126 |
| Capital grants and contributions | 3,502 | 3,276 | 1,349 | 963 | 4,851 | 4,239 |
| General Revenues | | | | | | |
| Taxes | 126,962 | 120,080 | - | - | 126,962 | 120,080 |
| Interest on investments | 1,405 | 1,989 | 1,839 | 2,441 | 3,244 | 4,430 |
| Total Revenues | <u>191,657</u> | <u>196,611</u> | <u>183,228</u> | <u>167,819</u> | <u>374,885</u> | <u>364,430</u> |
| Expenses | | | | | | |
| General government | 56,052 | 30,058 | - | - | 56,052 | 30,058 |
| Public safety | 114,056 | 95,103 | - | - | 114,056 | 95,103 |
| Transportation systems | 13,353 | 8,753 | - | - | 13,353 | 8,753 |
| Community development | 17,440 | 12,476 | - | - | 17,440 | 12,476 |
| Culture and leisure | 30,577 | 26,193 | - | - | 30,577 | 26,193 |
| Libraries | 3,462 | 4,066 | - | - | 3,462 | 4,066 |
| Interest on long-term debt | 9,746 | 4,756 | - | - | 9,746 | 4,756 |
| Water | - | - | 57,618 | 57,904 | 57,618 | 57,904 |
| Wastewater | - | - | 33,512 | 32,926 | 33,512 | 32,926 |
| Environmental resource | - | - | 45,634 | 42,534 | 45,634 | 42,534 |
| Oxnard Housing Authority | - | - | 27,889 | 26,061 | 27,889 | 26,061 |
| Total Expenses | <u>244,686</u> | <u>181,405</u> | <u>164,653</u> | <u>159,425</u> | <u>409,339</u> | <u>340,830</u> |
| CHANGE IN NET POSITION BEFORE SPECIAL ITEMS, CONTRIBUTED CAPITAL, AND TRANSFERS | (53,029) | 15,206 | 18,575 | 8,394 | (34,454) | 23,600 |
| CONTRIBUTED CAPITAL | (1,940) | (940) | 1,940 | 940 | - | - |
| SPECIAL ITEMS | 10,657 | 13,836 | - | - | 10,657 | 13,836 |
| TRANSFERS | 201 | 443 | (201) | (443) | - | - |
| CHANGE IN NET POSITION | (44,111) | 28,545 | 20,314 | 8,891 | (23,797) | 37,436 |
| NET POSITION - JULY 1 | 1,945,950 | 1,337,316 | 278,381 | 265,182 | 2,224,331 | 1,602,498 |
| PRIOR-PERIOD ADJUSTMENT | (8,008) | 580,089 | (4,902) | 4,308 | (12,910) | 584,397 |
| NET POSITION - JUNE 30 | <u>\$ 1,893,831</u> | <u>\$ 1,945,950</u> | <u>\$ 293,793</u> | <u>\$ 278,381</u> | <u>\$ 2,187,624</u> | <u>\$ 2,224,331</u> |

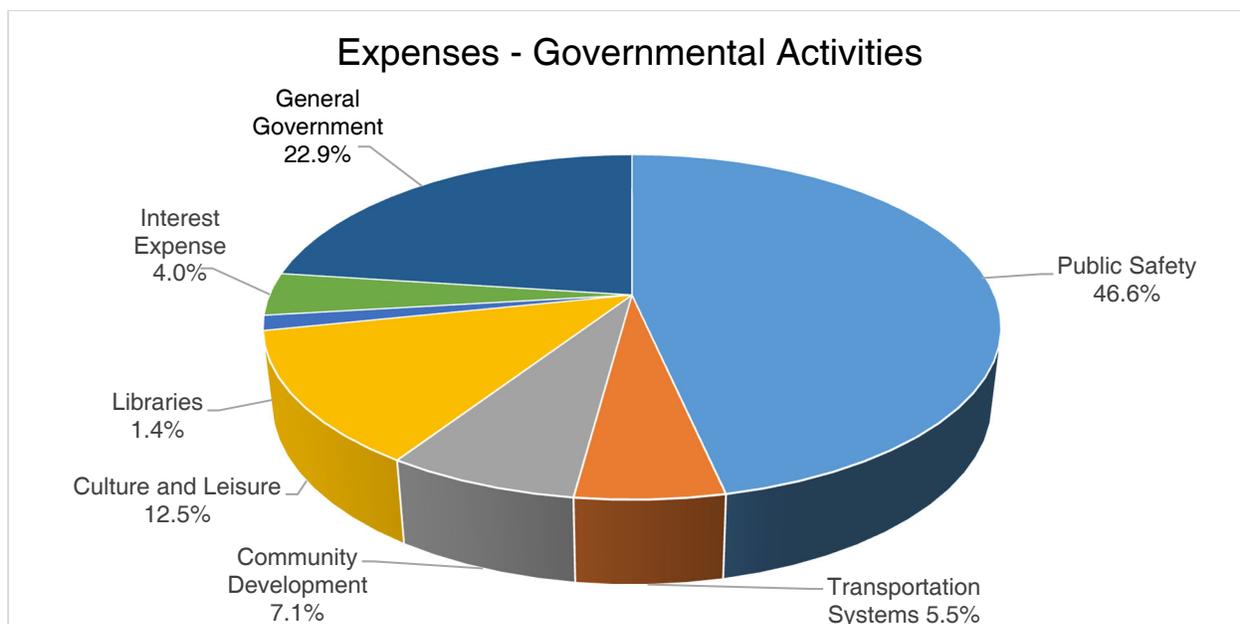


Revenues

The City financed its operation for fiscal 2017-2018 using \$127 million in tax revenue, \$63 million from its governmental activities, \$181 million generated by its business-type activities and \$3 million of interest income. In addition it consumed \$44 million of governmental activity net position and added \$20 million to its business-type activity net position for a net decrease in citywide net position of \$24 million.

Total governmental activity revenues decreased by \$5 million primarily attributable to a decrease in charges for service of \$11 million offset by an increase in tax revenues of \$7 million. The decrease in charges for services was related to decreases in development impact revenues for parks, transportation and other facilities of \$5 million, and a \$1 million reduction in fees received for processing land use entitlements and building permits. Development related revenues are due when building permits are issued or held as deposits to cover the costs of staff as they work on a proposed project thus the timing of these revenues can be unpredictable as it depends on developer project status. In addition, reductions in government services reimbursements from business-type activities for public safety of \$3 million contributed to the decline.

- Taxes increased by almost \$7 million reflecting consistent growth in property tax revenue, business tax, occupancy tax, property transfer taxes and utility franchise fees. Slow growth in sales and transaction and use taxes restrained revenue growth overall.
- Operating grants and contributions were virtually unchanged from last year and capital grants and contributions increased by \$.2 million. These two categories of revenues may fluctuate from year-to-year and the lack of change between years is not predictive of future revenue levels.
- The City also reported a Special Item of \$11 million as a result of a transfer to the City from the Successor Agency that resulting from transfer of the Community Development Corporation (CDC) financed parking structure at The Collection shopping center to the City. The CDC is the Successor Agency's redevelopment agency predecessor.



Program Expenses

- Program expenses in governmental activities increased by \$63 million. This increase, coupled with the decrease in revenues resulted in a decrease in net position of \$53 million before accounting for special items, contributed capital and transfers. This change offset by the \$11 million special item described above and increased by capital contributions of \$2 million account for virtually all of the \$44 million decline in net position in the Statement of Activities. Fund financial results produced a decrease of about \$9 million.
- Other costs that are not reported in the fund accounting statements also had a significant effect. These items are described in the Reconciliation of the Change in Fund Balances of the Governmental Funds to the Statement of Activities found on page 27 of the basic financial statements. Depreciation net of capital outlays totaling \$18 million decreased net position as did \$13 million in increases in accruals for actuarial liabilities, leave payable, post-employment benefits and retirement benefit liabilities. Retirement liability increases totaled \$14 million in governmental activities this year. In addition, net amortization and adjustment of premiums and discounts on long term debt reduced net position by \$5 million.
- Program expenses in business-type activities increased by \$5 million primarily due to almost \$3 million in higher water acquisition costs funded by the Water Fund and \$3 million higher allocations of internal service fund net operating deficits caused by adoption of more conservative actuarial assumptions in the risk management funds, partially offset by the reduction in allocated government service costs related to public safety of \$3 million.
- The \$63 million increase in program expenses for government type activities is attributed to a \$6 million increase in salary costs in general government and public safety, a \$10 million increase in public safety pension and post-employment benefit costs and \$4 million in general government pension and benefit costs, \$8 million in self-insurance actuarial expenses related to more conservative assumptions, \$13 million in capital outlay and repairs, a \$1 million allowance for bad debt and increased electricity costs.

Other categories were affected by increased compensation and pension and post-employment costs to a lesser extent including costs in culture and leisure programs related to changes affecting part time, seasonal and temporary employees.

Fund Financial Statements

GOVERNMENTAL FUNDS BALANCE SHEET SUMMARY
(\$THOUSANDS)

| | GENERAL FUND | | AFFORDABLE HOUSING | | OTHER GOVERNMENTAL | | TOTAL | |
|--|------------------|-----------------|--------------------|------------------|--------------------|-------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Assets | \$ 54,560 | \$58,590 | \$ 33,309 | \$ 33,373 | \$ 117,606 | \$ 120,814 | \$205,475 | \$212,777 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 54,560 | \$58,590 | \$ 33,309 | \$ 33,373 | \$ 117,606 | \$ 120,814 | \$205,475 | \$212,777 |
| Liabilities, Deferred Inflows and Fund Balance | | | | | | | | |
| Liabilities | \$ 14,098 | \$12,322 | \$ 2 | \$ 31,599 | \$ 9,854 | \$ 28,398 | \$ 23,954 | \$ 72,319 |
| Deferred inflows of resources | - | - | 31,623 | - | 18,287 | - | 49,910 | - |
| Total Liabilities and Deferred Inflows | 14,098 | 12,322 | 31,625 | 31,599 | 28,141 | 28,398 | 73,864 | 72,319 |
| Fund Balances | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 10,559 | 835 | 1,684 | 1,774 | 71,902 | 79,778 | 84,145 | 82,387 |
| Committed | 12,662 | - | - | - | - | - | 12,662 | - |
| Assigned | - | 23,283 | - | - | 17,563 | 12,775 | 17,563 | 36,058 |
| Unassigned | 17,241 | 22,150 | - | - | - | (137) | 17,241 | 22,013 |
| Total Fund Balances | 40,462 | 46,268 | 1,684 | 1,774 | 89,465 | 92,416 | 131,611 | 140,458 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | \$ 54,560 | \$58,590 | \$ 33,309 | \$ 33,373 | \$ 117,606 | \$ 120,814 | \$205,475 | \$212,777 |

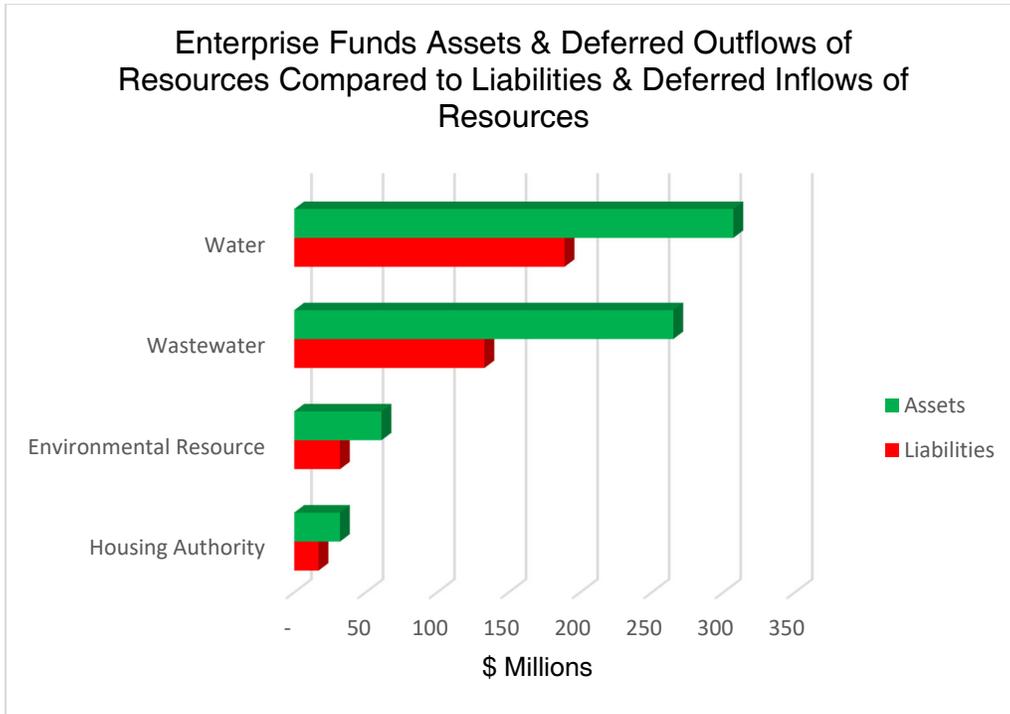
- Total assets in governmental funds decreased by \$7 million, mostly due to \$24 million in depreciation, partially offset by the transfer of a \$10 million parking structure to the City from the Successor Agency and \$6 million in capital asset additions. Total liabilities in governmental funds increased by \$48 million due to increases in actuarial liabilities for retirement, other post-employment benefits, workers compensation claims and general liability claims.
- Restricted fund balances in other governmental (non-major funds) totaled \$72 million. The primary restricted amounts are maintenance, transportation and capital project related funds totaling \$40 million and mitigation impact funds totaling \$32 million.

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

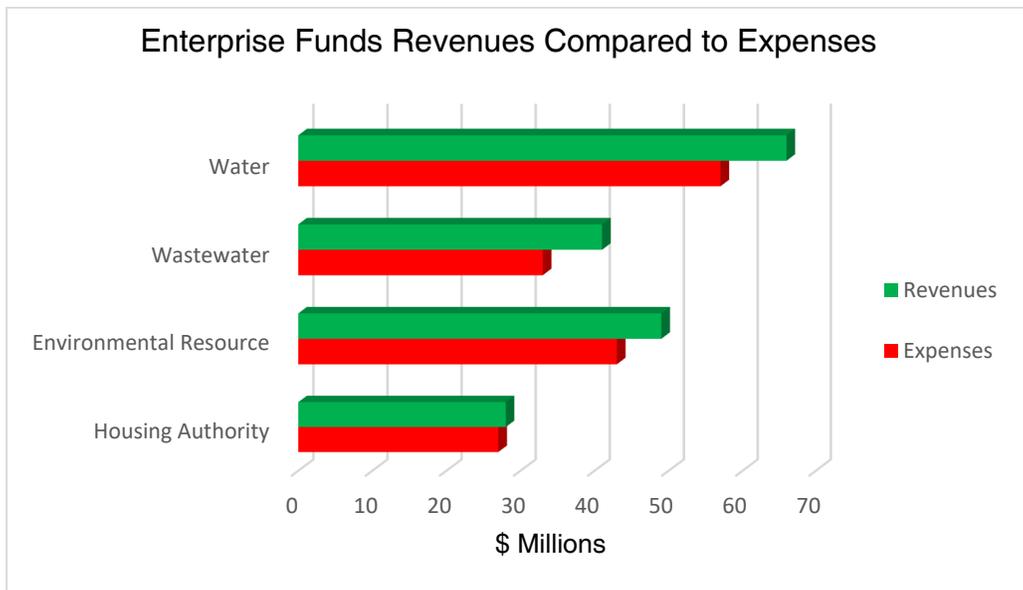
| | GENERAL FUND | | AFFORDABLE HOUSING | | OTHER GOVERNMENTAL | | TOTAL | |
|---|------------------|------------------|--------------------|-----------------|--------------------|------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues | | | | | | | | |
| Taxes | \$ 112,368 | \$ 109,470 | \$ - | \$ - | \$ 14,280 | \$ 10,381 | \$ 126,648 | \$ 119,851 |
| Other revenues | 32,309 | 36,176 | 52 | 68 | 33,365 | 40,716 | 65,726 | 76,960 |
| Total Revenues | <u>144,677</u> | <u>145,646</u> | <u>52</u> | <u>68</u> | <u>47,645</u> | <u>51,097</u> | <u>192,374</u> | <u>196,811</u> |
| Expenditures | | | | | | | | |
| Current | 139,129 | 121,711 | 142 | 1,687 | 39,952 | 36,949 | 179,223 | 160,347 |
| Capital outlay | 2,827 | 1,319 | - | - | 13,941 | 7,418 | 16,768 | 8,737 |
| Debt service | 1,323 | 1,357 | - | - | 41,017 | 9,149 | 42,340 | 10,506 |
| Total Expenditures | <u>143,279</u> | <u>124,387</u> | <u>142</u> | <u>1,687</u> | <u>94,910</u> | <u>53,516</u> | <u>238,331</u> | <u>179,590</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,398</u> | <u>21,259</u> | <u>(90)</u> | <u>(1,619)</u> | <u>(47,265)</u> | <u>(2,419)</u> | <u>(45,957)</u> | <u>17,221</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Net transfers | (7,205) | (9,370) | - | - | 6,705 | 9,045 | (500) | (325) |
| Total Other Financing Sources (Uses) | <u>(7,205)</u> | <u>(9,370)</u> | <u>-</u> | <u>-</u> | <u>44,314</u> | <u>9,045</u> | <u>37,109</u> | <u>(325)</u> |
| NET CHANGE IN FUND BALANCES | (5,807) | 11,889 | (90) | (1,619) | (2,951) | 16,522 | (8,848) | 26,792 |
| FUND BALANCES, JULY 1 | 46,269 | 34,288 | 1,774 | 3,186 | 92,416 | 75,894 | 140,459 | 113,368 |
| PRIOR-PERIOD ADJUSTMENT | - | 92 | - | 207 | - | - | - | 299 |
| FUND BALANCES, JUNE 30 | <u>\$ 40,462</u> | <u>\$ 46,269</u> | <u>\$ 1,684</u> | <u>\$ 1,774</u> | <u>\$ 89,465</u> | <u>\$ 92,416</u> | <u>\$ 131,611</u> | <u>\$ 140,459</u> |

- The General Fund's fund balance decreased by \$6 million in FY 2017-2018 due to weak sales tax performance and reductions in charges for service. The sales tax was affected by delays in remittances from the State Board of Equalization caused by implementation of a new financial management system. Expenditures increased by \$19 million.
- Property taxes collected in other governmental funds come from the City's public safety 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. Part of the \$4 million increase in the tax amount occurred because the City used fund balances in the special revenue fund resulting in a reduced tax levy in Fiscal 2017, the balance relates to rising contribution rates for public safety pensions.
- When pension tax collections exceed estimates or pension costs are lower than estimated the City will adjust taxes to assure pension override tax revenues do not exceed eligible expenditures or amortization of prior years' unfunded actuarial liabilities. Eligible public safety retirement costs are expected to exceed funding through the tax override and are expected to continue to grow in the near term which will affect all funds that finance public safety personnel. Ineligible public safety retirement costs are budgeted in other funds.

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



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



Budget

GENERAL FUND BUDGETARY SUMMARY (\$THOUSANDS)

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ 113,625 | \$ 113,625 | \$ 112,368 | \$ (1,257) |
| Other Revenues | <u>31,235</u> | <u>31,489</u> | <u>32,309</u> | <u>820</u> |
| Total Revenues | <u>144,860</u> | <u>145,114</u> | <u>144,677</u> | <u>(437)</u> |
| Expenditures | | | | |
| Current | 128,894 | 138,771 | 139,129 | (358) |
| Capital outlay | 929 | 6,788 | 2,827 | 3,961 |
| Debt service | <u>1,356</u> | <u>1,338</u> | <u>1,323</u> | <u>15</u> |
| Total Expenditures | <u>131,179</u> | <u>146,897</u> | <u>143,279</u> | <u>3,618</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>13,681</u> | <u>(1,783)</u> | <u>1,398</u> | <u>3,181</u> |
| Other Financing Sources (Uses) | | | | |
| Net transfers | <u>(7,259)</u> | <u>(7,071)</u> | <u>(7,205)</u> | <u>(134)</u> |
| Total Other Financing Sources (Uses) | <u>(7,259)</u> | <u>(7,071)</u> | <u>(7,205)</u> | <u>(134)</u> |
| NET CHANGE IN FUND BALANCES | <u>\$ 6,422</u> | <u>\$ (8,854)</u> | <u>\$ (5,807)</u> | <u>\$ 3,047</u> |

- General Fund revenues were slightly lower than the original budget and the revised final budget while expenditures were \$12 million higher than the original budget but \$4 million lower than the revised final budget. This resulted in a \$6 million decrease in the General Fund.
- Public safety personnel costs increased by \$6.1 million and continue to reflect the impact of rising retirement system contributions rates and increased staffing. In addition, costs associated with the City's mutual aid response to the Thomas Fire, at the time the largest in state history, and with conducting a fire academy to fill several expected vacancies increased public safety personnel costs. The costs of the wildland fire response will be mostly reimbursed in future years but the timing of receipt is unpredictable.
- Other staffing increases in Human Resources, Economic Development, Development Services and the office of the Treasurer added \$1 million to expenses.
- In addition to infrequent costs like the fire response and academy the City incurred costs of \$1 million as it corrected legacy pay and benefit issues affecting part time and seasonal employees.

The City also conducted a \$0.5 million special recall election in which all incumbent Council Members retained their seats and funded \$0.3 million in litigation costs that were later reimbursed from settlement proceeds. A multi-year analysis of miscellaneous accounts receivable resulted in establishment of a reserve for uncollectible accounts to more accurately reflect the value of current assets.

- Increased water and wastewater rates in business-type funds affected governmental operations with high water usage by the golf courses and maintenance divisions. Special districts were also affected by those increases.
- Correction of allocation issues and changes in the service delivery model relating to special assessment districts resulted in a \$1.5 million increase in costs, primarily due to reassignment of staff and transfer of general benefit properties to the City that were ineligible for special benefit assessment funding.
- Changes to the original budget result from continuous monitoring of appropriations to obtain City Council approval of planned spending and to reflect changes to the budget made in a mid-year review during the fiscal year. The budget resolution establishes budget control at the fund level.

Capital Assets (Note II.F. pages 71-73)

CAPITAL ASSETS
NET OF ACCUMULATED DEPRECIATION
(\$THOUSANDS)

| | GOVERNMENTAL | | BUSINESS-TYPE | | TOTAL | |
|--------------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|
| | ACTIVITIES | | ACTIVITIES | | | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Land | \$ 1,418,638 | \$ 1,418,639 | \$ 17,042 | \$ 17,043 | \$1,435,680 | \$1,435,682 |
| Buildings | 82,748 | 74,235 | 175,028 | 140,581 | 257,776 | 214,816 |
| Other improvements | 78,327 | 80,614 | 4,546 | 4,767 | 82,873 | 85,381 |
| Machinery and equipment | 4,342 | 4,676 | 56,876 | 60,177 | 61,218 | 64,853 |
| Vehicles | 6,533 | 6,596 | - | - | 6,533 | 6,596 |
| Infrastructure | 479,012 | 494,606 | 242,841 | 288,190 | 721,853 | 782,796 |
| Construction in progress | 11,354 | 9,504 | 16,018 | 9,508 | 27,372 | 19,012 |
| TOTALS | <u>\$2,080,954</u> | <u>\$2,088,870</u> | <u>\$512,351</u> | <u>\$520,266</u> | <u>\$2,593,305</u> | <u>\$2,609,136</u> |

- The total amount reported at June 30, 2018, as invested in Capital Assets is \$2.6 billion, a decrease of \$16 million from fiscal year 2016-2017. As contrasted with the prior year's large increase associated with a comprehensive inventory and revaluation of capital assets this year's change reflects a combination of routine depreciation, retirements and additions to capital assets. Capital assets net of depreciation decreased by \$8 million in governmental activities and by \$8 million in business-type activities.

Long-Term Debt (Note II.G. pages 74-93)

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

| | GOVERNMENTAL | | BUSINESS-TYPE | | TOTAL | |
|-------------------------------|-------------------|------------------|-------------------|-------------------|-------------------|------------------|
| | ACTIVITIES | | ACTIVITIES | | | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Lease revenue bonds | \$ 66,940 | \$ 64,280 | | | \$ 66,940 | \$ 64,280 |
| Revenue bonds | | | \$ 285,427 | \$ 295,316 | 285,427 | 295,316 |
| Capital leases | 22,695 | 19,874 | 5,074 | 553 | 27,769 | 20,427 |
| Certificates of participation | 22,180 | 22,840 | - | - | 22,180 | 22,840 |
| TOTALS | <u>\$ 111,815</u> | <u>\$106,994</u> | <u>\$ 290,501</u> | <u>\$ 295,869</u> | <u>\$ 402,316</u> | <u>\$402,863</u> |

Governmental activities outstanding debt increased by \$5 million as a result of funding equipment purchases with capital lease agreements and refunding variable rate debt and related interest rate swaps to achieve lower costs. Business type-activities outstanding debt decreased by \$5 million due to principal payments made during the fiscal year offset by capital leases of equipment. As described in the subsequent events footnote, the City refunded variable rate debt in its water and wastewater funds to reduce variable rate debt risk relating to letter of credit renewal and fees and swap termination charges and to reduce debt service payments.

Lease revenue bonds are secured by the General Fund rather than pledged revenues as in the case of the business-type activity revenue bonds.

The City's bonds are rated by Standard & Poor's. Currently issuer rating on the City is AA. The City's debt is rated A for lease revenue bonds, A for water revenue bonds and A- for wastewater revenue bonds, an increase from the previous BBB rating.

ECONOMIC FACTORS AND FUTURE BUDGETS AND RATES

The City's property tax revenues have shown sustained growth during the sustained economic recovery. Weakness in sales tax results due to delayed payments should result in higher taxes in Fiscal 2019 as issues with a new financial system at the Board of Equalization are resolved. Online sales have an impact on the allocation of taxes, decreasing the importance of point of sale tax generation. After the end of the fiscal year 2017-2018, voters in one of the City's community facilities districts chose to limit spending for County provided harbor patrol services and reduced the special tax collected in the district. This change, combined with challenges to wastewater utility rate increases in prior years heightens attentions to City revenues. Districts are legally separate from the City and are not expected to have a material effect on the City's finances.

In fiscal 2017-2018, the court ruled against the City in its suit to declare a 2016 voter initiative to roll back wastewater rates invalid. The Council will decide whether to appeal the court's decision in January, 2019. A second lawsuit seeks to direct how the City would manage refunds to class action plaintiffs if the court decision on wastewater rates is not reversed.

A third lawsuit challenges the amount of governmental services reimbursement transferred to governmental funds by the City's business-type funds (the Infrastructure Use Fee or IUF). Refer to footnote V.B. on pages 122-123 for details on the City's litigation risk.

Subsequent to the rate roll back litigation the City Council approved wastewater rates so that the City can meet its bond covenant obligations while maintaining funding for operations and limited capital asset investment financed by cash and debt. The City Council has directed staff to prepare a proposed rate increase for the Water Utility in the first half of calendar 2019.

As noted in prior reports strengthening administrative systems remains a top strategic priority for the City Council and the City Council has continued to support this effort with staffing and funding. Implementation of a new enterprise resource planning system is expected to begin next year.

The City continues to expect long term growth in its property taxes and other development related revenues. The City's Development Services Department reports development activity in the City has increased significantly in 2018. Compared to 2017, there are 24 more residential projects; 14 more commercial projects totaling 1.6 million square feet; and roughly 4.1 million more square footage of industrial development projects. This development reflects the strength of the City of Oxnard and Ventura County in competing for investment by residents and businesses

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. If you have questions about this report contact the Finance Department at City of Oxnard at 300 W. 3rd Street, Oxnard, CA 93030.

BASIC FINANCIAL STATEMENTS

CITY OF OXNARD, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2018

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-------------------------|
| ASSETS | | | |
| Cash and investments | \$ 118,120,448 | \$ 87,735,189 | \$ 205,855,637 |
| Accounts and other receivables (net of allowance for doubtful accounts) | 7,522,535 | 23,644,041 | 31,166,576 |
| Internal balances | 448,599 | (448,599) | - |
| Due from other governments | 9,823,815 | - | 9,823,815 |
| Due from Successor Agency | 27,353 | - | 27,353 |
| Other assets | 634,140 | 299,529 | 933,669 |
| Notes receivable (net of allowance for doubtful accounts) | 49,909,783 | 1,175,707 | 51,085,490 |
| Restricted: | | | |
| Investments with fiscal agents | 26,821,113 | 18,490,301 | 45,311,414 |
| Capital Assets not Being Depreciated | | | |
| Land | 1,418,638,429 | 17,042,077 | 1,435,680,506 |
| Construction in progress | 11,353,871 | 16,017,818 | 27,371,689 |
| Capital Assets, Net of Accumulated Depreciation | | | |
| Artwork | - | - | - |
| Buildings | 82,747,613 | 175,027,994 | 257,775,607 |
| Other improvements | 78,326,926 | 4,546,047 | 82,872,973 |
| Machinery and equipment | 4,342,476 | 56,876,290 | 61,218,766 |
| Vehicles | 6,532,715 | - | 6,532,715 |
| Infrastructure | 479,011,618 | 242,840,897 | 721,852,515 |
| Total Assets | 2,294,261,434 | 643,247,291 | 2,937,508,725 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred amount on refunding | 42,415 | 1,571,891 | 1,614,306 |
| Deferred outflow on derivative instruments | - | 2,313,912 | 2,313,912 |
| Deferred outflow on pension plans | 710,145,518 | 14,115,154 | 85,129,672 |
| Deferred outflow on other post-employment benefit plans (OPEB) | 691,332 | 224,564 | 915,896 |
| Total Deferred Outflow of Resources | 711,748,265 | 18,225,521 | 89,973,786 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 7,512,505 | 7,257,812 | 14,770,317 |
| Other liabilities | 8,441,697 | 3,355,313 | 11,797,010 |
| Compensated absences payable - current | 10,626,000 | 1,519,268 | 12,145,268 |
| Due to Successor Agency | 3,381 | 269,710 | 273,091 |
| Unearned revenues | 2,708,577 | 47,688 | 2,756,265 |
| Notes payable - current | 280,537 | - | 280,537 |
| Self insurance claims - current | 10,947,401 | - | 10,947,401 |
| Early retirement incentive plan payable - current | 132,849 | - | 132,849 |
| Capital leases and revenue bonds - current | 6,114,592 | 10,104,600 | 16,219,192 |
| Noncurrent Liabilities | | | |
| Interest rate swap liability | - | 2,313,912 | 2,313,912 |
| Other liabilities | - | 267,134 | 267,134 |
| Compensated absences payable | 5,573,533 | 891,462 | 6,464,995 |
| Notes payable | 35,306 | - | 35,306 |
| Other post-employment benefits payable | 27,777,374 | 8,343,366 | 36,120,740 |
| Early retirement incentive plan payable | 272,211 | - | 272,211 |
| Net pension liabilities | 252,394,666 | 48,298,581 | 300,693,247 |
| Self-insurance claims | 17,060,424 | - | 17,060,424 |
| Capital leases and revenue bonds, net of premiums and discount | 105,700,866 | 280,396,689 | 386,097,555 |
| Total Liabilities | 455,581,919 | 363,065,535 | 818,647,454 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred inflow on pension plans | 15,811,339 | 4,614,606 | 20,425,945 |
| Gain on refunding | 785,598 | - | 785,598 |
| Total Deferred Inflow of Resources | 16,596,937 | 4,614,606 | 21,211,543 |
| NET POSITION | | | |
| Net investment in capital assets | 1,994,002,850 | 224,139,834 | 2,218,142,684 |
| Restricted for: | | | |
| Debt service | 2,194,041 | 18,250,056 | 20,444,097 |
| Housing | 43,344,693 | 210,189 | 43,554,882 |
| Infrastructure developments | 40,515,870 | 30,329,466 | 70,845,336 |
| Maintenance districts | 15,334,064 | - | 15,334,064 |
| Public safety | 2,536,537 | - | 2,536,537 |
| Streets and traffic improvements/maintenance | 27,741,542 | - | 27,741,542 |
| Transportation systems | 2,286,505 | - | 2,286,505 |
| Unrestricted | (234,226,319) | 20,863,126 | (213,363,193) |
| TOTAL NET POSITION | \$ 1,893,830,843 | \$ 293,792,671 | \$ 2,187,623,514 |

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

CITY OF OXNARD, CALIFORNIA
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2018

| Functions/Programs | Expenses | Program Revenues | | |
|---|-----------------------|-----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General government | \$ 56,051,634 | \$ 13,020,442 | \$ 9,036,237 | \$ - |
| Public safety | 114,056,089 | 7,913,075 | 911,007 | - |
| Transportation systems | 13,352,627 | 1,883,525 | - | 3,501,368 |
| Community development | 17,439,549 | 7,583,696 | 3,907,398 | - |
| Culture and leisure | 30,577,155 | 12,279,491 | 3,084,125 | - |
| Libraries | 3,462,308 | 168,784 | - | - |
| Interest on long-term debt | 9,745,886 | - | - | - |
| Total Governmental Activities | <u>244,685,248</u> | <u>42,849,013</u> | <u>16,938,767</u> | <u>3,501,368</u> |
| Business-Type Activities | | | | |
| Water | 57,617,733 | 62,447,893 | - | - |
| Wastewater | 33,512,156 | 41,076,417 | - | - |
| Environmental resource | 45,633,543 | 48,910,217 | - | - |
| Oxnard Housing Authority | 27,888,924 | 5,968,193 | 21,635,711 | 1,349,188 |
| Total Business-Type Activities | <u>164,652,356</u> | <u>158,402,720</u> | <u>21,635,711</u> | <u>1,349,188</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 409,337,604</u> | <u>\$ 201,251,733</u> | <u>\$ 38,574,478</u> | <u>\$ 4,850,556</u> |
| GENERAL REVENUES | | | | |
| Taxes | | | | |
| Property tax | | | | |
| Sales tax | | | | |
| Transient occupancy tax | | | | |
| Franchise tax | | | | |
| Deed transfer tax | | | | |
| Business license tax | | | | |
| Penalties and interest | | | | |
| Interest on investments | | | | |
| CONTRIBUTED CAPITAL | | | | |
| SPECIAL ITEM - TRANSFERS OF CDC CAPITAL ASSETS | | | | |
| TRANSFERS | | | | |
| Total General Revenues, Special Items, and Transfers | | | | |
| CHANGE IN NET POSITION | | | | |
| NET POSITION - JULY 1 | | | | |
| PRIOR-PERIOD ADJUSTMENT | | | | |
| NET POSITION - JUNE 30 | | | | |

