

Exhibit C

Financial Audit

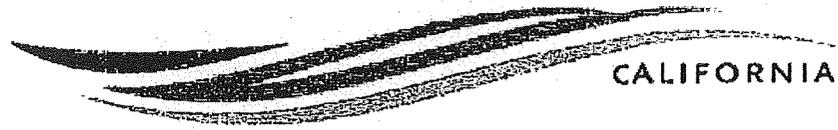
Filed for 2010-2011

(2 Copies Provided to the State Controller)

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OXNARD



DRAFT

OXNARD COMMUNITY DEVELOPMENT COMMISSION

Prepared By
Finance Department

(A Component Unit of the City of Oxnard, California)
Comprehensive Annual Financial Report

James Cameron, Chief Financial Officer
City of Oxnard

June 30, 2011

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*Community Development Commission
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011*

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INTRODUCTORY SECTION



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December 1, 2011

To the Honorable Members of the Governing Board
of the Oxnard Community Development Commission
and Citizens of the City of Oxnard

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Oxnard Community Development Commission (CDC) for the fiscal year ended June 30, 2011. The basic financial statements are audited by the independent certified public accounting firm Mayer Hoffman McCann P.C. The purpose of the audit is to ensure that the financial statements present fairly, in all material respects, the financial position and the results of operations of the CDC.

Responsibility for both the accuracy of the data presented in this report, and the completeness and fairness of the presentation including all disclosures, rests with the CDC. We believe the data, as presented, to be accurate in all material aspects and presented in a manner designed to fairly set forth the financial position, and results of operations, of the CDC as measured by the financial activity of the various funds. All disclosures necessary are included to enable the reader to gain the maximum understanding of the CDC's financial activities and operations.

Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and to ensure the reliability of financial records for preparing financial statements and maintaining accountability of assets. Because the cost of internal control should not outweigh their benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

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

The CDC was originally established as the Redevelopment Agency of the City of Oxnard (RDA) pursuant to the California Community Redevelopment Law, codified in Part I of Division 24 of the California Health and Safety Code. The RDA was activated in 1960 by Ordinance No. 2365 of the City Council. In January 1995, the RDA became the Oxnard CDC. The principal objectives of the Commission are to improve the commercial environment, upgrade residential

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neighborhoods, provide new public improvements, strengthen the economic base of the City, generate added employment opportunities, and improve and expand the City's industrial base. The City Council of the City of Oxnard acts as the Board of Directors of the CDC (Board). Accordingly, the City has financial and administrative accountability for the CDC's operations. The CDC is therefore considered a financial reporting component unit of the City and its financial activity is included in the City's Comprehensive Annual Financial Report. The CDC accounting and budgeting records for operations are maintained on the modified accrual basis of accounting, with revenues recorded when available and measurable. Expenditures are recorded when the services or goods are received and the liabilities incurred.

Major Initiatives and Accomplishments

Accomplishments for Fiscal Year 2010-2011 are outlined below.

RiverPark Sonata Apartments. In 2009, the Community Development Commission (CDC) granted a \$3 million predevelopment loan to E.D. LLC/KHOC, LLC for costs associated with the development of affordable units in the RiverPark community. In 2011, the CDC/City Council approved that the balance of loan proceeds be transferred to Sonata at RiverPark Partners, L.P., a newly formed limited partnership ("Sonata Partners"), to develop a 53-unit affordable apartment project in RiverPark.

HERO Street Reconstruction Project. Reconstruction of parts of Saviers Road and the Blackstock Neighborhood were completed as part of the \$9 million dollar bond program.

Southwinds Street Reconstruction. Improvements to nearly all streets in the Southwinds neighborhood are 100% complete. New gateway name signs, two lighted crosswalks and a new ornamental security fence at Haycox Elementary School were installed. Improvements to Southwinds Park were also completed.

Cypress Neighborhood Street Resurfacing. In 2011 the CDC approved \$109,090 in funding for the resurfacing of Cypress Road and Howell Road in the Cypress Neighborhood and the City funded the remaining \$323,722 of project costs with the State's Proposition 1B funds.

Downtown Façade and Paint Improvement Program. The Downtown Façade and Paint Improvement Program assists commercial property owners and tenants in upgrading building facades (including signage, lighting, awnings, landscaping, window treatment, entryways and other building treatments) to create an attractive pedestrian, retail environment. The Program offers forgivable loans for beautifying building exteriors up to \$60,000. Approximately 92 applications have been received to date. Thirty-eight improvement projects were completed as of FY 2010-2011 using approximately \$350,000 in redevelopment funds. Other applications remain in various stages of design and approval process.

HERO Façade and Paint Improvement Program. Implementation of the Façade and Paint Improvement Program continues to assist businesses in the HERO redevelopment project area with enhancing the exteriors of their buildings. The Program offers forgivable loans for beautifying building exteriors up to \$60,000. These improvements include signage, lighting, landscaping, awnings, window treatments, entryways and other building treatments. As of FY

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2010-2011, the Community Development department has received 63 applications and completed 30 improvements using approximately \$240,000 in redevelopment funds.

Colonial House Development. In April of 2011, the CDC/City Council approved a loan in the amount of \$4.2 million to Pacific West Communities for the development of a mixed-use project encompassing 14,500 square feet of commercial space and parking facilities and 44 residential units available exclusively to persons and families of low and moderate income at affordable rents. At least forty-nine percent (49%) of the total dwellings will be designated for persons and families of low and very low income.

Paseo Nuevo Affordable Housing Development. The CDC worked with the developer of this affordable housing project on financing options. In 2011, the CDC/City Council authorized a loan in the amount of \$7 million to Paseo Nuevo Partners, L.P. for the redevelopment of 4.93 acres of land located in the Cypress Neighborhood at the intersection of Cypress Road and Pleasant Valley Road. The scope of redevelopment entails the removal of 22 residential dwellings and subsequent development of seventy-two (72) affordable apartment units for persons or families of very low, low and moderate income.

Redevelopment Five-Year Implementation Plan. On September 14, 2010, the City Council adopted the 2010-2014 Redevelopment Five Year Implementation Plan which established numeric and expenditure goals for the forthcoming five years to maximize the overall productivity and continuation of the City's new housing construction, housing rehabilitation, mobile home replacement, and homebuyer programs.

State Budget Issues Regarding the CDC

On June 29, 2011, California Governor Brown signed Assembly Bills (AB) X1 26 and 27. AB X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. AB X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of Voluntary Alternative Redevelopment Program. On July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities filed a lawsuit on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn AB X1 26 and 27 on the grounds that these bills violate the California Constitution. Although the City Council adopted Ordinance 2849 to continue the CDC as provided for by AB X1 27, due to the lawsuit, new activities by the CDC have been largely discontinued per the stay issued by the Supreme Court. This issue is discussed further in the Notes to the Financial Statement on page 38.

Acknowledgments

The preparation of the Commission's Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of the entire staff of the Finance Department and Community Development Commission.

Respectfully submitted,

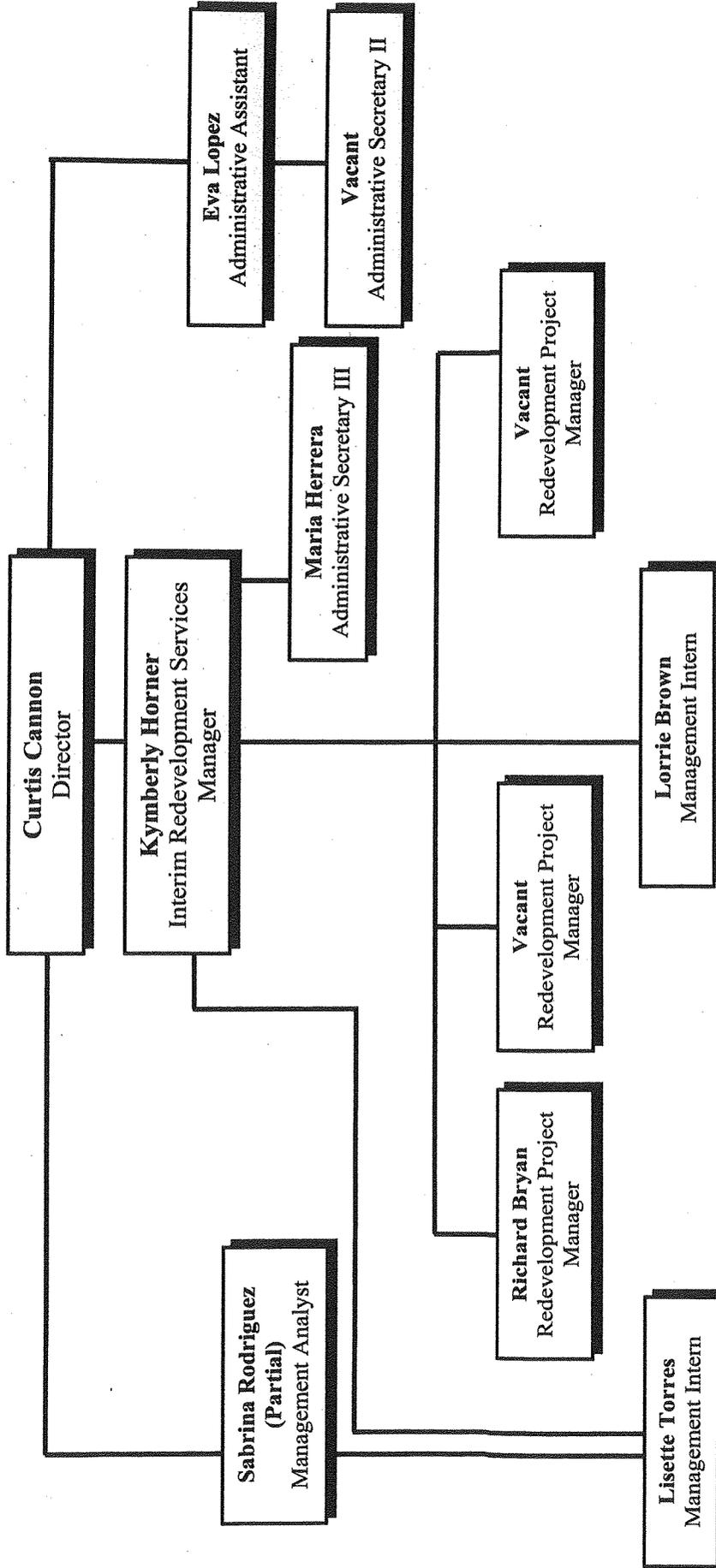
Edmund F. Sotelo
City Manager
City of Oxnard

