



**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**MEASURE O  
REVENUES AND EXPENDITURES**

**FOR THE SIX MONTHS ENDED  
DECEMBER 31, 2018**



CITY OF OXNARD  
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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Members of the City Council  
City of Oxnard  
Oxnard, California

We have performed the procedures enumerated below, which were agreed to by the City of Oxnard, solely to assist you in determining that revenues were collected in accordance with Measure O and expenditures were spent in accordance with Measure O for the six-month period from July 1, 2018 to December 31, 2018. These procedures are an extension of procedures conducted for the year ended June 30, 2018 (please refer to the Independent Accountant's Report on Applying Agreed-Upon Procedures for the year ended June 30, 2018 dated July 15, 2019). The City of Oxnard's management is responsible for the accounting records and preparation of financial statements pertaining to Measure O. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We obtained the Measure O revenues and expenditures of the City of Oxnard for the six-month period from July 1, 2018 to December 31, 2018, and tied the amounts to the general ledger activity generated from HTE general ledger system.

**Measure O Revenues and Expenditures**  
**From July 1, 2018 to December 31, 2018**

<b>Beginning Committed Fund Balance</b>	<b>\$</b>	<b>12,662,262</b>
<b>Revenues:</b>		
Half Cent Sales Tax		5,330,912
Interest Income		115,917
<b>Total Revenues</b>	<b>\$</b>	<b>5,446,829</b>
<b>Expenditures by Program:</b>		
Public Safety & Gang Prevention		6,181,417
Traffic & Road Improvements		555,446
Parks & Open Space		631,803
Other Community Improvements		282,094
<b>Total Expenditures</b>	<b>\$</b>	<b>7,650,760</b>
<b>Net Annual Activity</b>	<b>\$</b>	<b>(2,203,931)</b>
<b>Ending Committed Fund Balance</b>	<b>\$</b>	<b>10,458,331</b>

- a. Measure O expenditures as a percentage of the total revenues was 140%.
  - b. The excess of expenditures over revenues and transfers of \$2,203,931 decreased the committed fund balance to \$10,458,331.
  - c. The beginning committed fund balance was agreed to the City's Comprehensive Annual Financial Report for the year ended June 30, 2018. The ending committed fund balance for the fiscal year will be included in the City's Comprehensive Annual Financial Report for the year ended June 30, 2019.
2. We obtained the approved budget for Measure O for the fiscal year ended June 30, 2019.
- See Exhibit 1, 2 and 3 for additional detail. The City's original budget for expenditures for Measure O amounted to \$17,994,745. The final budget for expenditures amounted to \$21,166,680, an increase of \$3,171,935.
3. We prepared a budget to actual comparison for the fiscal year and inquired of management as to the nature of significant budget variances.

Below is the budget to actual comparison:

<b>Revenues:</b>	<u>Adopted Budget</u>	<u>Six Month Budget</u>	<u>Actual</u>	<u>Variance</u>
Half Cent Sales Tax	\$ 14,616,000	\$ 7,308,000	\$ 5,330,912	\$(1,977,088)
General Fund Loan Payment	1,875,688	937,844	-	(937,844)
Interest Income	101,000	50,500	115,917	65,417
<b>Total Revenues</b>	<b>\$ 16,592,688</b>	<b>\$ 8,296,344</b>	<b>\$ 5,446,829</b>	<b>\$(2,849,515)</b>
<b>Expenditures by Category:</b>				
Public Safety & Gang Prevention	11,543,406	5,771,703	6,181,417	\$ (409,714)
Traffic & Road Improvements	2,275,919	1,137,960	555,446	582,514
Parks & Open Space	1,446,310	723,155	631,803	91,352
Other Community Improvements	2,729,110	1,364,555	282,094	1,082,461
<b>Total Expenditures</b>	<b>\$ 17,994,745</b>	<b>\$ 8,997,373</b>	<b>\$ 7,650,760</b>	<b>\$ 1,346,612</b>
<b>Net Annual Activity</b>	<b>\$ (1,402,057)</b>	<b>\$ (701,029)</b>	<b>\$ (2,203,931)</b>	<b>\$(1,502,903)</b>

- a. Actual revenues were short by \$2,849,515 compared to budget because only two monthly sales tax payments and the General Fund loan payment were not received as of December 31, 2018. These amounts were received subsequent to December 31, 2018.
  - b. As of December 31, 2018, no projects were over budget, and the Measure O fund as a whole remained within its budget.
4. We obtained the Measure O transactions and use tax remittances for the six month period. The Measure O transactions and use tax revenue reported in the Measure O revenues and expenditures in the amount of \$5,330,912 agreed to the remittances from the State of California.
  5. We reviewed the interest allocation schedule for the six month period and determined that the interest allocation for Measure O fund was reasonable.
  6. We obtained a detail of payroll expenditures and selected a sample of expenditures for testing (payroll made up 44% of total expenditures).