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 |
| \$ (33,994,955) | \$ - | \$ (33,994,955) |
| (105,232,007) | - | (105,232,007) |
| (7,967,734) | - | (7,967,734) |
| (5,948,455) | - | (5,948,455) |
| (15,213,539) | - | (15,213,539) |
| (3,293,524) | - | (3,293,524) |
| <u>(9,745,886)</u> | <u>-</u> | <u>(9,745,886)</u> |
| <u>(181,396,100)</u> | <u>-</u> | <u>(181,396,100)</u> |
| - | 4,830,160 | 4,830,160 |
| - | 7,564,261 | 7,564,261 |
| - | 3,276,674 | 3,276,674 |
| <u>-</u> | <u>1,064,168</u> | <u>1,064,168</u> |
| <u>-</u> | <u>16,735,263</u> | <u>16,735,263</u> |
| <u>\$ (181,396,100)</u> | <u>\$ 16,735,263</u> | <u>\$ (164,660,837)</u> |
| | | |
| \$ 67,165,834 | \$ - | \$ 67,165,834 |
| 43,418,876 | - | 43,418,876 |
| 5,749,572 | - | 5,749,572 |
| 3,925,374 | - | 3,925,374 |
| 818,322 | - | 818,322 |
| 5,570,488 | - | 5,570,488 |
| 313,847 | - | 313,847 |
| 1,404,527 | 1,839,114 | 3,243,641 |
| (1,940,127) | 1,940,127 | - |
| 10,657,104 | - | 10,657,104 |
| <u>200,818</u> | <u>(200,818)</u> | <u>-</u> |
| <u>137,284,635</u> | <u>3,578,423</u> | <u>140,863,058</u> |
| | | |
| (44,111,465) | 20,313,686 | (23,797,779) |
| 1,945,950,068 | 278,380,956 | 2,224,331,024 |
| <u>(8,007,760)</u> | <u>(4,901,971)</u> | <u>(12,909,731)</u> |
| <u>\$1,893,830,843</u> | <u>\$ 293,792,671</u> | <u>\$2,187,623,514</u> |

CITY OF OXNARD, CALIFORNIA
BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2018

ASSETS

| | GENERAL | AFFORDABLE HOUSING | NONMAJOR | TOTAL GOVERNMENT |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| ASSETS | | | | |
| Cash and investments | \$ 35,830,461 | \$ 1,685,991 | \$ 67,665,498 | \$ 105,181,950 |
| Restricted investments with fiscal agents | - | - | 26,821,113 | 26,821,113 |
| Accounts and other receivables | 3,643,938 | - | 3,811,409 | 7,455,347 |
| Due from other funds | 5,878,372 | - | - | 5,878,372 |
| Due from other government | 8,821,609 | - | 1,002,206 | 9,823,815 |
| Due from Successor Agency | 8,809 | - | 18,544 | 27,353 |
| Other assets | 377,086 | - | - | 377,086 |
| Notes receivable | - | 31,622,599 | 18,287,184 | 49,909,783 |
| Total Assets | <u>\$ 54,560,275</u> | <u>\$ 33,308,590</u> | <u>\$ 117,605,954</u> | <u>\$ 205,474,819</u> |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 3,439,160 | \$ - | \$ 3,037,754 | \$ 6,476,914 |
| Other liabilities | 6,457,069 | 2,426 | 949,990 | 7,409,485 |
| Due to other funds | 3,211,474 | - | 3,159,016 | 6,370,490 |
| Due to Successor Agency | 3,381 | - | - | 3,381 |
| Advances from other funds | 984,753 | - | - | 984,753 |
| Unearned revenues | 2,005 | - | 2,706,572 | 2,708,577 |
| Total Liabilities | <u>14,097,842</u> | <u>2,426</u> | <u>9,853,332</u> | <u>23,953,600</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Deferred inflow on loans | - | 31,622,599 | 18,287,184 | 49,909,783 |
| Total Liabilities and Deferred Inflows of Resources | <u>14,097,842</u> | <u>31,625,025</u> | <u>28,140,516</u> | <u>73,863,383</u> |
| FUND BALANCES | | | | |
| Restricted for: | | | | |
| Debt service | - | - | 2,194,041 | 2,194,041 |
| Transportation systems | - | - | 2,286,505 | 2,286,505 |
| Maintenance districts | - | - | 15,334,064 | 15,334,064 |
| Streets and traffic improvements/maintenance | 10,558,537 | - | 17,183,005 | 27,741,542 |
| Infrastructure developments | - | - | 32,245,800 | 32,245,800 |
| Housing | - | 1,683,565 | 21,415 | 1,704,980 |
| Culture and leisure | - | - | 101,060 | 101,060 |
| Public safety retirement | - | - | 2,536,537 | 2,536,537 |
| Committed to: | | | | |
| Measure "O" eligible services | 12,662,261 | - | - | 12,662,261 |
| Assigned to: | | | | |
| Grants | - | - | 745,730 | 745,730 |
| Capital projects | - | - | 16,817,281 | 16,817,281 |
| Unassigned | <u>17,241,635</u> | <u>-</u> | <u>-</u> | <u>17,241,635</u> |
| Total Fund Balances | <u>40,462,433</u> | <u>1,683,565</u> | <u>89,465,438</u> | <u>131,611,436</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 54,560,275</u> | <u>\$ 33,308,590</u> | <u>\$ 117,605,954</u> | <u>\$ 205,474,819</u> |

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, 2018

| | | |
|---|----------------------|--------------------------------|
| Fund balances of governmental funds | | \$ 131,611,436 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets of \$2,373,549,475 net of accumulated depreciation (\$295,773,621) are not financial resources and, therefore, are not reported in the funds. | | 2,077,775,854 |
| Deferred outflows for the following are not reported in the governmental funds: | | |
| Deferred loss on refunding | \$ 42,415 | |
| Deferred gain on refunding | (785,598) | |
| Deferred outflow on pension and OPEB plans | <u>67,173,436</u> | 66,430,253 |
| Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds. | | (652,311) |
| 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. | | 49,909,783 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Compensated absences | (15,249,023) | |
| Notes payable | (315,843) | |
| Other post-employment liability | (25,033,212) | |
| Early retirement incentive plan payable | (405,060) | |
| Net pension liabilities | (236,519,589) | |
| Capital leases and bonds payable, net of issuance discounts, issuance premium and prepaid insurance | <u>(111,591,304)</u> | (389,114,031) |
| Deferred inflows for pension plans are not reported in the governmental funds | | (13,896,018) |
| 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. | | <u>(28,234,123)</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | | <u>\$ 1,893,830,843</u> |

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, 2018

| | <u>GENERAL</u> | <u>AFFORDABLE HOUSING</u> | <u>NONMAJOR</u> | <u>TOTAL GOVERNMENTAL</u> |
|---|----------------------|-------------------------------|----------------------|-------------------------------|
| REVENUES | | | | |
| Taxes | \$ 112,368,183 | \$ - | \$ 14,280,225 | \$ 126,648,408 |
| Licenses and permits | 2,524,505 | | 781,819 | 3,306,324 |
| Intergovernmental | 1,908,513 | | 18,531,622 | 20,440,135 |
| Growth and development fees | - | | 2,342,768 | 2,342,768 |
| Charges for services | 19,345,462 | | 1,224,667 | 20,570,129 |
| Fines and forfeitures | 2,367,166 | | 71,606 | 2,438,772 |
| Interest on investments | 383,016 | 16,271 | 871,976 | 1,271,263 |
| Special assessments | 536,113 | | 8,481,912 | 9,018,025 |
| Miscellaneous | 5,244,292 | 35,708 | 1,059,266 | 6,339,266 |
| Total Revenues | <u>144,677,250</u> | <u>51,979</u> | <u>47,645,861</u> | <u>192,375,090</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 17,635,849 | - | 133,500 | 17,769,349 |
| Public safety | 82,483,021 | - | 20,287,354 | 102,770,375 |
| Transportation | 6,176,942 | - | 6,169,438 | 12,346,380 |
| Community development | 10,606,545 | 141,935 | 5,083,730 | 15,832,210 |
| Culture and leisure | 18,914,570 | - | 8,278,338 | 27,192,908 |
| Library services | 3,311,739 | - | - | 3,311,739 |
| Capital Outlay | 2,826,991 | - | 13,940,691 | 16,767,682 |
| Debt Service | | | | |
| Principal | 715,000 | - | 32,348,145 | 33,063,145 |
| Interest and fiscal charges | 608,242 | - | 8,668,690 | 9,276,932 |
| Total Expenditures | <u>143,278,899</u> | <u>141,935</u> | <u>94,909,886</u> | <u>238,330,720</u> |
| EXCESS OF REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 1,398,351 | (89,956) | (47,264,025) | (45,955,630) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from bonds | - | - | 37,608,582 | 37,608,582 |
| Transfers in | 4,801,088 | - | 8,339,093 | 13,140,181 |
| Transfers out | (12,005,796) | - | (1,634,024) | (13,639,820) |
| Total Other Financing Sources (Uses) | <u>(7,204,708)</u> | <u>-</u> | <u>44,313,651</u> | <u>37,108,943</u> |
| NET CHANGE IN FUND BALANCES | (5,806,357) | (89,956) | (2,950,374) | (8,846,687) |
| FUND BALANCES, JULY 1 | 46,268,790 | 1,773,521 | 92,415,812 | 140,458,123 |
| FUND BALANCES, JUNE 30 | <u>\$ 40,462,433</u> | <u>\$ 1,683,565</u> | <u>\$ 89,465,438</u> | <u>\$ 131,611,436</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, 2018**

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

Net Change in Fund Balances - Total Governmental Funds \$ (8,846,687)

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 (\$23,749,308) exceeded capital outlay, (\$5,686,342), that was capitalized in the current period. (18,062,966)

In the current year, construction in progress was transferred to business-type activities. (1,940,126)

In the current year, long-term assets from the Oxnard Community Development Commission were transferred to the general fund. 10,657,104

In the statement of activities, the loss on disposal of assets is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balance by the cost of the assets disposed net of accumulated depreciation. (18,741)

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, increase in self insurance, net increase in compensated absences, net increase in other post-employment benefits payable, net decrease in net pension liabilities, and increase in premium on bonds (13,002,091)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-tem debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Total principal repayments of net of bond (discount)/premium. (5,017,862)

Net income of internal service funds of is reported with governmental activities. (7,880,096)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (44,111,465)

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

CITY OF OXNARD, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

| | WATER | WASTEWATER | ENVIRONMENTAL RESOURCE |
|---|--------------------|--------------------|---------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and investments | \$ 30,014,688 | \$ 21,667,735 | \$ 22,355,005 |
| Restricted investments with fiscal agent | 12,821,033 | 26,017 | 5,000,000 |
| Accounts and other receivable (net of allowance for doubtful accounts) | 8,603,014 | 6,439,800 | 7,861,482 |
| Due from other funds | 1,542,369 | 53,488 | 87,771 |
| Other assets | - | 217,700 | - |
| Total Current Assets | 52,981,104 | 28,404,740 | 35,304,258 |
| Noncurrent Assets | | | |
| Notes receivable (net of allowance for doubtful accounts) | - | 932,400 | - |
| Advances to other funds | 2,144,399 | - | - |
| Total Noncurrent Assets | 2,144,399 | 932,400 | - |
| Capital Assets | | | |
| Land | 1,960,229 | 2,310,476 | 3,851,164 |
| Construction in progress | 12,971,318 | 2,690,596 | - |
| Buildings | 62,300,998 | 117,398,124 | 23,246,557 |
| Improvements | 1,670,158 | 7,482,003 | - |
| Machinery and equipment | 56,225,671 | 38,341,393 | 15,298,861 |
| Vehicles | - | - | - |
| Infrastructure | 205,141,657 | 199,660,378 | 2,839,837 |
| Less: Accumulated depreciation | (92,316,722) | (138,245,172) | (25,080,372) |
| Total Capital Assets (net of accumulated depreciation) | 247,953,309 | 229,637,798 | 20,156,047 |
| Total Assets | 303,078,812 | 258,974,938 | 55,460,305 |
| DEFERRED OUTFLOW OF RESOURCES | | | |
| Deferred outflow on derivative instruments | - | 2,313,912 | - |
| Deferred amount on refunding | 1,571,891 | - | - |
| Deferred outflow on pension plans | 2,703,800 | 3,395,045 | 5,893,188 |
| Deferred outflow on other post-employment benefit plans (OPEB) | 36,636 | 36,636 | 105,158 |
| Total Deferred Outflow of Resources | 4,312,327 | 5,745,593 | 5,998,346 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | 3,180,463 | 2,151,780 | 1,554,239 |
| Compensated absences payable - current | 365,000 | 445,000 | 675,000 |
| Self-insurance claims - current | - | - | - |
| Deferred revenue | - | - | 47,688 |
| Other liabilities | 1,594,937 | 722,433 | 600,818 |
| Due to other funds | 49,334 | 9,431 | 1,127,858 |
| Due to Successor Agency | - | - | - |
| Capital leases and revenue bonds - current | 4,672,368 | 4,662,677 | 434,555 |
| Total Current Liabilities | 9,862,102 | 7,991,321 | 4,440,158 |
| Noncurrent Liabilities | | | |
| Compensated absences payable | 134,122 | 43,130 | 281,510 |
| Other post-employment benefits payable | 1,229,340 | 2,008,570 | 3,476,418 |
| Net pension liabilities | 9,042,084 | 13,342,964 | 17,036,756 |
| Self-insurance claims | - | - | - |
| Interest rate swap liability | - | 2,313,912 | - |
| Other liabilities | - | - | - |
| Advances from other funds | - | - | 1,159,646 |
| Capital leases and revenue bonds, net of current portion and discount/premium | 168,273,141 | 105,603,103 | 4,565,445 |
| Total Noncurrent Liabilities | 178,678,687 | 123,311,679 | 26,519,775 |
| Total Liabilities | 188,540,789 | 131,303,000 | 30,959,933 |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred inflow on pension plans | 861,797 | 1,237,292 | 1,315,136 |
| Total Deferred Inflow of Resources | 861,797 | 1,237,292 | 1,315,136 |

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

| OXNARD HOUSING AUTHORITY | TOTAL CURRENT YEAR | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS | |
|--------------------------------|--------------------------|---|---|
| \$ 13,697,761 | \$ 87,735,189 | \$ 12,938,498 | ASSETS |
| 643,251 | 18,490,301 | - | Current Assets |
| 739,745 | 23,644,041 | 67,188 | Cash and investments |
| - | 1,683,628 | - | Restricted investments with fiscal agent |
| 81,829 | 299,529 | 32,900 | Accounts and other receivable (net of allowance for doubtful accounts) |
| <u>15,162,586</u> | <u>13,1852,688</u> | <u>13,038,586</u> | Due from other funds |
| | | | Other assets |
| 243,307 | 1,175,707 | - | Total Current Assets |
| - | 2,144,399 | 949,766 | Noncurrent Assets |
| <u>243,307</u> | <u>3,320,106</u> | <u>949,766</u> | Notes receivable (net of allowance for doubtful accounts) |
| | | | Advances to other funds |
| 8,920,208 | 17,042,077 | - | Total Noncurrent Assets |
| 355,904 | 16,017,818 | 475,199 | Capital Assets |
| 44,005,410 | 246,951,089 | 447,410 | Land |
| - | 9,162,161 | - | Construction in progress |
| - | 109,865,925 | 4,882,302 | Buildings |
| - | - | 4,441,478 | Improvements |
| - | 407,641,872 | - | Machinery and equipment |
| (38,677,553) | (294,319,819) | (7,068,595) | Vehicles |
| <u>14,603,969</u> | <u>512,351,123</u> | <u>3,177,794</u> | Infrastructure |
| <u>30,009,862</u> | <u>647,523,917</u> | <u>17,166,146</u> | Less: Accumulated depreciation |
| | | | Total Capital Assets (net of accumulated depreciation) |
| - | 2,313,912 | - | Total Assets |
| - | 1,571,891 | - | DEFERRED OUTFLOW OF RESOURCES |
| 2,123,121 | 14,115,154 | 4,459,822 | Deferred outflow on derivative instruments |
| 46,134 | 224,564 | 72,592 | Deferred amount on refunding |
| <u>2,169,255</u> | <u>18,225,521</u> | <u>4,532,414</u> | Deferred outflow on pension plans |
| | | | Deferred outflow on other post-employment benefit plans (OPEB) |
| | | | Total Deferred Outflow of Resources |
| 371,330 | 7,257,812 | 1035,591 | LIABILITIES |
| 34,268 | 1,519,268 | 626,000 | Current Liabilities |
| - | - | 10,947,401 | Accounts payable |
| - | 47,688 | - | Compensated absences payable - current |
| 437,125 | 3,355,313 | 379,901 | Self-insurance claims - current |
| - | 1,186,623 | - | Deferred revenue |
| 269,710 | 269,710 | - | Other liabilities |
| 335,000 | 10,104,600 | - | Due to other funds |
| <u>1,447,433</u> | <u>23,741,014</u> | <u>12,988,893</u> | Due to Successor Agency |
| | | | Capital leases and revenue bonds - current |
| 432,700 | 89,1462 | 324,510 | Total Current Liabilities |
| 1,629,038 | 8,343,366 | 2,744,162 | Noncurrent Liabilities |
| 8,876,777 | 48,298,581 | 15,875,077 | Compensated absences payable |
| - | - | 17,060,424 | Other post-employment benefits payable |
| - | 2,313,912 | - | Net pension liabilities |
| 267,134 | 267,134 | - | Self-insurance claims |
| 954,653 | 2,114,299 | - | Interest rate swap liability |
| 1,955,000 | 280,396,689 | - | Other liabilities |
| <u>14,115,302</u> | <u>342,625,443</u> | <u>36,004,173</u> | Advances from other funds |
| <u>15,562,735</u> | <u>366,366,457</u> | <u>48,993,066</u> | Capital leases and revenue bonds, net of current portion and discount/premium |
| | | | Total Noncurrent Liabilities |
| 1,200,381 | 4,614,606 | 1,915,321 | Total Liabilities |
| <u>1,200,381</u> | <u>4,614,606</u> | <u>1,915,321</u> | DEFERRED INFLOW OF RESOURCES |
| | | | Deferred inflow on pension plans |
| | | | Total Deferred Inflow of Resources |

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

| | <u>WATER</u> | <u>WASTEWATER</u> | <u>ENVIRONMENTAL RESOURCE</u> |
|---|-----------------------|-----------------------|-----------------------------------|
| NET POSITION | | | |
| Net investment in capital assets | \$ 75,007,800 | \$ 119,372,018 | \$ 15,156,047 |
| Restricted for housing | - | - | - |
| Restricted for infrastructure development | 21,713,305 | 7,151,660 | 1,464,501 |
| Restricted for debt service | 12,597,695 | 9,110 | 5,000,000 |
| Unrestricted | <u>8,669,753</u> | <u>5,647,451</u> | <u>7,563,034</u> |
| TOTAL NET POSITION | <u>\$ 117,988,553</u> | <u>\$ 132,180,239</u> | <u>\$ 29,183,582</u> |

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

**NET POSITION OF BUSINESS-TYPE
ACTIVITIES**

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

| <u>OXNARD HOUSING AUTHORITY</u> | <u>TOTAL CURRENT YEAR</u> | <u>GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS</u> |
|---|-----------------------------------|---|
|---|-----------------------------------|---|

NET POSITION

| | | | |
|----------------------|----------------------|------------------------|---|
| \$ 14,603,969 | \$ 224,139,834 | \$ 3,177,794 | Net investment in capital assets |
| 210,189 | 210,189 | - | Restricted for housing |
| - | 30,329,466 | - | Restricted for infrastructure development |
| 643,251 | 18,250,056 | - | Restricted for debt service |
| <u>(41,408)</u> | <u>\$ 21,838,830</u> | <u>(32,387,621)</u> | Unrestricted |
| <u>\$ 15,416,001</u> | 294,768,375 | <u>\$ (29,209,827)</u> | TOTAL NET POSITION |

(975,704)

\$ 293,792,671

CITY OF OXNARD, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

| | <u>WATER</u> | <u>WASTEWATER</u> | <u>ENVIRONMENTAL RESOURCE</u> |
|---|----------------------|----------------------|-----------------------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 61,024,464 | \$ 40,130,835 | \$ 48,874,518 |
| Connection fees | 68,899 | 918,282 | - |
| Rental income | - | - | - |
| Grant revenue for operations | - | - | - |
| Miscellaneous and reimbursements | <u>1,354,530</u> | <u>27,300</u> | <u>35,699</u> |
| Total Operating Revenues | <u>62,447,893</u> | <u>41,076,417</u> | <u>48,910,217</u> |
| OPERATING EXPENSES | | | |
| Salaries and wages | 6,092,862 | 7,377,770 | 14,147,415 |
| Contractual services | 2,820,606 | 1,908,506 | 3,138,004 |
| Housing assistance payments | - | - | - |
| Operating supplies | 24,933,966 | 2,109,550 | 6,961,637 |
| Utilities | 1,261,049 | 3,935,777 | 8,391,738 |
| Depreciation and amortization | 7,242,861 | 7,839,614 | 1,086,362 |
| General and administrative | 4,488,234 | 4,609,834 | 3,864,361 |
| Repairs and maintenance | 191,131 | 894,821 | 5,330,303 |
| Claims expenses | - | - | - |
| Total Operating Expenses | <u>47,030,709</u> | <u>28,675,872</u> | <u>42,919,820</u> |
| OPERATING INCOME (LOSS) | <u>15,417,184</u> | <u>12,400,545</u> | <u>5,990,397</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Grant revenue - noncapital | - | - | - |
| Fraud recovery | - | - | - |
| Other expenses | - | - | - |
| Interest on investments | 1,383,881 | 125,915 | 166,864 |
| Interest expense | (9,934,700) | (4,454,688) | (185,105) |
| Cost of issuance | - | - | - |
| Net Nonoperating Revenues (Expenses) | <u>(8,550,819)</u> | <u>(4,328,773)</u> | <u>(18,241)</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 6,866,365 | 8,071,772 | 5,972,156 |
| CAPITAL CONTRIBUTIONS | 1,940,127 | - | - |
| TRANSFERS IN | - | - | - |
| TRANSFERS OUT | <u>(17,687)</u> | <u>(19,157)</u> | <u>(163,974)</u> |
| CHANGES IN NET POSITION | 8,788,805 | 8,052,615 | 5,808,182 |
| NET POSITION, JULY 1 | 109,749,988 | 125,347,614 | 25,577,535 |
| PRIOR-PERIOD ADJUSTMENT | <u>(550,240)</u> | <u>(1,219,990)</u> | <u>(2,202,135)</u> |
| NET POSITION, JUNE 30 | <u>\$117,988,553</u> | <u>\$132,180,239</u> | <u>\$29,183,582</u> |

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

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

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

| OXNARD HOUSING AUTHORITY | TOTAL CURRENT YEAR | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND |
|--------------------------------|--------------------------|--|
| \$ - | \$ 150,029,817 | \$ 24,975,827 |
| - | 987,181 | - |
| 5,097,674 | 5,097,674 | - |
| 21,635,711 | 21,635,711 | - |
| <u>816,846</u> | <u>2,234,375</u> | <u>554,193</u> |
| <u>27,550,231</u> | <u>179,984,758</u> | <u>25,530,020</u> |
| - | 27,618,047 | 10,361,873 |
| - | 7,867,116 | 1,978,876 |
| 18,540,285 | 18,540,285 | - |
| - | 34,005,153 | 4,772,651 |
| 905,670 | 14,494,234 | 1,269,173 |
| 673,062 | 16,841,899 | 556,932 |
| 7,639,224 | 20,601,653 | 3,311,762 |
| - | 6,416,255 | 1,289,119 |
| - | - | <u>14,265,951</u> |
| <u>27,758,241</u> | <u>146,384,642</u> | <u>37,806,337</u> |
| <u>(208,010)</u> | <u>33,600,116</u> | <u>(12,276,317)</u> |
| 72,000 | 72,000 | - |
| 53,673 | 53,673 | - |
| - | - | - |
| 162,452 | 1,839,112 | 133,264 |
| (130,683) | (14,705,176) | (38) |
| - | - | - |
| <u>157,442</u> | <u>(12,740,391)</u> | <u>133,226</u> |
| (50,568) | 20,859,725 | (12,143,091) |
| 1,277,188 | 3,217,315 | - |
| - | - | 700,457 |
| - | (200,818) | - |
| 1,226,620 | 23,876,222 | (11,442,634) |
| 15,118,989 | | (16,077,840) |
| <u>(929,608)</u> | | <u>(1,689,353)</u> |
| <u>\$ 15,416,001</u> | | <u>\$ (29,209,827)</u> |

(3,562,536)

\$ 20,313,686

OPERATING REVENUES

Charges for services
Connection fees
Rental income
Grant revenue for operations
Miscellaneous and reimbursements

Total Operating Revenues

OPERATING EXPENSES

Salaries and wages
Contractual services
Housing assistance payments
Operating supplies
Utilities
Depreciation and amortization
General and administrative
Repairs and maintenance
Claims expenses

Total Operating Expenses

OPERATING INCOME (LOSS)

NONOPERATING REVENUES (EXPENSES)

Grant revenue - noncapital
Fraud recovery
Other expenses
Interest on investments
Interest expense
Cost of issuance

Net Nonoperating Revenues (Expenses)

**INCOME (LOSS) BEFORE CONTRIBUTIONS
AND TRANSFERS**

CAPITAL CONTRIBUTIONS

TRANSFERS IN

TRANSFERS OUT

CHANGES IN NET POSITION

NET POSITION, JULY 1

PRIOR-PERIOD ADJUSTMENT

NET POSITION, JUNE 30

CITY OF OXNARD, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

| | <u>WATER</u> | <u>WASTEWATER</u> | <u>ENVIRONMENTAL RESOURCE</u> |
|--|----------------------|---------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers and users | \$ 58,667,845 | \$42,754,712 | \$ 47,465,573 |
| Payments to suppliers | (34,227,410) | (13,575,060) | (28,480,741) |
| Payments to employees | (5,600,863) | (7,055,627) | (13,088,378) |
| Payments for housing assistance | - | - | - |
| Receipts from operating grants | - | - | - |
| Cash paid to claimants | - | - | - |
| Net Cash Provided By (Used In) Operating Activities | <u>18,839,572</u> | <u>22,124,025</u> | <u>5,896,454</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Principal paid on long-term debt | - | - | - |
| Interest and other fees paid | - | - | - |
| Collection/(issuance) of advances | 1,123,724 | (53,488) | (1,113,579) |
| Notes receivable collected | - | 51,800 | - |
| Cash received ofrom noncapital grants | - | - | - |
| Transfers in | - | - | - |
| Transfers out | (17,687) | (19,157) | (163,974) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | <u>1,106,037</u> | <u>(20,845)</u> | <u>(1,277,553)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Purchases of capital assets | (2,649,473) | (3,244,556) | (83,697) |
| Interest and issuance cost paid on long-term debt | (9,952,522) | (4,946,997) | (114,415) |
| Principal paid on long-term debt | (4,478,168) | (4,526,071) | (428,285) |
| Proceeds from issuance of long-term debt | - | - | 5,000,000 |
| Received from capital grants | - | - | - |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | <u>(17,080,163)</u> | <u>(12,717,624)</u> | <u>4,373,603</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investments | <u>1,383,881</u> | <u>125,915</u> | <u>166,864</u> |
| Net Cash Provided By (Used In) Investing Activities | <u>1,383,881</u> | <u>125,915</u> | <u>166,864</u> |
| NET INCREASE (DECREASE) IN CASH AND INVESTMENTS | 4,249,327 | 9,511,471 | 9,159,368 |
| CASH AND INVESTMENTS, JULY 1 | <u>38,586,394</u> | <u>12,182,281</u> | <u>18,195,637</u> |
| CASH AND INVESTMENTS, JUNE 30 | <u>\$ 42,835,721</u> | <u>\$21,693,752</u> | <u>\$ 27,355,005</u> |

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

| OXNARD HOUSING AUTHORITY | TOTAL CURRENT YEAR | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS | |
|--------------------------------|--------------------------|---|--|
| | | | CASH FLOWS FROM OPERATING ACTIVITIES |
| \$ 6,099,177 | \$154,987,307 | \$ 25,548,676 | Receipts from customers and users |
| (3,508,537) | (79,791,748) | (12,961,104) | Payments to suppliers |
| (4,034,237) | (29,779,105) | (9,734,165) | Payments to employees |
| (18,484,418) | (18,484,418) | - | Payments for housing assistance |
| 21,659,066 | 21,659,066 | - | Receipts from operating grants |
| - | - | (4,314,904) | Cash paid to claimants |
| <u>1,731,051</u> | <u>48,591,102</u> | <u>(1,461,497)</u> | Net Cash Provided By (Used In) Operating Activities |
| | | | CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES |
| (320,000) | (320,000) | - | Principal paid on long-term debt |
| (122,971) | (122,971) | - | Interest and other fees paid |
| - | (43,343) | (20) | Collection/(issuance) of advances |
| - | 51,800 | - | Notes receivable collected |
| 72,000 | 72,000 | - | Cash received from noncapital grants |
| - | - | 700,457 | Transfers in |
| - | (200,818) | - | Transfers out |
| <u>(370,971)</u> | <u>(563,332)</u> | <u>700,437</u> | Net Cash Provided By (Used In) Noncapital Financing Activities |
| | | | CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES |
| (1,009,014) | (6,986,740) | (113,998) | Purchases of capital assets |
| - | (15,013,934) | (38) | Interest and issuance cost paid on long-term debt |
| - | (9,432,524) | - | Principal paid on long-term debt |
| | 5,000,000 | - | Proceeds from issuance of long-term debt |
| 1,277,188 | 1,277,188 | - | Received from capital grants |
| <u>268,174</u> | <u>(25,156,010)</u> | <u>(114,036)</u> | Net Cash Provided By (Used In) Capital and Related Financing Activities |
| | | | CASH FLOWS FROM INVESTING ACTIVITIES |
| <u>162,452</u> | <u>1,839,112</u> | <u>141,660</u> | Interest on investments |
| <u>162,452</u> | <u>1,839,112</u> | <u>141,660</u> | Net Cash Provided By (Used In) Investing Activities |
| | | | NET INCREASE (DECREASE) IN CASH AND INVESTMENTS |
| 1,790,706 | 24,710,872 | (733,436) | |
| <u>12,550,306</u> | <u>81,514,618</u> | <u>13,671,934</u> | CASH AND INVESTMENTS, JULY 1 |
| <u>\$14,341,012</u> | <u>\$106,225,490</u> | <u>\$ 12,938,498</u> | CASH AND INVESTMENTS, JUNE 30 |

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

| | <u>WATER</u> | <u>WASTEWATER</u> | <u>ENVIRONMENTAL RESOURCE</u> |
|---|----------------------|----------------------|-----------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) | | | |
| TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | |
| OPERATING INCOME (LOSS) | \$ 15,417,184 | \$ 12,400,545 | \$ 5,990,397 |
| Adjustments to Reconcile Operating Income (Loss) | | | |
| to Net Cash Provided By (Used In) Operating Activities | | | |
| Depreciation and amortization | 7,242,861 | 7,839,614 | 1,086,362 |
| Other revenue | | | |
| Changes in Operating Assets and Liabilities | | | |
| (Increase) decrease in accounts receivable and | | | |
| due from other funds and governments | (3,774,802) | 1,678,295 | (1,444,644) |
| (Increase) decrease in other assets | - | 13,607 | - |
| Increase (decrease) in accounts payable and | | | |
| other liabilities | (514,164) | (267,994) | (788,048) |
| Increase (decrease) in compensated absences | (179,642) | (264,640) | (267,616) |
| Increase (decrease) in other post-employment benefits payable | 635,036 | 1,336,193 | 2,445,532 |
| Increase (decrease) in net pension liabilities | 13,099 | (611,595) | (1,125,529) |
| Increase (decrease) in self-insurance liabilities | - | - | - |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 18,839,572</u> | <u>\$ 22,124,025</u> | <u>\$ 5,896,454</u> |
| Noncash capital, financing and investing activities | <u>\$ 1,940,127</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| OXNARD HOUSING AUTHORITY | TOTAL CURRENT YEAR | GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS | |
|--------------------------------|--------------------------|---|---|
| | | | RECONCILIATION OF OPERATING INCOME (LOSS) |
| | | | TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES |
| \$ (208,010) | \$ 33,600,116 | \$ (12,276,317) | OPERATING INCOME (LOSS) |
| | | | Adjustments to Reconcile Operating Income (Loss) |
| | | | to Net Cash Provided By (Used In) Operating Activities |
| 673,062 | 16,841,899 | 556,932 | Depreciation and amortization |
| 53,673 | 53,673 | | Other revenue |
| | | | Changes in Operating Assets and Liabilities |
| | | | (Increase) decrease in accounts receivable and |
| 567,916 | (2,973,235) | \$ 18,656 | due from other funds |
| (23,413) | (9,806) | - | (Increase) decrease in other assets |
| | | | Increase (decrease) in accounts payable |
| (51,631) | (1,621,837) | (305,042) | other liabilities |
| 36,482 | (675,416) | (184,323) | Increase (decrease) in compensated absences |
| 99,655 | 4,516,416 | 1,929,968 | Increase (decrease) in other post-employment benefits payable |
| 583,317 | (1,140,708) | (1,152,418) | Increase (decrease) in net pension liabilities |
| - | - | 9,951,047 | Increase (decrease) in self-insurance liabilities |
| <u>\$ 1,731,051</u> | <u>\$ 48,591,102</u> | <u>\$ (1,461,497)</u> | Net Cash Provided By (Used In) Operating Activities |
| <u>\$ -</u> | <u>\$ 1,940,127</u> | <u>\$ -</u> | Noncash capital, financing and investing activities |

CITY OF OXNARD, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018

| | OXNARD COMMUNITY DEVELOPMENT COMMISSION SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FUND | RETIREMENT ENHANCEMENT DEFINED BENEFIT PENSION TRUST FUND |
|--|--|--|
| ADDITIONS | | |
| Taxes | \$ 5,227,559 | \$ - |
| Contributions | | |
| Employer | - | 4,482,800 |
| Plan members | - | 2,099,317 |
| Investment income | 78,103 | 5,997,314 |
| Investment expense | - | (77,295) |
| Net investment income | 78,103 | 5,920,019 |
| Rental income | 88,491 | - |
| Total Additions | <u>5,394,153</u> | <u>12,502,136</u> |
| DEDUCTIONS | | |
| Administrative Costs | | |
| Salaries and wages | 44,471 | - |
| Benefit distributions | - | 4,328,954 |
| Administrative costs | 29,992 | - |
| Professional services | 329,374 | - |
| Depreciation | 1,384,371 | - |
| Project improvements | 3,195,975 | - |
| Debt Service | | |
| Interest and fiscal charges | 1,521,011 | - |
| Total Deductions | <u>6,505,194</u> | <u>4,328,954</u> |
| SPECIAL ITEMS | | |
| Gain on write off advances to City of Oxnard | (1,514,213) | - |
| Other proceeds from developers | (4,000) | - |
| Gain on disposal of assets | (406,074) | - |
| Loss on transfer of assets held for sale to City of Oxnard | 10,657,104 | - |
| Total Special Items | <u>8,732,817</u> | <u>-</u> |
| CHANGE IN NET POSITION | (9,843,858) | 8,173,182 |
| NET POSITION - JULY 1, 2017 | <u>25,601,740</u> | <u>69,635,006</u> |
| NET POSITION - JUNE 30, 2018 | <u>\$ 15,757,882</u> | <u>\$ 77,808,188</u> |

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

CITY OF OXNARD, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB). The Statement establishes accounting and financial reporting for OPEB that is provided to employees of state and local government employers. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

Statement No. 85, *Omnibus 2017*. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.

Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt.

The GASB has issued several pronouncements prior to June 30, 2018, 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.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations, legally enforceable liabilities associated with the retirement of a tangible capital assets. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The provisions of this Statement are effective for fiscal years beginning after June 15, 2019.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement improves consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The provisions of this Statement are effective for fiscal years beginning after June 15, 2019.

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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

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,

NOTES TO THE FINANCIAL STATEMENTS (Continued)

drainage systems, water and sewer systems, dams and lighting systems. Land is valued at original cost without depreciation.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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 \$24,931,208. No interest was capitalized for this fiscal year.

H. **Compensated Absences**

Vacation leave and annual leave compensation time pay is recorded as a liability when incurred within the Government-Wide and Proprietary Funds Financial Statements. Sick leave, which does not vest, is recorded in all funds when leave is taken. A liability for these amounts is reported in the Governmental Funds Financial Statements only if they have matured and are paid by the City subsequent to year-end.

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

I. **Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by 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. **Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CalPERS plan governed by the Public Employees' Medical & Hospital Care Act (PEMHCA) and additions to/deductions from PEMHCA's fiduciary net position have been determined on the same basis as they are reported by PEMHCA.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For this purpose, PEMHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

K. **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 related to pensions and OPEB, 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 and OPEB 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.

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. The amounts related to pensions are deferred and amortized over a 4.8 to 5 year period on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

L. 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.

Unassigned fund balance - this includes all amounts not included in other classifications. The General Fund is the only fund that reports a positive unassigned fund balance.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

M. 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, 2018, the City has recorded property taxes receivable of \$1,583,198, 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.

N. 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.

O. 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)

P. **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.

Q. **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.

R. **Related Organizations**

The City addresses the needs of at-risk youth by providing a variety of social services, recreation, and service learning opportunities through City Corps, a nonprofit organization. City Corps partners with local school districts, community based youth organizations, and neighborhood councils in the distribution of information and neighborhood cleanups. The City provides payroll services to City Corps. For the year ended June 30, 2018, the City paid payroll expenses amounting to \$153,376 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, 2018 was \$1,554,454.

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. The Council approved the extension of the agreement between the City and the Corporation until June 30, 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

S. Joint Ventures

The City participates in the Riverpark Reclamation and Recharge Authority (Riverpark JPA), which is a jointly-governed organization between the City and United Water Conservation District (UWCD). The Riverpark JPA was established for the purpose of joint ownership, financing, and administration of the development of land located within the City; and for the purpose of creating a public entity to secure grant funding and other public and private funding to reclaim mining pits for water recharge purposes to implement the Recharge Program and Reclamation Plan, and to undertake other groundwater recharge, groundwater quality, and water supply programs as the Board of Directors may find to be within the public interest. The Riverpark JPA is controlled by a four-member board consisting of two representatives from the City and UWCD. None of the member entities exercise specific control over the budgeting and financing of the Authority's activities beyond their representation on the Board. Accounting services are provided by the City. The City has no financial responsibility for any of the JPA's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2018. Complete financial statements may be obtained from the Finance Department, City of Oxnard, 300 W. 3rd St, Oxnard, CA 93030.

As of June 30, 2018, the JPA had total assets of \$1,061,196, total net position of \$1,061,196, and total revenues of \$10,841 for the year then ended.

T. Subsequent Events

In preparation of these financial statements, the City considered subsequent events through December 12, 2018, which is the date these financial statements were available to be issued.

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, 2018:

| | <u>AMOUNT</u> |
|---|------------------------------|
| Petty cash | \$ 206,358 |
| Deposits | 13,415,485 |
| Investments | <u>210,494,078</u> |
| Cash and investments | 224,115,921 |
| Restricted investments with fiscal agents | <u>127,851,364</u> |
| TOTAL | <u>\$ 351,967,285</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 | \$ 118,120,448 | \$ 87,735,189 | \$ 18,260,280 | \$ 224,115,917 |
| Restricted investments with fiscal agents | <u>26,821,113</u> | <u>18,490,301</u> | <u>82,539,954</u> | <u>127,851,368</u> |
| TOTALS | <u>\$ 144,941,561</u> | <u>\$ 106,225,490</u> | <u>\$ 100,800,234</u> | <u>\$ 351,967,285</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, 2018, the City has a bank balance of \$42,692,641 in three 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 | \$210,418,158 |
| Restricted investments held with Fiscal Agents | |
| Bond trustees for the City and its component units | 50,140,091 |
| PARS Trust Pool | 77,068,024 |
| Oxnard Housing Authority (includes investment held by fiscal agents) | <u>14,341,012</u> |
| TOTAL | <u><u>\$351,967,285</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 | MAXIMUM MATURITY (YEARS) | MAXIMUM PERCENTAGE OF PORTFOLIO | MAXIMUM | MINIMUM |
|--|----------------------------|--------------------------------|---------------------------------------|--------------------------------|---------|
| | BY INVESTMENT POLICY | | | INVESTMENT IN ONE ISSUER | |
| U.S. Treasury and agencies | Yes | 5 | None | None | None |
| Local agency bonds, notes | Yes | N/A | 15% | None | None |
| Other bonds, notes, or evidences of indebtedness | Yes | N/A | 15% | None | None |
| Bankers acceptances | Yes | 180 days | 40% | 30% | None |
| Commercial paper | Yes | 270 days | 15% | 10% | P1/A1 |
| Negotiable CDs | Yes | 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, VCIP, CalTrust | 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, 2018, 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, investments, the State of California Local Agency Investment Fund (LAIF), and Ventura County Investment Pool (VCIP) 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 and VCIP is determined by allocating the City's share of the investment pools' fair value as reported by LAIF and VCIP.

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.

The City is a voluntary participant in Ventura County Investment Pool (VCIP) which is considered an external investment pool. VCIP is for local public government agencies and school districts within Ventura County and is managed by the Ventura County Treasurer-Tax Collector. VCIP's portfolio must comply with the County's Investment Policy which is governed by the Ventura County Board of Supervisors. VCIP is rated by Standard and Poor's annually; the most recent is dated September 29, 2017 and is available via the Office of Ventura County Treasurer-Tax Collector's website.

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 |
| 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 | \$ 13,956,250 | \$ 138,508,385 | \$ - | \$ 152,464,635 |
| Corporate bonds | - | - | - | - |
| Ventura County Investment Pool | 1,000,000 | - | - | 1,000,000 |
| California Local Agency Investment Fund | 51,908,159 | - | - | 51,908,159 |
| Negotiable CD | 2,426,284 | 2,695,000 | - | 5,121,284 |
| Held by Trustee | | | | |
| Money Market Fund | 48,709,318 | - | - | 48,709,318 |
| California Local Agency Investment Fund | <u>2,074,022</u> | - | - | <u>2,074,022</u> |
| TOTAL INVESTMENTS | <u>\$ 120,074,033</u> | <u>\$ 141,203,385</u> | <u>\$ -</u> | 261,277,418 |
| PARS Trust Pool | | | | 77,068,024 |
| Cash in banks and on hand | | | | <u>13,621,843</u> |
| TOTAL CASH AND INVESTMENTS | | | | <u>\$ 351,967,285</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, 2018:

| <u>INVESTMENT TYPE</u> | <u>AAA</u> | <u>AA+</u> | <u>AA</u> | <u>A</u> | <u>TOTAL</u> |
|---|---------------------|-----------------------|-------------|-------------|-----------------------|
| Federal agency securities | \$ - | \$ 152,464,635 | \$ - | \$ - | \$ 152,464,635 |
| Ventura County Investment Pool | <u>1,000,000</u> | - | - | - | <u>1,000,000</u> |
| TOTALS | <u>\$ 1,000,000</u> | <u>\$ 152,464,635</u> | <u>\$ -</u> | <u>\$ -</u> | 153,464,635 |
| NOT RATED | | | | | |
| California Local Agency Investment Fund | | | | | 53,982,181 |
| Money Market Fund | | | | | 48,709,318 |
| PARS Trust Pool | | | | | 77,068,024 |
| Negotiable CD | | | | | <u>5,121,284</u> |
| Total Investments | | | | | 338,345,442 |
| Cash in banks and on hand | | | | | <u>13,621,843</u> |
| TOTAL | | | | | <u>\$ 351,967,285</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, 2018:

| <u>ISSUER</u> | <u>TYPE OF INVESTMENTS</u> | <u>AMOUNTS</u> |
|---------------------------------|---------------------------------|----------------|
| Federal National Mortgage Assn. | Federal National Mortgage Assn. | \$ 14,086,495 |
| Federal Home Loan Bank | Federal Home Loan Bank Bonds | 105,190,890 |
| Federal Farm Credit Bank | Federal Farm Credit Bank Bonds | 33,187,250 |

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, 2018:

| Investment Type | INVESTMENTS AT FAIR VALUE | | | |
|---|---------------------------|----------------------|-------------|-----------------------|
| | AS OF JUNE 30, 2018 | | | |
| | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
| Federal agency securities | \$ 152,464,635 | \$ - | \$ - | \$ 152,464,635 |
| California Local Agency Investment Fund | - | 51,908,159 | - | 51,908,159 |
| Ventura County Investment Pool | - | 1,000,000 | - | 1,000,000 |
| Negotiable CD | 5,121,284 | - | - | 5,121,284 |
| | <u>157,585,919</u> | <u>52,908,159</u> | <u>-</u> | <u>210,494,078</u> |
| Held by Trustees/Fiscal Agent | | | | |
| Money Market Fund | 48,709,318 | - | - | 48,709,318 |
| California Local Agency Investment Fund | - | 2,074,022 | - | 2,074,022 |
| | <u>48,709,318</u> | <u>2,074,022</u> | <u>-</u> | <u>50,783,340</u> |
| PARS Trust Pool | | | | |
| Cash and equivalents | 2,701,406 | - | - | 2,701,406 |
| Municipal issues | 200,000 | - | - | 200,000 |
| Domestic common stocks | 15,136,644 | - | - | 15,136,644 |
| Foreign stocks | 438,341 | - | - | 438,341 |
| Mutual funds - equity | 30,518,925 | - | - | 30,518,925 |
| Mutual funds - fixed income | 28,072,708 | - | - | 28,072,708 |
| | <u>77,068,024</u> | <u>-</u> | <u>-</u> | <u>77,068,024</u> |
| TOTAL INVESTMENTS AT FAIR VALUE | <u>\$ 283,363,261</u> | <u>\$ 54,982,181</u> | <u>\$ -</u> | <u>\$ 338,345,442</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

B. Receivables and Payables

Accounts receivables and other receivables as of June 30, 2018 included in the accompanying Statement of Net Position primarily consist of the following:

| | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS-TYPE ACTIVITIES</u> |
|---|------------------------------------|-------------------------------------|
| ACCOUNTS RECEIVABLE | | |
| Utilities receivable | \$ 1,005 | \$ 19,156,023 |
| Grants receivable | 3,501,813 | - |
| Accounts receivable billed and accrued | 4,887,258 | 4,777,398 |
| Other receivables | <u>817,510</u> | <u>1,098,539</u> |
| | 9,207,586 | 25,031,960 |
| Allowance for uncollectible receivables | <u>(1,685,051)</u> | <u>(1,387,919)</u> |
| TOTALS | <u><u>\$ 7,522,535</u></u> | <u><u>\$ 23,644,041</u></u> |

Accounts payable and other liabilities as of June 30, 2018 reported on the Statement of Net Position primarily consist of the following:

| | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS-TYPE ACTIVITIES</u> |
|---|------------------------------------|-------------------------------------|
| ACCOUNTS PAYABLE AND OTHER LIABILITIES | | |
| Accounts payable (due to vendors) | <u>\$ 7,512,505</u> | <u>\$ 7,257,812</u> |
| Other Liabilities | | |
| Accrued payroll | 5,381,286 | 1,235,305 |
| Accrued benefits | 1,190,126 | - |
| Accrued interest | 672,472 | 1,378,755 |
| Other payables | <u>1,197,813</u> | <u>741,254</u> |
| Total Other Liabilities | <u><u>8,441,697</u></u> | <u><u>3,355,314</u></u> |
| TOTALS | <u><u>\$ 15,954,202</u></u> | <u><u>\$ 10,613,126</u></u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. Interfund Receivables and Payables

Total interfund receivables and payables at June 30, 2018, 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 |
|---------------------------------------|-------------------------|----------------------|----------------------|----------------|------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Due To/From Other Funds | | | | | |
| General Fund | \$ 5,878,372 | \$ 3,211,474 | \$2,666,898 | \$ (2,791,673) | \$ (124,775) |
| Nonmajor governmental funds | - | 3,159,016 | (3,159,016) | 2,791,673 | (367,343) |
| | <u>5,878,372</u> | <u>6,370,490</u> | <u>(492,118)</u> | <u>-</u> | <u>(492,118)</u> |
| Advances To/From Other Funds | | | | | |
| General Fund | - | 984,753 | (984,753) | - | (984,753) |
| Internal Service Fund | 954,653 | 4,887 | 949,766 | - | 949,766 |
| | <u>954,653</u> | <u>989,640</u> | <u>(34,987)</u> | <u>-</u> | <u>(34,987)</u> |
| Total Governmental Activities | <u>6,833,025</u> | <u>7,360,130</u> | <u>(527,105)</u> | <u>-</u> | <u>(527,105)</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Due To/From Other Funds | | | | | |
| Water | 1,542,369 | 49,334 | 1,493,035 | (1,130,756) | 362,279 |
| Wastewater | 53,488 | 9,431 | 44,057 | - | 44,057 |
| Environmental resource | 87,771 | 1,127,858 | (1,040,087) | 1,125,869 | 85,782 |
| | <u>1,683,628</u> | <u>1,186,623</u> | <u>497,005</u> | <u>(4,887)</u> | <u>492,118</u> |
| Advances To/From Other Funds | | | | | |
| Water | 2,144,399 | - | 2,144,399 | (1,154,759) | 989,640 |
| Environmental resource | - | 1,159,646 | (1,159,646) | 1,159,646 | - |
| Oxnard Housing Authority | - | 954,653 | (954,653) | - | (954,653) |
| | <u>2,144,399</u> | <u>2,114,299</u> | <u>30,100</u> | <u>4,887</u> | <u>34,987</u> |
| Total Business-type Activities | <u>3,828,027</u> | <u>3,300,922</u> | <u>527,105</u> | <u>-</u> | <u>527,105</u> |
| TOTALS | <u>\$ 10,661,052</u> | <u>\$ 10,661,052</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

The interfund balances at June 30, 2018 are loans to cover temporary cash deficits in various funds. In addition, amounts are recorded representing the net internal receivable from governmental activities to business-type activities representing charges in excess of cost of the internal service funds of \$975,704 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 2017-2018 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, 2018:

| | DESCRIPTION | TRANSFERS IN | TRANSFERS OUT | NET TRANSFERS | ELIMINATIONS | TOTAL |
|---|-----------------|----------------------|----------------------|------------------|----------------|------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | |
| General Fund | Program support | \$ 2,764,961 | \$ 1,705,556 | \$ 1,059,405 | \$ (1,059,405) | \$ - |
| General Fund | Debt service | - | 6,526,998 | (6,526,998) | 6,526,998 | - |
| Nonmajor governmental fund: | Program support | 1,225,568 | 3,236,469 | (2,010,901) | 2,010,458 | (443) |
| Nonmajor governmental fund: | Debt service | 6,978,855 | - | 6,978,855 | (6,978,855) | - |
| Internal Service Fund | Program support | 700,457 | - | 700,457 | (499,196) | 201,261 |
| Total Governmental Activities | | <u>11,669,841</u> | <u>11,469,023</u> | <u>200,818</u> | <u>-</u> | <u>200,818</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | | |
| Water | Program support | - | 17,687 | (17,687) | - | (17,687) |
| Wastewater | Program support | - | 19,157 | (19,157) | - | (19,157) |
| Environmental Resource | Program support | - | 163,974 | (163,974) | - | (163,974) |
| Total Business-Type Activities | | <u>-</u> | <u>200,818</u> | <u>(200,818)</u> | <u>-</u> | <u>(200,818)</u> |
| TOTAL GOVERNMENT-WIDE STATEMENTS | | | | | | |
| | | <u>\$ 11,669,841</u> | <u>\$ 11,669,841</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

E. Loans Receivable

At June 30, 2018, the City's net loans receivable consisted of the following:

| | BALANCE <u>JULY 1, 2017</u> | <u>ADDITIONS</u> | <u>DELETIONS</u> | BALANCE <u>JUNE 30, 2018</u> |
|---|--------------------------------|--------------------|------------------|---------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Residential Notes Receivable | | | | |
| CalHOME Loans | \$ 2,713,693 | \$ 363,925 | \$ 25,000 | \$ 3,052,618 |
| BEGIN Loans | 3,271,595 | - | 30,000 | 3,241,595 |
| CDBG Loans | 3,518,553 | 359,733 | 90,000 | 3,788,286 |
| HOME Loans | 9,297,304 | 1,307,884 | 659,160 | 9,946,028 |
| NSP Loans | 955,364 | - | - | 955,364 |
| HERO Loans | 572,120 | - | 4,000 | 568,120 |
| Other | 2,269,766 | - | 35,000 | 2,234,766 |
| Allowance for doubtful accounts | <u>(13,346,715)</u> | <u>(1,028,853)</u> | <u>1,166,482</u> | <u>(13,209,086)</u> |
| | <u>9,251,680</u> | <u>1,002,689</u> | <u>2,009,642</u> | <u>10,577,691</u> |
| Developer Notes Receivable | | | | |
| * 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 | 3,000,000 | - | - | 3,000,000 |
| Many Mansions | - | 328,694 | - | 328,694 |
| Other | 506,778 | 35,000 | - | 541,778 |
| Allowance for doubtful accounts | <u>(995,422)</u> | <u>-</u> | <u>590,020</u> | <u>(405,402)</u> |
| | <u>38,378,378</u> | <u>363,694</u> | <u>590,020</u> | <u>39,332,092</u> |
| | <u>47,630,058</u> | <u>1,366,383</u> | <u>2,599,662</u> | <u>49,909,783</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Wastewater Loans | 984,200 | - | 51,800 | 932,400 |
| Oxnard Housing Authority | - | 243,307 | - | 243,307 |
| | <u>984,200</u> | <u>243,307</u> | <u>51,800</u> | <u>1,175,707</u> |
| TOTAL GOVERNMENT-WIDE STATEMENTS | | | | |
| | <u>48,614,258</u> | <u>1,609,690</u> | <u>2,651,462</u> | <u>51,085,490</u> |

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, 2018 include the following programs: Home Investment Partnership Program (HOME), Community Development Block Grants (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 | \$ 29,000 | 3.00 % | 30 | No |
| BEGIN | 26,000 | 3.00 | 30 | No |
| CDBG | 24,000 | - | 20 | Yes |
| HOME | 19,000 | - | 12 | Yes |
| NSP | 41,000 | - | 20 | Yes |
| HERO | 11,000 | - | 6 | Yes |
| Other | 17,000 | - | 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, 2018 are loans to parties related the Oxnard Housing Authority.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

BUSINESS-TYPE ACTIVITIES

Septic to Sewer Project

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

F. Capital Assets

Changes in the City's capital assets for the year ended June 30, 2018 consisted of the following:

| | BALANCE JULY 1, 2017 | INCREASES | DECREASES | TRANSFERS | BALANCE JUNE 30, 2018 |
|---|-------------------------|------------------------|-----------------------|----------------------|--------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Capital Assets, Not Being Depreciated | | | | | |
| Land | \$ 1,418,638,429 | \$ - | \$ - | \$ - | \$ 1,418,638,429 |
| Construction in progress | 9,504,032 | 3,805,394 | (1,955,554) | - | 11,353,872 |
| Total Capital Assets, Not Being Depreciated | <u>1,428,142,461</u> | <u>3,805,394</u> | <u>(1,955,554)</u> | <u>-</u> | <u>1,429,992,301</u> |
| Capital Assets, Being Depreciated | | | | | |
| Artwork | 87,000 | - | - | - | 87,000 |
| Buildings | 111,588,081 | 334,480 | - | 10,657,104 | 122,579,665 |
| Improvements other than buildings | 105,541,212 | 183,265 | - | - | 105,724,477 |
| Equipment and machinery | 16,943,959 | 760,087 | (452,581) | - | 17,251,465 |
| Vehicles | 24,474,283 | 1,219,922 | (915,549) | - | 24,778,656 |
| Infrastructure | 681,929,556 | 1,452,746 | - | - | 683,382,302 |
| Total Capital Assets, Being Depreciated | <u>940,564,091</u> | <u>3,950,500</u> | <u>(1,368,130)</u> | <u>10,657,104</u> | <u>953,803,565</u> |
| Less: Accumulated Depreciation | | | | | |
| Artwork | (86,500) | (500) | - | - | (87,000) |
| Buildings | (37,353,233) | (2,286,164) | - | (192,655) | (39,832,052) |
| Improvements other than buildings | (24,926,949) | (2,470,603) | - | - | (27,397,552) |
| Equipment and machinery | (12,267,754) | (1,079,788) | 438,553 | - | (12,908,989) |
| Vehicles | (17,877,940) | (1,229,712) | 861,711 | - | (18,245,941) |
| Infrastructure | (187,323,865) | (17,046,819) | - | - | (204,370,684) |
| Total Accumulated Depreciation | <u>(279,836,241)</u> | <u>(24,113,586)</u> | <u>1,300,264</u> | <u>(192,655)</u> | <u>(302,842,218)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>660,727,850</u> | <u>(20,163,086)</u> | <u>(67,866)</u> | <u>10,464,449</u> | <u>650,961,347</u> |
| GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET | <u>\$ 2,088,870,311</u> | <u>\$ (16,357,692)</u> | <u>\$ (2,023,420)</u> | <u>\$ 10,464,449</u> | <u>\$ 2,080,953,648</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | BALANCE | | | | BALANCE | |
|---|----------------------|---------------------|--------------------|-------------------|----------------------|--|
| | JULY 1, 2017 | INCREASES | DECREASES | TRANSFERS | JUNE 30, 2018 | |
| BUSINESS-TYPE ACTIVITIES | | | | | | |
| Capital Assets, Not Being Depreciated | | | | | | |
| Land | \$ 17,042,077 | \$ - | \$ - | \$ - | \$ 17,042,077 | |
| Construction in progress | 9,508,394 | 8,265,150 | (1,755,726) | - | 16,017,818 | |
| Total Capital Assets, Not Being Depreciated | 26,550,471 | 8,265,150 | (1,755,726) | - | 33,059,895 | |
| Capital assets, Being Depreciated | | | | | | |
| Buildings | 244,541,117 | 715,222 | (192,932) | - | 245,063,407 | |
| Improvements other than buildings | 9,152,161 | - | - | - | 9,152,161 | |
| Equipment and machinery | 111,397,376 | 622,042 | (265,811) | - | 111,753,607 | |
| Infrastructure | 406,561,691 | 1,080,181 | - | - | 407,641,872 | |
| Total Capital Assets, Being Depreciated | 771,652,345 | 2,417,445 | (458,743) | - | 773,611,047 | |
| Less: Accumulated Depreciation | | | | | | |
| Buildings | (103,959,950) | (5,021,152) | 192,932 | - | (108,788,170) | |
| Improvements other than buildings | (4,384,836) | (221,278) | - | - | (4,606,114) | |
| Equipment and machinery | (51,220,185) | (3,847,740) | 265,811 | - | (54,802,114) | |
| Infrastructure | (118,371,690) | (7,751,731) | - | - | (126,123,421) | |
| Total Accumulated Depreciation | (277,936,661) | (16,841,901) | 458,743 | - | (294,319,819) | |
| Total Capital Assets, Being Depreciated, Net | 493,715,684 | (14,424,456) | - | - | 479,291,228 | |
| BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET | 520,266,155 | (6,159,306) | (1,755,726) | - | 512,351,123 | |
| TOTALS | 2,609,136,466 | (22,516,998) | (3,779,146) | 10,464,449 | 2,593,304,771 | |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended June 30, 2018 depreciation expense on capital assets was charged as follows:

| | <u>AMOUNT</u> |
|---|----------------------|
| GOVERNMENTAL ACTIVITIES | |
| Administration and support | \$ 18,331,361 |
| Public safety | 1,053,339 |
| Transportation (highways and streets) | 421,382 |
| Community development | 1,121,049 |
| Culture and leisure | 2,040,181 |
| Libraries | 589,342 |
| Capital assets held by the City's internal service fund | <u>556,932</u> |
| TOTAL GOVERNMENTAL ACTIVITIES | |
| DEPRECIATION EXPENSE | <u>\$ 24,113,586</u> |
| BUSINESS-TYPE ACTIVITIES | |
| Water | \$ 7,242,863 |
| Wastewater | 7,839,614 |
| Environmental resources | 1,086,362 |
| Oxnard Housing Authority | <u>673,062</u> |
| TOTAL BUSINESS-TYPE ACTIVITIES | |
| DEPRECIATION EXPENSE | <u>\$ 16,841,901</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

G. Long-term Liabilities

The following is a summary of changes in long-term liabilities. Certain long-term liabilities provide financing to both governmental and business-type activities. The following table presents balances and activity for the City's fiscal year ended June 30, 2018:

| | BALANCE <u>JULY 1, 2017</u> | <u>ADDITIONS</u> | <u>REDUCTIONS</u> | BALANCE <u>JUNE 30, 2018</u> | DUE WITHIN <u>ONE YEAR</u> |
|--|--------------------------------|----------------------|----------------------|---------------------------------|-------------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Lease Revenue Bonds | | | | | |
| Variable rate demand lease revenue bonds, series 2003B | \$ 9,400,000 | \$ - | \$ 9,400,000 | \$ - | \$ - |
| Variable rate demand lease revenue bonds, series 2006 | 18,385,000 | - | 18,385,000 | - | - |
| Lease revenue refunding bonds, series 2011 | 19,845,000 | - | 410,000 | 19,435,000 | 455,000 |
| Lease revenue refunding bonds, series 2014 | 14,765,000 | - | 935,000 | 13,830,000 | 975,000 |
| Lease revenue refunding bonds, series 2018 | - | 28,810,000 | 985,000 | 27,825,000 | 1,330,000 |
| Unamortized premiums | 2,090,436 | 4,129,940 | 175,523 | 6,044,853 | - |
| Unamortized discounts | (205,301) | - | (10,805) | (194,496) | - |
| Certificate of Participation | | | | | |
| Gas tax revenue certificate of participation | 22,870,000 | - | 690,000 | 22,180,000 | 720,000 |
| Unamortized discounts | (30,027) | - | (30,027) | - | - |
| Capital Leases | | | | | |
| 2009 CIP lease purchase, draw #1 | 279,895 | - | 108,180 | 171,714 | 113,178 |
| 2009 CIP lease purchase, draw #10 | 407,028 | - | 110,625 | 296,403 | 115,070 |
| 2009 CIP lease purchase, draw #13 | 979,293 | - | 647,745 | 331,548 | 331,549 |
| 2009 CIP lease purchase, draw #16 | 4,150 | - | 4,150 | - | - |
| 2009 CIP lease purchase, draw #17 | 14,065 | - | 14,065 | - | - |
| 2009 CIP lease purchase, draw #19 | 490,247 | - | 160,174 | 330,073 | 163,394 |
| 2009 CIP lease purchase, draw #20 | 112,548 | - | 74,686 | 37,862 | 37,862 |
| B of A Capital Lease 2018 | - | 5,000,000 | - | 5,000,000 | 774,742 |
| 2012 Lease purchase | 3,979,764 | - | 343,958 | 3,635,806 | 353,797 |
| Capital Lease, series 2014 A&B - Fire Station 8 | 13,606,695 | - | 715,000 | 12,891,695 | 745,000 |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 106,993,793</u> | <u>\$ 37,939,940</u> | <u>\$ 33,118,274</u> | <u>\$ 111,815,458</u> | <u>\$ 6,114,592</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | BALANCE JULY 1, 2017 <u>AS RESTATED</u> | <u>ADDITIONS</u> | <u>REDUCTIONS</u> | BALANCE JUNE 30, 2018 | DUE WITHIN ONE YEAR |
|--|---|--------------------|----------------------------|------------------------------|----------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Water Fund | | | | | |
| Revenue Bonds | | | | | |
| Water revenue project bonds, series 2006 | 46,245,000 | - | 1,150,000 | 45,095,000 | 1,215,000 |
| Water revenue project bonds, series 2010A | 8,475,000 | - | 1,535,000 | 6,940,000 | 1,610,000 |
| Water revenue project bonds, series 2010B | 83,670,000 | - | - | 83,670,000 | - |
| Water revenue refunding bonds, series 2012 | 7,300,000 | - | 445,000 | 6,855,000 | 455,000 |
| Water revenue refunding bonds, series 2014 | 31,277,090 | - | 1,344,670 | 29,932,420 | 1,392,368 |
| Unamortized premiums | 1,269,606 | - | 164,695 | 1,104,911 | |
| Unamortized discounts | (683,752) | - | (31,930) | (651,822) | |
| Capital Leases | | | | | |
| 2009 CIP lease purchase, draw #9 | <u>3,497</u> | <u>-</u> | <u>3,497</u> | <u>-</u> | <u>-</u> |
| TOTAL WATER FUND | <u>\$ 177,556,441</u> | <u>\$ -</u> | <u>\$ 4,610,932</u> | <u>\$ 172,945,509</u> | <u>\$ 4,672,368</u> |
| Wastewater Fund | | | | | |
| Revenue Bonds | | | | | |
| Wastewater revenue bonds, series 2004B | 15,725,000 | - | 1,050,000 | 14,675,000 | 1,085,000 |
| Wastewater revenue bonds, series 2006 | 9,715,000 | - | 330,000 | 9,385,000 | 345,000 |
| Wastewater revenue refunding bonds, series 2013 | 9,561,265 | - | 3,101,192 | 6,460,073 | 3,183,905 |
| Wastewater revenue refunding bonds, series 2014 | 71,985,000 | - | - | 71,985,000 | - |
| Unamortized premiums | 8,167,443 | - | 480,438 | 7,687,005 | - |
| Capital Leases | | | | | |
| 2009 CIP lease purchase, draw #18 | <u>121,061</u> | <u>-</u> | <u>47,359</u> | <u>73,702</u> | <u>48,772</u> |
| TOTAL WASTEWATER FUND | <u>\$ 115,274,769</u> | <u>\$ -</u> | <u>\$ 5,008,989</u> | <u>\$ 110,265,780</u> | <u>\$ 4,662,677</u> |
| | BALANCE | | | BALANCE | DUE WITHIN |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | <u>JULY 1, 2017</u> | <u>ADDITIONS</u> | <u>REDUCTIONS</u> | <u>JUNE 30, 2018</u> | <u>ONE YEAR</u> |
|--------------------------------------|----------------------|---------------------|---------------------|----------------------|---------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| (Continued) | | | | | |
| Environmental Resources Fund | | | | | |
| Capital Lease | | | | | |
| Lease purchase trash containers | \$ 410,194 | \$ - | \$ 410,194 | \$ - | \$ - |
| B of A Capital Lease 2018 | - | 5,000,000 | - | 5,000,000 | 434,555 |
| 2009 CIP lease purchase, draw #9 | <u>18,091</u> | <u>-</u> | <u>18,091</u> | <u>-</u> | <u>-</u> |
| TOTAL ENVIRONMENTAL | | | | | |
| RESOURCES FUND | <u>\$ 428,285</u> | <u>\$ 5,000,000</u> | <u>\$ 428,285</u> | <u>\$ 5,000,000</u> | <u>\$ 434,555</u> |
| Oxnard Housing Authority Fund | | | | | |
| Revenue Bonds | | | | | |
| 2004 Capital Fund Revenue Bonds | <u>\$ 2,610,000</u> | <u>\$ -</u> | <u>\$ 320,000</u> | <u>\$ 2,290,000</u> | <u>\$ 335,000</u> |
| TOTAL OXNARD HOUSING | | | | | |
| AUTHORITY FUND | <u>\$ 2,610,000</u> | <u>\$ -</u> | <u>\$ 320,000</u> | <u>\$ 2,290,000</u> | <u>\$ 335,000</u> |
| TOTAL BUSINESS-TYPE | | | | | |
| ACTIVITIES | <u>\$295,869,495</u> | <u>\$ 5,000,000</u> | <u>\$10,368,206</u> | <u>\$290,501,289</u> | <u>\$10,104,600</u> |
| TOTALS | <u>\$402,863,288</u> | <u>\$42,939,940</u> | <u>\$43,486,480</u> | <u>\$402,316,747</u> | <u>\$16,219,192</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 tracked 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. These bonds were refunded in 2018 using a portion of the proceeds from the sale of the Lease Revenue Refunding Bonds, Series 2018.

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 tracked 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. These bonds were refunded in 2018 using a portion of the proceeds from the sale of the Lease Revenue Refunding Bonds, Series 2018.

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, 2018 is \$19,435,000. The lease payments on these bonds constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the bonds at June 1, 2036.

Lease Revenue Project and Refunding Bonds, Series 2014

Lease Revenue Refunding Bonds, Series 2014 were issued on November 4, 2014 in the amount of \$21,225,000. These are fifteen-year bonds maturing in various amounts through June 1, 2029, with a net interest cost of 3.403%. The bonds were issued to refund the outstanding Lease Revenue Refunding Bonds, Series 2003A, finance the acquisition, construction, and improvement of certain streets and roadways within certain residential neighborhoods with the City, and pay the costs incurred in connection with the issuance of the bonds. The refunding resulted in an economic gain of \$4,962 and debt service savings of \$11,715. The total balance outstanding as of June 30, 2018 is \$13,830,000. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Lease Revenue Refunding Bonds, Series 2018

Lease Revenue Refunding Bonds, Series 2018 were issued on April 20, 2018 in the amount of \$28,810,000. These bonds carry a net interest cost of 3.51% and mature on June 1, 2036. The proceeds on the bonds were used to pay for the principal and interest on the Variable Rate Demand Lease Revenue Bonds, Series 2003B and 2006. This refunding resulted in an economic gain of \$965,987 and a cash flow savings of \$1,160,111. The outstanding balance as of June 30, 2018 is \$27,825,000. The lease payments on these bonds constitute obligations of the City's General Fund. Such obligations exist through the maturity date of the bonds at June 1, 2036.