James Cameron
Chief Financial Officer
City of Oxnard

*City of Oxnard, California
Community Development Commission*

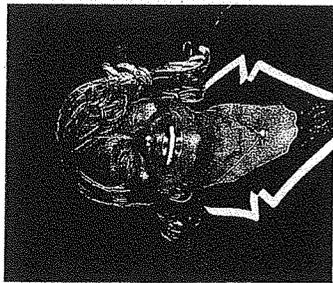
Organizational Chart

As of November 15, 2011



City of Oxnard, California

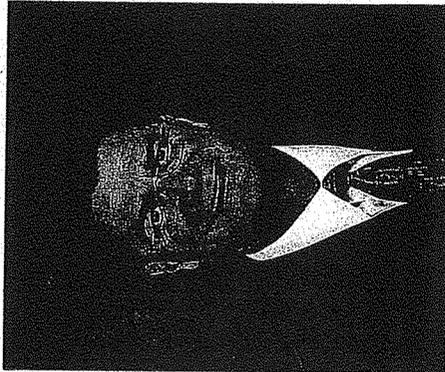
CITY COUNCIL



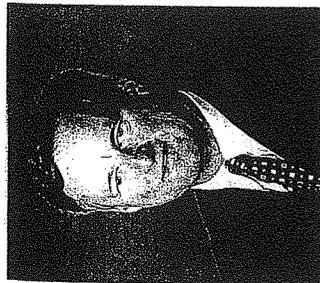
DR. IRENE G. PINKARD
Mayor Pro Tem



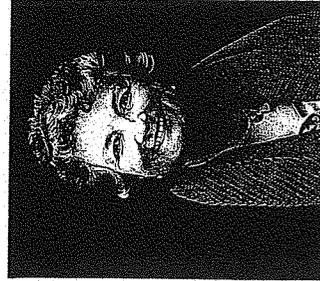
BRYAN A. MACDONALD
Councilman



DR. THOMAS E. HOLDEN
Mayor



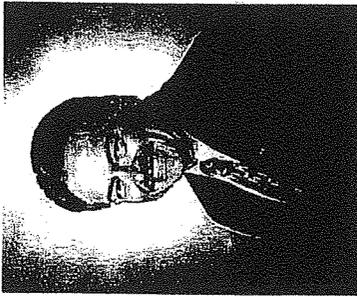
TIM FLYNN
Councilman



CARMEN RAMIREZ
Councilmember

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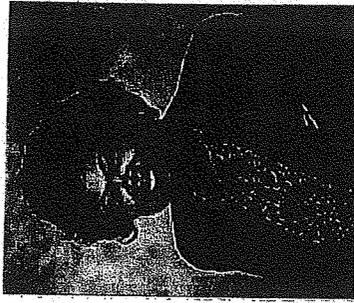
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EDMUND F. SOTELO
City Manager

**City of Oxnard
Organizational Chart**

Residents	
<p>City Treasurer Dante Navas</p> <p>Customer Service (Eden Alomeri) Business Licensing Utility Billing</p>	<p>City Council Dr. Thomas E. Holden, Mayor Dr. Irene G. Pinkard, Mayor Pro Tem Bryan A. MacDonald, Councilman Tim Flynn, Councilman Carmen Ramirez, Councilmember</p>
<p>City Attorney Alan Holmberg Debt Collection Legal Assistance Special Litigation</p>	<p>City Clerk Daniel Martinez Elections Information Resources</p> <p>CDC Curtis Cannon Central Business Dist. Harbor District H.E.R.O. Ormond Beach Southwinds Special Projects</p>
<p>City Manager Edmund Sotelo</p> <p>Assistant City Manager Karen Burnham</p>	



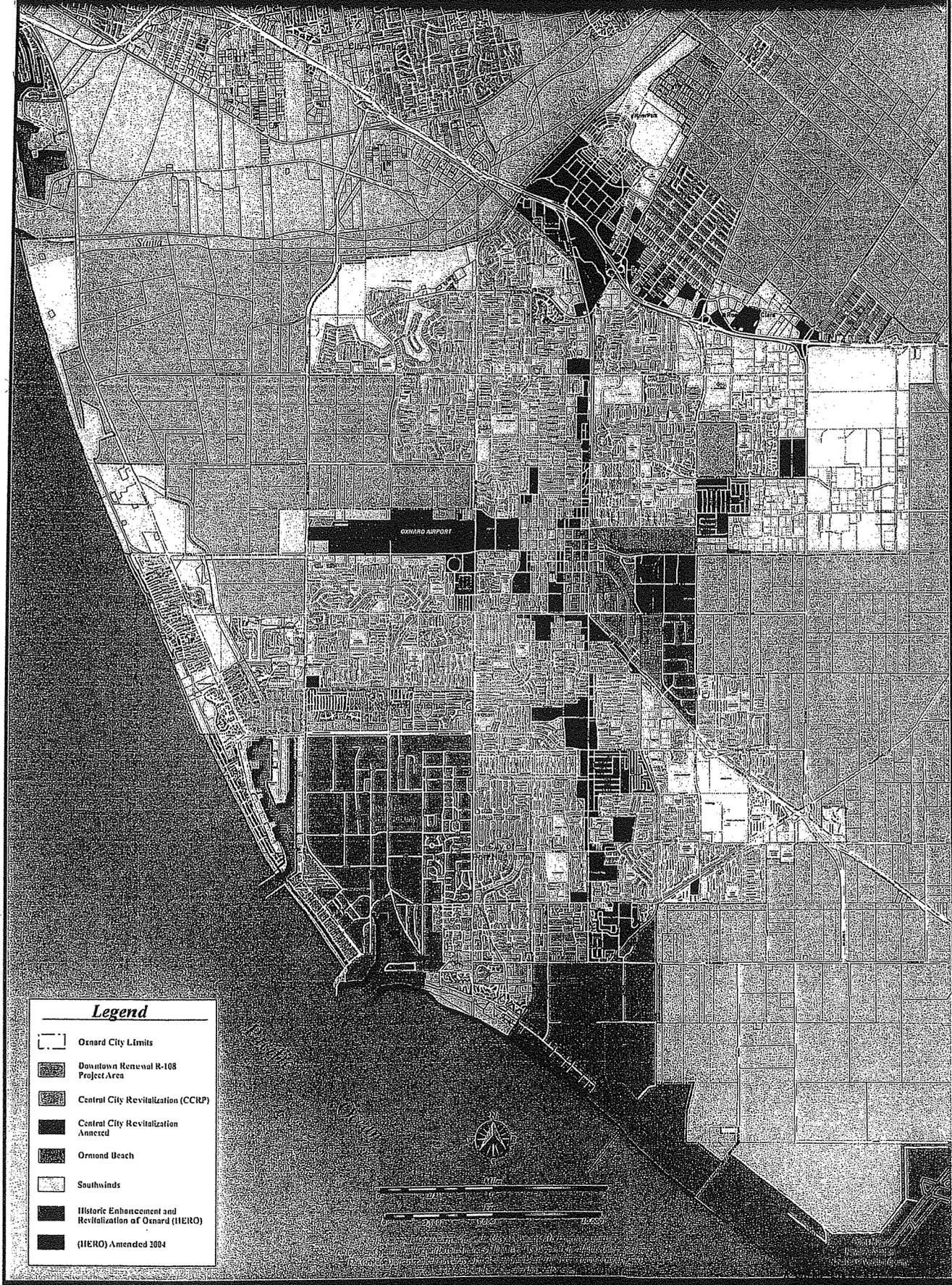
KAREN BURNHAM
Assistant City Manager

Police	Fire	Housing	Finance	Recreation and Community Services	Development Services	Public Works	City Manager	Human Resources	Library
<p>Jeri Williams Administrative Services (Jason Benites) Emergency Communications Standards Support Services Field Operations (Scott Whitney) Code Compliance Community Patrol Investigative Services (Vacant) Investigative Services Special Services</p>	<p>Joe Milligan Disaster Preparedness (Deborah Shane) Emergency Services (Darwin Base) (Michael O'Malia) (Chris Donabedian) Fire Prevention (Gary Sugich) CUPA (Miguel Trujillo)</p>	<p>Bill Wilkins Administrative Services (Carrie Sabatini) Affordable Housing (Karl Lawson) Housing Assistance (Will Reed) Capital Fund Asset Management (Rick Shear) Grants Management (Norma Owens) Grants Assistance</p>	<p>Jim Cameron Budget and Capital Improvement (Beth Yo) Budget Capital Improvement Projects Financial Resources (Mike More) Debt & Property Management Liability Management General Accounting (Marichu Maramba) Accounting Payroll & Benefits Purchasing (Bruce Dandy) Mail Service Purchasing</p>	<p>VACANT Community Facilities (Bob Holden) Performing Arts and Convention Center Recreation & Community Services (Vacant) Recreation Services Senior/Special Population Services South Oxnard Center Special Events Youth Development</p>	<p>Matt Winegar Development Support Transportation Planning & Services Building and Engineering (Rob Roshanian) Building and Engineering Planning (Sue Martin) Planning & Environmental Services</p>	<p>Rob Roshanian (Acting) Administration Construction and Design Services (Lou Balderrama) Construction Services Design Street Maintenance & Repair Traffic Signs & Markings Utilities Services (Vacant) Water Wastewater Environmental Resources</p>	<p>Edmund Sotelo Operations Budget Cable Television Community Relations Neighborhood Services Public Information Special Projects Legislative Affairs (Martin Erickson)</p>	<p>Michelle Tellez Employee Benefits Employee Training Human Resources Labor Negotiations Safety & Wellness Workers' Compensation</p>	<p>Barbara Murray Circulation Services Branch Services Community Outreach Public Services Support Services</p>
							<p>Information Systems (Grace Hoffman) Citywide Network Support Document Publishing Services Geographic Information Systems Help Desk Municipal Software Support Telecommunications Support General Services (Michael Henderson) Facilities Maintenance Landscape Assessment & Graffiti Removal Park/Facility Development Parks Maintenance River Ridge Golf Course Street Lighting Fleet Services</p>		