For items selected, we tested allocations of time charged to Measure O and noted if each allocation was reasonable and authorized. Based on a sample of 20 individuals, we noted no exceptions.

7. We obtained a detail of expenditures and tested debt service payments, capital outlay and transfers, and a sample of contracts. For the items selected, we compared the dollar amount listed on the general ledger to the supporting documentation and noted that the projects were included in the budget, and we determined them to be allowable costs.

The following non-payroll expenditures were tested:

<u>Expenditures – Measure O</u>	<u>Expenditures</u>	<u>Amounts</u>	
		<u>Examined</u>	<u>Percentage</u>
Capital Outlay	\$ 502,565	\$ 157,413	31%
Indirect Prorated Cost	245,558	-	0%
Interest Payment	296,964	313,309	106%
Liability Insurance Charges	63,713	-	0%
Office Expenses	326,397	18,971	6%
Principal Payment	745,000	745,000	100%
Professional Services	714,540	415,460	58%
Transfers	1,365,312	1,365,312	100%
<b>Total Measure O Expenditures</b>	<b>\$ 4,260,049</b>	<b>\$ 3,015,466</b>	<b>71%</b>

8. We inquired of management as to the nature of any transfers in or out in the Measure O fund. For any transfers out, we determined the nature of the transfers was included in the budget or was approved by the City Council.

Below is the budget to actual comparison for transfers:

<u>Summary of Transfers:</u>	<u>Budget</u>	<u>Actual</u>
Transfers to General Fund		
Liability Insurance Payment	107,673	53,837
PACC and City Corp Subsidies	1,321,263	881,135
Transfers to Debt Service Fund		
Fire Truck Lease and Line of Credit	507,951	84,591
2014 Lease Revenue Street Bond	1,675,802	345,750
<b>Total Transfers</b>	<b>\$ 3,612,689</b>	<b>\$ 1,365,313</b>

9. We inquired of management as to the amount of general or non-project related indirect costs, if any, included in expenditures. Indirect costs identified were determined to be included in the budget.

We will obtain the Measure O revenues and expenditures of the City of Oxnard for the year ended June 30, 2019, and apply audit procedures in conjunction with our audit of the City of Oxnard for the fiscal year. Information regarding measure revenues and expenditures for the fiscal year will be included as a supplement to the Comprehensive Annual Financial Report for the year ended June 30, 2019.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on Measure O Revenues and Expenditures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City of Oxnard and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Eddie and Payne HP*

July 15, 2019  
Riverside, California

**Exhibit 1: Measure O Budget FY 2018-19 – Full Time Equivalent Staffing**

	<b>18-19 Adopted</b>
<b>CITY ATTORNEY</b>	
Deputy City Attorney I/II	1.00
Paralegal	1.00
<b>Total FTE</b>	<b>2.00</b>
<b>DEVELOPMENT SERVICES</b>	
Administrative Technician	1.00
Code Compliance Inspector I/II	1.00
<b>Total FTE</b>	<b>2.00</b>
<b>INFORMATION TECHNOLOGY</b>	
Computer Network Engineer I/II	3.00
<b>Total FTE</b>	<b>3.00</b>
<b>LIBRARY</b>	
Library Aide I/II	0.50
<b>Total FTE</b>	<b>0.50</b>
<b>MAINTENANCE SERVICES</b>	
Groundswoker I/II	5.00
Senior Groundswoker	2.00
<b>Total FTE</b>	<b>7.00</b>
<b>RECREATION AND YOUTH</b>	
Administrative Assistant	0.00
Management Analyst I/II	0.00
Recreation/Human Services Coordinator	0.00
Recreation/Human Services Leader I	1.00
Recreation/Human Services Leader I (Limited Term)	0.00
Recreation/Human Services Leader II	1.00
Recreation/Human Services Leader II (Limited Term)	0.00
Recreation/Human Services Leader III (Limited Term)	0.00
Recreation/Human Services Leader III (Limited Term)	0.00
<b>Total FTE</b>	<b>2.00</b>
<b>PUBLIC SAFETY &amp; GANG PREV.</b>	
Computer Network Engineer I/II	0.00
Fire Captain	6.00
Fire Engineer	6.00
Firefighter	8.00
Police Officer I/II	14.00
Police Officer III	1.00
Police Sergeant	1.00
<b>Total FTE</b>	<b>36.00</b>
<b>MEASURE O TOTAL</b>	<b>52.50</b>