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, 2018 is \$22,180,000. 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, 2018, the total outstanding balance on this line of credit was \$1,167,601. Lease payments constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the lease at October 1, 2020.

2012 Lease/Purchase Agreement

On August 1, 2012, the City entered into a Lease Purchase Agreement with Capital One Public Funding, LLC in the amount of \$5,570,838, for the purpose of refinancing the 1999 Certificate of Participation, with interest rate of 3.54% and final maturity date on June 1, 2028. The refunding resulted in an overall cash flow savings of \$658,975 and economic gain of \$566,623, percentage savings of 9.3%. The outstanding balance as of June 30, 2018 is \$3,635,806. 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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, 2018 is \$12,891,695.

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.

B of A Capital Lease 2018

On March 30, 2018, the City entered into an Equipment Lease/Purchase Agreement with Banc America Capital Corporation in an amount not to exceed \$5 million for the purpose of acquiring ERP software system, public safety communication equipment and vehicles, fire apparatus and vehicles, and other capital assets. As of June 30, 2018, the total outstanding balance on this line of credit was \$5,000,000. The lease payments constitute obligations of the City's General Fund. Such obligation exists through the maturity date of the lease on March 30, 2025.

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, 2018 is \$45,095,000. 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. The bonds were refunded in November 2018. Refer to Note V. C. Subsequent Events for further details.

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, 2018 is \$6,940,000. 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, 2018 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, 2018 is \$6,855,000. 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, 2018 is \$29,932,420.

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, MUFU 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. MUFU Union Bank has subsequently granted extensions of the letter of credit through January 31, 2018. On January 25, 2018, the letter of credit was remarketed and replaced with an irrevocable direct-pay letter of credit by Wells Fargo through January 25, 2021. The balance outstanding as of June 30, 2018 is \$14,675,000. 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. The bonds were refunded in November 2018. Refer to Note V. C. Subsequent Events for further details.

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, 2018 is \$9,385,000. 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, 2018 is \$6,460,073. 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, 2018 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, 2018 is \$2,290,000.

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. This obligation matured in 2018 and was fully paid off.

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, 2018, the total outstanding balance on this line of credit was \$73,702. 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.

On March 30, 2018, the City entered into an Equipment Lease/Purchase Agreement with Banc America Capital Corporation in an amount not to exceed \$5 million for the purpose of acquiring refuse trucks, and vehicles. As of June 30, 2018, the total outstanding balance on this line of credit was \$5,000,000. The lease payments constitute obligations of the City's Environmental Resource Fund. Such obligation exists through the maturity date of the lease on March 30, 2028.

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 \$14,448,052 and \$23,975,027, respectively. The debt service coverage ratio of 165% 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 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.

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 \$9,288,450 and \$19,447,792, respectively. The debt service coverage ratio of 209% 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 Oxnard Housing Authority 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, \$1,879,207 of Capital Fund Grant revenue was earned, of which, \$320,000 was applied to the repayment of the bonds.

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.** This SWAP agreement was terminated as a result of the refunding of the City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project, Series 2006). The City paid \$1,548,000 for the SWAP termination.
2. **City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds, (Civic Center Phase 2 Project), Series 2006.** This SWAP agreement was terminated as the result of the refunding of the City of Oxnard Financing Authority Variable Rate Demand Lease Revenue Bonds (Civic Center Phase 2 Project, Series 2006). The City paid \$2,814,000 for the SWAP termination.
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 \$897,624 resulting in a negative fair value of \$2,313,912 as of June 30, 2018. The goal of the swap is to effectively fix the cost of debt over the

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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. As of June 30, 2018, the swap's notional amount of \$14,675,000 matches the \$14,675,000 in variable-rate bonds. The swap was entered into in June 2007 and was terminated when the bonds were refunded in November 2018. 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.
- 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, 2018. 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, 2018, the City is not adversely exposed to credit risk due to the negative fair value of the swap.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

- 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, 2018, the SIFMA Municipal Swap Index rate was 1.51%, whereas 68% of one-month LIBOR was 1.43%.
- 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.

Hedging Derivatives Instrument Payments and Hedged Debt

As of June 30, 2018, 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.

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, 2018.

Credit Rating

As of June 30, 2018, The City's institutional credit rating for general obligation debt had a rating of A- while maintaining ratings of A and BBB for Water and Wastewater Funds, respectively.

On November 5, 2018, S&P raised its long-term rating and underlying rating to A- from BBB for Wastewater Funds with a stable outlook.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Debt Service

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

| FISCAL YEAR | GOVERNMENTAL ACTIVITIES (1) | | | BUSINESS-TYPE ACTIVITIES (2) | | |
|---------------|--------------------------------|----------------------|-----------------------|---------------------------------|-----------------------|-----------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 2019 | \$ 6,114,591 | \$ 4,978,548 | \$ 11,093,139 | \$ 10,104,600 | \$ 14,856,003 | \$ 24,960,604 |
| 2020 | 5,858,446 | 4,763,420 | 10,621,866 | 10,460,063 | 14,466,627 | 24,926,690 |
| 2021 | 5,825,949 | 4,509,377 | 10,335,326 | 10,709,960 | 14,078,318 | 24,788,278 |
| 2022 | 6,010,208 | 4,249,850 | 10,260,059 | 11,199,803 | 13,577,897 | 24,777,700 |
| 2023 | 6,266,297 | 3,983,576 | 10,249,873 | 11,718,446 | 13,055,255 | 24,773,701 |
| 2024 - 2028 | 31,952,916 | 15,586,855 | 47,539,771 | 64,877,467 | 56,302,983 | 121,180,450 |
| 2029 - 2033 | 27,116,695 | 7,961,881 | 35,078,576 | 77,299,389 | 39,009,970 | 116,309,359 |
| 2034 - 2038 | 16,820,000 | 1,958,625 | 18,778,625 | 61,681,465 | 19,473,156 | 81,154,621 |
| 2039 - 2043 | - | - | - | 24,310,000 | 2,571,450 | 26,881,450 |
| TOTALS | \$ 105,965,102 | \$ 47,992,133 | \$ 153,957,235 | \$ 282,361,193 | \$ 187,391,659 | \$ 469,752,852 |

| FISCAL YEAR | LEASE REVENUE REFUNDING BONDS SERIES 2011 (1) | | | LEASE REVENUE REFUNDING BONDS SERIES 2014 (1) | | |
|---------------|---|----------------------|----------------------|---|---------------------|----------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| | 2019 | \$ 455,000 | \$ 1,034,795 | \$ 1,489,795 | \$ 975,000 | \$ 691,500 |
| 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 | 675,000 | 938,133 | 1,613,133 | 1,185,000 | 481,750 | 1,666,750 |
| 2024 - 2028 | 4,435,000 | 4,144,043 | 8,579,043 | 6,865,000 | 1,459,750 | 8,324,750 |
| 2029 - 2033 | 6,690,000 | 2,766,090 | 9,456,090 | 1,585,000 | 79,250 | 1,664,250 |
| 2034 - 2038 | 5,495,000 | 648,313 | 6,143,313 | - | - | - |
| TOTALS | \$ 19,435,000 | \$ 12,506,070 | \$ 31,941,070 | \$ 13,830,000 | \$ 4,484,750 | \$ 18,314,750 |

| FISCAL YEAR | LEASE REVENUE REFUNDING BONDS SERIES 2018 (1) | | | 2018 B OF A CAPITAL LEASE (1) | | |
|---------------|---|----------------------|----------------------|----------------------------------|-------------------|---------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 2019 | \$ 1,330,000 | \$ 1,377,950 | \$ 2,707,950 | \$ 774,742 | \$ 127,236 | \$ 901,977 |
| 2020 | 1,355,000 | 1,324,750 | 2,679,750 | 795,266 | 106,712 | 901,977 |
| 2021 | 1,390,000 | 1,257,000 | 2,647,000 | 816,334 | 85,643 | 901,977 |
| 2022 | 1,430,000 | 1,187,500 | 2,617,500 | 837,961 | 64,016 | 901,977 |
| 2023 | 1,465,000 | 1,116,000 | 2,581,000 | 860,162 | 41,815 | 901,977 |
| 2024 - 2028 | 7,975,000 | 4,437,250 | 12,412,250 | 915,535 | 31,206 | 946,741 |
| 2029 - 2033 | 9,065,000 | 2,336,000 | 11,401,000 | - | - | - |
| 2034 - 2038 | 3,815,000 | 385,250 | 4,200,250 | - | - | - |
| TOTALS | \$ 27,825,000 | \$ 13,421,700 | \$ 41,246,700 | \$ 5,000,000 | \$ 456,628 | \$ 5,456,628 |

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 |
| | 2019 | \$ 720,000 | \$ 992,100 | \$ 1,712,100 | \$ 761,053 | \$ 28,590 |
| 2020 | 745,000 | 962,800 | 1,707,800 | 344,908 | 9,878 | 354,785 |
| 2021 | 775,000 | 932,400 | 1,707,400 | 61,641 | 1,226 | 62,867 |
| 2022 | 810,000 | 899,395 | 1,709,395 | - | - | - |
| 2023 | 845,000 | 864,145 | 1,709,145 | - | - | - |
| 2024 - 2028 | 4,795,000 | 3,722,360 | 8,517,360 | - | - | - |
| 2029 - 2033 | 5,980,000 | 2,500,038 | 8,480,038 | - | - | - |
| 2034 - 2038 | 7,510,000 | 925,063 | 8,435,063 | - | - | - |
| TOTALS | \$ 22,180,000 | \$ 11,798,300 | \$ 33,978,300 | \$ 1,167,601 | \$ 39,694 | \$ 1,207,295 |

| FISCAL YEAR | 2012 LEASE PURCHASE (1) | | | 2014 LEASE PURCHASE (1) | | |
|---------------|----------------------------|-------------------|---------------------|----------------------------|---------------------|----------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 2019 | \$ 353,797 | \$ 128,708 | \$ 482,505 | \$ 745,000 | \$ 597,670 | \$ 1,342,670 |
| 2020 | 313,272 | 116,183 | 429,455 | 780,000 | 582,615 | 1,362,615 |
| 2021 | 327,974 | 105,093 | 433,067 | 820,000 | 543,782 | 1,363,782 |
| 2022 | 337,247 | 93,483 | 430,730 | 850,000 | 502,974 | 1,352,974 |
| 2023 | 351,135 | 81,544 | 432,679 | 885,000 | 460,189 | 1,345,189 |
| 2024 - 2028 | 1,952,381 | 212,017 | 2,164,398 | 5,015,000 | 1,580,230 | 6,595,230 |
| 2029 - 2033 | - | - | - | 3,796,695 | 280,504 | 4,077,199 |
| TOTALS | \$ 3,635,806 | \$ 737,028 | \$ 4,372,834 | \$ 12,891,695 | \$ 4,547,963 | \$ 17,439,658 |

| FISCAL YEAR | WATER REVENUE PROJECT BONDS SERIES 2006 (2) | | |
|---------------|---|----------------------|----------------------|
| | PRINCIPAL | INTEREST | TOTAL |
| 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 | 1,450,000 | 1,977,075 | 3,427,075 |
| 2024 - 2028 | 8,365,000 | 8,783,188 | 17,148,188 |
| 2029 - 2033 | 13,185,000 | 6,384,500 | 19,569,500 |
| 2034 - 2038 | 16,895,000 | 1,865,500 | 18,760,500 |
| TOTALS | \$ 45,095,000 | \$ 27,531,508 | \$ 72,626,508 |

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 |
| | 2019 | \$ 1,610,000 | \$ 358,175 | \$ 1,968,175 | \$ - | \$ 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 | - | - | - | 1,970,000 | 5,786,173 | 7,756,173 |
| 2024 - 2028 | - | - | - | 11,240,000 | 26,792,084 | 38,032,084 |
| 2029 - 2033 | - | - | - | 13,960,000 | 22,607,170 | 36,567,170 |
| 2034 - 2038 | - | - | - | 32,190,000 | 16,905,240 | 49,095,240 |
| 2039 - 2043 | - | - | - | 24,310,000 | 2,571,450 | 26,881,450 |
| TOTALS | \$ 6,940,000 | \$ 938,350 | \$ 7,878,350 | \$ 83,670,000 | \$ 97,806,807 | \$ 181,476,807 |

| FISCAL YEAR | WATER REVENUE PROJECT BONDS SERIES 2012 (2) | | | WATER REVENUE REFUNDING BONDS SERIES 2014 (2) | | |
|---------------|---|---------------------|---------------------|---|----------------------|----------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| | 2019 | \$ 455,000 | \$ 274,819 | \$ 729,819 | \$ 1,392,368 | \$ 1,137,432 |
| 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 | 540,000 | 192,269 | 732,269 | 1,617,836 | 913,214 | 2,531,050 |
| 2024 - 2028 | 3,000,000 | 655,144 | 3,655,144 | 9,058,256 | 3,595,996 | 12,654,252 |
| 2029 - 2033 | 1,375,000 | 85,594 | 1,460,594 | 10,919,389 | 1,738,612 | 12,658,001 |
| 2034 - 2038 | - | - | - | 2,436,465 | 92,586 | 2,529,051 |
| TOTALS | \$ 6,855,000 | \$ 1,914,931 | \$ 8,769,931 | \$ 29,932,419 | \$ 10,564,385 | \$ 40,496,804 |

| FISCAL YEAR | WASTEWATER REVENUE BONDS SERIES 2004B (2) | | | | | |
|---------------|---|-------------------------------|--------------------|----------------------------|---------------------|----------------------|
| | PRINCIPAL | COUNTERPARTY SWAP PAYMENT* | | INTEREST TO BONDHOLDERS | TOTAL INTEREST | TOTAL |
| | | TO | FROM | | | |
| 2019 | \$ 1,085,000 | \$ 576,287 | \$ (8,241) | \$ 21,448 | \$ 589,494 | \$ 1,674,494 |
| 2020 | 1,110,000 | 533,679 | (7,632) | 19,863 | 545,910 | 1,655,910 |
| 2021 | 735,000 | 490,090 | (7,008) | 18,240 | 501,322 | 1,236,322 |
| 2022 | 760,000 | 461,226 | (6,596) | 17,166 | 471,796 | 1,231,796 |
| 2023 | 780,000 | 431,154 | (6,166) | 16,279 | 441,267 | 1,221,267 |
| 2024 - 2028 | 4,250,000 | 1,678,303 | (24,000) | 63,366 | 1,717,669 | 5,967,669 |
| 2029 - 2033 | 4,895,000 | 795,192 | (11,371) | 30,023 | 813,844 | 5,708,844 |
| 2034 - 2038 | 1,060,000 | 41,604 | (595) | 1,571 | 42,580 | 1,102,580 |
| TOTALS | \$ 14,675,000 | \$ 5,007,535 | \$ (71,609) | \$ 187,956 | \$ 5,123,882 | \$ 19,798,882 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| FISCAL YEAR | WASTEWATER REVENUE BONDS SERIES 2006 (2) | | | WASTEWATER REVENUE REFUNDING BONDS SERIES 2013 (2) | | |
|---------------|--|---------------------|----------------------|--|-------------------|---------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| | 2019 | \$ 345,000 | \$ 452,753 | \$ 797,753 | \$ 3,183,905 | \$ 179,590 |
| 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 | 410,000 | 387,668 | 797,668 | - | - | - |
| 2024 - 2028 | 2,350,000 | 1,640,205 | 3,990,205 | - | - | - |
| 2029 - 2033 | 2,980,000 | 1,005,250 | 3,985,250 | - | - | - |
| 2034 - 2038 | 2,175,000 | 221,000 | 2,396,000 | - | - | - |
| TOTALS | \$ 9,385,000 | \$ 4,971,743 | \$ 14,356,743 | \$ 6,460,073 | \$ 270,668 | \$ 6,730,741 |

| FISCAL YEAR | WASTEWATER REVENUE REFUNDING BONDS SERIES 2014 (2) | | |
|---------------|--|----------------------|-----------------------|
| | PRINCIPAL | INTEREST | TOTAL |
| | 2019 | \$ - | \$ 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 | 4,050,000 | 3,222,750 | 7,272,750 |
| 2024 - 2028 | 23,495,000 | 12,866,250 | 36,361,250 |
| 2029 - 2033 | 29,985,000 | 6,375,000 | 36,360,000 |
| 2034 - 2038 | 6,925,000 | 346,250 | 7,271,250 |
| TOTALS | \$ 71,985,000 | \$ 37,023,500 | \$ 109,008,500 |

| FISCAL YEAR | 2004 CAPITAL FUND REVENUE BONDS HOUSING AUTHORITY (2) | | |
|---------------|---|-------------------|---------------------|
| | PRINCIPAL | INTEREST | TOTAL |
| | 2019 | \$ 335,000 | \$ 108,890 |
| 2020 | 355,000 | 93,815 | 448,815 |
| 2021 | 370,000 | 77,485 | 447,485 |
| 2022 | 390,000 | 60,095 | 450,095 |
| 2023 | 410,000 | 41,375 | 451,375 |
| 2024 - 2028 | 430,000 | 21,285 | 451,285 |
| TOTALS | \$ 2,290,000 | \$ 402,945 | \$ 2,692,945 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| FISCAL YEAR | 2009 MASTER EQUIPMENT LEASE PURCHASE (2) | | | B OF A CAPITAL LEASE 2018 (2) | | |
|---------------|--|-----------------|------------------|-------------------------------------|-------------------|---------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| | 2019 | \$ 48,772 | \$ 1,823 | \$ 50,596 | \$ 434,555 | \$ 149,520 |
| 2020 | 24,929 | 369 | 25,298 | 447,938 | 136,137 | 584,075 |
| 2021 | - | - | - | 461,733 | 122,342 | 584,075 |
| 2022 | - | - | - | 475,953 | 108,122 | 584,075 |
| 2023 | - | - | - | 490,610 | 93,465 | 584,075 |
| 2024 - 2028 | - | - | - | 2,689,211 | 231,163 | 2,920,374 |
| TOTALS | \$ 73,701 | \$ 2,192 | \$ 75,894 | \$ 5,000,000 | \$ 840,749 | \$ 5,840,749 |

*Variable rate used was LIBOR rate 1.43% as of June 30, 2018.

(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, 2018 is as follows:

| | AMOUNT |
|---|----------------------|
| Rice Avenue/Highway 101 Interchange Assessment District | |
| Local Obligation Revenue Bonds (2012 Special District Bond Refinancing to refund 1915 Act Limited Obligation Bonds) | \$ 9,635,000 |
| City of Oxnard Community Facilities District 1 (Westport) | |
| Local Obligation Revenue Bonds (2012 Special District Bond Refinancing to refund CFD No. 2000-3 Bonds) | 7,720,000 |
| Oxnard Boulevard Interchange Community Facilities District 2000-3 | |
| Local Obligation Revenue Bonds (2012 Special District Bond Refinancing to refund CFD No. 1 Bonds) | 5,925,000 |
| Oxnard Boulevard/Highway 101 Interchange Assessment District 2000-1 | |
| 1915 Act Improvement Limited Obligation Bonds | 1,685,000 |
| Community Facilities District No. 3 | |
| Special Tax Refunding Bond 2013 (Seabridge Mandalay Bay) | 25,605,000 |
| TOTAL | \$ 50,570,000 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

H. Compensated Absences

The accrual for compensated absences was reported as follows as of June 30, 2018:

| | BALANCE JULY 1, 2017 | ADDITIONS | PAYMENTS | BALANCE JUNE 30, 2018 | DUE WITHIN ONE YEAR |
|---------------------------------|-------------------------|----------------------|----------------------|--------------------------|------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| General Fund | \$ 14,397,398 | \$ 9,692,942 | \$ 8,841,317 | \$ 15,249,023 | \$ 10,000,000 |
| Internal Service Fund | 1,134,834 | 503,329 | 687,653 | 950,510 | 626,000 |
| | <u>15,532,232</u> | <u>10,196,271</u> | <u>9,528,970</u> | <u>16,199,533</u> | <u>10,626,000</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | |
| Water | 678,764 | 219,945 | 399,587 | 499,122 | 365,000 |
| Wastewater | 752,771 | 337,019 | 601,660 | 488,130 | 445,000 |
| Environmental resources | 1,224,125 | 508,870 | 776,485 | 956,510 | 675,000 |
| Oxnard Housing Authority | 430,486 | 321,226 | 284,744 | 466,968 | 34,268 |
| | <u>3,086,146</u> | <u>1,387,060</u> | <u>2,062,476</u> | <u>2,410,730</u> | <u>1,519,268</u> |
| TOTALS | <u>\$ 18,618,378</u> | <u>\$ 11,583,331</u> | <u>\$ 11,591,446</u> | <u>\$ 18,610,263</u> | <u>\$ 12,145,268</u> |

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

I. Fund Balances

The following funds/subfunds had deficit fund balances as of June 30, 2018:

| | AMOUNT |
|--------------------------------------|------------|
| Waterways AD Zone #2 | \$ 1,939 |
| Cal Home Progam Grant | 575 |
| Water Resource Grant | 52,442 |
| Transportation Grant | 25,610 |
| Homeland Security Grant | 11,233 |
| EBM Justice Grant | 224 |
| Fed Transportation Grant | 31,724 |
| Public Liability and Property Damage | 4,202,049 |
| Workers' Compensation | 14,081,278 |
| Customer Billing Operating Fund | 645,444 |

Deficit in grant funds represent expenditures pending reimbursement by grantors or final closeout of grants. Deficits in risk management funds resulted from implementing more conservative actuarial assumptions regarding claims liabilities. The customer billing internal service fund deficit is adjusted annually as part of regular budget reviews.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

J. Prior-Period Adjustments

Effective July 1, 2017, the City made restatements to the net position and fund balance as follows:

| | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS-TYPE ACTIVITIES</u> |
|--|------------------------------------|-------------------------------------|
| <u>Net Position</u> | | |
| Unadjusted Net Position | \$1,945,950,068 | \$ 278,380,956 |
| <u>Change in Accounting Principle</u> | | |
| To record net OPEB liabilities in compliance with GASB 75 | <u>(8,007,760)</u> | <u>(4,901,971)</u> |
| Adjusted Net Position, July 1, 2017 | <u><u>\$1,937,942,308</u></u> | <u><u>\$ 273,478,985</u></u> |

The net effect of the prior-period adjustments to change in net position for the year ended June 30, 2017 was not determined. There was no effect to change in fund balance for the year ended June 30, 2017.

K. Special Item

The City reported a special item in the amount of \$10,657,104 for capital assets transferred from the Oxnard Community Development Commission Successor Agency Private Purpose Trust Fund to the City of Oxnard for certain real property known as the Riverpark Parking Facility. This resulted in a \$10,657,104 increase in net position of the governmental activities and an equivalent decrease in the fiduciary net position of the Oxnard Community Development Commission Successor Agency Private Purpose Trust Fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The City provides pension benefits to its employees through four defined benefit plans: CalPERS Miscellaneous Plan, CalPERS Police Plan, CalPERS Fire, and PARS Plan. Pension expense for all plans totaled \$44,249,464 for the year ended June 30, 2018. Total pension liabilities, fiduciary net position and net pension liabilities for all plans as of June 30, 2018 are as follows:

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
|----------------------------------|----------------------------|--------------------------------|----------------------------------|
| Miscellaneous Plan | \$ 459,922,595 | \$ 336,976,981 | \$ 122,945,614 |
| Safety – Police | 367,718,233 | 262,051,305 | 105,666,928 |
| Safety – Fire | 155,101,344 | 104,216,639 | 50,884,705 |
| PARS Retirement Enhancement Plan | 90,818,000 | 69,622,000 | 21,196,000 |
| TOTALS | \$ 1,073,560,172 | \$ 772,866,925 | \$ 300,693,247 |

1. 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, 2018, the City's total contributions for the Miscellaneous and Safety Plans were \$26,227,251. The City's contributions recognized as part of the pension expense for the year ended June 30, 2018 was \$23,885,726 for the Miscellaneous and Safety Plans.

The Plan's provisions and benefits in effect at June 30, 2018 are summarized as follows:

| | Miscellaneous | |
|--|------------------------|--------------------|
| | Prior to | On or After |
| | January 1, 2013 | January 1, 2013 |
| 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 percentage of eligible compensation | 1.26% to 2.42% | 1.00% to 2.50% |
| Required employee contribution rates | 7.00% | 6.00% |
| Required employer contribution rates plus unfunded accrued liability | 7.460% \$ 6,041,750 | 7.460% \$ - |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | Safety – Police | |
|--|-------------------------|--------------------|
| | Prior to | On or After |
| Hire date | January 1, 2013 | January 1, 2013 |
| 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 percentage of eligible compensation | 3.00% | 2.00% to 2.70% |
| Required employee contribution rates | 9.00% | 13.75% |
| Required employer contribution rates plus unfunded accrued liability | 23.685% \$ 5,766,814 | 23.985% \$ - |

| | Safety – Fire | |
|--|-------------------------|---------------------|
| | Prior to | On or After |
| Hire date | January 1, 2013 | January 1, 2013 |
| 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 percentage of eligible compensation | 3.00% | 2.00% to 2.70% |
| Required employee contribution rates | 9.00% | 12.25% |
| Required employer contribution rates plus unfunded accrued liability | 21.418% \$ 2,750,124 | 12.729% \$ 3,586 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

At June 30, 2017 (measurement date), the following employees were covered by the benefit terms of the Plan:

| Plan Members | Number of Members | | |
|---------------------------|-------------------|--------------|------------|
| | Miscellaneous | Safety Plans | |
| | Classic | Police | Fire |
| Active | 965 | 218 | 100 |
| Transferred | 555 | 36 | 30 |
| Terminated | 1,266 | 35 | 12 |
| Retired and beneficiaries | 999 | 265 | 132 |
| TOTALS | 3,785 | 554 | 274 |

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

The June 30, 2017 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 | 7.15% |
| 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 ¹ | 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 |

¹ 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, 2016 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 7.15%. 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 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% 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.

| <u>Asset Class</u> | <u>New Strategic Allocation</u> | <u>Rate of Return⁽¹⁾ Years 1 - 10</u> | <u>Rate of Return⁽²⁾ Years 11+</u> |
|-------------------------------|---------------------------------|--|---|
| Global Equity | 47.00% | 4.90% | 5.38% |
| Global Fixed Income | 19.00% | 0.80% | 2.27% |
| Inflation Sensitive | 6.00% | 0.60% | 1.39% |
| Private Equity | 12.00% | 6.60% | 6.63% |
| Real Estate | 11.00% | 2.80% | 5.21% |
| Infrastructure and Forestland | 3.00% | 3.90% | 5.36% |
| Liquidity | 2.00% | -0.40% | -0.90% |

⁽¹⁾ An expected inflation of 2.5% used for this period

⁽²⁾ 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, 2017, 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, 2016, rolled forward to June 30, 2017, 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.

| Miscellaneous Plan | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
|---|------------------------------|--------------------------------|----------------------------------|
| Balance at June 30, 2016 (Valuation Date) | <u>\$ 423,004,392</u> | <u>\$ 312,347,346</u> | <u>\$ 110,657,046</u> |
| Changes Recognized for the Measurement Period | | | |
| Service cost | 7,747,249 | - | 7,747,249 |
| Interest on the total pension liability | 31,142,639 | - | 31,142,639 |
| Changes of assumptions | 26,464,012 | - | 26,464,012 |
| Differences between expected and actual experience | (7,125,579) | - | (7,125,579) |
| Net Plan to plan resource movement | - | (37,118) | 37,118 |
| Employer contributions | - | 8,433,832 | (8,433,832) |
| Employee contributions (paid by employer) | - | 3,542,435 | (3,542,435) |
| Net investment income | - | 34,461,764 | (34,461,764) |
| Benefit payments, included refunds of employee contributions | (21,310,118) | (21,310,118) | - |
| Administrative expense | - | (461,160) | 461,160 |
| Net changes | <u>36,918,203</u> | <u>24,629,635</u> | <u>12,288,568</u> |
| Balance at June 30, 2017 (Measurement Date) | <u><u>\$ 459,922,595</u></u> | <u><u>\$ 336,976,981</u></u> | <u><u>\$ 122,945,614</u></u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| Safety – Police Plan | Total Pension | Plan Fiduciary | Net Pension |
|--|-----------------------|-----------------------|-----------------------|
| | Liability | Net Position | Liability/(Asset) |
| Balance at June 30, 2016 (Valuation Date) | \$ 335,188,451 | \$ 237,907,373 | \$ 97,281,078 |
| Changes Recognized for the Measurement Period | | | |
| Service cost | 9,267,287 | - | 9,267,287 |
| Interest on the total pension liability | 24,738,857 | - | 24,738,857 |
| Changes of assumptions | 22,004,979 | - | 22,004,979 |
| Differences between expected and actual experience | (8,176,814) | - | (8,176,814) |
| Net Plan to Plan Resource Movement | - | 37,118 | (37,118) |
| Employer contributions | - | 10,886,085 | (10,886,085) |
| Employee contributions (paid by employer) | - | 2,604,837 | (2,604,837) |
| Net investment income | - | 26,271,673 | (26,271,673) |
| Benefit payments, included refunds of employee contributions | (15,304,527) | (15,304,527) | - |
| Administrative expense | - | (351,254) | 351,254 |
| Net changes | <u>32,529,782</u> | <u>24,143,932</u> | <u>8,385,850</u> |
| Balance at June 30, 2017 (Measurement Date) | \$ 367,718,233 | \$ 262,051,305 | \$ 105,666,928 |

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

| Safety – Fire Plan | Total Pension | Plan Fiduciary | Net Pension | Proportionate |
|--|-----------------------|-----------------------|----------------------|---|
| | Liability | Net Position | Liability/(Asset) | Share of the Collective Net Pension Liability |
| Balance at June 30, 2016 (Valuation Date) | \$ 143,999,500 | \$ 98,572,021 | \$ 45,427,479 | 0.52499% |
| Net changes during 2016-2017 | <u>11,101,844</u> | <u>5,644,618</u> | <u>5,457,226</u> | <u>-0.01190%</u> |
| Balance at June 30, 2017 (Measurement Date) | \$ 155,101,344 | \$ 104,216,639 | \$ 50,884,705 | 0.51309% |

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, 2016 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, 2016 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, 2017, 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, 2018, the City recognized pension expense of \$17,657,792, \$16,616,376, and \$7,863,604 for the Miscellaneous, Safety – Police, and Safety – Fire Plans, respectively. At June 30, 2018, 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 | \$ 9,726,389 | \$ - |
| Safety – Police | 11,577,987 | - |
| Safety – Fire | 4,922,875 | - |
| Net difference between projected and actual earnings on pension plan investments: | | |
| Miscellaneous Plan | 4,570,777 | - |
| Safety – Police | 3,756,630 | - |
| Safety – Fire | 1,432,304 | - |
| Changes of assumptions | | |
| Miscellaneous Plan | 16,425,587 | - |
| Safety – Police | 15,023,386 | - |
| Safety – Fire | 6,065,029 | - |
| Differences between expected and actual experiences | | |
| Miscellaneous Plan | - | 4,152,632 |
| Safety – Police | - | 6,758,186 |
| Safety – Fire | 334,858 | - |
| Change in proportion | | |
| Safety – Fire | 667,486 | - |
| Difference between the employer's contributions and the employer's proportionate share of contributions | | |
| Safety – Fire | <u>1,194,238</u> | <u>-</u> |
| TOTALS | <u>\$ 75,697,546</u> | <u>\$ 10,910,818</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred outflows of resources related to contributions subsequent to the measurement date of \$26,227,251 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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 | | Deferred Outflows/ |
| Ending June 30 | | (Inflows) of |
| 2018 | | \$ 7,107,649 |
| 2019 | | 10,303,130 |
| 2020 | | 1,940,702 |
| 2021 | | (2,507,749) |
| 2022 | | - |
| TOTAL | | \$ 16,843,732 |

| Police | | |
|--------------------|--|----------------------|
| Measurement Period | | Deferred Outflows/ |
| Ending June 30 | | (Inflows) of |
| 2018 | | \$ 1,805,860 |
| 2019 | | 5,788,981 |
| 2020 | | 4,032,103 |
| 2021 | | 394,886 |
| 2022 | | - |
| TOTAL | | \$ 12,021,830 |

| Fire | | |
|--------------------|--|---------------------|
| Measurement Period | | Deferred Outflows/ |
| Ending June 30 | | (Inflows) of |
| 2018 | | \$ 3,136,010 |
| 2019 | | 4,548,748 |
| 2020 | | 2,847,250 |
| 2021 | | (838,093) |
| 2022 | | - |
| TOTAL | | \$ 9,693,915 |

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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

| | Discount Rate - 1% (6.15%) | Current Discount Rate (7.15%) | Discount Rate + 1% (8.15%) |
|---|----------------------------------|-------------------------------------|----------------------------------|
| <u>Net Pension Liability (Asset)</u> | | | |
| Miscellaneous Plan | \$ 186,941,967 | \$ 122,945,614 | \$ 70,462,301 |
| Safety – Police | 160,067,347 | 105,666,928 | 61,541,325 |
| Safety – Fire | <u>72,586,029</u> | <u>50,884,705</u> | <u>33,144,954</u> |
| TOTALS | <u>\$ 419,595,343</u> | <u>\$ 279,497,247</u> | <u>\$ 165,148,580</u> |

2. 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 (non-safety), Service Employees International Union (SEIU), International Union of Operating Engineers (IUOE), Management, and one of the two groups of Confidential employees. PARS is 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, 2017, the following employees were covered by the benefit:

| <u>Description</u> | <u>Number of Members</u> |
|--|------------------------------|
| Active members | 320 |
| Inactives entitled to benefit payments | 165 |
| Inactives currently receiving benefit payments | <u>425</u> |
| TOTAL | <u><u>910</u></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, 2018 was 16.8% of eligible employee gross wages. The City contributed \$4,480,000 to PARS for the year ended June 30, 2018. The contributions recognized as part of the pension expense for the plan was \$4,172,000.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

| | |
|--|--|
| Actuarial Cost Method | Entry Age Normal in accordance with requirement of GASB 68 |
| Actuarial Assumptions | |
| Discount Rate | 6.25% |
| Inflation | 2.75% |
| Mortality, Retirement, Disability, Termination | CalPERS 1997-2015 Experience Study |
| Investment Rate of Return | 6.25% |
| Salary Increases | Merit payroll increases; Aggregate 3.00% |
| Mortality Improvement | Mortality projected fully generational with Scale MP-2017 |

E. Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.25%. 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, 2017, 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, 2016.