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CITY OF OXNARD REDEVELOPMENT AREAS MAP



Legend

- Oxnard City Limits
- Downtown Renewal R-108 Project Area
- Central City Revitalization (CCRP)
- Central City Revitalization Annexed
- Ormond Beach
- Southwinds
- Historic Enhancement and Revitalization of Oxnard (HERO)
- (HERO) Amended 2004



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FINANCIAL SECTION



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MANAGEMENT DISCUSSION AND ANALYSIS



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Management's Discussion and Analysis

This section of the Oxnard Community Development Commission's (CDC) annual financial report presents management's discussion and analysis of the financial performance of the CDC for the fiscal year ended June 30, 2011. Please read this information in conjunction with the transmittal letter, which can be found in the introductory section of this report (pages i to iv), and the CDC's financial statements beginning on page 11.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide statements report information about the CDC as a whole using accounting methods similar to those used by private-sector business. The statement of net assets includes all of the CDC's assets and liabilities with the difference reported as net assets. Over time, increases or decreases in the CDC's net assets may serve as a useful indicator of whether the financial health of the CDC is improving or deteriorating. Fiscal year revenues and expenses are reported in the statement of activities regardless of when cash is received or paid. The statement of activities summarizes the basis for the changes in net assets. The government-wide financial statements can be found on pages 11 through 12.

Fund financial statements. A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used by state and local governments to meet legal requirements and enhance management of financial resources.

The CDC's funds consist solely of Governmental Funds. Governmental fund statements use the modified accrual basis of accounting and focus on the flow of financial resources to and from those funds and the balances of spendable resources that are available at year-end. As a result, governmental funds provide a short-term view that can be used to evaluate near-term requirements for financial resources. Because governmental fund statements do not encompass the long-term focus of the government-wide statements, a reconciliation of these statements is included following the governmental funds statements. The basic governmental fund financial statements begin on page 14.

Notes to the financial statements. The notes provide additional information to the government-wide and fund financial statements that are important in fully understanding the data presented in the financial statements. The notes to the financial statements begin on page 21.

Government-wide Financial Analysis

As shown in the following table, the CDC's liabilities exceeded assets by \$43.9 million at the close of the fiscal year.

Summary of Net Assets (\$ thousands)

	FY 2011	FY 2010	Increase (Decrease)
Assets			
Current and other assets	\$ 8,328	70,856	\$ (62,528)
Capital assets	-	53,951	(53,951)
Total assets	8,328	124,807	(116,479)
Liabilities			
Current and other liabilities	8,213	9,681	(1,468)
Long-term liabilities	44,814	46,066	(1,252)
Total liabilities	53,027	55,747	(2,720)
Net assets			
Invested in capital assets (net of related debt)	-	24,352	(24,352)
Restricted net assets	2,189	13,554	(11,365)
Unrestricted	(46,888)	31,154	(78,042)
Total net assets	\$ (44,699)	\$ 69,060	\$ (113,759)

The decrease in net assets is due to transfer of all real property and other assets of the CDC to the City of Oxnard in accordance with the Cooperation Agreement (Agreement), the Agreement was entered in to by and between the City and CDC on January 18, 2011. The purpose of the Agreement is to facilitate the implementation of CDC's projects and to provide funding to effectuate the completion of projects within the current and future fiscal years.

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The following table presents a summary of the changes in the CDC's net assets for the year ended June 30, 2011.

**Summary of Changes in Net Assets
(\$ thousands)**

	<u>FY 2011</u>	<u>FY 2010</u>	<u>Increase (Decrease)</u>
Revenues			
Program revenues:			
Charges for services	\$ 782	\$ 409	\$ 373
General revenues:			
Tax increment	18,756	18,955	(199)
Interest on investments	603	1,048	(445)
Total revenues	<u>20,141</u>	<u>20,412</u>	<u>(271)</u>
Expenses			
Community development	12,029	18,055	(6,026)
Interest expenses	2,377	2,420	(43)
Contributions to other funds	60,377	-	60,377
Transfers	59,116	117	58,999
Total expenses	<u>133,899</u>	<u>20,592</u>	<u>113,307</u>
Excess (deficiency)	<u>(113,758)</u>	<u>(180)</u>	<u>(113,578)</u>
Changes in net assets	<u>\$ (113,758)</u>	<u>\$ (180)</u>	<u>\$ (113,578)</u>

The net assets of the CDC decreased by \$113.5 million during the fiscal year as follows:

- Tax increment property taxes, which make up the largest source of CDC revenues at 93%, decreased \$0.2 million due to net changes in property assessed valuations within the redevelopment areas. Charges for services is up \$0.4 million due to more collection of HERO's Pilot-Fees-In-Lieu of Tax during the year. Interest earnings decreased due to a reduction in interest rates on CDC investments.
- While community development operating expenditures decreased \$6.0 million due to reduced payments to the State and other pass-through payments, one-time capital and other contributions to other city funds combined for an increase of \$119.4 million due to implementation of the Agreement discussed on the previous page.

Financial Analysis of the Government's Funds

As discussed earlier, the CDC uses fund accounting to comply with finance-related legal requirements; however, governmental funds use a modified accrual basis of accounting. Major funds are reported separately. The focus of CDC's governmental funds is to provide information on near-term inflows and outflows and balances of spendable resources. The CDC's major funds account for financial resources designated for the acquisition or construction of redevelopment projects. At the end of the fiscal year, the CDC's funds reported combined ending fund balances of (\$0.45) million, a decrease of \$60 million over the prior year, due to the transfer of real property and other assets per the Agreement. The change in fund balance by project area for fiscal year 2011 is summarized in the table below.

Summary of Net Change in Fund Balances (\$ thousands)

	FY 2011 <u>Fund Balance</u>	FY 2010 <u>Fund Balance</u>	Increase <u>(Decrease)</u>
Central City Redevelopment	\$ 243	\$ 10,616	\$ (10,373)
Downtown Renewal Project	(16)	2,117	(2,133)
Southwinds Redevelopment Project	(138)	2,947	(3,085)
Ormond Beach Redevelopment Project	279	6,872	(6,593)
HERO Project	(530)	21,567	(22,097)
Housing Set-Aside	(288)	16,256	(16,544)
Total	\$ (450)	\$ 60,375	\$ (60,825)

Revenues of \$20.1 million decreased by \$0.3 million due to low interest rates on investments. Expenditures of \$20.4 million reflect a reduction of \$11.2 million, including \$5.8 million of project improvements and a \$6.9 million decrease in one-time payments to the State and other pass through payments made in fiscal year 2010 .

Debt Administration

Long-term debt. The CDC uses tax increment indebtedness to finance various capital improvements. As of June 30, 2011, the City's long-term debt outstanding was \$44.8 million. More detailed information about the CDC's long-term liabilities is presented in Note II-G to the financial statements beginning on page 34. The following provides a breakdown of the CDC's outstanding indebtedness as of June 30, 2011:

**Outstanding Debt
(\$ thousands)**

	<u>FY 2011</u>	<u>FY 2010</u>	<u>Increase (Decrease)</u>
Tax Allocation Refunding Bonds Series 2004A	\$ 14,705	\$ 15,415	\$ (710)
Tax Allocation Bond Financing Series 2006	19,005	19,440	(435)
HERO Project Tax Allocation Bond Series 2008	11,445	11,620	(175)
Unamortized Discounts	(341)	(409)	68
Total long-term indebtedness	<u>\$ 44,814</u>	<u>\$ 46,066</u>	<u>\$ (1,252)</u>

The tax allocation bonds are paid from the increment revenues of property taxes levied within the Commission's redevelopment areas.

Capital assets

The following table provides breakdown and changes in capital assets at June 30, 2011:

**Capital Assets
Net of Accumulated Depreciation
(\$ thousands)**

Governmental Activities	<u>FY 2011</u>	<u>FY 2010</u>	<u>Increase (Decrease)</u>
Land, buildings and improvements	\$ -	\$ 28,625	\$ (28,625)
Construction in progress	-	30,655	(30,655)
Equipment and Machinery	-	89	(89)
Total	-	59,369	(59,369)
Accumulated depreciation	-	(5,418)	5,418
Total capital assets (net)	<u>\$ -</u>	<u>\$ 53,951</u>	<u>\$ (53,951)</u>

Real property were transferred to City of Oxnard per Cooperation Agreement entered into by CDC and City on January 18, 2011.