**Exhibit 2: Measure O Budget FY 2018-19 - Programs**

<b>Programs</b>	<b>Adopted FY18-19</b>
CAD/RMS Operational	952,883
City Corps Townkeeper Program	1,321,263
Oxnard Afterschool ASES Program & Recreation Services	193,408
Enhance Community Police	2,783,875
Fire Advanced Life Support	136,000
Fire Handheld Radios Line of Credit 2018	80,987
Fire Station 8 Lease Debt	1,384,994
Fire Station 8 Operations	3,711,050
Fire Truck Lease 2013	169,182
Fire Truck Line of Credit 2018	338,769
Police Dispatch Consoles Line of Credit 2018	470,995
<b>Public Safety &amp; Gang Prevention Intervention Total</b>	<b>11,543,406</b>
2014 Lease Revenue Street Bond	1,675,802
Alley Reconstruction and Roadway Repair	500,117
Intelligent Transportation System Annual Maintenance	100,000
<b>Traffic &amp; Road Improvements Total</b>	<b>2,275,919</b>
College Park Annual Maintenance	763,004
College Park Program	115,000
Day at the Park- Special Needs	15,998
Homework Center Main Library	45,235
Integrated Library System	69,030
Library Wi-Fi Operational	2,000
Mobile Activity Center Services	44,000
Police Activities League (PAL) Operational	183,203
Preschool To You	168,819
Senior Nutrition Program Enhancement	40,021
<b>Parks &amp; Open Space Total</b>	<b>1,446,310</b>
City Hall Summer Internship	25,000
Downtown Arts Hub	97,000
Downtown Market Study	25,000
Economic Development Strategy	100,000
Financial System	325,000
Homeless Program	500,000
Homeless Shelter Acquisition	1,000,000
Local Coastal Plan - CivicSpark Intern	25,000
Ormond Beach Enhancement	50,110
Safe Home Safe Family	330,137
Spanish Language Interpretation of Council Meetings	56,863
Tenant Relocation Assistance	50,000
Riverpark - License Plate Readers & Repeaters	145,000
<b>Other Community Improvements Total</b>	<b>2,729,110</b>
	<b>17,994,745</b>

**Exhibit 3: Measure O Budget FY 2018-19 - Expenditures by Department**

	<b>2018-19 Adopted</b>
<b>104-HALF CENT SALES TAX</b>	
<b>CITY MANAGER</b>	
2-OTHER O&M EXPENSE	203,863
<b>CITY MANAGER Total</b>	<b>203,863</b>
<b>DEVELOPMENT SERVICES</b>	
1-PERSONNEL	355,137
2-OTHER O&M EXPENSE	50,000
<b>DEVELOPMENT SERVICES Total</b>	<b>405,137</b>
<b>ECONOMIC COMMUNITY DEVELOPMENT</b>	
2-OTHER O&M EXPENSE	100,000
<b>ECONOMIC COMMUNITY DEVELOPMENT Total</b>	<b>100,000</b>
<b>FIRE</b>	
1-PERSONNEL	3,072,377
2-OTHER O&M EXPENSE	645,673
3-DEBT SERVICE	1,352,994
4-CAPITAL OUTLAY	161,000
5-TRANSFERS OUT	588,938
<b>FIRE Total</b>	<b>5,820,982</b>
<b>MAINTENANCE SERVICES</b>	
1-PERSONNEL	486,415
2-OTHER O&M EXPENSE	590,874
4-CAPITAL OUTLAY	185,832
<b>MAINTENANCE SERVICES Total</b>	<b>1,263,121</b>
<b>HOUSING</b>	
2-OTHER O&M EXPENSE	500,000
4-CAPITAL OUTLAY	1,000,000
<b>HOUSING Total</b>	<b>1,500,000</b>
<b>INFORMATION TECHNOLOGY</b>	
1-PERSONNEL	376,743
2-OTHER O&M EXPENSE	576,140
<b>INFORMATION TECHNOLOGY Total</b>	<b>952,883</b>

**Exhibit 3: Measure O Budget FY 2018-19 - Expenditures by Department (Continued)**

	<b>2018-19 Adopted</b>
<b>LIBRARY</b>	
1-PERSONNEL	36,532
2-OTHER O&M EXPENSE	79,733
<b>LIBRARY Total</b>	<b>116,265</b>
 <b>NON-DEPARTMENTAL</b>	
2-OTHER O&M EXPENSE	50,110
5-TRANSFERS OUT	325,000
<b>NON-DEPARTMENTAL Total</b>	<b>375,110</b>
 <b>POLICE</b>	
1-PERSONNEL	2,258,795
2-OTHER O&M EXPENSE	525,080
4-CAPITAL OUTLAY	145,000
5-TRANSFERS OUT	470,995
<b>POLICE Total</b>	<b>3,399,870</b>
 <b>PUBLIC WORKS</b>	
2-OTHER O&M EXPENSE	100,000
<b>PUBLIC WORKS Total</b>	<b>100,000</b>
 <b>RECREATION</b>	
1-PERSONNEL	519,256
2-OTHER O&M EXPENSE	47,785
5-TRANSFERS OUT	1,514,671
<b>RECREATION Total</b>	<b>2,081,712</b>
 <b>STREET MAINTENANCE &amp; REPAIRS</b>	
2-OTHER O&M EXPENSE	3,675
5-TRANSFERS OUT	1,672,127
<b>STREET MAINTENANCE &amp; REPAIRS Total</b>	<b>1,675,802</b>
 <b>104-HALF CENT SALES TAX Total</b>	<b>17,994,745</b>