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.

| | Amounts in 000s | | |
|--|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2016 (Valuation Date) | \$ 91,612 | \$ 59,139 | \$ 32,473 |
| Changes Recognized for the Measurement Period | | | |
| Service cost | 1,881 | - | 1,881 |
| Interest on the total pension liability | 5,961 | - | 5,961 |
| Changes of assumptions | 1,051 | - | 1,051 |
| Differences between expected and actual experience | (6,118) | - | (6,118) |
| Employer contributions | - | 4,172 | (4,172) |
| Employee contributions (paid by employer) | - | 2,343 | (2,343) |
| Net investment income | - | 7,609 | (7,609) |
| Benefit payments, included refunds of employee contributions | (3,569) | (3,569) | - |
| Administrative expenses | - | (72) | 72 |
| Net changes | (794) | 10,483 | (11,277) |
| Balance at June 30, 2017 (Measurement Date) | \$ 90,818 | \$ 69,622 | \$ 21,196 |

For the year ended June 30, 2018, the City recognized pension expense of \$2,112,000, for the PARS Plan. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Amounts in 000's | |
|--|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to the measurement date | \$ 4,480 | \$ - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,269 |
| Changes in assumptions | 2,884 | - |
| Differences between expected and actual experiences | - | 6,178 |
| TOTALS | \$ 7,364 | \$ 7,447 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred outflows of resources related to contributions subsequent to the measurement date of \$4,480,000 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Measurement Period Ending June 30 | Amounts in 000s Deferred Outflows/ (Inflows) of Resources |
|--------------------------------------|---|
| 2019 | \$(1,385) |
| 2020 | (661) |
| 2021 | (1,219) |
| 2022 | (1,298) |
| TOTAL | <u>\$(4,563)</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 6.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.25%) or 1 percentage-point higher (7.25%) than the current rate:

| | Amounts in 000s | | |
|-----------------------|-------------------------------|--------------------------|-------------------------------|
| | Current | | |
| | Discount Rate - 1% (5.25%) | Discount Rate (6.25%) | Discount Rate + 1% (7.25%) |
| Net Pension Liability | <u>\$ 33,031</u> | <u>\$ 21,196</u> | <u>\$ 11,421</u> |

Early Retirement Incentive Plan

The City adopted through Resolution Number 13,893 a supplemental retirement plan to 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, 2018 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.

3. Postemployment Benefits Other than Pensions (OPEB)

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. Benefits Provided

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 2018 and 2017 were \$133 and \$128, respectively. The statutory contribution will be indexed by the Medical CPI each year. The required contribution is based on pay-as-you-go financing requirements. Retirees must contribute any premium amounts in excess of the City contribution.

C. Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 362 |
| Inactive employees entitled to but not yet receiving benefit payments | 517 |
| Active plan members | <u>1,008</u> |
| | <u>1,887</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

D. Total OPEB Liability

The City's total OPEB liability of \$36,120,738 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Inflation | 3.5 percent |
| Salary increases | 3.00 percent, average, including inflation |
| Healthcare cost trend rates | 6.00 percent for 2017, 5.00 percent for 2018 and later years |
| Retirees' share of benefit-related costs | Cost of monthly premiums less the City subsidy of \$133 and \$128 for the years ended 6/30/2018 and 2017, respectively |

The discount rate was based on the municipal bond 20-year high grade rate index.

Mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2017.

E. Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|---------------------------------|
| Balance at 6/30/2016 | <u>\$ 34,137,222</u> |
| Changes for the year: | |
| Service Cost | 1,779,949 |
| Interest | 1,055,268 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | - |
| Changes in assumptions or other inputs | - |
| Benefit payments | <u>(851,701)</u> |
| Net changes | <u>1,983,516</u> |
| Balance at 6/30/2017 | <u>\$ 36,120,738</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13 percent) or 1 percentage point higher (4.13 percent) than the current discount rate (3.13 percent):

| | <u>1% Decrease (2.13%)</u> | <u>Discount Rate (3.13%)</u> | <u>1% Increase (4.13%)</u> |
|----------------------|--------------------------------|----------------------------------|--------------------------------|
| Total OPEB liability | \$ 41,594,858 | \$ 36,120,738 | \$ 31,638,453 |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.0 percent decreasing to 4.0 percent) or 1 percentage point higher (7.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates (6.0 percent decreasing to 5.0%):

| | <u>1% Decrease (5.0% decreasing to 4.0%)</u> | <u>Healthcare Cost Trend Rates (6.0% decreasing to 5.0%)</u> | <u>1% Increase (7.0% decreasing to 6.0%)</u> |
|----------------------|--|--|--|
| Total OPEB liability | \$ 30,957,151 | \$ 36,120,738 | \$ 42,644,153 |

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized an OPEB expense of \$2,835,217. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| OPEB contributions subsequent to the measurement date | \$ 929,464 | \$ - |
| Differences between expected and actual experience | - | - |
| Changes of assumptions or other inputs | - | - |
| Total | <u>\$ 929,464</u> | <u>\$ -</u> |

The deferred outflows of resources related to OPEB contributions subsequent to the measurement date of \$929,464 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

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 \$28,007,825 recorded at June 30, 2018, 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%.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 2017-2018 was \$1,458,415. During the past five-year period, the average claims filed each year for general liability amounted to 201 claims totaling \$1,507,373 per year (an average of \$7,484 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 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833, (800) 541-4591.

The total unpaid claims and claims adjustment expense liability (long-term obligations) recorded at June 30, 2018 was \$5,500,000. The following schedule presents the changes in self-insurance claims liabilities for the past two years:

| | PUBLIC LIABILITY AND PROPERTY DAMAGE | |
|--|---|---------------------|
| | <u>FY 2017-2018</u> | <u>FY 2016-2017</u> |
| Unpaid claims and claims adjustment expenses - July 1 | <u>\$ 3,648,503</u> | <u>\$ 3,534,312</u> |
| Incurred Claims and Claims Adjustment Expenses | | |
| Increase (decrease) in provision for insured events | (32,901) | 2,376,974 |
| Increase (decrease) in actuarially incurred but not reported claims (IBNR) | <u>1,884,398</u> | <u>(2,262,783)</u> |
| Total Incurred Claims and Claims Adjustment Expenses | <u>1,851,497</u> | <u>114,191</u> |
| Unpaid claims and claims adjustment expenses - June 30 | <u>\$ 5,500,000</u> | <u>\$ 3,648,503</u> |
| CLAIMS AND JUDGMENTS DUE WITHIN ONE YEAR | <u>\$ 2,358,576</u> | <u>\$ 2,391,477</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 2017-2018 was \$296,300.

Within the City's self-insured program for workers' compensation, there has been an average of 207 claims filed per year for the past five years, with an average of approximately \$5,641,328 per year in total reported losses (an average of \$27,306 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, 2018 was \$22,507,825.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

| | WORKERS' COMPENSATION | |
|--|--------------------------|----------------------|
| | <u>FY 2017-2018</u> | <u>FY 2016-2017</u> |
| Unpaid claims and claims adjustment expenses - July 1 | <u>\$ 14,408,275</u> | <u>\$ 14,133,710</u> |
| Incurred Claims and Claims Adjustment Expenses | | |
| Increase (decrease) in provision for insured events | 2,807,595 | 227,047 |
| Increase (decrease) in actuarially incurred but not reported claims (IBNR) | <u>5,291,955</u> | <u>47,518</u> |
| Total Incurred Claims and Claims Adjustment Expenses | <u>8,099,550</u> | <u>274,565</u> |
| Unpaid claims and claims adjustment expenses - June 30 | <u>\$ 22,507,825</u> | <u>\$ 14,408,275</u> |
| CLAIMS AND JUDGMENTS DUE WITHIN ONE YEAR | <u>\$ 8,588,825</u> | <u>\$ 4,820,902</u> |

V. OTHER INFORMATION

A. Commitments and Contingencies

As of June 30, 2018, the City had significant construction commitments as follows:

| | <u>AMOUNT</u> |
|-------------------------|-----------------------|
| Governmental Activities | \$ 83,028,935 |
| Water Fund | 12,743,798 |
| Wastewater Fund | 45,382,903 |
| Information Systems | <u>65,067</u> |
| TOTAL | <u>\$ 141,220,703</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of June 30, 2018, 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> |
|---------------------------------|---------------------|
| GOVERNMENTAL FUNDS | |
| General Fund* | \$ 1,662,067 |
| Other nonmajor funds | <u>2,788,624</u> |
| TOTAL GOVERNMENTAL FUNDS | <u>\$ 4,450,691</u> |
| PROPRIETARY FUNDS | |
| Water funds | \$ 290,849 |
| Wastewater funds | 400,660 |
| Environmental resources funds | <u>261,410</u> |
| TOTAL PROPRIETARY FUNDS | <u>\$ 952,919</u> |

* Includes \$877,204 of Measure "O" encumbrances.

There are various lawsuits and claims pending against the City. Management believes that all contingencies requiring accrual or disclosure are reflected 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, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

B. Risk and Uncertainties

Measure M Litigation

The Ventura County Superior Court ruled against the City in a suit City of Oxnard v. Aaron Starr. The City's suit claimed that voter initiative M that rolled back Wastewater utility rates adopted in 2016, sponsored by Mr. Starr, was illegal because it would force the City to violate legal and contractual obligations. The City Council will decide whether it will appeal the decision of the court after new Councilmembers are seated on December 11, 2018 and before the deadline to file the appeal on January 28, 2019.

If the City does not appeal the Court's ruling, the City may liable for refund of the difference between the 2016 and pre-2016 rates collected pursuant to stay issued by the court for the period following the date the initiative took effect through the date the 2017 rates took effect estimated at \$5.9 million. A separate class action lawsuit was filed that would determine the amount of the refund and the method of repayment. Other costs, including legal fees, would increase costs associated with the Court's adverse ruling by an undetermined amount.

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.

Retirement System Contributions in Arrears

In August, 2018 the City received bills totaling approximately \$250,000 from the California Public Employees Retirement System (PERS) for retirement system contributions not paid to four employees in prior years. On further investigation the City has determined that some part time or temporary employees worked enough hours to qualify for membership in the PERS system but were not enrolled in the system as required by law. As a result, the City became liable for payment of the employer and employee contributions for employees qualified for membership but not enrolled at the rates in effect in the year they qualified as PERS members and in each subsequent year that they worked.

The City is analyzing the issue to determine the number of employees that might be affected, the size of the potential liability for each employee and the funds that were charged for the costs of those employees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Incomplete records for prior years have complicated the analysis so that the City does not have a reliable estimate of the liability at this time. When the amount of the liability is known management will update disclosure in future years' financial statements and will develop a funding plan for the liability. At this time management anticipates that future annual funding payments will not be material.

Community Facilities District Elections

Three initiative measures affecting service charges in Community Facilities Districts (CFD) 3 and 4 for "Seabridge at Mandalay Bay" development were adopted by majorities of electors in the November 6, 2018 election. Measure F reduced the level of special taxes levied in CFD-4 by approximately by 28.2%, Measure I reduced payments for Harbor Patrol services paid by CFD-4 by 80%, and Measure H capped payment of City costs for bond administration and district management for CFD-3 to \$5,000 a year through the life of the CFD. The reduction in special taxes for CFD-4 could reduce or potentially even eliminate one or more services including (but not limited to) landscaping within the Seabridge community, dredging in the Harbor, Harbor Patrol services, and/or remediation measures to deal with water quality issues within the Seabridge portion of the Harbor.

The long term impact of implementing these measures on property values providing the security of Seabridge CFD-3 bonds totaling \$25,605,000 at June 30, 2018 is unknown and cannot be estimated at this time. None of the measures could reduce the special tax levied to make bond payments.

The adoption of these measures may result in litigation to resolve questions about how the measures would affect existing regulations and how CFD-3 and CFD-4 would operate, as amended by the measures. This is because of ambiguities in the measure documents submitted by the proponent, internal inconsistencies in the existing CFD-3 and CFD-4 documents that the adoption of the measure would cause, and potential inconsistencies that the measures could cause with the Development Agreement for the Seabridge project and Settlement Agreement for the Seabridge project between the City, County of Ventura and the original project developer. The outcome of any litigation is uncertain, as are the time and expense that would be required.

In management's opinion, the passage of these measures will materially affect the financial condition of the Seabridge CFDs but will not have a material effect on the City of Oxnard.

C. Subsequent Events - Water & Wastewater Bond Refunding

In November 2018, the City issued Water Revenue Refunding Bonds, Series 2018 in the amount of \$40,370,000. These are seventeen-year bonds maturing in various amounts through June 1, 2036, with a net interest cost of 4.07%. These bonds were issued to refund the City's Water Revenue Project Bonds, Series 2006. The redemption of the

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Series 2006 Obligation is anticipated to result in approximately \$4.17 million of estimated present value savings and \$314,000 annually to the enterprise.

In November 2018, the City issued Wastewater Revenue Refunding Bonds, Series 2018 in the amount of \$24,550,000. These are sixteen-year bonds maturing in various amounts through June 1, 2034, with a net interest cost of 3.38%. These bonds were issued to refund the City's Variable Rate Demand Wastewater Revenue Project bonds, Series 2004B, and the Wastewater Project Bonds, Series 2006, as well as to finance the 2004B bonds swap termination payment in the amount of \$2,157,000. The redemption of the Series 2004B and 2006 Obligations is anticipated to result in approximately \$1.32 million of estimated present value savings and \$100,000 annually to the enterprise.

D. 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, 2018:

| | <u>FAIR VALUE</u> |
|---|-----------------------------|
| Deposits and investments | \$ 12,846,404 |
| Restricted investments with fiscal agents | <u>2,870,260</u> |
| TOTAL | <u>\$ 15,716,664</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:

| | <u>BALANCE JULY 1, 2017</u> | <u>ADDITIONS</u> | <u>DELETIONS</u> | <u>BALANCE JULY 1, 2018</u> |
|-----------------------------|---------------------------------|--------------------|-------------------------|---------------------------------|
| Heritage Square | \$ 66,982 | \$ - | \$ - | \$ 66,982 |
| Baldwin Company | 17,873 | - | - | 17,873 |
| Strand Cinemas | 732,508 | - | 43,559 | 688,949 |
| Oxnard Theater Group | 5,947,775 | 1,035,600 | - | 6,983,375 |
| Allowance for uncollectible | <u>(5,947,775)</u> | <u>(1,035,600)</u> | <u>-</u> | <u>(6,983,375)</u> |
| TOTALS | <u>\$ 817,363</u> | <u>\$ -</u> | <u>\$ 43,559</u> | <u>\$ 773,804</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

d. Capital Assets

Changes in the Successor Agency's capital assets for the year ended June 30, 2018 are as follows:

| | BALANCE <u>JULY 1, 2017</u> | <u>INCREASES</u> | <u>DECREASES</u> | BALANCE <u>JUNE 30, 2018</u> |
|---|--------------------------------|-----------------------|----------------------|---------------------------------|
| FIDUCIARY ACTIVITIES | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | \$ - | \$ - | \$ - | \$ - |
| Construction in progress | 295,373 | - | 295,373 | - |
| Total Capital Assets, Not Being Depreciated | <u>295,373</u> | <u>-</u> | <u>295,373</u> | <u>-</u> |
| Capital Assets, being depreciated | | | | |
| Buildings | 13,136,811 | - | 12,231,175 | 905,636 |
| Improvements other than buildings | 17,073,449 | 295,372 | - | 17,368,821 |
| Equipment and machinery | 34,013 | - | - | 34,013 |
| Infrastructure | <u>33,107,189</u> | <u>-</u> | <u>-</u> | <u>33,107,189</u> |
| Total Capital Assets, Being Depreciated | <u>63,351,462</u> | <u>295,372</u> | <u>12,231,175</u> | <u>51,415,659</u> |
| Less: Accumulated Depreciation | | | | |
| Buildings | (2,001,160) | (289,285) | (1,766,726) | (523,719) |
| Improvements other than buildings | (3,346,467) | (433,426) | - | (3,779,893) |
| Equipment and machinery | (34,013) | - | - | (34,013) |
| Infrastructure | <u>(11,051,301)</u> | <u>(854,313)</u> | <u>-</u> | <u>(11,905,614)</u> |
| Total Accumulated Depreciation | <u>(16,432,941)</u> | <u>(1,577,024)</u> | <u>(1,766,726)</u> | <u>(16,243,239)</u> |
| Total Capital Assets, being depreciated, net | <u>46,918,521</u> | <u>(1,281,652)</u> | <u>10,464,449</u> | <u>35,172,420</u> |
| TOTALS | <u>\$ 47,213,894</u> | <u>\$ (1,281,652)</u> | <u>\$ 10,759,822</u> | <u>\$ 35,172,420</u> |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

e. Long-Term Obligations

The following is a summary of changes in the Successor Agency's long-term obligations for the year ended June 30, 2018:

| | BALANCE JULY 1, 2017 | ADDITIONS | REDUCTIONS | BALANCE JUNE 30, 2018 | DUE WITNIN ONE YEAR |
|---|-------------------------|-------------|---------------------|--------------------------|------------------------|
| Tax allocation refunding bonds Series 2004A | \$ 9,920,000 | \$ - | \$ 910,000 | \$ 9,010,000 | \$ 945,000 |
| Tax allocation bond financing Series 2006 | 16,060,000 | - | 555,000 | 15,505,000 | 580,000 |
| HERO project tax allocation bonds Series 2008 | 10,220,000 | - | 235,000 | 9,985,000 | 240,000 |
| Less: Unamortized discounts | <u>(35,094)</u> | <u>-</u> | <u>35,094</u> | <u>-</u> | <u>-</u> |
| TOTAL LONG-TERM INDEBTEDNESS | <u>\$36,164,906</u> | <u>\$ -</u> | <u>\$ 1,735,094</u> | <u>\$ 34,500,000</u> | <u>\$ 1,765,000</u> |

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, 2018 is \$9,010,000.

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, 2018 is \$15,505,000.

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, 2018 is \$9,985,000.

f. 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, 2018.

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 |
| 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 | 5,285,000 | 678,241 | 5,963,241 |
| TOTALS | \$9,010,000 | \$2,063,707 | \$ 11,073,707 |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

| FISCAL YEAR | TAX ALLOCATION BONDS | | |
|----------------|-----------------------------|---------------------------|-----------------------------|
| | SERIES 2006 | | |
| | PRINCIPAL | INTEREST | TOTAL |
| 2019 | \$ 580,000 | \$ 660,509 | \$ 1,240,509 |
| 2020 | 600,000 | 639,366 | 1,239,366 |
| 2021 | 620,000 | 616,866 | 1,236,866 |
| 2022 | 645,000 | 592,841 | 1,237,841 |
| 2023 | 670,000 | 567,541 | 1,237,541 |
| 2024 - 2028 | 3,790,000 | 2,413,144 | 6,203,144 |
| 2029 - 2033 | 4,665,000 | 1,560,856 | 6,225,856 |
| 2034 - 2038 | <u>3,935,000</u> | <u>509,263</u> | <u>4,444,263</u> |
| TOTALS | <u>\$ 15,505,000</u> | <u>\$7,560,387</u> | <u>\$ 23,065,387</u> |

| FISCAL YEAR | HERO PROJECT TAX ALLOCATION BONDS | | |
|----------------|--------------------------------------|---------------------------|-----------------------------|
| | SERIES 2008 | | |
| | PRINCIPAL | INTEREST | TOTAL |
| 2019 | \$ 240,000 | \$ 473,138 | \$ 713,138 |
| 2020 | 255,000 | 462,438 | 717,438 |
| 2021 | 270,000 | 451,338 | 721,338 |
| 2022 | 275,000 | 440,838 | 715,838 |
| 2023 | 290,000 | 429,663 | 719,663 |
| 2024-2028 | 1,640,000 | 1,952,699 | 3,592,699 |
| 2029-2033 | 2,055,000 | 1,547,405 | 3,602,405 |
| 2034-2038 | 3,535,000 | 997,006 | 4,532,006 |
| 2039-2043 | <u>1,425,000</u> | <u>133,831</u> | <u>1,558,831</u> |
| TOTALS | <u>\$9,985,000</u> | <u>\$6,888,355</u> | <u>\$ 16,873,355</u> |

g. 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, 2018, the remaining balance on the commitment is approximately \$7 million.

E. 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)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-----------------------|-----------------------|----------------------|----------------------|
| MEASUREMENT DATE | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Total Pension Liability | | | | |
| Service cost | \$ 7,747,249 | \$ 7,242,480 | \$ 7,317,452 | \$ 7,507,381 |
| Interest | 31,142,639 | 30,496,717 | 29,025,141 | 27,937,746 |
| Changes in assumptions | 26,464,012 | - | (7,345,091) | - |
| Difference between expected and actual experience | (7,125,579) | 1,414,899 | (4,271,504) | - |
| Benefit payments, including refunds of member contributions: | <u>(21,310,118)</u> | <u>(19,526,906)</u> | <u>(17,440,515)</u> | <u>(16,205,985)</u> |
| Net change in total pension liability | 36,918,203 | 19,627,190 | 7,285,483 | 19,239,142 |
| Total pension liability, beginning of year | <u>423,004,392</u> | <u>403,377,202</u> | <u>396,091,719</u> | <u>376,852,577</u> |
| Total pension liability, end of year | <u>459,922,595</u> | <u>423,004,392</u> | <u>403,377,202</u> | <u>396,091,719</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - employee | 3,542,435 | 3,490,315 | 3,701,640 | 3,730,681 |
| Contributions - employer | 8,433,832 | 7,657,753 | 7,237,123 | 6,858,454 |
| Net investment income (2) | 34,461,764 | 1,772,032 | 7,288,474 | 47,653,092 |
| Benefit payments, including refunds of member contributions | (21,310,118) | (19,526,906) | (17,440,515) | (16,205,985) |
| Plan to plan resource movement | (37,118) | - | 216,371 | - |
| Administrative expenses | <u>(461,160)</u> | <u>(194,504)</u> | <u>(445,021)</u> | <u>-</u> |
| Net change in plan fiduciary net position | 24,629,635 | (6,801,310) | 558,072 | 42,036,242 |
| Total plan fiduciary net position, beginning of year | <u>312,347,346</u> | <u>319,148,656</u> | <u>318,590,584</u> | <u>276,554,342</u> |
| Total plan fiduciary net position, end of year | <u>336,976,981</u> | <u>312,347,346</u> | <u>319,148,656</u> | <u>318,590,584</u> |
| Net pension liability - ending | <u>\$ 122,945,614</u> | <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 | 73.27% | 73.84% | 79.12% | 80.43% |
| Covered payroll (3) | 49,376,987 | 52,250,772 | 51,974,236 | 50,863,015 |
| Net pension liability as a percentage of covered payroll | 248.99% | 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 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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)

| | 2018 | 2017 | 2016 | 2015 |
|--|-----------------------|----------------------|----------------------|----------------------|
| MEASUREMENT DATE | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Total Pension Liability | | | | |
| Service cost | \$ 9,267,287 | \$ 8,500,329 | \$ 8,136,777 | \$ 8,379,851 |
| Interest | 24,738,857 | 24,033,111 | 22,863,767 | 21,472,209 |
| Changes in assumptions | 22,004,979 | - | (5,993,052) | - |
| Difference between expected and actual experience | (8,176,814) | (1,859,473) | 2,113,477 | - |
| Benefit payments, including refunds of member contributions: | <u>(15,304,527)</u> | <u>(14,506,274)</u> | <u>(13,568,341)</u> | <u>(12,980,263)</u> |
| Net change in total pension liability | 32,529,782 | 16,167,693 | 13,552,628 | 16,871,797 |
| Total pension liability, beginning of year | <u>335,188,451</u> | <u>319,020,758</u> | <u>305,468,130</u> | <u>288,596,333</u> |
| Total pension liability, end of year | <u>367,718,233</u> | <u>335,188,451</u> | <u>319,020,758</u> | <u>305,468,130</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - employee | 2,604,837 | 2,556,415 | 2,531,718 | 2,505,819 |
| Contributions - employer | 10,886,085 | 10,491,299 | 9,907,130 | 8,947,610 |
| Net investment income (2) | 26,271,673 | 1,190,876 | 5,184,911 | 34,904,812 |
| Benefit payments, including refunds of member contributions | (15,304,527) | (14,506,274) | (13,568,341) | (12,980,263) |
| Net Plan to Plan Resource Movement | 37,118 | - | - | - |
| Administrative expenses | <u>(351,254)</u> | <u>(145,244)</u> | <u>(268,265)</u> | <u>-</u> |
| Net change in plan fiduciary net position | 24,143,932 | (412,928) | 3,787,153 | 33,377,978 |
| Total plan fiduciary net position, beginning of year | <u>237,907,373</u> | <u>238,320,301</u> | <u>234,533,148</u> | <u>201,155,170</u> |
| Total plan fiduciary net position, end of year | <u>262,051,305</u> | <u>237,907,373</u> | <u>238,320,301</u> | <u>234,533,148</u> |
| Net pension liability - ending | <u>\$ 105,666,928</u> | <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 | 71.26% | 70.98% | 74.70% | 76.78% |
| Covered payroll (3) | 25,914,507 | 26,539,474 | 25,228,753 | 24,705,477 |
| Net pension liability as a percentage of covered payroll | 407.74% | 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 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, the discount rate was changed from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense.)

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

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|
| MEASUREMENT DATE | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| City's proportion of the collective net pension liability | 0.51309% | 0.52499% | 0.54962% | 0.53857% |
| City's proportionate share of the collective net pension liability | \$ 50,884,705 | \$ 45,427,479 | \$ 37,725,705 | \$ 33,512,523 |
| City's covered payroll (2) | \$ 10,987,654 | \$ 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 payroll | 463.11% | 503.07% | 406.36% | 368.04% |
| Plan fiduciary net position as a percentage of the plan's total pension liability | 73.31% | 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 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. 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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|---------------------|--------------------|
| <u>MISCELLANEOUS</u> | | | | |
| Actuarially determined contribution | \$ 9,726,389 | \$ 8,433,832 | \$ 7,657,753 | \$ 7,237,123 |
| Contributions in relation to the actuarially determined contribution | <u>(9,726,389)</u> | <u>(8,433,832)</u> | <u>(7,657,753)</u> | <u>(7,237,123)</u> |
| Contribution deficiency | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll (2) | \$ 52,417,521 | \$ 49,376,987 | \$ 52,250,772 | \$ 51,974,236 |
| Contributions as a percentage of employee payroll | 18.55% | 17.08% | 14.66% | 13.92% |
| <u>SAFETY-POLICE</u> | | | | |
| Actuarially determined contribution | \$ 11,577,987 | \$ 10,886,085 | \$ 10,491,299 | \$ 9,907,130 |
| Contributions in relation to the actuarially determined contribution | <u>(11,577,987)</u> | <u>(10,886,085)</u> | <u>(10,491,299)</u> | <u>(9,907,130)</u> |
| Contribution deficiency | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll (2) | \$ 25,399,952 | \$ 25,914,507 | \$ 26,539,474 | \$ 25,228,753 |
| Contributions as a percentage of employee payroll | 45.58% | 42.01% | 39.53% | 39.27% |
| <u>SAFETY-FIRE</u> | | | | |
| Actuarially determined contribution | \$ 4,922,875 | \$ 4,565,809 | \$ 4,204,589 | \$ 4,004,186 |
| Contributions in relation to the actuarially determined contribution | <u>(4,922,875)</u> | <u>(4,565,809)</u> | <u>(4,204,589)</u> | <u>(4,004,186)</u> |
| Contribution deficiency | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll (2) | \$ 11,824,780 | \$ 10,987,654 | \$ 9,030,122 | \$ 9,283,898 |
| Contributions as a percentage of employee payroll | 41.63% | 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 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)

| MEASUREMENT DATE | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Total Pension Liability | | | | |
| Service cost | \$ 1,881,000 | \$ 2,007,000 | \$ 2,043,000 | \$ 2,220,000 |
| Interest | 5,961,000 | 5,715,000 | 5,545,000 | 5,238,000 |
| Changes in assumptions | 1,051,000 | - | 5,436,000 | |
| Difference between actual and expected experience | (6,118,000) | - | (3,736,000) | |
| Benefit payments, including refunds of member contributions: | <u>(3,569,000)</u> | <u>(4,068,000)</u> | <u>(2,866,000)</u> | <u>(2,599,000)</u> |
| Net change in total pension liability | (794,000) | 3,654,000 | 6,422,000 | 4,859,000 |
| Total pension liability, beginning of year | <u>91,612,000</u> | <u>87,958,000</u> | <u>81,536,000</u> | <u>76,677,000</u> |
| Total pension liability, end of year | <u>90,818,000</u> | <u>91,612,000</u> | <u>87,958,000</u> | <u>81,536,000</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - employee | 2,343,000 | 2,513,000 | 2,922,000 | 2,731,000 |
| Contributions - employer | 4,172,000 | 6,586,000 | 1,043,000 | 985,000 |
| Net investment income | 7,609,000 | 543,000 | 2,133,000 | 6,805,000 |
| Benefit payments, including refunds of member contributions | (3,569,000) | (4,068,000) | (2,866,000) | (2,599,000) |
| Administrative expenses | <u>(72,000)</u> | <u>(80,000)</u> | <u>(68,000)</u> | <u>(65,000)</u> |
| Net change in plan fiduciary net position | 10,483,000 | 5,404,000 | 3,164,000 | 7,857,000 |
| Total plan fiduciary net position, beginning of year | <u>59,139,000</u> | <u>53,735,000</u> | <u>50,571,000</u> | <u>42,714,000</u> |
| Total plan fiduciary net position, end of year | <u>69,622,000</u> | <u>59,139,000</u> | <u>53,735,000</u> | <u>50,571,000</u> |
| Net pension liability - ending | <u>\$ 21,196,000</u> | <u>\$ 32,473,000</u> | <u>\$ 34,223,000</u> | <u>\$ 30,965,000</u> |
| Plan fiduciary net position as a percentage of total pension liability | 76.66% | 64.55% | 61.09% | 62.02% |
| Covered payroll | 31,089,909 | 31,089,909 | 36,519,391 | 31,157,782 |
| Net pension liability as a percentage of covered payroll | 68.18% | 104.45% | 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)

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|------------------|------------------|---------------------|
| Actuarially determined contribution | \$ 4,406,000 | \$ 4,376,000 | \$ 3,589,787 | \$ 4,184,000 |
| Contributions in relation to the actuarially-determined contribution | <u>4,480,000</u> | <u>4,314,000</u> | <u>3,589,787</u> | <u>1,043,000</u> |
| Contribution deficiency | <u>\$ (74,000)</u> | <u>\$ 62,000</u> | <u>\$ -</u> | <u>\$ 3,141,000</u> |
| Covered payroll | \$ 26,737,000 | \$ 28,874,000 | \$ 31,089,909 | \$ 36,519,391 |
| Contributions as a percentage of employee payroll | 16.76% | 14.94% | 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 CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

For the Year Ended June 30, 2018

| | <u>2018</u> |
|---|---------------------|
| Total OPEB liability | |
| Service Cost | \$ 1,779,949 |
| Interest | 1,055,268 |
| Changes in benefit terms | - |
| Differences between expected and actual experience | - |
| Changes in assumptions | - |
| Benefit payments | <u>(851,701)</u> |
| Net change in total OPEB liability | 1,983,516 |
| Total OPEB liability - beginning | <u>34,137,222</u> |
| Total OPEB liability - ending | <u>\$36,120,738</u> |
| | |
| Covered payroll | <u>\$83,423,271</u> |
| | |
| Total OPEB liability as a percentage of covered payroll | 43.30% |

(1) GASB Statement No. 75, which requires ten years of history for this schedule, was implemented during year ended June 30, 2018. Additional years will be added as they become available in the future.