Economic Factors and Next Year's Budgets and Rates

Although the Oxnard metro area has a diverse economy and growing population, CDC revenues continue to be impacted by the economic slow down experienced throughout the State of California and the nation. The City's unemployment rate averaged 14.25% a slight decrease from the prior year's rate of 14.4%. Although the fiscal year 2012 budget was developed based on stable economic conditions, property taxes were budgeted below 2011 budgeted amounts under the assumption that property values in the project areas will continue to decline.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS



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Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 7,083,971
Other assets (Unamortized Issuance Costs)	1,244,131
Total assets	8,328,102
Liabilities	
Accounts payable	4,915,975
Other liabilities	689,482
Due to other governments	607,642
Due to other funds	2,000,000
Noncurrent liabilities	
Due within one year	1,365,000
Due in more than one year	43,790,000
Less: Unamortized discounts	(341,098)
Total liabilities	53,027,001
Net Assets	
Restricted for:	
Debt service	2,189,231
Unrestricted	(46,888,130)
Total net assets	\$ (44,698,899)

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

**Statement of Activities
For the Year Ended June 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
Governmental activities:			
Community Development	\$ 11,229,750	\$ 782,198	\$ (10,447,552)
Depreciation	799,206	-	(799,206)
Interest on long-term debt	<u>2,377,077</u>	<u>-</u>	<u>(2,377,077)</u>
Total governmental activities	<u><u>14,406,033</u></u>	<u><u>782,198</u></u>	<u><u>(13,623,835)</u></u>

General revenues:

Tax increment	18,756,290
Earnings on investments	602,649
Contributions to other funds	(60,376,974)
Transfers	<u>(59,116,601)</u>
Total general revenues and transfers	<u><u>(100,134,636)</u></u>
Change in net assets	(113,758,471)
Net assets - beginning	<u>69,059,572</u>
Net assets - ending	<u><u>\$ (44,698,899)</u></u>

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

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**Balance Sheet
June 30, 2011**

	<u>Central City Revitalization Project Fund</u>	<u>Downtown Renewal Project Fund</u>	<u>Southwinds Redevelopment Project Fund</u>	<u>Ormond Beach Redevelopment Project Fund</u>
Assets				
Cash and cash equivalents	\$ 2,991,449	\$ 37,362	\$ 376,509	\$ 485,812
Total assets	<u>\$ 2,991,449</u>	<u>\$ 37,362</u>	<u>\$ 376,509</u>	<u>\$ 485,812</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	577,649	53,264	426,231	(52,058)
Other liabilities	49,374	-	-	(59,907)
Due to other Governments	120,770	90	88,622	319,125
Due to City of Oxnard	2,000,000	-	-	-
Total liabilities	<u>2,747,793</u>	<u>53,354</u>	<u>514,853</u>	<u>207,160</u>
Fund balances:				
Restricted for:				
Debt service	-	-	197,025	344,397
Unassigned	<u>243,656</u>	<u>(15,992)</u>	<u>(335,369)</u>	<u>(65,745)</u>
Total fund balance	<u>243,656</u>	<u>(15,992)</u>	<u>(138,344)</u>	<u>278,652</u>
Total liabilities and fund balances	<u>\$ 2,991,449</u>	<u>\$ 37,362</u>	<u>\$ 376,509</u>	<u>\$ 485,812</u>

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

ATTACHMENT 1

<u>H.E.R.O. Redevelopment Project Fund</u>	<u>Housing Set-Aside Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
\$ 3,192,839	\$ -	-	\$ 7,083,971
<u>\$ 3,192,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,083,971</u>
3,643,426	267,463	-	4,915,975
698	20,426	-	10,591
79,035	-	-	607,642
-	-	-	2,000,000
<u>3,723,159</u>	<u>287,889</u>	<u>-</u>	<u>7,534,208</u>
1,647,809	-	-	2,189,231
(2,178,129)	(287,889)	-	(2,639,468)
<u>(530,320)</u>	<u>(287,889)</u>	<u>-</u>	<u>(450,237)</u>
<u>\$ 3,192,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,083,971</u>

Assets
Cash and cash equivalents
Total assets

Liabilities and fund balances

Liabilities:
Accounts payable
Other liabilities
Due to other Governments
Due to City of Oxnard
Total liabilities

Fund balances:

Restricted for:
Debt service
Unassigned
Total fund balance
Total liabilities and fund balances

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
For the Year Ended June 30, 2011**

Total fund balances - governmental funds \$ (450,237)

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

Unamortized issuance costs used in governmental activities are not financial resources and therefore are not reported in the funds. 1,244,131

Accrued interest payable for the current portion of interest due on long-term liabilities has not been reported in the governmental funds. (678,891)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (44,813,902)

Net assets of governmental activities (page 11) \$ (44,698,899)

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

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**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011**

	Central City Revitalization Project Fund	Downtown Renewal Project Fund	Southwinds Redevelopment Project Fund	Ormond Beach Redevelopment Project Fund
Revenues				
Taxes	\$ 3,740,815	\$ 480,911	\$ 938,253	\$ 1,279,337
Interest income	106,981	1,905	40,089	56,528
Rental income	180,625	-	-	-
Miscellaneous	170,994	10,016	9,981	16,635
Total revenues	<u>4,199,415</u>	<u>492,832</u>	<u>988,323</u>	<u>1,352,500</u>
Expenditures				
Community Development:				
Salaries and wages	268,275	69,985	69,985	116,641
County administrative charges-property tax	57,344	5,457	13,373	19,175
Assessment district payment	138,915	-	-	-
Tax increment pass through	400,208	66,386	502,919	296,480
Indirect prorated cost charges	105,322	35,022	90,430	77,699
Other administrative costs	231,903	37,808	78,023	103,409
Professional services	328,870	44,332	77,785	188,634
Capital outlay				
Project improvements	142,547	-	-	(22,031)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,673,384</u>	<u>258,990</u>	<u>832,515</u>	<u>780,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,526,031</u>	<u>233,842</u>	<u>155,808</u>	<u>572,493</u>
Other financing sources (uses)				
Contributions to other funds	(11,876,578)	(2,270,476)	(3,014,570)	(6,841,505)
Transfers in	-	-	-	-
Transfer out	(1,022,265)	(96,182)	(226,632)	(324,586)
Total other financing sources (uses)	<u>(12,898,843)</u>	<u>(2,366,658)</u>	<u>(3,241,202)</u>	<u>(7,166,091)</u>
Net change in fund balance	<u>(10,372,812)</u>	<u>(2,132,816)</u>	<u>(3,085,394)</u>	<u>(6,593,598)</u>
Fund balances - July 1, 2010	<u>10,616,468</u>	<u>2,116,824</u>	<u>2,947,050</u>	<u>6,872,250</u>
Fund balances - June 30, 2011	<u>\$ 243,656</u>	<u>\$ (15,992)</u>	<u>\$ (138,344)</u>	<u>\$ 278,652</u>

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

	H.E.R.O. Redevelopment Project Fund	Housing Set-Aside Fund	Debt Service Fund	Total
\$	8,921,418	\$ -	3,395,556	\$ 18,756,290
	175,333	221,813	-	602,649
	-	75,765	-	256,390
	314,222	3,960	-	525,808
	<u>9,410,973</u>	<u>301,538</u>	<u>3,395,556</u>	<u>20,141,137</u>
	408,244	383,044	-	1,316,174
	137,877	-	-	233,226
	-	-	-	138,915
	2,144,446	-	-	3,410,439
	150,638	64,544	-	521,655
	441,996	348,565	-	1,241,704
	3,385,021	340,995	-	4,365,637
	4,875,382	851,666	-	5,847,564
	-	-	1,320,000	1,320,000
	-	-	2,075,556	2,075,556
	<u>11,543,604</u>	<u>1,988,814</u>	<u>3,395,556</u>	<u>20,477,870</u>
	(2,132,631)	(1,687,276)	-	(331,733)
	(17,883,154)	(18,490,691)	-	(60,376,974)
	-	3,751,258	-	3,751,258
	(2,081,593)	(117,000)	-	(3,868,258)
	(19,964,747)	(14,856,433)	-	(60,493,974)
	(22,097,378)	(16,543,709)	-	(60,825,707)
	<u>21,567,058</u>	<u>16,255,820</u>	-	<u>60,375,470</u>
\$	<u>(530,320)</u>	<u>(287,889)</u>	-	<u>(450,237)</u>

Revenues

Taxes	18,756,290
Interest income	602,649
Rental income	256,390
Miscellaneous	525,808
Total revenues	20,141,137

Expenditures

Community Development:	
Salaries and wages	1,316,174
County administrative charges-property tax	233,226
Assessment district payment	138,915
Tax increment pass through	3,410,439
Indirect prorated cost charges	521,655
Other administrative costs	1,241,704
Professional services	4,365,637

Capital outlay

Project improvements	5,847,564
----------------------	-----------

Debt service:

Principal	1,320,000
Interest and fiscal charges	2,075,556

Total expenditures

Excess (deficiency) of revenues over (under) expenditures	(331,733)
---	-----------

Other financing sources (uses)

Contributions to other funds	(60,376,974)
Transfers in	3,751,258
Transfer out	(3,868,258)

Total other financing sources (uses)

Net change in fund balance	(60,825,707)
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Fund balances - July 1, 2010

Fund balances - June 30, 2011

ATTACHMENT - 1

**Reconciliation of the Change in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011**

Net change in fund balances - total governmental funds **\$ (60,825,707)**

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

Governmental funds report capital outlay 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.

Capital outlay expenditures	5,847,564	
Less: Current year depreciation	<u>(799,206)</u>	5,048,358

However, fixed assets are to be reported by the City and therefore eliminated in the statement of activities:

Capital outlay expenditures and depreciation	(5,048,358)	
Fixed Assets beginning balances	<u>(53,951,243)</u>	(58,999,601)

Repayment of debt principal is an expenditure in governmental funds, but repayment reduces long-term liabilities in the statement of net assets.		1,320,000
--	--	-----------

Bond issuance costs, discounts, and premiums are expenditures in the governmental funds but are reported as deferred charges and unamortized bond discounts and premiums in the statement of net assets and amortized over the term of the bond.

Interest expense accrual	14,389	
Bond discounts	<u>(315,910)</u>	(301,521)

Change in net assets of governmental activities (page 12) **\$ (113,758,471)**

Notes to the Financial Statements
June 30, 2011

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Community Development Commission (CDC) was originally established as the Redevelopment Agency of the City of Oxnard (RDA) pursuant to the California Community Redevelopment Law, codified in Part 1 of Division 24 of the California Health and Safety Code. The RDA was activated in 1960 by Ordinance No. 2365 of the City Council. In January 1995, the RDA became the CDC. The principal objectives of the CDC are to improve the commercial environment, upgrade residential neighborhoods, provide new public improvements, strengthen the economic base of the City, generate added employment opportunities and improve and expand the City's industrial base.

The City Council of the City of Oxnard (City) acts as the Board of Directors of the CDC (Board); accordingly, the City has financial and administrative accountability for the CDC's operations. The CDC is therefore considered a financial reporting component unit of the City and its financial activities are included in the City's Comprehensive Annual Financial Report (CAFR).

In January 2011, the City Council adopted a resolution approving the transfer of all real property and Other Assets of the CDC to the City to meet existing obligations set forth in the Cooperation Agreement and implement the provisions thereof. Please see Notes page 36 in Section V. Other Information.