Notes to Schedule:

| | |
|--------------------------|------|
| Changes in benefit terms | None |
| Changes of assumptions | None |

**CITY OF OXNARD, CALIFORNIA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL AMOUNTS</u> | <u>VARIANCE WITH FINAL BUDGET</u> |
|---|----------------------------|-------------------------|---------------------------|---------------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property | \$ 54,111,876 | \$ 54,111,876 | \$ 53,262,254 | \$ (849,622) |
| Sales | 44,548,000 | 44,548,000 | 43,418,876 | (1,129,124) |
| Transient occupancy | 5,195,880 | 5,195,880 | 5,749,572 | 553,692 |
| Business license (net of refund) | 5,404,000 | 5,404,000 | 5,570,488 | 166,488 |
| Franchise | 3,617,594 | 3,617,594 | 3,548,671 | (68,923) |
| Other taxes | 747,152 | 747,152 | 818,322 | 71,170 |
| Licenses and permits | 2,924,993 | 2,924,993 | 2,524,505 | (400,488) |
| Intergovernmental | 1,891,166 | 1,891,166 | 1,908,513 | 17,347 |
| Charges for services | 20,245,043 | 20,372,536 | 19,345,462 | (1,027,074) |
| Fines and forfeitures | 2,272,777 | 2,272,777 | 2,367,166 | 94,389 |
| Investment earnings | 850,723 | 850,723 | 383,016 | (467,707) |
| Special assessments | 550,529 | 550,529 | 536,113 | (14,416) |
| Miscellaneous | 2,500,184 | 2,626,531 | 5,244,292 | 2,617,761 |
| Total Revenues | <u>144,859,917</u> | <u>145,113,757</u> | <u>144,677,250</u> | <u>(436,507)</u> |
| EXPENDITURES | | | | |
| General Government | | | | |
| Legislative | | | | |
| City Council | 394,728 | 394,728 | 382,925 | 11,803 |
| City Treasurer | 1,386,722 | 1,419,722 | 1,317,642 | 102,080 |
| City Clerk | 533,867 | 1,123,867 | 920,830 | 203,037 |
| Administrative and Support Services | | | | |
| City Manager | 1,728,984 | 1,774,273 | 1,499,234 | 275,039 |
| City Attorney | 1,748,700 | 1,763,700 | 1,564,547 | 199,153 |
| Financial services | 4,832,141 | 6,424,495 | 4,748,429 | 1,676,066 |
| Human resources | 2,038,698 | 2,107,900 | 2,257,612 | (149,712) |
| Nondepartmental | 2,565,565 | 4,401,315 | 4,944,630 | (543,315) |
| Public Safety | | | | |
| Police | 58,441,115 | 57,666,299 | 58,751,785 | (1,085,486) |
| Fire | 21,689,315 | 21,851,392 | 23,731,236 | (1,879,844) |
| Transportation systems | 3,021,898 | 6,998,264 | 6,176,942 | 821,322 |
| Community Development | | | | |
| Development services | 8,756,602 | 9,252,212 | 8,636,076 | 616,136 |
| Economic development and tourism service | 1,472,783 | 1,542,236 | 1,379,346 | 162,890 |
| Housing services | 250,000 | 431,673 | 427,541 | 4,132 |
| Community service | 150,741 | 159,534 | 163,582 | (4,048) |
| Culture and Leisure | | | | |
| Recreation services | 8,916,970 | 9,998,745 | 9,925,677 | 73,068 |
| Park and public grounds | 7,348,673 | 7,829,504 | 8,988,893 | (1,159,389) |
| Library services | 3,616,911 | 3,630,715 | 3,311,739 | 318,976 |
| Capital outlay | 928,884 | 6,788,187 | 2,826,991 | 3,961,196 |
| Principal | 715,000 | 715,000 | 715,000 | - |
| Interest and fiscal charges | 640,918 | 622,874 | 608,242 | 14,632 |
| Total Expenditures | <u>131,179,215</u> | <u>146,896,635</u> | <u>143,278,899</u> | <u>3,617,736</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>13,680,702</u> | <u>(1,782,878)</u> | <u>1,398,351</u> | <u>3,181,229</u> |

GENERAL FUND (Continued)
BUDGETARY COMPARISON SCHEDULE

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL AMOUNTS</u> | <u>VARIANCE WITH FINAL BUDGET</u> |
|---|----------------------------|-------------------------|---------------------------|---------------------------------------|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 37,740 | \$ 1,175,521 | \$ 4,801,088 | \$ 3,625,567 |
| Transfers out | <u>(7,296,646)</u> | <u>(8,246,646)</u> | <u>(12,005,796)</u> | <u>(3,759,150)</u> |
| Net Other Financing Sources (Uses) | <u>(7,258,906)</u> | <u>(7,071,125)</u> | <u>(7,204,708)</u> | <u>(133,583)</u> |
| NET CHANGE IN FUND BALANCES | 6,421,796 | (8,854,003) | (5,806,357) | 3,047,646 |
| FUND BALANCES, JULY 1 | 46,268,790 | 46,268,790 | 46,268,790 | |
| FUND BALANCES, JUNE 30 | <u>\$ 52,690,586</u> | <u>\$ 37,414,787</u> | <u>\$ 40,462,433</u> | <u>\$ 3,047,646</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 and CDBG Grants Fund - This fund is used to account for federal entitlement that is used to provide housing loans to low/moderate income families and 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, 2018

| | DEVELOPMENT FEES FUND | HUD AND CDBG GRANTS FUND | STATE AND FEDERAL GRANTS FUND | PUBLIC SAFETY RETIREMENT | DEBT SERVICE FUND | CAPITAL OUTLAY FUND |
|---|-----------------------------|-----------------------------------|--|--------------------------------|-------------------------|---------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$32,568,549 | \$ 249,113 | \$ 1,754,732 | \$ 1,204,833 | \$ 258,790 | \$ 9,975,806 |
| Investments with fiscal agents | - | - | - | - | 13,370 | 25,061,684 |
| Accounts and other receivables | 15 | 587,612 | 2,914,200 | - | - | 97,707 |
| Notes receivable | 8,270,070 | 3,727,855 | 6,289,259 | - | - | - |
| Due from other funds | - | - | - | - | - | - |
| Due from other government | - | - | 154,961 | 303,624 | - | - |
| Due from Successor Agency | 18,500 | - | - | - | - | 44 |
| Total Assets | <u>\$40,857,134</u> | <u>\$ 4,564,580</u> | <u>\$11,113,152</u> | <u>\$ 1,508,457</u> | <u>\$ 272,160</u> | <u>\$35,135,241</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 96,648 | \$ 46,658 | \$ 816,217 | \$ - | \$ - | \$ 1,385,993 |
| Other liabilities | 244,616 | 36,222 | 72,072 | 203,400 | - | 214,433 |
| Due to other funds | - | 515,259 | 2,024,226 | - | - | 535,409 |
| Due to Successor Agency | - | - | - | - | - | - |
| Unearned revenues | - | 233,476 | 637,801 | - | - | - |
| Total Liabilities | <u>341,264</u> | <u>831,615</u> | <u>3,550,316</u> | <u>203,400</u> | <u>-</u> | <u>2,135,835</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| Deferred inflow on loans | <u>8,270,070</u> | <u>3,727,855</u> | <u>6,289,259</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Restricted for: | | | | | | |
| Debt Service | - | - | - | - | 272,160 | 175,822 |
| Transportation systems | - | - | - | - | - | - |
| Maintenance districts | - | - | - | - | - | - |
| Street and traffic improvements/maintenance | - | - | (24,268) | - | - | 16,006,303 |
| Infrastructure developments | 32,245,800 | - | - | - | - | - |
| Housing | - | 5,110 | 16,305 | - | - | - |
| Culture and leisure | - | - | 101,060 | - | - | - |
| Public safety | - | - | 434,750 | 1,305,057 | - | - |
| Assigned to: | | | | | | |
| Grants | - | - | 745,730 | - | - | - |
| Capital projects | - | - | - | - | - | 16,817,281 |
| Unassigned | - | - | - | - | - | - |
| Total Fund Balances | <u>32,245,800</u> | <u>5,110</u> | <u>1,273,577</u> | <u>1,305,057</u> | <u>272,160</u> | <u>32,999,406</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$40,857,134</u> | <u>\$ 4,564,580</u> | <u>\$11,113,152</u> | <u>\$ 1,508,457</u> | <u>\$ 272,160</u> | <u>\$35,135,241</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 | |
|---------------------|---------------------|---------------------------------------|---|---|--|
| \$ 984,678 | \$ 970,407 | \$3,935,410 | \$ 15,763,180 | \$ 67,665,498 | ASSETS |
| | | | | | Cash and cash equivalents |
| 1,746,059 | - | - | - | 26,821,113 | Investments with fiscal agents |
| 192,889 | - | 17,186 | 1,800 | 3,811,409 | Accounts and other receivables |
| - | - | - | - | 18,287,184 | Notes receivable |
| - | - | - | - | - | Due from other funds |
| 259,696 | 69,389 | - | 214,536 | 1,002,206 | Due from other government |
| - | - | - | - | 18,544 | Due from Successor Agency |
| <u>\$3,183,322</u> | <u>\$ 1,039,796</u> | <u>\$3,952,596</u> | <u>\$ 15,979,516</u> | <u>\$ 117,605,954</u> | Total Assets |
| | | | | | LIABILITIES |
| \$ 125,312 | \$ - | \$ 41,689 | \$ 525,237 | \$ 3,037,754 | Accounts payable |
| 110,981 | 7,997 | 21,967 | 38,302 | 949,990 | Other liabilities |
| - | - | 2,209 | 81,913 | 3,159,016 | Due to other funds |
| - | - | 1,835,295 | - | - | Due to Successor Agency |
| - | - | <u>1,835,295</u> | <u>-</u> | <u>2,706,572</u> | Unearned revenues |
| <u>236,293</u> | <u>7,997</u> | <u>1,901,160</u> | <u>645,452</u> | <u>9,853,332</u> | Total Liabilities |
| | | | | | DEFERRED INFLOW OF RESOURCES |
| - | - | - | - | 18,287,184 | Deferred inflow on loans |
| | | | | | FUND BALANCES |
| | | | | | Restricted for: |
| 1,746,059 | - | - | - | 2,194,041 | Debt Service |
| - | 235,069 | 2,051,436 | - | 2,286,505 | Transportation systems |
| - | - | - | 15,334,064 | 15,334,064 | Maintenance districts |
| | | | | | Street and traffic improvements/ |
| 1,200,970 | - | - | - | 17,183,005 | maintenance |
| - | - | - | - | 32,245,800 | Infrastructure developments |
| - | - | - | - | 21,415 | Housing |
| - | - | - | - | 101,060 | Culture and leisure |
| - | 796,730 | - | - | 2,536,537 | Public safety |
| | | | | | Assigned to: |
| - | - | - | - | 745,730 | Grants |
| - | - | - | - | 16,817,281 | Capital projects |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | Unassigned |
| <u>2,947,029</u> | <u>1,031,799</u> | <u>2,051,436</u> | <u>15,334,064</u> | <u>89,465,438</u> | Total Fund Balances |
| <u>\$3,183,322</u> | <u>\$ 1,039,796</u> | <u>\$3,952,596</u> | <u>\$ 15,979,516</u> | <u>\$ 117,605,954</u> | TOTAL LIABILITIES AND FUND BALANCES |

CITY OF OXNARD, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

| | DEVELOPMENT FEES FUND | HUD AND CDBG GRANTS FUND | STATE AND FEDERAL GRANTS FUND | PUBLIC SAFETY RETIREMENT | DEBT SERVICE FUND | CAPITAL OUTLAY FUND |
|---|-----------------------------|-----------------------------------|--|--------------------------------|-------------------------|---------------------------|
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 13,903,522 | \$ - | \$ 376,703 |
| Licenses and permits | 781,819 | - | - | - | - | - |
| Intergovernmental | 716 | 3,271,380 | 8,662,550 | - | - | - |
| Growth and development fees | 2,342,768 | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeitures | 4,000 | - | 67,606 | - | - | - |
| Interest | 304,216 | (695) | 3,726 | (8,009) | (8,742) | 308,593 |
| Special assessments | - | - | - | - | - | - |
| Miscellaneous | 558,747 | - | 168,715 | - | - | 71,495 |
| Total Revenues | <u>3,992,266</u> | <u>3,270,685</u> | <u>8,902,597</u> | <u>13,895,513</u> | <u>(8,742)</u> | <u>756,791</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 123,500 | - | - | - | - | 7,500 |
| Public safety | 733,014 | 60,959 | 2,222,015 | 13,476,896 | - | 382,500 |
| Transportation systems | 13,718 | - | 4,087 | - | - | 2,103 |
| Community development | 582,693 | 1,420,856 | 727,160 | - | - | 340,960 |
| Culture and leisure | 31,423 | 129,724 | 3,081,593 | - | - | - |
| Library services | - | - | - | - | - | - |
| Capital outlay | 845,504 | 1,726,202 | 2,257,351 | - | - | 7,543,476 |
| Debt Service | | | | | | |
| Principal | - | - | - | - | 31,658,145 | - |
| Interest and fiscal charges | - | - | - | - | 7,648,390 | - |
| Total Expenditures | <u>2,329,852</u> | <u>3,337,741</u> | <u>8,292,206</u> | <u>13,476,896</u> | <u>39,306,535</u> | <u>8,276,539</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,662,414</u> | <u>(67,056)</u> | <u>610,391</u> | <u>418,617</u> | <u>(39,315,277)</u> | <u>(7,519,748)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from bonds | - | - | - | - | 32,608,582 | 5,000,000 |
| Transfers in | 87,158 | 122,310 | - | - | 6,978,855 | 510,000 |
| Transfers out | (452,414) | - | - | - | - | - |
| Net Other Financing Sources (Uses) | <u>(365,256)</u> | <u>122,310</u> | <u>-</u> | <u>-</u> | <u>39,587,437</u> | <u>5,510,000</u> |
| NET CHANGE IN FUND BALANCES | 1,297,158 | 55,254 | 610,391 | 418,617 | 272,160 | (2,009,748) |
| FUND BALANCES, JULY 1 | <u>30,948,642</u> | <u>(50,144)</u> | <u>663,186</u> | <u>886,440</u> | <u>-</u> | <u>35,009,154</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 32,245,800</u> | <u>\$ 5,110</u> | <u>\$ 1,273,577</u> | <u>\$ 1,305,057</u> | <u>\$ 272,160</u> | <u>\$ 32,999,406</u> |

| STATE GAS TAX | TRAFFIC SAFETY | TRANSPORTATION DEVELOPMENT FUND | MAINTENANCE ASSESSMENT DISTRICTS FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS | |
|---------------------|--------------------|---------------------------------------|---|---|---|
| \$ - | \$ - | \$ - | \$ - | \$ 14,280,225 | REVENUES |
| - | - | - | - | 781,819 | Taxes |
| 5,371,759 | 558,574 | 666,643 | - | 18,531,622 | Licenses and permits |
| - | - | - | - | 2,342,768 | Intergovernmental |
| 431,085 | - | 11,655 | 781,927 | 1,224,667 | Growth and development fees |
| - | - | - | - | 71,606 | Charges for services |
| 37,998 | 3,993 | 51,120 | 179,776 | 871,976 | Fines and forfeitures |
| - | - | - | 8,481,912 | 8,481,912 | Interest |
| 8,080 | - | 236,862 | 15,367 | 1,059,266 | Special assessments |
| <u>5,848,922</u> | <u>562,567</u> | <u>966,280</u> | <u>9,458,982</u> | <u>47,645,861</u> | Miscellaneous |
| | | | | | Total Revenues |
| | | | | | EXPENDITURES |
| | | | | | Current |
| 2,500 | - | - | - | 133,500 | General government |
| - | 436,782 | - | 2,975,188 | 20,287,354 | Public safety |
| 5,201,743 | - | 650,744 | 297,043 | 6,169,438 | Transportation systems |
| - | - | - | 2,012,061 | 5,083,730 | Community development |
| 5,049 | - | - | 5,030,549 | 8,278,338 | Culture and leisure |
| - | - | - | - | - | Library services |
| 73,360 | 5,396 | 1,114,380 | 375,022 | 13,940,691 | Capital outlay |
| | | | | | Debt Service |
| 690,000 | - | - | - | 32,348,145 | Principal |
| <u>1,020,300</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,668,690</u> | Interest and fiscal charges |
| <u>6,992,952</u> | <u>442,178</u> | <u>1,765,124</u> | <u>10,689,863</u> | <u>94,909,886</u> | Total Expenditures |
| | | | | | EXCESS OF REVENUES OVER (UNDER) EXPENDITURES |
| <u>(1,144,030)</u> | <u>120,389</u> | <u>(798,844)</u> | <u>(1,230,881)</u> | <u>(47,264,025)</u> | |
| | | | | | OTHER FINANCING SOURCES (USES) |
| - | - | - | - | 37,608,582 | Proceeds from bonds |
| - | 150,000 | - | 490,770 | 8,339,093 | Transfers in |
| <u>(13,320)</u> | <u>-</u> | <u>-</u> | <u>(1,168,290)</u> | <u>(1,634,024)</u> | Transfers out |
| <u>(13,320)</u> | <u>150,000</u> | <u>-</u> | <u>(677,520)</u> | <u>44,313,651</u> | Net Other Financing Sources (Uses) |
| <u>(1,157,350)</u> | <u>270,389</u> | <u>(798,844)</u> | <u>(1,908,401)</u> | <u>(2,950,374)</u> | NET CHANGE IN FUND BALANCES |
| <u>4,104,379</u> | <u>761,410</u> | <u>2,850,280</u> | <u>17,242,465</u> | <u>92,415,812</u> | FUND BALANCES, JULY 1 |
| <u>\$2,947,029</u> | <u>\$1,031,799</u> | <u>\$2,051,436</u> | <u>\$15,334,064</u> | <u>\$ 89,465,438</u> | FUND BALANCES, JUNE 30 |

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, 2018

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|----------------------|------------------------------|----------------------|-------------------------------|
| REVENUES | | | | |
| Licenses and permits | \$ 689,653 | \$ 689,653 | \$ 781,819 | \$ 92,166 |
| Intergovernmental | 1,634 | 1,634 | 716 | (918) |
| Growth and development fees | 4,132,687 | 4,132,687 | 2,342,768 | (1,789,919) |
| Fines and forfeitures | - | - | 4,000 | 4,000 |
| Interest | 224,128 | 224,128 | 304,216 | 80,088 |
| Miscellaneous | 248,477 | 248,477 | 558,747 | 310,270 |
| Total Revenues | <u>5,296,579</u> | <u>5,296,579</u> | <u>3,992,266</u> | <u>(1,304,313)</u> |
| EXPENDITURES | | | | |
| General government | 93,999 | 93,999 | 123,500 | (29,501) |
| Public safety | 788,411 | 788,411 | 733,014 | 55,397 |
| Transportation systems | 0 | 8,465 | 13,718 | (5,253) |
| Community development | 53,604 | 687,264 | 582,693 | 104,571 |
| Capital outlay | 465,228 | 7,217,063 | 845,504 | 6,371,559 |
| Total Expenditures | <u>1,420,052</u> | <u>8,805,547</u> | <u>2,329,852</u> | <u>6,475,695</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>3,876,527</u> | <u>(3,508,968)</u> | <u>1,662,414</u> | <u>5,171,382</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 87,158 | 87,158 |
| Transfers out | (471,198) | (471,198) | (452,414) | 18,784 |
| Net Other Financing Sources (Uses) | <u>(471,198)</u> | <u>(471,198)</u> | <u>(365,256)</u> | <u>105,942</u> |
| NET CHANGE IN FUND BALANCES | 3,405,329 | (3,980,166) | 1,297,158 | 5,277,324 |
| FUND BALANCES, JULY 1 | <u>30,948,642</u> | <u>30,948,642</u> | <u>30,948,642</u> | - |
| FUND BALANCES, JUNE 30 | <u>\$ 34,353,971</u> | <u>\$ 26,968,476</u> | <u>\$ 32,245,800</u> | <u>\$ 5,277,324</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, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|--------------------|------------------------------|-------------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 2,667,283 | \$ 2,963,690 | \$ 3,271,380 | \$ 307,690 |
| Interest | - | - | (695) | (695) |
| Total Revenues | <u>2,667,283</u> | <u>2,963,690</u> | <u>3,270,685</u> | <u>306,995</u> |
| EXPENDITURES | | | | |
| Public safety | - | 120,000 | 60,959 | 59,041 |
| Community development | 1,518,114 | 2,801,999 | 1,420,856 | 1,381,143 |
| Culture and leisure | 165,500 | 159,500 | 129,724 | 29,776 |
| Capital outlay | <u>983,669</u> | <u>2,460,499</u> | <u>1,726,202</u> | <u>734,297</u> |
| Total Expenditures | <u>2,667,283</u> | <u>5,541,998</u> | <u>3,337,741</u> | <u>2,204,257</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | - | (2,578,308) | (67,056) | 2,511,252 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 122,310 | 122,310 |
| Total Other Financing Sources (Uses) | - | - | <u>122,310</u> | <u>122,310</u> |
| NET CHANGE IN FUND BALANCES | - | (2,578,308) | 55,254 | 2,633,562 |
| FUND BALANCES, JULY 1 | <u>(50,144)</u> | <u>(50,144)</u> | <u>(50,144)</u> | - |
| FUND BALANCES, JUNE 30 | <u>\$ (50,144)</u> | <u>\$ (2,628,452)</u> | <u>\$ 5,110</u> | <u>\$ 2,633,562</u> |

**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, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|--------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 3,814,749 | \$ 11,764,390 | \$ 8,662,550 | \$ (3,101,840) |
| Fines and forfeitures | - | - | 67,606 | 67,606 |
| Interest | 21,303 | 21,303 | 3,726 | (17,577) |
| Miscellaneous | 120,000 | 237,550 | 168,715 | (68,835) |
| Total Revenues | <u>3,956,052</u> | <u>12,023,243</u> | <u>8,902,597</u> | <u>(3,120,646)</u> |
| EXPENDITURES | | | | |
| Public safety | 399,471 | 3,729,420 | 2,222,015 | 1,507,405 |
| Transportation systems | - | 271,200 | 4,087 | 267,113 |
| Community development | 336,508 | 1,709,578 | 727,160 | 982,418 |
| Culture and leisure | 3,239,194 | 3,629,977 | 3,081,593 | 548,384 |
| Capital outlay | - | 6,701,536 | 2,257,351 | 4,444,185 |
| Total Expenditures | <u>3,975,173</u> | <u>16,041,711</u> | <u>8,292,206</u> | <u>7,749,505</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(19,121)</u> | <u>(4,018,468)</u> | <u>610,391</u> | <u>4,628,859</u> |
| NET CHANGE IN FUND BALANCES | (19,121) | (4,018,468) | 610,391 | 4,628,859 |
| FUND BALANCES, JULY 1 | <u>663,186</u> | <u>663,186</u> | <u>663,186</u> | - |
| FUND BALANCES, JUNE 30 | <u>\$ 644,065</u> | <u>\$ (3,355,282)</u> | <u>\$ 1,273,577</u> | <u>\$ 4,628,859</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, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|------------------------------------|--------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Taxes | \$13,880,122 | \$13,880,122 | \$13,903,522 | \$ 23,400 |
| Investment income | 6,643 | 6,643 | (8,009) | (14,652) |
| Total Revenues | <u>13,886,765</u> | <u>13,886,765</u> | <u>13,895,513</u> | <u>8,748</u> |
| EXPENDITURES | | | | |
| Public safety | <u>13,891,720</u> | <u>13,891,720</u> | <u>13,476,896</u> | <u>414,824</u> |
| Total Expenditures | <u>13,891,720</u> | <u>13,891,720</u> | <u>13,476,896</u> | <u>414,824</u> |
| NET CHANGE IN FUND BALANCES | (4,955) | (4,955) | 418,617 | 423,572 |
| FUND BALANCES, JULY 1 | <u>886,440</u> | <u>886,440</u> | <u>886,440</u> | <u>-</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 881,485</u> | <u>\$ 881,485</u> | <u>\$ 1,305,057</u> | <u>\$ 423,572</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, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|--------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ (8,742) | \$ (8,742) |
| Miscellaneous | 451,857 | 451,857 | - | (451,857) |
| Total Revenues | <u>451,857</u> | <u>451,857</u> | <u>(8,742)</u> | <u>(460,599)</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | 3,960,281 | 3,960,281 | 31,658,145 | (27,697,864) |
| Interest | 3,012,944 | 3,012,944 | 7,648,390 | (4,635,446) |
| Total Expenditures | <u>6,973,225</u> | <u>6,973,225</u> | <u>39,306,535</u> | <u>(32,333,310)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(6,521,368)</u> | <u>(6,521,368)</u> | <u>(39,315,277)</u> | <u>(32,793,909)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from bonds | - | - | 32,608,582 | 32,608,582 |
| Transfers in | 6,740,771 | 6,740,771 | 6,978,855 | 238,084 |
| Total Other Financing Sources (Uses) | <u>6,740,771</u> | <u>6,740,771</u> | <u>39,587,437</u> | <u>32,846,666</u> |
| NET CHANGE IN FUND BALANCES | 219,403 | 219,403 | 272,160 | 52,757 |
| FUND BALANCES, JULY 1 | - | - | - | - |
| FUND BALANCES, JUNE 30 | <u>\$ 219,403</u> | <u>\$ 219,403</u> | <u>\$ 272,160</u> | <u>\$ 52,757</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 - CAPITAL OUTLAY FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|---------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Taxes | \$ 383,520 | \$ 383,520 | \$ 376,703 | \$ (6,817) |
| Interest | 35,063 | 35,063 | 308,593 | 273,530 |
| Miscellaneous | - | - | 71,495 | 71,495 |
| Total Revenues | <u>418,583</u> | <u>418,583</u> | <u>756,791</u> | <u>338,208</u> |
| EXPENDITURES | | | | |
| General government | - | 7,500 | 7,500 | - |
| Public safety | - | 382,500 | 382,500 | - |
| Transportation | 801 | 1,312 | 2,103 | (791) |
| Community development | 162,458 | 673,853 | 340,960 | 332,893 |
| Capital outlay | - | 10,831,101 | 7,543,476 | 3,287,625 |
| Total Expenditures | <u>163,259</u> | <u>11,896,266</u> | <u>8,276,539</u> | <u>3,619,727</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>255,324</u> | <u>(11,477,683)</u> | <u>(7,519,748)</u> | <u>3,957,935</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from bonds | - | 5,000,000 | 5,000,000 | - |
| Transfers in | - | 510,000 | 510,000 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>5,510,000</u> | <u>5,510,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 255,324 | (5,967,683) | (2,009,748) | 3,957,935 |
| FUND BALANCES, JULY 1 | <u>35,009,154</u> | <u>35,009,154</u> | <u>35,009,154</u> | <u>-</u> |
| FUND BALANCES, JUNE 30 | <u>\$35,264,478</u> | <u>\$29,041,471</u> | <u>\$32,999,406</u> | <u>\$ 3,957,935</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

**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, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|---------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 5,521,285 | \$ 5,521,285 | \$ 5,371,759 | \$ (149,526) |
| Charges for services | 974,478 | 974,478 | 431,085 | (543,393) |
| Interest | 21,076 | 21,076 | 37,998 | 16,922 |
| Miscellaneous | <u>5,112</u> | <u>5,112</u> | <u>8,080</u> | <u>2,968</u> |
| Total Revenues | <u>6,521,951</u> | <u>6,521,951</u> | <u>5,848,922</u> | <u>(673,029)</u> |
| EXPENDITURES | | | | |
| General government | 5,125 | 5,125 | 2,500 | 2,625 |
| Transportation systems | 5,285,112 | 5,599,630 | 5,201,743 | 397,887 |
| Culture and leisure | 88,362 | 5,049 | 5,049 | - |
| Capital outlay | 70,388 | 1,649,924 | 73,360 | 1,576,564 |
| Debt Service | | | | |
| Principal | 690,000 | 690,000 | 690,000 | - |
| Interest | <u>1,020,300</u> | <u>1,020,300</u> | <u>1,020,300</u> | <u>-</u> |
| Total Expenditures | <u>7,159,287</u> | <u>8,970,028</u> | <u>6,992,952</u> | <u>1,977,076</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(637,336)</u> | <u>(2,448,077)</u> | <u>(1,144,030)</u> | <u>1,304,047</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | - | (13,320) | (13,320) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>(13,320)</u> | <u>(13,320)</u> |
| NET CHANGE IN FUND BALANCES | (637,336) | (2,448,077) | (1,157,350) | 1,290,727 |
| FUND BALANCES, JULY 1 | <u>4,104,379</u> | <u>4,104,379</u> | <u>4,104,379</u> | <u>-</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 3,467,043</u> | <u>\$ 1,656,302</u> | <u>\$ 2,947,029</u> | <u>\$1,290,727</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, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|--------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 295,800 | \$ 295,800 | \$ 558,574 | \$ 262,774 |
| Interest | 4,348 | 4,348 | 3,993 | (355) |
| Total Revenues | <u>300,148</u> | <u>300,148</u> | <u>562,567</u> | <u>262,419</u> |
| EXPENDITURES | | | | |
| Public safety | 453,741 | 453,741 | 436,782 | 16,959 |
| Capital outlay | - | 166,630 | 5,396 | 161,234 |
| Total Expenditures | <u>453,741</u> | <u>620,371</u> | <u>442,178</u> | <u>178,193</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(153,593)</u> | <u>(320,223)</u> | <u>120,389</u> | <u>440,612</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 150,000 | 150,000 | 150,000 | - |
| Total Other Financing Sources (Uses) | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | (3,593) | (170,223) | 270,389 | 440,612 |
| FUND BALANCES, JULY 1 | <u>761,410</u> | <u>761,410</u> | <u>761,410</u> | <u>-</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 757,817</u> | <u>\$ 591,187</u> | <u>\$ 1,031,799</u> | <u>\$ 440,612</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, 2018**

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|---------------------|------------------------------|---------------------|-------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 615,258 | \$ 2,590,748 | \$ 666,643 | \$(1,924,105) |
| Charges for services | - | - | 11,655 | 11,655 |
| Interest | 327,967 | 327,967 | 51,120 | (276,847) |
| Miscellaneous | <u>264,878</u> | <u>264,878</u> | <u>236,862</u> | <u>(28,016)</u> |
| Total Revenues | <u>1,208,103</u> | <u>3,183,593</u> | <u>966,280</u> | <u>(2,217,313)</u> |
| EXPENDITURES | | | | |
| Transportation systems | 613,888 | 624,378 | 650,744 | (26,366) |
| Capital outlay | - | <u>3,423,289</u> | <u>1,114,380</u> | <u>2,308,909</u> |
| Total Expenditures | <u>613,888</u> | <u>4,047,667</u> | <u>1,765,124</u> | <u>2,282,543</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>594,215</u> | <u>(864,074)</u> | <u>(798,844)</u> | <u>65,230</u> |
| NET CHANGE IN FUND BALANCES | 594,215 | (864,074) | (798,844) | 65,230 |
| FUND BALANCES, JULY 1 | <u>2,850,280</u> | <u>2,850,280</u> | <u>2,850,280</u> | <u>-</u> |
| FUND BALANCES, JUNE 30 | <u>\$ 3,444,495</u> | <u>\$ 1,986,206</u> | <u>\$ 2,051,436</u> | <u>\$ 65,230</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, 2018

| | ORIGINAL BUDGET | FINAL BUDGETED AMOUNTS | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET |
|---|----------------------|------------------------------|----------------------|-------------------------------|
| REVENUES | | | | |
| Charges for services | \$ 962,071 | \$ 962,071 | \$ 781,927 | \$ (180,144) |
| Special assessments | 8,690,266 | 8,690,266 | 8,481,912 | (208,354) |
| Interest | 91,618 | 91,618 | 179,776 | 88,158 |
| Miscellaneous | 6,826 | 6,826 | 15,367 | 8,541 |
| Total Revenues | <u>9,750,781</u> | <u>9,750,781</u> | <u>9,458,982</u> | <u>(291,799)</u> |
| EXPENDITURES | | | | |
| Public safety | 2,971,887 | 2,981,593 | 2,975,188 | 6,405 |
| Transportation systems | 616,471 | 625,876 | 297,043 | 328,833 |
| Community development | 2,944,092 | 3,186,920 | 2,012,061 | 1,174,859 |
| Culture and leisure | 5,293,900 | 5,336,777 | 5,030,549 | 306,228 |
| Capital outlay | 184,169 | 517,142 | 375,022 | 142,120 |
| Total Expenditures | <u>12,010,519</u> | <u>12,648,308</u> | <u>10,689,863</u> | <u>1,958,445</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(2,259,738)</u> | <u>(2,897,527)</u> | <u>(1,230,881)</u> | <u>1,666,646</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 480,319 | 480,319 | 490,770 | 10,451 |
| Transfer out | 16,616 | (1,154,397) | (1,168,290) | (13,893) |
| Total Other Financing Sources (Uses) | <u>496,935</u> | <u>(674,078)</u> | <u>(677,520)</u> | <u>(3,442)</u> |
| NET CHANGE IN FUND BALANCES | (1,762,803) | (3,571,605) | (1,908,401) | 1,663,204 |
| FUND BALANCES, JULY 1 | <u>17,242,465</u> | <u>17,242,465</u> | <u>17,242,465</u> | - |
| FUND BALANCES, JUNE 30 | <u>\$ 15,479,662</u> | <u>\$ 13,670,860</u> | <u>\$ 15,334,064</u> | <u>\$ 1,663,204</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, 2018

| | PUBLIC LIABILITY/ PROPERTY DAMAGE | WORKERS' COMPENSATION | UTILITY CUSTOMER SERVICE | INFORMATION SERVICES |
|---|--|--------------------------|--------------------------------|-------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and investments | \$ 1483,408 | \$ 8,293,276 | \$ 311,496 | \$ 1,128,970 |
| Accounts and other receivables (net of allowance for doubtful accounts) | - | 66,473 | - | - |
| Other assets | - | - | 32,900 | - |
| Total Current Assets | <u>1483,408</u> | <u>8,359,749</u> | <u>344,396</u> | <u>1,128,970</u> |
| Noncurrent Assets | | | | |
| Advances to other funds | - | 954,653 | - | - |
| Total Noncurrent Assets | <u>-</u> | <u>954,653</u> | <u>-</u> | <u>-</u> |
| CAPITAL ASSETS | | | | |
| Buildings | | | | |
| Machinery, equipment, and vehicles | 17,234 | - | - | 2,729,614 |
| Vehicles | 45,387 | - | - | - |
| Construction in progress | - | - | - | 475,199 |
| Total Capital Assets | <u>62,621</u> | <u>-</u> | <u>-</u> | <u>3,204,813</u> |
| Less: Accumulated depreciation | 58,121 | - | - | 2,186,461 |
| Net Total Capital Assets (net of accumulated depreciation) | <u>4,500</u> | <u>-</u> | <u>-</u> | <u>1,018,352</u> |
| Total Assets | <u>1487,908</u> | <u>9,314,402</u> | <u>344,396</u> | <u>2,147,322</u> |
| DEFERRED OUTFLOW OF RESOURCES | | | | |
| Deferred outflow on pension plans | 42,161 | 232,168 | 251,916 | 1,062,280 |
| Deferred outflow on other post-employment benefit plans (OPEB) | - | 2,714 | 2,035 | 20,353 |
| Total Deferred Outflow of Resources | <u>42,161</u> | <u>234,882</u> | <u>253,951</u> | <u>1,082,633</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 109,649 | 176,206 | 33,284 | 179,250 |
| Other liabilities | 3,640 | 40,531 | 18,728 | 122,534 |
| Compensated absences payable - current | - | 13,000 | 13,000 | 160,000 |
| Self-insurance claims - due within one year | 2,358,576 | 8,588,825 | - | - |
| Total Current Liabilities | <u>2,471,865</u> | <u>8,818,562</u> | <u>65,012</u> | <u>461,784</u> |
| Noncurrent Liabilities | | | | |
| Compensated absences payable | - | 7,480 | 36,514 | 138,559 |
| Other post-employment benefits payable | - | 104,124 | 60,460 | 816,192 |
| Net pension liabilities | 108,216 | 723,116 | 1,001,733 | 3,120,702 |
| Self-insurance claims | 3,141,424 | 13,919,000 | - | - |
| Total Noncurrent Liabilities | <u>3,249,640</u> | <u>14,753,720</u> | <u>1,098,707</u> | <u>4,075,453</u> |
| Total Liabilities | <u>5,721,505</u> | <u>23,572,282</u> | <u>1,163,719</u> | <u>4,537,237</u> |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Deferred inflow on pension plans | 10,614 | 58,279 | 80,072 | 458,532 |
| Total Deferred Inflow of Resources | <u>10,614</u> | <u>58,279</u> | <u>80,072</u> | <u>458,532</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 4,500 | - | - | 1,018,352 |
| Unrestricted | (4,206,550) | (14,081,277) | (645,444) | (2,784,166) |
| TOTAL NET POSITION | <u>\$ (4,202,050)</u> | <u>\$ (14,081,277)</u> | <u>\$ (645,444)</u> | <u>\$ (1,765,814)</u> |

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

| <u>FACILITIES MAINTENANCE</u> | <u>EQUIPMENT MAINTENANCE</u> | <u>TOTAL</u> | |
|-----------------------------------|----------------------------------|------------------------|--|
| | | | ASSETS |
| | | | Current Assets |
| \$ 125,612 | \$ 1,595,736 | \$ 1,938,498 | Cash and investments |
| 715 | - | 67,188 | Accounts and other receivables (net of allowance for doubtful accounts) |
| - | - | 32,900 | Other assets |
| <u>126,327</u> | <u>1,595,736</u> | <u>13,038,586</u> | Total Current Assets |
| (4,887) | - | 949,766 | Noncurrent Assets |
| <u>(4,887)</u> | <u>-</u> | <u>949,766</u> | Advances to other funds |
| | | | Total Noncurrent Assets |
| | | | CAPITAL ASSETS |
| 196,868 | 250,542 | 447,410 | Buildings |
| 24,271 | 2,111,183 | 4,882,302 | Machinery, equipment, and vehicles |
| 483,297 | 3,912,794 | 4,441,478 | Vehicles |
| - | - | 475,199 | Construction in progress |
| <u>704,436</u> | <u>6,274,519</u> | <u>10,246,389</u> | Total Capital Assets |
| 497,309 | 4,326,704 | 7,068,595 | Less: Accumulated depreciation |
| <u>207,127</u> | <u>1,947,815</u> | <u>3,177,794</u> | Net Total Capital Assets (net of accumulated depreciation) |
| <u>328,567</u> | <u>3,543,551</u> | <u>17,166,146</u> | Total Assets |
| | | | DEFERRED OUTFLOW OF RESOURCES |
| 1,140,031 | 1,731,266 | 4,459,822 | Deferred outflow on pension plans |
| 23,745 | 23,745 | 72,592 | Deferred outflow on other post-employment benefit plans (OPEB) |
| <u>1,163,776</u> | <u>1,755,011</u> | <u>4,532,414</u> | Total Deferred Outflow of Resources |
| | | | LIABILITIES |
| | | | Current Liabilities |
| 46,260 | 490,942 | 1,035,591 | Accounts payable |
| 80,067 | 114,401 | 379,901 | Other liabilities |
| 165,000 | 275,000 | 626,000 | Compensated absences payable - current |
| - | - | 10,947,401 | Self-insurance claims - due within one year |
| <u>291,327</u> | <u>880,343</u> | <u>12,988,893</u> | Total Current Liabilities |
| 101,985 | 39,972 | 324,510 | Noncurrent Liabilities |
| 893,448 | 869,938 | 2,744,162 | Compensated absences payable |
| 4,338,356 | 6,582,954 | 15,875,077 | Other post-employment benefits payable |
| - | - | 17,060,424 | Net pension liabilities |
| <u>5,333,789</u> | <u>7,492,864</u> | <u>36,004,173</u> | Self-insurance claims |
| <u>5,625,116</u> | <u>8,373,207</u> | <u>48,993,066</u> | Total Noncurrent Liabilities |
| | | | Total Liabilities |
| | | | DEFERRED INFLOW OF RESOURCES |
| 680,850 | 626,974 | 1,915,321 | Deferred inflow on pension plans |
| <u>680,850</u> | <u>626,974</u> | <u>1,915,321</u> | Total Deferred Inflow of Resources |
| | | | NET POSITION |
| 207,127 | 1,947,815 | 3,177,794 | Net investment in capital assets |
| <u>(5,020,750)</u> | <u>(5,649,434)</u> | <u>(32,387,621)</u> | Unrestricted |
| <u>\$ (4,813,623)</u> | <u>\$ (3,701,619)</u> | <u>\$ (29,209,827)</u> | TOTAL NET POSITION |

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

CITY OF OXNARD, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

| | PUBLIC LIABILITY/ PROPERTY <u>DAMAGE</u> | WORKERS' <u>COMPENSATION</u> | UTILITY CUSTOMER <u>SERVICE</u> | INFORMATION <u>SERVICES</u> |
|---|---|---------------------------------|---------------------------------------|--------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ - | \$ 5,617,943 | \$1,312,460 | \$ 4,614,841 |
| Miscellaneous | <u>377,233</u> | <u>101,302</u> | <u>-</u> | <u>(2,750)</u> |
| Total Operating Income | <u>377,233</u> | <u>5,719,245</u> | <u>1,312,460</u> | <u>4,612,091</u> |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 90,913 | 265,559 | 537,420 | 3,560,176 |
| Contractual services | 397,736 | 727,576 | 102,256 | 489,944 |
| Operating supplies | - | - | - | 34,852 |
| Utilities | - | 3,374 | 5,247 | 689,203 |
| Depreciation | 1,000 | - | - | 229,621 |
| General and administrative | 644,822 | 515,731 | 416,593 | 777,327 |
| Repairs and maintenance | 6,286 | 26,159 | 25,211 | 187,264 |
| Claims expense | <u>1,905,646</u> | <u>12,360,305</u> | <u>-</u> | <u>-</u> |
| Total Operating Expenses | <u>3,046,403</u> | <u>13,898,704</u> | <u>1,086,727</u> | <u>5,968,387</u> |
| OPERATING INCOME (LOSS) | <u>(2,669,170)</u> | <u>(8,179,459)</u> | <u>225,733</u> | <u>(1,356,296)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 12,519 | 88,417 | 3,008 | 25,575 |
| Interest (expense) | - | - | - | - |
| Gain or (loss) on disposal of assets | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>12,519</u> | <u>88,417</u> | <u>3,008</u> | <u>25,575</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>(2,656,651)</u> | <u>(8,091,042)</u> | <u>228,741</u> | <u>(1,330,721)</u> |
| TRANSFERS IN | - | - | - | - |
| TRANSFERS OUT | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGES IN NET POSITION | (2,656,651) | (8,091,042) | 228,741 | (1,330,721) |
| NET POSITION - JULY 1 | (1,545,399) | (5,939,719) | (876,238) | 79,417 |
| PRIOR-PERIOD ADJUSTMENT | <u>-</u> | <u>(50,516)</u> | <u>2,053</u> | <u>(514,510)</u> |
| NET POSITION - JUNE 30 | <u><u>\$ (4,202,050)</u></u> | <u><u>\$ (14,081,277)</u></u> | <u><u>\$ (645,444)</u></u> | <u><u>\$ (1,765,814)</u></u> |

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

| <u>FACILITIES MAINTENANCE</u> | <u>EQUIPMENT MAINTENANCE</u> | <u>TOTAL</u> | |
|-----------------------------------|----------------------------------|------------------------|---|
| \$ 3,468,104 | \$ 9,962,479 | \$ 24,975,827 | OPERATING REVENUES |
| <u>75,676</u> | <u>2,732</u> | <u>554,193</u> | Charges for services |
| <u>3,543,780</u> | <u>9,965,211</u> | <u>25,530,020</u> | Miscellaneous |
| | | | Total Operating Income |
| | | | OPERATING EXPENSES |
| 2,501,430 | 3,406,375 | 10,361,873 | Salaries and wages |
| 72,986 | 188,378 | 1,978,876 | Contractual services |
| 274,379 | 4,463,420 | 4,772,651 | Operating supplies |
| 539,809 | 31,540 | 1,269,173 | Utilities |
| 11,953 | 314,358 | 556,932 | Depreciation |
| 373,768 | 583,521 | 3,311,762 | General and administrative |
| 85,793 | 958,406 | 1,289,119 | Repairs and maintenance |
| - | - | <u>14,265,951</u> | Claims expense |
| <u>3,860,118</u> | <u>9,945,998</u> | <u>37,806,337</u> | Total Operating Expenses |
| <u>(316,338)</u> | <u>19,213</u> | <u>(12,276,317)</u> | OPERATING INCOME (LOSS) |
| | | | NONOPERATING REVENUES (EXPENSES) |
| (1,044) | 4,789 | 133,264 | Interest income |
| - | (38) | (38) | Interest (expense) |
| - | - | - | Gain or (loss) on disposal of assets |
| <u>(1,044)</u> | <u>4,751</u> | <u>133,226</u> | Total Nonoperating Revenues (Expenses) |
| | | | INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS |
| <u>(317,382)</u> | <u>23,964</u> | <u>(11,152,659)</u> | TRANSFERS IN |
| 94,089 | 606,368 | 700,457 | TRANSFERS OUT |
| - | - | - | CHANGES IN NET POSITION |
| (223,293) | 630,332 | (11,442,634) | NET POSITION - JULY 1 |
| (3,965,195) | (3,830,706) | (16,077,840) | PRIOR-PERIOD ADJUSTMENT |
| <u>(625,135)</u> | <u>(501,245)</u> | <u>(1,689,353)</u> | NET POSITION - JUNE 30 |
| <u>\$ (4,813,623)</u> | <u>\$ (3,701,619)</u> | <u>\$ (29,209,827)</u> | |

**CITY OF OXNARD, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

| | PUBLIC LIABILITY/ PROPERTY DAMAGE | WORKERS' COMPENSATION | UTILITY CUSTOMER SERVICE |
|---|--|--------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 394,044 | \$ 5,724,152 | \$ 1,312,460 |
| Payments to suppliers | (989,395) | (1,289,983) | (570,874) |
| Payments to employees | (97,661) | (324,344) | (519,876) |
| Cash paid to claimants | (54,149) | (4,260,755) | - |
| Net Cash Provided By (Used In) Operating Activities | (747,161) | (150,930) | 221,710 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Collection/(issuance) of advances | - | (4,907) | - |
| Transfers in | - | - | - |
| Net Cash Provided By (Used In) Capital Financing Activities | - | (4,907) | - |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | |
| Purchases of capital assets | - | - | - |
| Interest paid on long-term debt | - | - | - |
| Net Cash Provided By (Used In) Capital Financing Activities | - | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investments | 12,519 | 88,417 | 3,008 |
| Net Cash Provided By (Used In) Investing Activities | 12,519 | 88,417 | 3,008 |
| NET INCREASE (DECREASE) IN CASH AND INVESTMENTS | | | |
| | (734,642) | (67,420) | 224,718 |
| CASH AND INVESTMENTS - JULY 1 | 2,218,050 | 8,360,696 | 86,778 |
| CASH AND INVESTMENTS - JUNE 30 | \$ 1,483,408 | \$ 8,293,276 | \$ 311,496 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ (2,669,170) | \$ (8,179,459) | \$ 225,733 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash | | | |
| Provided by (Used In) Operating Activities | | | |
| Depreciation and amortization | 1,000 | - | - |
| Changes in Operating Assets and Liabilities | | | |
| (Increase) decrease in accounts receivable and due from other funds and governments | 16,811 | 4,907 | - |
| Increase (decrease) in accounts payable and other liabilities | 59,322 | (18,242) | (20,278) |
| Increase (decrease) in compensated absences | - | (16,601) | 4,143 |
| Increase (decrease) in other post-employment benefits payable | - | 59,511 | 4,693 |
| Increase (decrease) in net pension liabilities | (6,621) | (100,596) | 7,419 |
| Increase (decrease) in self-insurance liability | 185,149 | 8,099,550 | - |
| Net Cash Provided By (Used In) Operating Activities | \$ (747,161) | \$ (150,930) | \$ 221,710 |

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

| INFORMATION SERVICES | FACILITIES MAINTENANCE | EQUIPMENT MAINTENANCE | TOTAL |
|-----------------------|------------------------|-----------------------|-----------------------|
| \$ 4,612,091 | \$ 3,540,718 | \$ 9,965,211 | \$ 25,548,676 |
| (2,544,881) | (1,331,758) | (6,234,213) | (12,961,104) |
| (3,149,481) | (2,279,879) | (3,362,924) | (9,734,165) |
| - | - | - | (4,314,904) |
| <u>(1,082,271)</u> | <u>(70,919)</u> | <u>368,074</u> | <u>(1,461,497)</u> |
| - | 4,887 | - | (20) |
| - | 94,089 | 606,368 | 700,457 |
| - | 98,976 | 606,368 | 700,437 |
| (102,210) | (11,788) | - | (113,998) |
| - | - | (38) | (38) |
| <u>(102,210)</u> | <u>(11,788)</u> | <u>(38)</u> | <u>(114,036)</u> |
| 25,575 | (1,044) | 13,185 | 14,660 |
| <u>25,575</u> | <u>(1,044)</u> | <u>13,185</u> | <u>14,660</u> |
| (1,158,906) | 15,225 | 987,589 | (733,436) |
| <u>2,287,876</u> | <u>110,387</u> | <u>608,147</u> | <u>13,671,934</u> |
| <u>\$ 1,128,970</u> | <u>\$ 125,612</u> | <u>\$ 1,595,736</u> | <u>\$ 12,938,498</u> |
| \$ (1,356,296) | \$ (316,338) | \$ 19,213 | \$ (12,276,317) |
| 229,621 | 11,953 | 314,358 | 556,932 |
| - | (3,062) | - | 18,656 |
| (341,220) | 18,287 | (2,911) | (305,042) |
| (10,154) | (64,401) | (97,310) | (184,323) |
| 581,972 | 703,841 | 579,951 | 1,929,968 |
| (186,194) | (421,199) | (445,227) | (1,152,418) |
| - | - | - | 9,951,047 |
| <u>\$ (1,082,271)</u> | <u>\$ (70,919)</u> | <u>\$ 368,074</u> | <u>\$ (1,461,497)</u> |

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers
Payments to suppliers
Payments to employees
Cash paid to claimants

Net Cash Provided By (Used In) Operating Activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Collection/(issuance) of advances
Transfers in

Net Cash Provided By (Used In) Capital Financing Activities

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchases of capital assets
Interest paid on long-term debt

Net Cash Provided By (Used In) Capital Financing Activities

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments

Net Cash Provided By (Used In) Investing Activities

NET INCREASE (DECREASE) IN CASH AND INVESTMENTS

CASH AND INVESTMENTS - JULY 1

CASH AND INVESTMENTS - JUNE 30

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating income (loss)
Adjustments to Reconcile Operating Income (Loss) to Net Cash
Provided by (Used In) Operating Activities
Depreciation and amortization
Changes in Operating Assets and Liabilities
(Increase) decrease in accounts receivable and due from other funds and governments
Increase (decrease) in accounts payable and other liabilities
Increase (decrease) in compensated absences
Increase (decrease) in other post-employment benefits payable
Increase (decrease) in net pension liabilities
Increase (decrease) in self-insurance liability

Net Cash Provided By (Used In) Operating Activities

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, 2018

| | BALANCE JULY 1, 2017 | ADDITIONS | DEDUCTIONS | BALANCE JUNE 30, 2018 |
|-----------------------------------|-------------------------|---------------------|---------------------|--------------------------|
| ARTWORKS FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 54,678 | \$ 563 | \$ 133 | \$ 55,108 |
| Total Assets | <u>\$ 54,678</u> | <u>\$ 563</u> | <u>\$ 133</u> | <u>\$ 55,108</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 54,678 | \$ 563 | \$ 133 | \$ 55,108 |
| Total Liabilities | <u>\$ 54,678</u> | <u>\$ 563</u> | <u>\$ 133</u> | <u>\$ 55,108</u> |
| IMPROVEMENT DISTRICTS FUND | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 4,864,517 | \$ 4,123,237 | \$ 4,881,213 | \$ 4,106,541 |
| Due from other governments | 118,570 | 102,491 | - | 221,061 |
| Investments with fiscal agents | 2,493,391 | 108,279 | - | 2,601,670 |
| Total Assets | <u>\$ 7,476,478</u> | <u>\$ 4,334,007</u> | <u>\$ 4,881,213</u> | <u>\$ 6,929,272</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 7,476,478 | \$ 4,334,007 | \$ 4,881,213 | \$ 6,929,272 |
| Total Liabilities | <u>\$ 7,476,478</u> | <u>\$ 4,334,007</u> | <u>\$ 4,881,213</u> | <u>\$ 6,929,272</u> |
| ODMD | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 55,039 | \$ 314,766 | \$ 178,773 | \$ 191,032 |
| Due from other governments | 12,740 | 101 | - | 12,841 |
| Total Assets | <u>\$ 67,779</u> | <u>\$ 314,867</u> | <u>\$ 178,773</u> | <u>\$ 203,873</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 67,779 | \$ 314,867 | \$ 178,773 | \$ 203,873 |
| Total Liabilities | <u>\$ 67,779</u> | <u>\$ 314,867</u> | <u>\$ 178,773</u> | <u>\$ 203,873</u> |
| RIVERPARK JPA | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,052,549 | \$ 10,841 | \$ 2,195 | \$ 1,061,195 |
| Total Assets | <u>\$ 1,052,549</u> | <u>\$ 10,841</u> | <u>\$ 2,195</u> | <u>\$ 1,061,195</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 1,052,549 | \$ 10,841 | \$ 2,195 | \$ 1,061,195 |
| Total Liabilities | <u>\$ 1,052,549</u> | <u>\$ 10,841</u> | <u>\$ 2,195</u> | <u>\$ 1,061,195</u> |
| TOTAL - ALL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 6,026,783 | \$ 4,449,407 | \$ 5,062,314 | \$ 5,413,876 |
| Due from other governments | 131,310 | 102,592 | - | 233,902 |
| Investments with fiscal agents | 2,493,391 | 108,279 | - | 2,601,670 |
| Total Assets | <u>\$ 8,651,484</u> | <u>\$ 4,660,278</u> | <u>\$ 5,062,314</u> | <u>\$ 8,249,448</u> |
| LIABILITIES | | | | |
| Trust and agency payables | \$ 8,651,484 | \$ 4,660,278 | \$ 5,062,314 | \$ 8,249,448 |
| Total Liabilities | <u>\$ 8,651,484</u> | <u>\$ 4,660,278</u> | <u>\$ 5,062,314</u> | <u>\$ 8,249,448</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 | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Governmental activities | | | | | |
| Net investment in capital asset | \$1,371,345,945 | \$1,377,784,811 | \$1,411,737,702 | \$1,386,189,664 | \$1,407,060,810 |
| Restricted | 12,852,498 | 25,080,711 | 72,142,274 | 18,707,789 | 28,720,391 |
| Unrestricted | 111,642,569 | 97,095,180 | 41,934,961 | 58,748,720 | 22,539,194 |
| Total governmental activities net position | \$1,495,841,012 | \$1,499,960,702 | \$1,525,814,937 | \$1,463,646,173 | \$1,458,320,395 |
| Business-type activities | | | | | |
| Net investment in capital asset | \$238,066,640 | \$250,720,062 | \$265,617,506 | \$264,692,784 | \$285,475,430 |
| Restricted | 7,811,268 | 17,706,319 | 18,417,110 | 17,602,552 | 16,577,898 |
| Unrestricted | 55,267,595 | 38,725,334 | 43,239,167 | 50,315,899 | 34,418,934 |
| Total business-type activities net position | \$301,145,503 | \$307,151,715 | \$327,273,783 | \$332,611,235 | \$336,472,262 |
| Primary government | | | | | |
| Net investment in capital asset | \$1,609,412,585 | \$1,628,504,873 | \$1,677,355,208 | \$1,650,882,448 | \$1,692,536,240 |
| Restricted | 20,663,766 | 42,787,030 | 90,559,384 | 36,310,341 | 45,298,289 |
| Unrestricted | 166,910,164 | 135,820,514 | 85,174,128 | 109,064,619 | 56,958,128 |
| Total primary government net position | \$1,796,986,515 | \$1,807,112,417 | \$1,853,088,720 | \$1,796,257,408 | \$1,794,792,657 |

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 | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|---|--|
| 2014 | 2015 | 2016 | 2017 | 2018 | | |
| | | | | | Governmental activities | |
| \$1,400,890,107 | \$1,455,133,818 | \$ 1,422,282,798 | \$ 2,001,415,357 | \$ 1,994,002,850 | Net investment in capital asset | |
| 45,801,395 | 112,198,502 | 112,286,017 | 130,642,696 | 134,054,312 | Restricted | |
| 8,226,160 | (220,258,407) | (197,252,502.00) | (185,857,985.00) | (234,226,319) | Unrestricted | |
| <u>\$1,454,917,662</u> | <u>\$1,347,073,913</u> | <u>\$1,337,316,313</u> | <u>\$1,946,200,068</u> | <u>\$1,893,830,843</u> | Total governmental activities net position | |
| | | | | | Business-type activities | |
| \$287,649,591 | \$225,738,617 | \$ 223,977,717 | \$228,709,541 | 224,139,834 | Net investment in capital asset | |
| 17,096,075 | 15,400,679 | 38,064,498 | 41,732,645 | 48,789,711 | Restricted | |
| 44,328,734 | 28,909,066 | 3,139,325 | 7,938,770 | 20,863,126 | Unrestricted | |
| <u>\$349,074,400</u> | <u>\$270,048,362</u> | <u>\$265,181,540</u> | <u>\$278,380,956</u> | <u>\$293,792,671</u> | Total business-type activities net position | |
| | | | | | Primary government | |
| \$1,688,539,698 | \$1,680,872,435 | \$1,646,260,515 | \$2,230,124,898 | 2,218,142,684 | Net investment in capital asset | |
| 62,897,470 | 127,599,181 | 150,350,515 | 172,375,341 | 182,844,023 | Restricted | |
| 52,554,894 | (191,349,341) | (194,113,177) | (177,919,215) | (213,363,193) | Unrestricted | |
| <u>\$1,803,992,062</u> | <u>\$1,617,122,275</u> | <u>\$1,602,497,853</u> | <u>\$2,224,581,024</u> | <u>2,187,623,514</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 | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$19,717,999 | \$18,695,220 | \$20,845,702 | \$18,680,585 | \$18,129,124 |
| Public safety | 86,249,353 | 92,554,917 | 92,702,882 | 98,603,456 | 103,079,427 |
| Transportation | 10,600,127 | 10,321,184 | 10,521,098 | 11,030,990 | 10,331,822 |
| Community development | 26,989,828 | 32,863,176 | 26,225,688 | 33,705,121 | 21,162,624 |
| Culture and leisure | 20,945,072 | 19,016,619 | 19,047,037 | 18,858,694 | 19,334,566 |
| Libraries | 5,341,028 | 5,176,704 | 5,230,252 | 5,203,318 | 4,916,628 |
| Interest on long-term debt | 6,519,008 | 5,583,856 | 5,503,330 | 3,532,902 | 2,973,016 |
| Total governmental activities expenses | <u>176,362,415</u> | <u>184,211,676</u> | <u>180,075,989</u> | <u>189,615,066</u> | <u>179,927,207</u> |
| Business-type activities: | | | | | |
| Water | 29,837,359 | 36,797,806 | 34,062,940 | 37,910,096 | 44,762,850 |
| Wastewater | 22,337,575 | 24,205,554 | 23,052,505 | 29,078,392 | 34,396,819 |
| Environmental resource | 41,117,534 | 39,296,115 | 41,405,568 | 41,581,865 | 40,601,250 |
| Performing arts and convention center | 1,799,861 | 1,651,658 | 1,606,129 | 1,587,496 | 1,534,353 |
| Oxnard housing authority | 26,153,807 | 25,259,519 | 24,911,450 | 24,398,669 | 25,397,453 |
| Municipal golf course | 7,601,054 | 4,507,360 | 6,104,614 | 6,048,938 | 6,150,325 |
| Total business-type activities expenses | <u>128,847,190</u> | <u>131,718,012</u> | <u>131,143,206</u> | <u>140,605,456</u> | <u>152,843,050</u> |
| Total primary government expenses | <u>\$305,209,605</u> | <u>\$315,929,688</u> | <u>\$311,219,195</u> | <u>\$330,220,522</u> | <u>\$332,770,257</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$9,765,771 | \$10,203,810 | \$8,422,050 | \$9,471,575 | \$8,408,578 |
| Public safety | 5,017,708 | 4,202,162 | 4,246,985 | 4,426,984 | 4,460,425 |
| Transportation | 4,042,492 | 5,068,843 | 2,131,535 | 2,145,431 | 3,152,660 |
| Community development | 11,825,981 | 6,366,499 | 7,198,058 | 12,576,655 | 4,316,880 |
| Culture and leisure | 5,273,551 | 5,237,167 | 5,037,380 | 5,605,866 | 4,667,879 |
| Libraries | 260,577 | 428,872 | 399,582 | 378,004 | 427,152 |
| Operating grants and contributions | 25,875,331 | 24,380,018 | 27,293,717 | 30,155,325 | 27,406,424 |
| Capital grants and contributions | 9,420,033 | 17,106,111 | 35,331,568 | 16,598,931 | 8,313,758 |
| Total governmental activities program revenues | <u>71,481,444</u> | <u>72,993,482</u> | <u>90,060,875</u> | <u>81,358,771</u> | <u>61,153,756</u> |

City of Oxnard, California

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

| | | Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|-----------------------|--|--|
| 2014 | 2015 | 2016 | 2017 | 2018 | | |
| | | | | | Expenses | |
| | | | | | Governmental activities: | |
| \$17,851,478 | \$12,223,337 | \$8,354,282 | \$30,057,710 | \$ 56,051,634 | General government | |
| 105,886,922 | 97,913,468 | 90,250,713 | 95,103,088 | 114,056,089 | Public safety | |
| 10,151,437 | 23,333,586 | 29,435,256 | 8,753,004 | 13,352,627 | Transportation | |
| 16,445,165 | 13,137,896 | 12,634,325 | 12,476,593 | 17,439,549 | Community development | |
| 20,089,724 | 28,136,349 | 28,226,543 | 26,192,756 | 30,577,155 | Culture and leisure | |
| 4,901,223 | 4,498,950 | 3,930,974 | 4,065,853 | 3,462,308 | Libraries | |
| 2,792,053 | 4,517,686 | 4,920,717 | 4,755,955 | 9,745,886 | Interest on long-term debt | |
| <u>178,118,002</u> | <u>183,761,272</u> | <u>177,752,810</u> | <u>181,404,959</u> | <u>\$ 244,685,248</u> | Total governmental activities expenses | |
| | | | | | Business-type activities: | |
| 44,839,558 | 55,799,990 | \$56,786,402 | 57,904,193 | 57,617,733 | Water | |
| 34,959,148 | 37,993,468 | 34,807,726 | 32,926,365 | 33,512,156 | Wastewater | |
| 39,083,017 | 37,802,942 | 37,644,732 | 42,534,157 | 45,633,543 | Environmental resource | |
| 1,543,601 | | | | | Performing arts and convention center | |
| 25,617,591 | 23,584,181 | 23,441,364 | 26,060,498 | 27,888,924 | Oxnard housing authority | |
| 6,399,227 | | | | | Municipal golf course | |
| <u>152,442,142</u> | <u>155,180,581</u> | <u>152,680,224</u> | <u>159,425,213</u> | <u>164,652,356</u> | Total business-type activities expenses | |
| <u>\$330,560,144</u> | <u>\$338,941,853</u> | <u>\$330,433,034</u> | <u>\$340,830,172</u> | <u>\$409,337,604</u> | Total primary government expenses | |
| | | | | | Program Revenues | |
| | | | | | Governmental activities: | |
| | | | | | Charges for services: | |
| \$8,808,647 | \$5,165,703 | \$20,541,355 | \$20,460,685 | \$ 13,020,442 | General government | |
| 4,878,804 | 4,904,728 | 8,015,887 | 6,528,319 | 7,913,075 | Public safety | |
| 3,345,515 | 2,630,954 | 5,930,798 | 3,072,659 | 1,883,525 | Transportation | |
| 7,767,004 | 16,542,075 | 10,212,020 | 13,353,523 | 7,583,696 | Community development | |
| 4,889,702 | 7,932,322 | 3,845,441 | 10,530,587 | 12,279,491 | Culture and leisure | |
| 444,458 | 521,672 | 451,633 | 372,517 | 168,784 | Libraries | |
| 32,350,516 | 29,420,545 | 9,526,620 | 16,948,122 | 16,938,767 | Operating grants and contributions | |
| 7,486,869 | 12,300,850 | 9,925,337 | 3,276,277 | 3,501,368 | Capital grants and contributions | |
| <u>69,971,515</u> | <u>79,418,849</u> | <u>68,449,091</u> | <u>74,542,689</u> | <u>63,289,148</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 | | | | |
|---|-----------------------|------------------------|-----------------------|-----------------------|------------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Water | \$38,477,754 | \$38,439,653 | \$43,170,566 | \$46,769,748 | \$51,056,102 |
| Wastewater | 24,846,717 | 22,566,372 | 25,157,094 | 31,528,171 | 30,998,260 |
| Environmental resource | 39,695,711 | 40,468,627 | 45,047,154 | 44,217,775 | 42,535,271 |
| Performing arts and convention center | 483,371 | 513,857 | 439,653 | 545,270 | 483,778 |
| Oxnard housing authority | 6,105,106 | 4,686,681 | 4,786,715 | 5,157,388 | 5,173,132 |
| Municipal golf course | 4,398,074 | 4,278,241 | 3,905,224 | 4,063,299 | 4,157,668 |
| Operating grants and contributions | 19,635,556 | 20,781,204 | 20,524,235 | 18,727,259 | 18,595,158 |
| Capital grants and contributions | 543,140 | 192,400 | 2,308,206 | 1,002,582 | 966,935 |
| Total business-like activities program revenues | <u>134,185,429</u> | <u>131,927,035</u> | <u>145,338,847</u> | <u>152,011,492</u> | <u>153,966,304</u> |
| Total primary government program revenues | <u>\$205,666,873</u> | <u>\$204,920,517</u> | <u>\$235,399,722</u> | <u>\$233,370,263</u> | <u>\$215,120,060</u> |
| Net (expense) revenue | | | | | |
| Governmental activities | (104,880,971) | (111,218,194) | (90,015,114) | (108,256,295) | (118,773,451) |
| Business-like activities | 5,338,239 | 209,023 | 14,195,641 | 11,406,036 | 1,123,254 |
| Total primary government net expense | <u>(\$99,542,732)</u> | <u>(\$111,009,171)</u> | <u>(\$75,819,473)</u> | <u>(\$96,850,259)</u> | <u>(\$117,650,197)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| Property taxes | \$76,681,392 | \$72,817,719 | \$71,118,203 | \$63,176,888 | \$55,148,254 |
| Sales taxes | 24,043,286 | 28,103,051 | 33,396,737 | 37,453,124 | 35,156,013 |
| Transient occupancy taxes | 3,328,803 | 3,061,163 | 3,301,864 | 3,402,793 | 3,826,954 |
| Franchise taxes | 4,635,616 | 3,439,645 | 3,495,532 | 3,435,823 | 3,842,351 |
| Deed transfer taxes | 573,882 | 509,370 | 528,563 | 412,471 | 628,780 |
| Business license taxes | 5,059,323 | 4,692,615 | 4,412,881 | 6,125,278 | 4,562,692 |
| Penalties on delinquent taxes | 145,945 | 136,565 | 105,158 | 126,609 | 121,064 |
| Investment earnings | 5,556,004 | 2,769,250 | 1,934,083 | 1,354,128 | (21,216) |
| Sale of capital assets | 59,319 | 694,185 | 141,123 | 57,768 | 119,184 |
| Special items | | | | | - |
| Transfers | (3,764,713) | (885,679) | (2,564,795) | (2,184,229) | (2,166,145) |
| Extraordinary loss | - | - | - | (65,066,037) | - |
| Contributions to other government | - | - | - | (14,627) | - |
| Total governmental activities | <u>116,318,857</u> | <u>115,337,884</u> | <u>115,869,349</u> | <u>48,279,989</u> | <u>101,217,931</u> |
| Business-type activities: | | | | | |
| Investment earnings | 3,299,336 | 1,911,510 | 3,361,632 | 3,168,662 | 2,445,183 |
| Sale of capital assets | 2,862,957 | - | - | - | - |
| Contributions to/(from) other government | | | | | - |
| Transfers | 3,764,713 | 885,679 | 2,564,795 | 2,184,229 | 2,166,145 |
| Total business-type activities | <u>9,927,006</u> | <u>2,797,189</u> | <u>5,926,427</u> | <u>5,352,891</u> | <u>4,611,328</u> |
| Total primary program | <u>\$126,245,863</u> | <u>\$118,135,073</u> | <u>\$121,795,776</u> | <u>\$53,632,880</u> | <u>\$105,829,259</u> |
| Change in Net Position | | | | | |
| Governmental activities | 11,437,886 | 4,119,690 | 25,854,235 | (59,976,306) | (17,555,520) |
| Business-type activities | 15,265,245 | 3,006,212 | 20,122,068 | 16,758,927 | 5,734,582 |
| Total primary government | <u>\$26,703,131</u> | <u>\$7,125,902</u> | <u>\$45,976,303</u> | <u>(\$43,217,379)</u> | <u>(\$11,820,938)</u> |

Source: Finance Department, City of Oxnard

City of Oxnard, California

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

| Fiscal Year | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|---|
| 2014 | 2015 | 2016 | 2017 | 2018 | |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| \$52,742,289 | \$48,048,380 | \$47,502,553 | \$50,364,868 | 62,447,893 | Water |
| 31,335,380 | 32,074,140 | 30,622,683 | 39,565,773 | 41,076,417 | Wastewater |
| 44,392,421 | 43,394,227 | 41,498,072 | 48,039,047 | 48,910,217 | Environmental resource |
| 666,820 | | | | | Performing arts and convention center |
| 26,158,985 | | 6,569,503 | 5,267,343 | 5,968,193 | Oxnard housing authority |
| 4,471,706 | 5,168,698 | | | | Municipal golf course |
| 53,734 | 17,853,909 | 19,655,951 | 21,177,738 | 21,635,711 | Operating grants and contributions |
| 671,012 | 919,149 | 946,347 | 963,291 | 1,349,188 | Capital grants and contributions |
| <u>160,492,347</u> | <u>147,458,503</u> | <u>146,795,109</u> | <u>165,378,060</u> | <u>181,387,619</u> | Total business-like activities program revenues |
| <u>\$230,463,862</u> | <u>\$226,877,352</u> | <u>\$215,244,200</u> | <u>\$239,920,749</u> | <u>\$244,676,767</u> | Total primary government program revenues |
| Net (expense) revenue | | | | | |
| (108,146,487) | (104,342,423) | (109,503,819) | (106,862,270) | (181,396,100) | Governmental activities |
| 8,050,205 | (7,722,078) | (5,885,115) | 5,952,847 | 16,735,263 | Business-like activities |
| <u>(\$100,096,282)</u> | <u>(\$112,064,501)</u> | <u>(\$115,388,934)</u> | <u>(\$100,909,423)</u> | <u>(\$164,660,837)</u> | Total primary government net expense |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities: | | | | | |
| Taxes | | | | | |
| \$54,783,756 | \$58,633,590 | \$61,571,660 | \$60,802,119 | \$ 67,165,834 | Property taxes |
| 38,330,268 | 40,624,737 | 43,163,411 | 44,092,707 | 43,418,876 | Sales taxes |
| 4,239,111 | 4,649,292 | 5,044,231 | 5,174,427 | 5,749,572 | Transient occupancy taxes |
| 3,775,233 | 4,093,435 | 3,854,116 | 3,703,971 | 3,925,374 | Franchise taxes |
| 519,093 | 758,502 | 690,805 | 729,609 | 818,322 | Deed transfer taxes |
| 5,125,801 | 5,104,859 | 5,422,499 | 5,348,086 | 5,570,488 | Business license taxes |
| 157,998 | 141,127 | 225,990 | 228,899 | 313,847 | Penalties on delinquent taxes |
| 1,165,783 | 807,618 | 752,064 | 1,989,004 | 1,404,527 | Investment earnings |
| 114,348 | - | - | - | - | Sale of capital assets |
| - | - | - | - | 10,657,104 | Special items |
| (2,207,463) | 6,439,487 | 62,396 | 442,852 | 200,818 | Transfers |
| - | - | - | - | - | Extraordinary loss |
| - | - | - | - | (1,940,127) | Contributions to other government |
| <u>106,003,928</u> | <u>121,252,647</u> | <u>120,787,172</u> | <u>122,511,674</u> | <u>137,284,635</u> | Total governmental activities |
| Business-type activities: | | | | | |
| 2,997,078 | 2,735,395 | 2,482,980 | 2,440,982 | 1,839,114 | Investment earnings |
| - | - | - | - | - | Sale of capital assets |
| - | - | - | - | 1,940,127 | Contributions to/(from) other government |
| 2,207,463 | (6,439,487) | (62,396) | (442,852) | (200,818) | Transfers |
| <u>5,204,541</u> | <u>(3,704,092)</u> | <u>2,420,584</u> | <u>1,998,130</u> | <u>3,578,423</u> | Total business-type activities |
| <u>\$111,208,469</u> | <u>\$117,548,555</u> | <u>\$123,207,756</u> | <u>\$124,509,804</u> | <u>\$140,863,058</u> | Total primary program |
| Change in Net Position | | | | | |
| (2,142,559) | 16,910,224 | 11,283,353 | 28,544,712 | (44,111,465) | Governmental activities |
| 13,254,746 | (11,426,170) | (3,464,531) | 8,891,341 | 20,313,686 | Business-type activities |
| <u>\$11,112,187</u> | <u>\$5,484,054</u> | <u>\$7,818,822</u> | <u>\$37,436,053</u> | <u>(\$23,797,779)</u> | Total primary government |