B. Financial Statements Presentation

In accordance with Governmental Accounting Standards Board Statement No. 34, the CDC'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 CDC's Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of the CDC's governmental activities.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all the CDC’s assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the CDC include charges for services.

Certain eliminations have been made as prescribed by GASB 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated.

In accordance with GASB 34, a reconciliation of the difference between the fund financial statements and the government-wide financial statements is provided.

Fund Financial Statements

The accounts of the CDC are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. 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 a Statement of Revenues, Expenditures and Changes in Fund Balances for all funds. In accordance with GASB 34 and based on the sole purpose for which a fund is established, all funds have been determined by management to be the CDC’s major governmental funds:

- Central City Revitalization Project Fund: This fund was established on July 6, 1976, with projected life through 2027.
- Downtown Renewal Project Fund: This fund was established on May 14, 1968, with projected life through 2020.
- Southwinds Redevelopment Project Fund: This fund was established on June 16, 1985, with projected life through 2036.
- Ormond Beach Redevelopment Project Fund: This fund was established on November 22, 1983, with projected life through 2034.
- Historic Enhancement and Revitalization of Oxnard (HERO) Project Fund: This fund was established on April 17, 1998, with projected life through year 2044.
- Housing Set-Aside Fund: This fund was established in 1992 to account for the 20 percent housing set-aside monies.

- **Debt Service Fund:** This fund is used to account for the payment of principal and interest on tax allocation bonds.

All funds are accounted for using a "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The CDC considers revenues available if they are collected within 60 days after year-end. The primary revenue sources which have been treated as susceptible to accrual by the CDC are incremental property taxes and revenues from the use of money and property. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for unmatured interest on long-term debt, which is recognized when due.

C. Low- and Moderate-Income Housing

Under requirements of the State of California Health and Safety Code, the CDC is required to set aside 20 percent of tax increment revenues for use in housing projects benefiting low and moderate-income households.

D. Cash and Investments

Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include cash in bank accounts and investments held by the City Treasurer in a cash management pool. These amounts are readily available for use by the respective funds.

Investment Policy

CDC funds are invested under the City's investment policy, which is intended to provide guidelines for the prudent investment of City funds, and to outline the policies for maximizing the efficiency of the City's cash management system. The policy of the City is to invest public funds in a manner which will provide high investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The investment policy applies to the City's pooled investment fund which encompasses all monies under the direct oversight of the City Treasurer. These include the General Fund, Special Revenue Funds (including those of the CDC), Capital Project Funds, Enterprise Funds, Internal Service Funds and Fiduciary Funds.

Investments

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools," the City's investments, including those of the CDC, are stated at fair value.

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

LAIF is part of the State's Pooled Money Investment Account (PMIA), which was established in 1953. Oversight of PMIA is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

Direct oversight for LAIF is provided by the Local Agency Investment Advisory Board. The board consists of five members as designated by statute. The Chairman is the State Treasurer or his designated representative. Two members qualified by training and experience in the field of investment or finance and two members who are treasurers, finance or fiscal officers, or business managers employed by any county, city, or local district or municipal corporation of this state, are appointed by the State Treasurer. LAIF is required to invest in accordance with state statute.

Interest Income

Interest 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 month-end cash balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund. Changes in the fair value of investments are recognized in interest income at the end of each year.

Income from non-pooled investments is recorded based on the specific investments held by the trustee of the fund. The interest income is recorded in the fund that earned the interest.

E. Risk Management

The City provides general liability and workers' compensation insurance under self-insurance programs with an annual limit per occurrence of \$1,000,000 for each program including the CDC. 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 advance 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.

F. Compensated Absences

Vacation leave and annual leave compensation time pay is recorded as a liability when incurred within the government-wide and proprietary funds financial statements. Sick leave, which does not vest, is recorded in all funds when leave is taken. In accordance with GASB Statement No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured and are paid by the City subsequent to year-end. Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences such as CDC funds, is liquidated primarily by the General Fund.

G. Property Taxes

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

Valuation Date	March 1
Property tax year	July 1 to June 30
Due Dates	November 1 (first installment) and February 1 (second installment)
Delinquent Dates	December 10 (first installment) and April 10 (second installment), August 3 (unsecured)

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

Property Valuation

Valuations are established by the Assessor of the County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100 percent of full value. The value of real taxable property is based on fiscal year 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies

The county-wide tax levy for general revenue purposes is limited to 1 percent of full value, for a tax rate of \$1.00 per \$100 of assessed valuation. Tax rates for voter-approved indebtedness prior to passage of Proposition 13 are excluded from this limitation. Taxes are levied July 1 for both real and unsecured personal property based upon the assessed valuation as of the previous January 1 (lien date).

Under GASB Statement No. 33, Accounting and Reporting for Non-exchange Transactions, property taxes are recognized as revenue in the period for which the taxes are levied. Therefore, the CDC 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. At June 30, 2011, the CDC did not record property taxes receivable.

ATTACHMENT 1

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.

H. Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

I. Budgets and Budgetary Accounting

The City develops and presents a two-year budget that incorporates the CDC, to the City Council (which is also the Board) including a capital improvement plan. Annual operating and capital improvement expenditures are adopted by resolution. This resolution constitutes the authorized expenditures for the fiscal year. The second year of the two-year budget is updated and adopted for that year. The CDC's annual budget is the legally adopted expenditure control document of the CDC. Budgets are prepared on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

The City Council as the Board, generally reauthorizes appropriations for continuing projects and activities. The Board 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 director.

J. Fund Equity

The accompanying financial statements reflect certain changes that have been made with respect to the reporting of the components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance.

Due to the implementation of GASB No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. Prior year amounts have been restated to reflect the component designations required by GASB No. 54.

Fund balances are reported in the fund statements in the following classifications:

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.

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.

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

In the government-wide financial statements, net assets are classified in the following categories:

Invested in capital assets, net of related debt – This category groups all capital assets, including infrastructure, into one component of net assets. 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 assets – 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 assets – This resulting category presents the remaining City net assets and this measure of equity is unrestricted, legally or otherwise.

II. Detailed Notes on All Funds

A. Cash and Investments

Cash and cash equivalents (managed by the City Treasurer) and investments with fiscal agents of the CDC are comprised of the following at June 30, 2011:

	<u>Fair Value</u>
Deposits and investments	\$ 7,083,971
Investments with fiscal agents	-
Total	<u><u>\$ 7,083,971</u></u>

The City’s pooled investments, excluding investments held in trust by fiscal agents, at June 30, 2011 had a total fair value of \$173,227,825. The CDC’s share of the City’s pooled investments at June 30, 2011 had a total fair value of \$7,083,971.

ATTACHMENT 1

Deposits Custodial Credit Risks

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy requires deposits to be covered by federal depository insurance and collateral having a market value of 110 percent of the uninsured deposit. As of June 30, 2011, the City has a bank balance of \$42,182,620 (carrying amount of \$39,165,710); of the bank balance, \$250,000 was insured and the balance was secured by collateral held by the City's agent in the agent's name.

Authorized Investments

The City Treasurer has direct oversight over the City's pooled investment fund which covers cash and cash equivalents of the City's governmental funds, including the CDC, proprietary funds, and trust and agency funds which are invested in accordance with the City's investment policy. Allowable investments are detailed in the following table.

Investment Types Authorized by Section 53601	Authorized by Investment Policy	Maximum Maturity (Years)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings
U.S. Treasury and Agencies	Yes	5	None	None	None
Local Agency bonds, notes	Yes	N/A	15%	None	None
Other Bonds, Notes or Evidences of Indebtedness	Yes	N/A	15%	None	None
Bankers acceptances	Yes	180 days	40%	30%	None
Commercial Paper	Yes	270 days	15%	10%	P1/A1
Negotiable CDs	Yes	N/A	30%	None	Aa/AA-
Certificate of Deposits (CDs)	Yes	N/A	40%	15%	A
Repurchase Agreements	Yes	90 days	None	None	None
Medium Term Notes	Yes	5	30%	None	A
Mutual Funds	Yes	N/A	15%	None	None
LAIF	Yes	N/A	None	None	None

Investments with fiscal agents are investments held by the bond trustee on behalf of the CDC. The CDC 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 CDC. Proceeds of bonds administered by bond trustees are also generally covered under the City Treasurer's investment policy; however, specific provisions of each issuance are usually used in managing such investments. For example, investment may be made in guaranteed investment contracts (GICs) with maturities in excess of five years.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City Treasurer manages 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 investment (including investments held by bond trustees) to market interest rate fluctuation is provided by the following table that shows the distribution of the City's investments by maturity:

	Investment Maturities (in Years)			Total
	Less than 1	1-5	More than 5	
Federal Agency Securities	\$ 5,994,897	\$ 81,302,564	\$ -	\$ 87,297,461
Corporate Bonds	4,028,073	3,999,100	-	8,027,173
LAIF	44,875,017	-	-	44,875,017
Municipal Bonds	-	1,000,000	-	1,000,000
Held by trustee:				
Investment Agreement	-	-	5,158,750	5,158,750
LAIF	22,610,387	-	-	22,610,387
Money Market Fund	73,203,550	-	-	73,203,550
Total Investments	\$ 150,711,924	\$ 86,301,664	\$ 5,158,750	242,172,338
Accrued discount				(20,097)
Total investments (net of accrued discount)				242,152,241
Cash in banks and on hand				37,923,289
Total Cash and Investments				\$ 280,075,530

The investment agreements listed above are GICs held by fiscal agents (bond trustees) and are restricted for construction projects and debt service requirements. GICs are contracts that guarantee repayment of principal and a fixed or floating interest rate for a predetermined period of time. The maturities of a GIC are normally pegged to the maturities of the related debt.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized credit rating organization. The City's investments that are not rated include LAIF and GICs. Although GIC's are not rated, the City has only entered into GIC's with institutions that carry a high credit rating.

Presented below are the actual ratings for each investment type as of June 30, 2011:

Investment Type	AAA	AA+	AA	A+	Total
Federal agency securities	\$ -	\$ 87,297,461	\$ -	\$ -	\$ 87,297,461
Los Angeles Municipal Bonds	-	-	-	1,000,000	1,000,000
Corporate bonds (GECC)	-	4,016,389	-	-	4,016,389
Corporate bonds (BHFC)	-	2,011,684	-	-	2,011,684
Corporate bonds (Walmart)	-	-	1,999,100	-	1,999,100
Money Market Fund	73,203,550	-	-	-	73,203,550
Totals	\$ 73,203,550	\$ 93,325,534	\$ 1,999,100	\$ 1,000,000	169,528,184
Not rated:					
LAIF					67,485,404
GICs					5,158,750
Total Investments					242,172,338
Less accrued discount					(20,097)
Total investments (net of accrued discount)					242,152,241
Cash in banks and on hand					37,923,289
Total cash and investments					\$ 280,075,530

Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment funds that represent 5 percent or more of total entity-wide investments are as follows at June 30, 2011:

Issuer	Type of Investments	Amounts
Federal National Mortgage Association	Federal Agency Securities	\$38,000,000
Federal Home Loan Bank	Federal Agency Securities	\$ 23,302,564
Federal Farm Credit Bank	Federal Agency Securities	\$ 19,994,897
Wells Fargo Advantage Government	Money Market Fund	\$ 72,583,264

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 a value of 150% of the secured public deposits.

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For investments identified herein as held by fiscal agent (bond trustee), the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

B. Payables

Accounts payable and other liabilities as of June 30, 2011 primarily consist of the following:

<u>Accounts Payable and Other Liabilities</u>	
Accounts Payable (due to vendors)	\$ 4,915,975
Other liabilities - Accrued Payroll	689,482
Total	<u>\$ 5,605,457</u>

C. Tax Increment Pledges and Revenue

The City has advanced money to, and incurred expenditures for, the CDC's Downtown Renewal Project Fund. The CDC is obligated, under certain circumstances, to reimburse the City for such advances from certain tax increment revenues. Under the pledge of project area tax increment revenues, the CDC must first reimburse the City for the City's maintenance of the Parking Lot (approximately \$25,500 annually). Remaining tax increments are pledged for repayment of amounts advanced by the City.

D. Capital Assets

Changes in the CDC's capital assets for the year ended June 30, 2011 are as follows:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,221,289		\$ (1,221,289)	\$ -
Construction in progress	30,655,075	5,847,564	(36,502,639)	-
Total capital assets, not being depreciated	<u>31,876,364</u>	<u>5,847,564</u>	<u>(37,723,928)</u>	<u>-</u>
Capital assets, being depreciated				
Buildings	808,433	-	(808,433)	-
Improvement other than buildings	26,595,658	4,716,383	(31,312,041)	-
Equipment and machinery	89,082	-	(89,082)	-
Total capital assets, being depreciated	<u>27,493,173</u>	<u>4,716,383</u>	<u>(32,209,556)</u>	<u>-</u>
Less accumulated depreciation for:				
Buildings	(387,113)	(15,321)	402,434	-
Improvement other than buildings	(4,943,694)	(783,586)	5,727,280	-
Equipment and machinery	(87,486)	(299)	87,785	-
Total accumulated depreciation	<u>(5,418,293)</u>	<u>(799,206)</u>	<u>6,217,499</u>	<u>-</u>
Total capital assets, being depreciated, net	<u>22,074,880</u>	<u>3,917,177</u>	<u>(25,992,057)</u>	<u>-</u>
Total	<u>\$ 53,951,244</u>	<u>\$ 9,764,741</u>	<u>\$ (63,715,985)</u>	<u>\$ -</u>

In January 2011, CDC entered into a Cooperation Agreement with City of Oxnard. Per that Agreement, all real property and Other Assets of the CDC were transferred to the City. As of June 30, 2011, CDC has zero capital assets.

E. Long-Term Obligations

The following is a summary of changes in the CDC's long-term obligations for the year ended June 30, 2011:

	Balance June 30, 2010	Issued	Retired	Balance June 30, 2011
Governmental Activities:				
Tax allocation refunding bonds series 2004A	\$ 15,415,000	-	\$ 710,000	\$ 14,705,000
Tax allocation bond financing series 2006:	19,440,000	-	435,000	19,005,000
HERO project tax allocation bonds series 2008:	11,620,000	-	175,000	11,445,000
Unamortized discounts	(408,568)	-	(67,470)	(341,098)
Total long-term indebtedness	<u>\$ 46,066,432</u>	<u>\$ -</u>	<u>\$ 1,252,530</u>	<u>\$ 44,813,902</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 percent. The bonds were issued to refinance the Tax Allocation Refunding Bonds, Series 1994A and to finance additional redevelopment activities within the Central City Revitalization and Downtown Project Area. The balance outstanding as of June 30, 2011 is \$14,705,000.

2006 Tax Allocation Bond Financings

Local Obligation Revenue Bonds (2006 Tax Allocation Bond Financings) in the amount of \$20,530,000 were issued on December 1, 2006 to purchase the following obligations being issued simultaneously for 1) the Oxnard Community Development Commission Ormond Beach Project Area Tax Allocation Bonds, Series 2006 in the amount of \$5,750,000, 2) the Oxnard Community Development Commission Southwinds Project Area Tax Allocation Bonds, Series 2006 in the amount of \$3,290,000, and 3) the Oxnard Community Development Commission Historic Enhancement and Revitalization of Oxnard (HERO) Project Area Tax Allocation Bonds, Series 2006 in the amount of \$11,490,000. The bonds were issued to finance redevelopment activities (street improvement projects) in the Ormond Beach Project Area, Southwinds Project Area and the HERO Redevelopment Project Areas. These bonds carry a net interest cost of 4.424 percent, maturing on September 1, 2036. The outstanding balance as of June 30, 2011 is \$19,005,000.

Tax Allocation Bonds, Series 2008

Tax Allocation Bonds, Series 2008 were issued on July 1, 2008 in the amount of \$11,790,000 for the Oxnard Community Development Commission Historic Enhancement and Revitalization of Oxnard (HERO) Project Area. Proceeds from the sale of bonds are to be used to finance a 500-space parking structure to service a mixed-use retail/commercial development located within the RiverPark Specific Plan Area. These bonds carry a net interest cost of 4.849 percent, with a final maturity of September 1, 2038. The outstanding balance as of June 30, 2011 is \$11,445,000.

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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.

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

Fiscal Year	Tax Allocation Refunding Bonds		Tax Allocation Bonds		HERO Project Tax Allocation Bonds	
	2004 A		Series 2006		Series 2008	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 730,000	\$ 637,996	\$ 450,000	\$ 867,020	\$ 185,000	\$ 525,338
2013	755,000	612,921	465,000	752,599	190,000	517,838
2014	780,000	585,278	480,000	736,301	200,000	510,038
2015	810,000	555,458	495,000	719,479	215,000	501,738
2016	840,000	523,268	515,000	700,516	215,000	493,138
2017 - 2021	4,590,000	2,043,181	2,895,000	3,190,079	1,220,000	2,311,088
2022 - 2026	5,040,000	931,814	3,495,000	2,559,845	1,505,000	2,020,666
2027 - 2031	1,160,000	28,710	4,290,000	1,747,112	1,880,000	1,639,299
2032 - 2036	-	-	5,290,000	730,070	2,410,000	1,119,318
2037 - 2038	-	-	630,000	13,775	3,425,000	281,317
Totals	\$ 14,705,000	\$ 5,918,626	\$ 19,005,000	\$ 12,016,796	\$ 11,445,000	\$ 9,919,778

III. Defined Benefit Pension Plans and Other Post Employment Benefits

A. Defined Benefit Pension Plan

CDC employees are covered under the City's participation in the California Public Employees Retirement System (PERS). All eligible employees are eligible to participate in PERS, becoming vested after five years of service. Employees who retire at or after age 50 with five years of credited service are entitled to retirement benefits. Required employee contributions to PERS are 7 percent of compensation, which the CDC currently pays for regular employees. The CDC is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the PERS actuaries and actuarial consultants and adopted by the PERS Board of Administration.

Additional information can be found in the City's comprehensive annual financial report.

B. Public Agency Retirement System Retirement Enhancement Plan

CDC employees are covered by Public Agency Retirement System Retirement Enhancement Plan (PARS) effective January 1, 2003. PARS is defined benefit 401 (a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. For employees meeting the eligibility requirements, the plan provides a benefit equal to the "3% at 60" plan factor (formula is a static 3% at age 60 and older), less the PERS "2% at 55" plan factors for all years of City service plus any military service purchased through PERS (prior to July 1, 2003) while an employee of CDC

Additional information can be found in the City's comprehensive annual financial report.

C. Post-employment Health Care Benefits

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

Additional information can be found in the City's comprehensive annual financial report.

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IV. Risk Management

The CDC participates in a self-insurance program for Workers' Compensation and General Liability coverage, which is administered by the City. The CDC pays an amount to the City representing an estimate of amounts to be paid for reported claims incurred and unreported claims based upon past experience, modified for current trends and information. For the year ended June 30, 2011, the CDC paid premiums of \$17,559 to the City related to the self-insurance program.

While the ultimate losses incurred through June 30, 2011, are dependent upon future developments, the CDC's management believes that amounts paid are sufficient to cover such losses. Information relating to the CDC's self-insurance liability is not available.

Additional information on the City's self-insurance program can be found in the City's comprehensive annual financial report.

V. Other Information

A. Commitments and Contingencies

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

B. Other

In July of 2010, the Ventura County District Attorney initiated an investigation into the use of public funds and conflicts of interest regarding various contracts. As of the issuance of this document, the investigation was ongoing.

California State Budget Impacts

On June 29, 2011, California Governor Brown signed Assembly Bills (AB) X1 26 and 27. AB X1 26 requires each California redevelopment agency to suspend nearly all activities except to implement existing contracts, meet already-incurred obligations, preserve its assets and prepare for the impending dissolution of the agency. AB X1 27 provides a means for redevelopment agencies to continue to exist and operate by means of Voluntary Alternative Redevelopment Program. Under this program, each city would adopt an ordinance agreeing to make certain payments to the County Auditor Controller in fiscal year 2011-12 and annual payments each fiscal year thereafter. AB X1 26 indicates that the city "may use any available funds not otherwise obligated for other uses" to make this payment. The City of Oxnard intends to use available monies of its redevelopment agency for this purpose and the City and Agency have approved a reimbursement agreement to accomplish that objective. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the state legislature.