City of Oxnard, California

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

| | Fiscal Year | | | | |
|------------------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Fund | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 23,794,737 | 29,726,794 | - | - | 4,714,203 |
| Nonspendable | - | - | - | - | 1,482,872 |
| Restricted | - | - | - | - | - |
| Committed | - | - | - | - | - |
| Assigned | - | - | 17,472,751 | 18,093,783 | 14,658,123 |
| Unassigned | - | - | 15,648,084 | 15,666,268 | 11,359,847 |
| Total general fund | <u>\$23,794,737</u> | <u>\$29,726,794</u> | <u>\$ 33,120,835</u> | <u>\$ 33,760,051</u> | <u>\$ 32,215,045</u> |
| All other governmental funds | | | | | |
| Reserved | \$ 12,852,498 | \$ 13,811,524 | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 61,924,849 | 61,896,005 | - | - | - |
| Capital projects funds | 72,705,295 | 59,395,831 | - | - | - |
| Nonspendable | - | - | 13,230,067 | - | 3,305,113 |
| Restricted | - | - | 34,500,580 | 18,707,789 | 27,237,519 |
| Assigned | - | - | 80,823,243 | 51,415,603 | 4,456,543 |
| Unassigned | - | - | (2,764,967) | (6,386,154) | 14,859,161 |
| Total all other governmental funds | <u>\$147,482,642</u> | <u>\$135,103,360</u> | <u>\$ 125,788,923</u> | <u>\$ 63,737,238</u> | <u>\$ 49,858,336</u> |

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

Source: Finance Department, City of Oxnard

City of Oxnard, California

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

| | | Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------------------|--|
| 2014 | 2015 | 2016 | 2017 | 2018 | | |
| | | | | | General Fund | |
| \$ - | \$ - | \$ - | - | \$ - | Reserved | |
| 4,620,492 | - | - | - | - | Unreserved | |
| | | | | | Nonspendable | |
| - | - | 550,000 | 835,296 | 10,558,537 | Restricted | |
| - | - | - | - | 12,662,261 | Committed | |
| 18,409,417 | 11,315,859 | 15,879,092 | 23,283,091 | - | Assigned | |
| 13,916,093 | 13,459,906 | 17,858,980 | 22,150,403 | 17,241,635 | Unassigned | |
| <u>\$ 36,946,002</u> | <u>\$ 24,775,765</u> | <u>\$ 34,288,072</u> | <u>\$ 46,268,790</u> | <u>\$ 40,462,433</u> | Total general fund | |
| | | | | | All other governmental funds | |
| \$ - | \$ - | \$ - | | \$ - | Reserved | |
| | | | | | Unreserved, reported in: | |
| - | - | - | | | Special revenue funds | |
| - | - | - | | | Capital projects funds | |
| - | - | 104,736 | | | Nonspendable | |
| 49,083,954 | 74,810,464 | 69,258,707 | 80,403,821 | 73,585,992 | Restricted | |
| 5,498,036 | 9,639,955 | 10,007,525 | 12,774,735 | 17,563,011 | Assigned | |
| (2,062,158) | (1,493,635) | (290,834) | (762,744) | - | Unassigned | |
| <u>\$ 52,519,832</u> | <u>\$ 82,956,784</u> | <u>\$ 79,080,134</u> | <u>\$ 92,415,812</u> | <u>\$ 91,149,003</u> | 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 | | | | |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Revenues | | | | | |
| Taxes | \$114,468,247 | \$112,760,128 | \$116,358,938 | \$114,132,986 | \$103,286,108 |
| Licenses and permits | 2,470,865 | 2,267,581 | 2,002,416 | 3,662,851 | 2,702,302 |
| Intergovernmental | 32,290,549 | 42,232,125 | 58,971,454 | 39,321,626 | 38,740,617 |
| Growth and development fees | 7,210,668 | 1,502,781 | 2,663,779 | 5,979,605 | 1,828,294 |
| Charges for services | 10,705,908 | 11,007,992 | 10,668,661 | 9,967,288 | 9,175,312 |
| Fines and forfeitures | 1,408,066 | 1,213,655 | 1,233,733 | 1,311,689 | 977,098 |
| Interest | 5,556,004 | 2,769,250 | 1,934,083 | 1,105,534 | (21,216) |
| Special assessments | 8,611,926 | 9,168,150 | 9,013,480 | 8,084,122 | 7,971,903 |
| Contributions from property owners | - | - | - | - | - |
| Rental income | - | - | - | 148,993 | - |
| Investment income | - | - | - | 248,594 | - |
| Miscellaneous | 5,837,966 | 8,268,073 | 3,673,052 | 8,304,617 | 4,359,097 |
| Total revenues | 188,560,199 | 191,189,735 | 206,519,596 | 192,267,905 | 169,019,515 |
| Expenditures | | | | | |
| General government | 11,883,205 | 11,145,722 | 11,041,050 | 10,355,408 | 10,438,952 |
| Public safety | 74,877,737 | 84,818,990 | 84,439,008 | 86,218,656 | 91,190,673 |
| Transportation | 9,829,554 | 10,137,568 | 10,338,211 | 10,347,787 | 9,659,263 |
| Community development | 25,832,640 | 32,073,825 | 24,803,125 | 22,357,237 | 20,333,591 |
| Culture and leisure | 19,348,413 | 17,751,755 | 17,789,287 | 17,175,797 | 17,779,933 |
| Library services | 4,755,540 | 4,632,177 | 4,682,033 | 4,553,275 | 4,334,991 |
| Capital outlay | 43,704,965 | 34,739,151 | 54,785,588 | 46,868,230 | 33,897,212 |
| Debt Service: | | | | | |
| Principal | 3,168,595 | 3,743,020 | 3,926,631 | 4,362,740 | 3,451,261 |
| Interest | 5,574,369 | 5,230,494 | 5,151,761 | 4,061,894 | 2,941,600 |
| Total expenditures | 198,975,018 | 204,272,702 | 216,956,694 | 206,301,024 | 194,027,476 |
| Excess of revenues over (under) expenditures | (10,414,819) | (13,082,967) | (10,437,098) | (14,033,119) | (25,007,961) |
| Other Financing Sources (Uses) | | | | | |
| Payment to escrow agent | - | - | - | - | (6,197,285) |
| Proceeds from sale of property | - | - | - | - | - |
| Proceeds from sale of bonds | 11,790,000 | 1,395,646 | 1,295,771 | 3,680,714 | 6,802,986 |
| Cost of issuance | - | - | - | - | - |
| Bond discount | (116,979) | - | - | - | 48,238 |
| Transfers in | 10,573,077 | 10,550,390 | 11,718,345 | 6,108,518 | 5,869,128 |
| Transfers out | (14,337,790) | (5,310,294) | (8,497,414) | (8,292,747) | (8,035,273) |
| Total other financing sources (uses) | 7,908,308 | 6,635,742 | 4,516,702 | 1,496,485 | (1,512,206) |
| Special items: | | | | | |
| Bond proceeds from Successor Agency | - | - | - | - | - |
| 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 | - | - | - | (48,875,835) | - |
| Net change in fund balances | (\$2,506,511) | (\$6,447,225) | (\$5,920,396) | (\$61,412,469) | (\$26,520,167) |
| Debt service as a percentage of noncapital expenditures | 5.63% | 5.29% | 5.60% | 5.28% | 3.99% |

City of Oxnard, California

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

| | | Fiscal Year | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|----------------------|---|--|
| 2014 | 2015 | 2016 | 2017 | 2018 | | |
| Revenues | | | | | | |
| \$106,888,431 | \$113,864,415 | \$119,746,722 | \$119,850,919 | \$ 126,648,408 | Taxes | |
| 3,628,916 | 3,092,838 | 3,402,217 | 4,222,838 | 3,306,324 | Licenses and permits | |
| 40,960,669 | 41,721,395 | 21,455,873 | 20,224,399 | 20,440,135 | Intergovernmental | |
| 3,512,534 | 3,442,898 | 4,452,750 | 7,100,771 | 2,342,768 | Growth and development fees | |
| 9,617,645 | 11,144,204 | 25,471,392 | 23,969,821 | 20,570,129 | Charges for services | |
| 699,521 | 765,857 | 1,413,718 | 2,537,822 | 2,438,772 | Fines and forfeitures | |
| 1,165,783 | 657,609 | 657,140 | 1,949,489 | 1,271,263 | Interest | |
| 8,022,913 | 7,993,871 | 9,613,886 | 8,367,032 | 9,018,025 | Special assessments | |
| - | - | - | - | - | Contributions from property owners | |
| - | - | - | - | - | Rental income | |
| - | - | - | - | - | Investment income | |
| 6,803,374 | 11,233,279 | 4,987,667 | 8,588,557 | 6,339,266 | Miscellaneous | |
| <u>181,299,786</u> | <u>193,916,366</u> | <u>191,201,365</u> | <u>196,811,648</u> | <u>192,375,090</u> | Total revenues | |
| Expenditures | | | | | | |
| 9,926,024 | 13,384,549 | 11,368,350 | 13,360,687 | 17,769,349 | General government | |
| 93,875,139 | 95,777,400 | 93,676,090 | 94,676,659 | 102,770,375 | Public safety | |
| 9,495,806 | 9,228,976 | 7,325,513 | 8,314,157 | 12,346,380 | Transportation | |
| 15,495,566 | 12,680,862 | 12,268,857 | 16,462,067 | 15,832,210 | Community development | |
| 18,504,287 | 24,346,307 | 23,002,548 | 24,048,819 | 27,192,908 | Culture and leisure | |
| 4,241,345 | 4,498,950 | 3,935,250 | 3,485,181 | 3,311,739 | Library services | |
| 13,983,543 | 13,835,114 | 20,898,762 | 8,737,398 | 16,767,682 | Capital outlay | |
| Debt Service: | | | | | | |
| 3,764,935 | 6,884,661 | 6,641,368 | 5,573,572 | 33,063,145 | Principal | |
| 2,776,612 | 4,225,920 | 4,530,126 | 4,932,901 | 9,276,932 | Interest | |
| <u>172,063,257</u> | <u>184,862,739</u> | <u>183,646,864</u> | <u>179,591,441</u> | <u>238,330,720</u> | Total expenditures | |
| <u>9,236,529</u> | <u>9,053,627</u> | <u>7,554,501</u> | <u>17,220,207</u> | <u>(45,955,630)</u> | Excess of revenues over (under) expenditures | |
| Other Financing Sources (Uses) | | | | | | |
| - | - | - | - | - | Payment to escrow agent | |
| - | - | - | - | - | Proceeds from sale of property | |
| 363,387 | 23,765,460 | - | - | 37,608,582 | Proceeds from sale of bonds | |
| - | (3,764,693) | - | - | - | Cost of issuance | |
| - | - | - | - | - | Bond discount/premium | |
| 5,570,120 | 14,594,844 | 10,964,565 | 9,632,647 | 13,140,181 | Transfers in | |
| <u>(7,777,583)</u> | <u>(19,495,238)</u> | <u>(11,125,968)</u> | <u>(9,957,565)</u> | <u>(13,639,820)</u> | Transfers out | |
| <u>(1,844,076)</u> | <u>15,100,373</u> | <u>(161,403)</u> | <u>(324,918)</u> | <u>37,108,943</u> | Total other financing sources (uses) | |
| Special items: | | | | | | |
| - | - | - | 9,896,298 | - | Bond proceeds from Successor Agency | |
| - | - | - | - | - | Contributions from other funds | |
| - | - | - | - | - | Contributions to other funds | |
| - | - | - | - | - | Capital contributions | |
| - | - | - | - | - | Extraordinary loss | |
| - | - | - | 9,896,298 | - | Total special items | |
| <u>\$7,392,453</u> | <u>\$24,154,000</u> | <u>\$7,393,098</u> | <u>\$26,791,587</u> | <u>(\$8,846,687)</u> | Net change in fund balances | |
| 4.14% | 6.50% | 6.86% | 6.15% | 19.11% | Debt service as a percentage of noncapital expenditures | |

City of Oxnard, California

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

| Fiscal Year | Property Tax | Sales Tax | Transient Occupancy Tax | Franchise Tax | Deed Transfer Tax | Business License | Penalties and Interest | Total |
|--------------------|---------------------|------------------|--------------------------------|----------------------|--------------------------|-------------------------|-------------------------------|--------------|
| 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 |
| 2018 | 67,165,834 | 43,418,876 | 5,749,572 | 3,925,374 | 818,322 | 5,570,488 | 313,847 | 126,962,313 |

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 |
|--------------------|---------------|---------------------|--------------------------|---------------------------------------|-------------------------------------|------------------------------|---------------------------------------|---|
| 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% |
| 2018 | 8,649,933,708 | 10,789,755,377 | 656,241,587 | 840,285,136 | 19,255,645,536 | 1.22618% | 19,255,645,536 | 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.

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 | |
| 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% |
| 2018 | 1.00000% | 0.22618% | 1.22618% | 0.29110% | 0.00350% | 0.29460% | 1.52078% |

- 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 | 2018 | | | 2009 | | |
|------------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Proctor & Gamble Paper Products | 315,643,782 | 1 | 1.627% | 286,909,233 | 1 | 1.664% |
| Essex Arbors LP | 214,285,422 | 2 | 1.105% | | | |
| Vintage Production California, LLC | 170,505,658 | 3 | 0.879% | | | |
| SOCM I LLC | 112,495,891 | 4 | 0.580% | | | |
| Serenade Apts Properties Owner LLC | 108,620,696 | 5 | 0.560% | | | |
| HAAS Automation Inc | 92,077,000 | 6 | 0.475% | | | |
| Prime Peninsula LP | 89,683,858 | 7 | 0.462% | | | |
| New-Indy Oxnard LLC | 77,064,307 | 8 | 0.397% | | | |
| Duesenberg Investment Company | 73,835,719 | 9 | 0.381% | | | |
| MC Gaelic Group | 73,672,172 | 10 | 0.380% | | | |
| Reliant Energy Ormond Beach, Inc | | | | 84,700,000 | 2 | 0.491% |
| MEF Realty | | | | 81,333,355 | 3 | 0.472% |
| ESSEX Tierra Vista LP | | | | 81,115,378 | 4 | 0.470% |
| GS Channel Islands LLC | | | | 80,640,312 | 5 | 0.468% |
| HAAS Automation Inc | | | | 79,349,400 | 6 | 0.460% |
| SI VIII LLC | | | | 76,591,411 | 7 | 0.444% |
| Duesenberg Investment Company | | | | 65,256,074 | 8 | 0.379% |
| Fred Kavili | | | | 64,063,151 | 9 | 0.372% |
| D r Horton LA Holding Company | | | | 52,995,286 | 10 | 0.307% |
| Other taxpayers | 18,070,694,371 | | 93.155% | 16,287,478,403 | | 94.473% |
| Totals | 19,398,578,876 | | 100.00% | 17,240,432,003 | | 100.000% |

Source: HdL Coren & Cone

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 |
| 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% |
| 2018 | 68,931,117 | 50,883,749 | 73.82% | 903,482 | 51,787,231 | 75.13% |

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 Personal Income | (2) Per Capita |
|-------------|-------------------------|-------------------------------|----------------------|----------------|--------------------------|----------------|--------------------------|--------------------------------------|-------------------|
| | Revenue Bonds | Certificates of Participation | Tax Allocation Bonds | Capital Leases | Revenue Bonds | Capital Leases | | | |
| 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 | - | 21,558,130 | 305,514,850 | 1,034,692 | 418,396,150 | 10.043% | 2,021 |
| 2017 | 64,280,135 | 22,839,973 | - | 19,873,684 | 295,626,652 | 552,843 | 403,173,287 | 9.716% | 1,940 |
| 2018 | 66,940,356 | 22,180,000 | - | 22,695,103 | 285,427,585 | 5,073,701 | 402,316,745 | 9.312% | 1,860 |

NOTE: (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(2) See the Schedule of Demographic and Economic Statistics for personal income and population data HDL Coren & Coen

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

City of Oxnard, California

SCHEDULE XI Direct and Overlapping Governmental Activities Debt As of June 30, 2018

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-----------------------------|--|--|
| City of Oxnard Overlapping Tax Debt: | | | |
| Metropolitan Water District | 60,600,000 | 0.701% | 424,806 |
| Ventura County Community College District | 283,365,436 | 15.016% | 42,550,154 |
| Oxnard Union High School District | 152,002,016 | 46.534% | 70,732,618 |
| Oxnard School District | 266,898,773 | 92.595% | 247,134,919 |
| Rio School District | 47,085,000 | 87.014% | 40,970,542 |
| Rio School District Community Facilities District No 1 | 64,770,000 | 100.000% | 64,770,000 |
| Hueneme School District | 34,987,102 | 43.206% | 15,116,527 |
| Ocean View School District | 12,715,247 | 40.624% | 5,165,442 |
| City of Oxnard Community Facilities District 1 | 7,720,000 | 100.000% | 7,720,000 |
| City of Oxnard Community Facilities District 3 | 25,700,000 | 100.000% | 25,700,000 |
| City of Oxnard Boulevard Highway Communities Facilities District | 5,925,000 | 100.000% | 5,925,000 |
| City of Oxnard - Rice Avenue/Hwy 101 Assessment District 2001-1 | 9,635,000 | 100.000% | 9,635,000 |
| City of Oxnard - Oxnard Blvd/Hwy 101 Assessment District 2000-1 | 1,685,000 | 100.000% | 1,685,000 |
| California Statewide Community Development Authority 1915 Act Bond | 140,930 | 100.000% | 140,930 |
| Ventura County General Fund Obligations | 336,025,000 | 15.012% | 50,444,073 |
| Ventura County Superintendent of Schools - Certificates of Participation | 9,635,000 | 15.012% | 1,446,406 |
| Oxnard Union High School District - Certificates of Participation | 16,687,171 | 46.534% | 7,765,208 |
| Ocean View School District - Certificates of Participation | 6,814,300 | 40.624% | 2,768,241 |
| Oxnard School District - Certificates of Participation | 11,489,400 | 92.595% | 10,638,610 |
| Rio School District - Certificates of Participation | 11,305,000 | 87.014% | 9,836,933 |
| Successor Agency - Tax Increment Debt | 34,500,000 | 100.000% | 34,500,000 |
| Subtotal - Overlapping Debt | 1,399,685,375 | | 655,070,409 |
| City of Oxnard Direct Debt: | | | |
| City of Oxnard Lease Revenue Bonds | | | 61,090,000 |
| City of Oxnard Lease Purchase Agreements | | | 16,527,501 |
| City of Oxnard Capital Lease Obligations | | | 1,167,601 |
| Subtotal - Direct Debt | | | 78,785,102 |
| Total Direct and Overlapping Debt | | | 733,855,511 |

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)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Debt limit | 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 | 2,888,347 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <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> | <u>2,888,347</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 2018

| | |
|---|-------------------|
| Assessed value | 15,456,926 |
| Add back: exempt real property | 3,798,719 |
| Total assessed value | <u>19,255,646</u> |
| Debt limit (15% of total assessed value) | 2,888,347 |
| Debt applicable to limit: | |
| General obligation bonds | 374,548 |
| Less: assets in debt service funds for principal payments | |
| Revenue bonds - governmental activities | (66,940) |
| Revenue bonds - business-type activities | (285,428) |
| Tax allocation bonds-community development commission | - |
| Certificates of participation | <u>(22,180)</u> |
| Total net debt applicable limit | <u>(0.00)</u> |
| Legal debt margin | 2,888,347 |

Source: County of Ventura
 Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE XIII Pledged Revenue Coverage Last Ten Fiscal Years

| Water Revenue Bonds | | | | | | |
|----------------------------|----------------|--------------------------|------------------------|------------------------|------------|----------|
| Fiscal Year | Gross Revenues | Less: Operating Expenses | Net Available Revenues | Debt Service Principal | Interest | Coverage |
| 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 |
| 2018 | 63,762,875 | 39,787,848 | 23,975,027 | 4,474,671 | 9,973,380 | 1.66 |

| Environmental Resources Revenue Bonds | | | | | | |
|--|----------------|--------------------------|------------------------|------------------------|-----------|----------|
| Fiscal Year | Gross Revenues | Less: Operating Expenses | Net Available Revenues | Debt Service Principal | Interest | Coverage |
| 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* | - | - | - | - | - | - |
| 2018* | - | - | - | - | - | - |

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 this 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 |
|----------------|--------------------------|------------------------|------------------------|-----------|----------|-------------|
| 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 |
| 40,284,050 | 20,836,258 | 19,447,792 | 4,481,192 | 4,807,258 | 2.09 | 2018 |

Oxnard Housing Authority Revenue Bonds

| Gross Revenues | Less: Operating Expenses | Net Available Revenues | Debt Service Principal | Interest | Coverage | Fiscal Year |
|----------------|--------------------------|------------------------|------------------------|-----------|----------|-------------|
| 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 |
| 27,712,683 | 27,085,179 | 627,504 | 320,000 | (130,683) | 3.31 | 2018 |

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 |
|----------------|-------------------|--------------------------------------|-----------------------------|----------------------|-----------------------------|-----------------------------|
| 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% |
| 2018 | 206,499 | 4,320,613 | 20,923 | 31.4 | 39,461 | 5.1% |

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 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General government | 234 | 234 | 234 | 228 | 227 | 230 | 230 | 228 | 224 | 288 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 293 | 237 | 237 | 236 | 252 | 249 | 252 | 243 | 252 | 268 |
| Civilians | 95 | 151 | 151 | 151 | 155 | 159 | 157 | 151 | 110 | 114 |
| Fire | | | | | | | | | | |
| Firefighters & officers | 100 | 103 | 103 | 101 | 101 | 110 | 125 | 125 | 125 | 150 |
| Civilians | 7 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Transportation | 50 | 50 | 50 | 49 | 49 | 44 | 43 | 25 | 16 | 27 |
| Community development | 66 | 66 | 66 | 66 | 60 | 58 | 59 | 50 | 52 | 57 |
| Culture and recreation | 85 | 85 | 85 | 83 | 83 | 83 | 81 | 67 | 55 | 95 |
| Utilities | | | | | | | | | | |
| Water | 45 | 51 | 51 | 51 | 51 | 50 | 50 | 52 | 53 | 56 |
| Wastewater | 72 | 72 | 72 | 70 | 76 | 79 | 80 | 81 | 81 | 74 |
| Environmental Resources | 78 | 78 | 78 | 79 | 79 | 80 | 118 | 113 | 118 | 175 |
| Housing | 81 | 81 | 81 | 83 | 82 | 82 | 81 | 80 | 81 | 70 |
| Total | 1,206 | 1,211 | 1,211 | 1,200 | 1,217 | 1,226 | 1,278 | 1,218 | 1,171 | 1,378 |

Source: Finance Department, City of Oxnard

City of Oxnard, California

SCHEDULE XVI Operating Indicators by Function Last Ten Fiscal Years

| Function | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|------------|------------|------------|------------|------------|
| Police | | | | | |
| Physical arrests | 7,842 | 7,794 | 8,116 | 7,278 | 6,790 |
| Parking violations | 37,968 | 35,346 | 35,091 | 34,914 | 32,120 |
| Traffic violations | 23,305 | 25,288 | 25,517 | 22,294 | 15,800 |
| Fire | | | | | |
| Number of calls answered | 13,310 | 13,417 | 13,813 | 13,381 | 14,127 |
| Inspections | 4,244 | 4,777 | 5,614 | 4,212 | 5,000 |
| Highways and streets | | | | | |
| Potholes repaired | 12,300 | 12,650 | 13,000 | 14,000 | 13,000 |
| Sanitation | | | | | |
| Total number of customers | 37,195 | 37,124 | 43,991 | 44,034 | 44,312 |
| Refuse/recyclables collected (tons/day) | 571 | 570 | 577 | 558 | 569 |
| Recyclables collected (tons/day) | 95 | 91 | 93 | 98 | 98 |
| Culture and recreation | | | | | |
| Community center admissions | 51,872 | 27,934 | 29,655 | 33,751 | 29,910 |
| Water | | | | | |
| Total number of customers | 40,206 | 40,756 | 40,785 | 41,064 | 41,019 |
| Average daily consumption | 25,781,331 | 23,246,924 | 23,293,140 | 23,094,489 | 23,578,792 |
| Wastewater | | | | | |
| Total number of customers | 37,251 | 38,081 | 38,158 | 38,379 | 38,712 |
| Average daily sewerage treatment | 23,000,000 | 23,000,000 | 23,000,000 | 23,000,000 | 23,000,000 |

Source: Various departments, City of Oxnard

City of Oxnard, California

SCHEDULE XVI Operating Indicators by Function Last Ten Fiscal Years

| 2014 | 2015 | 2016 | 2017 | 2018 | Function |
|------------|------------|------------|------------|------------|---|
| | | | | | Police |
| 6,169 | 7,388 | 7,063 | 6,641 | 6,495 | Physical arrests |
| 25,130 | 26,033 | 32,288 | 32,273 | 25,663 | Parking violations |
| 17,775 | 18,596 | 15,845 | 16,935 | 18,745 | Traffic violations |
| | | | | | Fire |
| 14,770 | 15,560 | 17,678 | 17,974 | 25,005 | Number of calls answered |
| 3,588 | 3,030 | 2,296 | 1,463 | 3,710 | Inspections |
| | | | | | Highways and streets |
| 13,500 | 13,000 | 12,500 | 12,500 | 12,500 | Potholes repaired |
| | | | | | Sanitation |
| 44,677 | 44,944 | 45,266 | 45,537 | 45,773 | Total number of customers |
| 582 | 605 | 608 | 626 | 645 | Refuse/recyclables collected (tons/day) |
| 101 | 98 | 101 | 104 | 125 | Recyclables collected (tons/day) |
| | | | | | Culture and recreation |
| 22,980 | 35,857 | 28,896 | 26,343 | 26,196 | Community center admissions |
| | | | | | Water |
| 41,319 | 41,437 | 41,635 | 42,301 | 42,041 | Total number of customers |
| 24,041,322 | 21,014,055 | 21,701,750 | 22,130,222 | 22,444,527 | Average daily consumption |
| | | | | | Wastewater |
| 38,971 | 39,210 | 39,374 | 39,580 | 39,735 | Total number of customers |
| 19,700,000 | 19,700,000 | 19,700,000 | 18,800,000 | 19,080,000 | Average daily sewerage treatment |

Source: Various departments, City of Oxnard

City of Oxnard, California

SCHEDULE XVII Capital Assets by Function Last Ten Fiscal Years

| Function | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------------|------------|------------|------------|------------|------------|
| Public safety | | | | | |
| Police | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Police vehicles | 223 | 171 | 264 | 275 | 268 |
| Fire | | | | | |
| Stations | 7 | 7 | 7 | 7 | 7 |
| Hydrants | 6,282 | 5,413 | 5,413 | 5,430 | 5,500 |
| Sanitation | | | | | |
| Collection trucks | 52 | 52 | 52 | 51 | 51 |
| Highways and streets | | | | | |
| Streets (miles) | 400 | 400 | 400 | 400 | 400 |
| City-owned streetlights | 654 | 674 | 674 | 674 | 974 |
| SCE-owned streetlights | 9,371 | 9,943 | 9,943 | 10,005 | 10,067 |
| Culture and recreation | | | | | |
| Parks acreage | 550 | 550 | 550 | 550 | 550 |
| Parks | 58 | 58 | 58 | 58 | 58 |
| Ball diamonds | 30 | 30 | 37 | 37 | 37 |
| Basketball courts | 29 | 29 | 47 | 47 | 47 |
| Craft/Activity buildings | 8 | 8 | 10 | 10 | 10 |
| Gymnasium | 2 | 2 | 2 | 2 | 2 |
| Swimming pools | 1 | 1 | 1 | 1 | 1 |
| Tennis courts | 31 | 31 | 30 | 30 | 30 |
| Community centers | 3 | 3 | 3 | 3 | 3 |
| Library | | | | | |
| Number of books | 353,455 | 356,456 | 356,624 | 362,753 | 337,015 |
| Number of microfilms | 8,525 | 8,572 | 8,634 | 8,708 | 8,726 |
| Number of audiotapes | 20,864 | 21,345 | 22,105 | 21,676 | 20,060 |
| Number of videotapes | 15,318 | 16,045 | 16,015 | 17,288 | 14,688 |
| Number of DVD | | | | | |
| Number of CD-ROMS (data disk) | 632 | 689 | 617 | 620 | 438 |
| Water | | | | | |
| Water mains (miles) | 663 | 592 | 592 | 597 | 600 |
| Maximum daily treatment capacity | 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 |

Source: Various departments, City of Oxnard
* Transitioned from video tapes to DVD's

City of Oxnard, California

SCHEDULE XVII Capital Assets by Function Last Ten Fiscal Years

| 2014 | 2015 | 2016 | 2017 | 2018 | Function |
|------------|------------|------------|------------|------------|----------------------------------|
| | | | | | Public safety |
| | | | | | Police |
| 1 | 1 | 1 | 1 | 1 | Stations |
| 268 | 311 | 233 | 236 | 236 | Police vehicles |
| | | | | | Fire |
| 7 | 8 | 8 | 8 | 8 | Stations |
| 5,500 | 5,500 | 5,500 | 5,551 | 5,551 | Hydrants |
| | | | | | Sanitation |
| 51 | 50 | 52 | 52 | 50 | Collection trucks |
| | | | | | Highways and streets |
| 400 | 400 | 432 | 432 | 451 | Streets (miles) |
| 974 | 972 | 980 | 1,025 | 1,025 | City-owned streetlights |
| 10,192 | 10,225 | 10,225 | 10,240 | 10,242 | SCE-owned streetlights |
| | | | | | Culture and recreation |
| 550 | 555 | 561 | 561 | 561 | Parks acreage |
| 58 | 59 | 62 | 61 | 61 | Parks |
| 37 | 37 | 22 | 27 | 29 | Ball diamonds |
| 47 | 48 | 25 | 30 | 30 | Basketball courts |
| 10 | 10 | 2 | 2 | 2 | Craft/Activity buildings |
| 2 | 2 | 2 | 2 | 2 | Gymnasium |
| 1 | 1 | 1 | 1 | 1 | Swimming pools |
| 30 | 30 | 25 | 33 | 32 | Tennis courts |
| 3 | 3 | 2 | 3 | 3 | Community centers |
| | | | | | Library |
| 325,906 | 318,644 | 316,646 | 333,016 | 366,051 | Number of books |
| 8,729 | 8,729 | 5,885 | 8,323 | 7,822 | Number of microfilms |
| 20,423 | 19,618 | 18,902 | 10,922 | 13,003 | Number of audiotapes |
| 15,025 | 14,167 | 14,259 | - | - | Number of videotapes |
| | | | 19,249* | 17,947* | Number of DVD |
| 447 | 16 | 3,072 | - | - | Number of CD-ROMS (data disk) |
| | | | | | Water |
| 600 | 600 | 600 | 624 | 624 | Water mains (miles) |
| 18,600,000 | 18,600,000 | 18,600,000 | 18,600,000 | 18,600,000 | Maximum daily treatment capacity |
| | | | | | Sewer |
| 430 | 430 | 430 | 430 | 430 | Miles of sewer lines |

Source: Various departments, City of Oxnard

* Transitioned from video tapes to DVD's

City of Oxnard, California

SCHEDULE XVIII Principal Employers Current Year and Nine Years Ago

| Employer | 2017* | | 2009 | |
|---------------------------------|---------------------|-----------------------------|---------------------|-----------------------------|
| | Number of Employees | Percent of Total Employment | Number of Employees | Percent of Total Employment |
| Haas Automation | 1,589 | 20.63% | 996 | 1.219% |
| Oxnard Union School District | 1,463 | 18.99% | 1,500 | 1.836% |
| City of Oxnard | 1,171 | 15.19% | 1,167 | 1.428% |
| Pashan Management Corp. | 854 | 11.09% | N/A | N/A |
| Procter & Gamble-Paper Products | 650 | 8.44% | N/A | N/A |
| Waterway Plastics Inc | 543 | 7.05% | 1,300 | 1.591% |
| CalAmp Corp. | 419 | 5.44% | N/A | N/A |
| Raypak | 396 | 5.14% | N/A | N/A |
| Procter & Gamble-Paper Products | 328 | 4.26% | N/A | N/A |
| Mission Produce | 291 | 3.78% | N/A | N/A |
| | | 100.00% | | |

*FY2018 data not available.

*FY2017 sources changed from combination of EDD and California Economic Forecast to data from California Economic Forecast.

Source: California Economic Forecast
City of Oxnard