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AB X1 26 directs the California State Controller to review the propriety of any transfers of assets between the redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by AB X1 26.

In the event that AB X1 26 is upheld, the interagency receivable recognized by funds of the City that had previously loaned or advanced funds to the redevelopment agency may become uncollectible resulting in a loss recognized by such funds. The City might additionally be impacted if reimbursements previously paid by the redevelopment agency to the City for shared administrative services are reduced or eliminated.

On July 18, 2011, the California Redevelopment Association (CRA) and the League of California Cities filed a lawsuit on behalf of cities, counties and redevelopment agencies petitioning the California Supreme Court to overturn AB X1 26 and 27 on the grounds that these bills violate the California Constitution. On August 11, 2011, the California Supreme Court issued a stay of all AB X1 27 and most of AB X1 26. The California Supreme Court stated in its order that "the briefing schedule is designed to facilitate oral argument as early as possible in 2011, and a decision before January 15, 2012. A second order issued by the California Supreme Court on August 17, 2011 indicated that certain provisions of AB X1 26 and 27 were still in effect and not affected by its previous stay, including requirements to file an appeal of the determination of the community remittance payment by August 15, the requirement to adopt an Enforceable Obligations Payment Schedule ("EOPS") by August 29, 2011, and the requirement to prepare a preliminary draft of the initial Recognized Obligation Payment Schedule ("ROPS") by September 30, 2011.

Because the stay provided by AB X1 26 only affects enforcement, each agency must adopt an EOPS and draft ROPS prior to September 30, as required by the statute. Enforceable obligations include bonds, loans and payments required by the federal or State government; legally enforceable payments required in connection with agency employees such as pension payments and unemployment payments, judgments or settlements; legally binding and enforceable agreements or contracts; and contracts or agreements necessary for the continued administration or operation of the agency that are permitted for purposes set forth in AB X1 26.

On August 2, 2011, City Ordinance No. 2849 was adopted, indicating that the City will comply with the Voluntary Alternative Redevelopment Program in order to permit the continued existence and operation of the agency, in the event AB X1 26 and/or 27 are upheld as constitutional. The initial payment by the City is estimated to be \$6.9 million with one half due on January 15, 2012 and the other half due May 15, 2012. Thereafter, an estimated \$1.6 million will be due annually. The amounts to be paid after fiscal year 2012-13 have yet to be determined by the State Legislature. The semi-annual payments will be due on January 15 and May 15 of each year and would increase or decrease with changes in tax increment. Additionally, an increased amount would be due to schools if any "new debt" is incurred. AB X1 27 allows a one-year reprieve on the agency's

obligation to contribute 20% of tax increment to the low-and-moderate-income housing fund so as to permit the Agency to assemble sufficient funds to make its initial payments. Failure to make these payments would require agencies to be terminated under the provisions of AB X1 26.

Management believes that the Agency will have sufficient funds to pay its obligations as they become due during the fiscal year ending June 30, 2012. The nature and extent of the operation of redevelopment agencies in the State of California beyond that time frame are dependent upon the outcome of litigation surrounding the actions of the state. In the event that AB X1 26 and/or 27 are specifically found by the courts to be unconstitutional, there is a possibility that future legislative acts may create new challenges to the ability of redevelopment agencies in the State of California to continue in view of the California State Legislature's stated intent to eliminate California redevelopment agencies and to reduce their funding.

SUPPLEMENTARY INFORMATION



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Schedule of Revenues, Expenditures, and Changes in Fund Balances
CDC Debt Service Fund
For the Year Ended June 30, 2011

	<u>CCRP Debt Service</u>	<u>Southwinds Debt Service</u>	<u>Ormond Beach Debt Service</u>	<u>HERO Debt Service</u>	<u>Debt Service TOTAL</u>
Revenues					
Taxes	\$ 1,370,510	\$ 194,905	\$ 343,594	\$ 1,486,547	\$ 3,395,556
Interest	-	-	-	-	-
Total Revenues	<u>1,370,510</u>	<u>194,905</u>	<u>343,594</u>	<u>1,486,547</u>	<u>3,395,556</u>
Expenditures					
Debt Service:					
Principal	710,000	70,000	125,000	415,000	1,320,000
Interest	660,510	124,905	218,594	1,071,547	2,075,556
Total Expenditures	<u>1,370,510</u>	<u>194,905</u>	<u>343,594</u>	<u>1,486,547</u>	<u>3,395,556</u>
Excess (Deficiency) of Revenues					
Over Expenditures	-	-	-	-	-
Net Change in Fund Balance	-	-	-	-	-
Fund balances, July 1, 2010	-	-	-	-	-
Fund balances, June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
CDC Debt Service Fund
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues				
Taxes	\$ 5,220,083	\$ 5,220,083	\$ 3,395,556	\$ (1,824,527)
Total Revenues	<u>5,220,083</u>	<u>5,220,083</u>	<u>3,395,556</u>	<u>(1,824,527)</u>
Expenditures				
Debt Service:				
Principal	1,320,000	1,320,000	1,320,000	-
Interest	3,900,083	3,900,083	2,075,556	(1,824,527)
Total Expenditures	<u>5,220,083</u>	<u>5,220,083</u>	<u>3,395,556</u>	<u>(1,824,527)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund balances, July 1, 2009	-	-	-	-
Fund balances, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedule:

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

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STATISTICAL SECTION



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STATISTICAL SECTION

The Statistical Section contains comprehensive statistical data, which relates to physical, economic, social, and political characteristics of the Community Development Commission. It is intended to provide users with a broader and more complete understanding of the Commission and its financial affairs than is possible from the basic financial statements.

Statistical Section tables usually cover more than two fiscal years and often present data from outside the accounting records. The Statistical Section information is not subject to independent audit.

TABLE 1
Tax Increment Revenue
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area			Downtown Renewal Project Area	Southwinds Project Area		
	Capital Projects	Debt Service	Total		Capital Projects	Debt Service	Total
2002	913,558	1,629,857	2,543,415	127,232	523,236	—	523,236
2003	2,708,970	1,578,127	4,287,097	149,269	594,777	—	594,777
2004	1,520,278	1,602,239	3,122,517	149,886	728,848	—	728,848
2005	2,193,772	1,329,899	3,523,671	166,221	924,520	—	924,520
2006	2,512,761	1,370,948	3,883,709	304,140	829,290	—	829,290
2007	3,167,993	1,370,598	4,538,591	428,847	1,606,663	20,556	1,627,219
2008	3,618,786	1,368,499	4,987,285	365,065	1,516,351	176,411	1,692,762
2009	3,685,248	1,367,399	5,052,647	395,114	1,364,696	182,434	1,547,130
2010	3,844,593	1,370,129	5,214,722	443,770	1,075,279	197,268	1,272,547
2011	3,740,815	1,370,510	5,111,325	480,911	938,253	194,905	1,133,158

Source : Finance Department

TABLE 1
Tax Increment Revenue
Last Ten Fiscal Years

Ormond Beach Project Area			Historical Enhancement & Revitalization of Oxnard Project Area			Fiscal Year
Capital Projects	Debt Service	Total	Capital Projects	Debt Service	Total	
—	—	—	1,291,922	—	1,291,922	2002
—	—	—	983,189	—	983,189	2003
2,422,809	416,698	2,839,507	2,824,297	—	2,824,297	2004
2,326,648	416,698	2,743,346	4,201,527	—	4,201,527	2005
2,820,232	—	2,820,232	6,583,093	—	6,583,093	2006
2,762,558	35,936	2,798,494	7,861,775	87,711	7,949,486	2007
2,306,119	304,800	2,610,919	10,452,352	701,409	11,153,761	2008
2,004,224	317,035	2,321,259	10,027,392	1,068,459	11,095,851	2009
1,693,845	342,731	2,036,576	8,501,144	1,486,672	9,987,816	2010
1,279,337	343,594	1,622,931	8,921,418	1,486,547	10,407,965	2011

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TABLE II
Interest Income
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Downtown Renewal Project Area	Southwinds Project Area	Ormond Beach Project Area	Historical Enhancement & Revitalization of Oxnard Project Area	Housing Set-Aside
2002	31,554	9,763	41,476	38,637	66,991	75,266
2003	13,095	12,889	27,381	30,488	53,390	28,438
2004	38,802	7,810	45,068	45,293	77,147	88,114
2005	126,302	4,437	36,242	21,520	61,637	119,002
2006	320,083	9,633	62,869	62,956	109,527	281,316
2007	461,116	18,956	158,182	144,771	481,950	342,867
2008	344,005	23,272	304,804	364,822	1,092,930	356,171
2009	306,554	5,906	197,311	222,388	900,951	301,436
2010	202,612	8,194	74,044	93,707	433,755	235,390
2011	106,981	1,905	40,089	56,528	173,333	221,813

Source : Finance Department

TABLE III
Rental Income
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Housing Set-Aside
2002	176,843	-
2003	206,339	-
2004	65,000	-
2005	2,651	-
2006	14,749	-
2007	15,923	-
2008	49,005	-
2009	201,227	64,314
2010	187,675	81,243
2011	180,625	75,765

Source : Finance Department

TABLE IV
Salaries and Administrative Costs
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Downtown Renewal Project Area	Southwinds Project Area	Ormond Beach Project Area	Historical Enhancement & Revitalization of Oxnard Project Area	Housing Set-Aside
2002	2,169,260	30,593	156,593	1,487,675	1,423,300	670,660
2003	2,248,267	39,419	182,526	262,942	820,208	2,448,735
2004	1,039,886	34,609	257,316	1,848,159	2,650,590	509,962
2005	1,021,426	93,467	441,377	1,579,409	1,644,968	517,542
2006	2,928,953	22,629	346,118	1,766,624	2,343,226	576,294
2007	886,149	87,649	822,851	1,547,054	2,089,564	728,471
2008	1,799,152	89,003	849,291	1,390,012	2,519,690	781,472
2009	1,509,816	919,405	1,075,443	1,310,055	3,958,657	729,011
2010	1,904,898	452,909	1,574,543	850,288	3,566,700	801,787
2011	801,759	148,272	251,811	316,924	1,138,755	796,153

Source : Finance Department

TABLE V
Professional Services
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Downtown Renewal Project Area	Southwinds Project Area	Ormond Beach Project Area	Historical Enhancement & Revitalization of Oxnard Project Area	Housing Set-Aside
2002	—	—	10,701	53,801	—	—
2003	187,729	—	10,810	51,520	—	—
2004	286,729	383	11,149	100,592	53,750	178,666
2005	143,561	7,435	10,701	67,374	38,896	22,573
2006	207,398	10,907	37,444	73,831	47,582	56,527
2007	214,919	16,088	22,262	60,546	65,362	37,224
2008	205,446	28,168	29,363	72,299	764,970	55,818
2009	333,969	23,222	27,303	67,344	89,214	46,787
2010	255,059	34,661	51,141	91,925	7,594,943	89,310
2011	328,870	44,332	77,785	188,634	3,385,021	340,995

Source : Finance Department

ATTACHMENT 1

TABLE VI
Project Improvement Costs
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Downtown Renewal Project Area	Southwinds Project Area	Ormond Beach Project Area	Historical Enhancement & Revitalization of Oxnard Project Area	Housing Set-Aside
2002	4,792	—	8,590	22,834	1,179	297,676
2003	1,432,600	11,745	91,507	89,801	44,431	414,673
2004	985,035	—	53,761	27,129	65,103	275,942
2005	423,595	—	90,310	—	126,068	288,514
2006	33,449	255	1,655	—	12,729	983,298
2007	3,013,978	—	35,889	—	67,761	1,227,855
2008	1,533,491	—	58,764	82,126	147,115	1,175,751
2009	310,540	—	2,115,573	1,471,671	9,638,477	87,311
2010	165,602	—	415,497	261,953	8,246,255	1,945,235
2011	142,547	—	—	(22,031)	4,875,382	851,666

Source : Finance Department

TABLE VII
20 Percent Housing Set-Aside
Last Ten Fiscal Years

Fiscal Year	Housing Set-Aside
2002	973,924
2003	770,680
2004	1,898,546
2005	2,324,006
2006	2,884,091
2007	3,468,527
2008	4,161,959
2009	4,082,400
2010	3,791,085
2011	3,751,258

Source : Finance Department

TABLE VIII
Miscellaneous Revenue
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Downtown Renewal Project Area	Southwinds Project Area	Ormond Beach Project Area	Historical Enhancement & Revitalization of Oxnard Project Area	Housing Set-Aside
2002	91,856	—	50,562	—	—	143,999
2003	14,662	—	—	97,237	267,333	69,373
2004	427,004	—	—	2,000	67,200	39,403
2005	374,198	—	—	12	89,600	175,045
2006	314,488	—	—	—	112,000	356,688
2007	189,782	23	—	—	127,918	89,191
2008	90,193	1,000,000	—	305,500	112,000	18,673
2009	76,457	3,940	—	—	112,000	38,890
2010	25,656	—	—	—	112,000	1,938
2011	170,994	10,016	9,981	16,635	314,222	3,960

Source : Finance Department

TABLE IX
Transfers Out
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Downtown Renewal Project Area	Southwinds Project Area	Ormond Beach Project Area	Historical Enhancement & Revitalization of Oxnard Project Area	Housing Set-aside
2002	(508,666)	(25,158)	(103,401)	(336,699)	—	—
2003	(541,794)	(29,854)	(118,955)	(721,758)	—	—
2004	(624,500)	(29,977)	(145,769)	(549,318)	(548,982)	—
2005	(704,734)	(33,244)	(197,056)	(548,669)	(840,303)	(307,840)
2006	(776,741)	(60,828)	(165,858)	(2,343,818)	(1,316,618)	—
2007	(907,718)	(85,769)	(325,444)	(559,699)	(1,589,897)	—
2008	(997,457)	(73,013)	(338,553)	(522,184)	(2,230,752)	—
2009	(1,010,529)	(79,023)	(309,426)	(464,252)	(2,212,170)	(723,702)
2010	(1,042,944)	(88,754)	(254,509)	(407,315)	(1,997,563)	(117,000)
2011	(1,022,265)	(96,182)	(226,632)	(324,586)	(2,081,593)	(117,000)

Source : Annual Financial Reports

TABLE X
Central City Revitalization Project Operating Statement
Last Ten Fiscal Years

Fiscal Year	Revenues	Expenditures	Other Financing		Net Change to Fund Balance	Fund Balance
			Sources	Uses		
2002	1,213,811	2,174,052	—	(508,666)	(1,468,907)	5,559,051
2003	2,943,066	3,867,997	—	(541,794)	(1,466,725)	4,092,326
2004	2,051,084	2,311,650	18,610,209	(14,225,560)	4,124,083	8,216,409
2005	2,696,823	1,588,582	700,000	(704,734)	1,103,607	9,320,016
2006	3,162,081	3,169,800	1,885,649	(776,741)	1,101,189	10,421,205
2007	3,834,814	4,115,046	—	(907,718)	(1,187,950)	9,233,255
2008	4,101,989	3,538,089	—	(997,457)	(433,557)	8,799,698
2009	4,089,591	2,154,325	—	(1,010,529)	924,737	9,724,435
2010	4,260,536	2,325,559	—	(1,042,944)	892,033	10,616,468
2011	4,199,415	1,673,384	—	(12,898,843)	(10,372,812)	243,656

Source: Annual Financial Reports

TABLE XI
Downtown Renewal Project Area Operating Statement
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing (Uses)</u>	<u>Net Change to Fund Balance</u>	<u>Fund Balance</u>
2002	136,995	30,593	(25,157)	81,244	132,585
2003	162,158	51,164	(29,854)	81,140	213,725
2004	157,696	34,992	(29,977)	92,727	306,452
2005	170,658	100,902	(33,244)	36,512	342,964
2006	313,773	33,791	(60,828)	219,154	562,118
2007	447,826	103,737	(85,769)	258,320	820,438
2008	1,388,337	117,171	(73,013)	1,198,153	2,018,591
2009	520,541	942,627	644,679	222,593	2,241,184
2010	451,964	487,570	(88,754)	(124,360)	2,116,824
2011	492,832	258,990	(2,366,658)	(2,132,816)	(15,992)

Source: Annual Financial Reports

TABLE XII
Southwinds Project Area Operating Statement
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing (Uses)</u>	<u>Net Change to Fund Balance</u>	<u>Fund Balance</u>
2002	615,274	175,884	(103,401)	335,989	828,903
2003	622,158	284,843	(118,955)	218,360	1,047,263
2004	773,916	322,226	(145,769)	305,921	1,353,184
2005	960,762	542,387	(197,056)	221,319	1,574,503
2006	892,159	385,217	(165,858)	341,084	1,915,587
2007	1,764,845	881,002	2,714,441	3,598,284	5,513,871
2008	1,821,155	937,318	(338,553)	545,284	6,059,155
2009	1,562,007	3,218,319	(309,426)	(1,965,738)	4,093,417
2010	1,149,323	2,041,181	(254,509)	(1,146,367)	2,947,050
2011	988,323	832,515	(3,241,202)	(3,085,394)	(138,344)

Source: Annual Financial Reports

TABLE XIII
Ormond Beach Project Area Operating Statement
Last Ten Fiscal Years

Fiscal Year	Revenues	Expenditures	Other Financing		Net Change to Fund Balance	Fund Balance
			Sources	Uses		
2002	1,741,405	1,564,310	—	(336,699)	(159,604)	648,262
2003	721,844	404,263	—	(721,758)	(404,177)	244,085
2004	2,470,102	1,975,880	—	(549,318)	(55,096)	188,989
2005	2,348,180	1,646,783	—	(548,669)	152,728	341,717
2006	2,883,188	1,840,455	1,779,772	(2,343,818)	478,687	820,404
2007	2,907,329	1,607,600	5,312,635	(559,699)	6,052,665	6,873,069
2008	2,976,441	1,544,437	—	(522,184)	909,820	7,782,889
2009	2,226,612	2,849,070	—	(464,252)	(1,086,710)	6,696,179
2010	1,787,552	1,204,166	—	(407,315)	176,071	6,872,250
2011	1,352,500	780,007	—	(7,166,091)	(6,593,598)	278,652

Source: Annual Financial Reports

TABLE XIV
HERO Project Area Operating Statement
Last Ten Fiscal Years

Fiscal Year	Revenues	Expenditures	Other Financing		Net Change to Fund Balance	Fund Balance
			Sources	Uses		
2002	1,358,913	1,424,479	—	—	(65,566)	1,541,339
2003	1,303,912	864,639	224,983	—	664,256	2,205,595
2004	2,968,644	2,769,443	—	(548,982)	(349,781)	1,855,814
2005	4,352,764	1,809,932	—	(840,303)	1,702,529	3,558,343
2006	6,804,620	2,403,537	—	(1,316,618)	3,084,465	6,642,808
2007	8,471,643	2,222,687	10,613,019	(1,589,897)	15,272,078	21,914,886
2008	11,657,282	3,431,775	—	(2,230,752)	5,994,755	27,909,641
2009	11,040,343	14,478,215	11,790,000	(2,336,149)	6,015,979	33,925,620
2010	9,046,899	19,407,898	—	(1,997,563)	(12,358,562)	21,567,058
2011	9,410,973	11,543,604	—	(19,964,747)	(22,097,378)	(530,320)

Source: Annual Financial Reports

TABLE XV
Housing Set-Aside Operating Statement
Last Ten Fiscal Years

Fiscal Year	Revenues	Expenditures	Other Financing Sources	Net Change to Fund Balance	Fund Balance
2002	497,905	968,336	973,924	503,493	5,314,334
2003	97,811	2,863,408	770,680	(1,994,917)	3,319,417
2004	127,517	964,570	1,898,546	1,061,493	4,380,910
2005	294,047	828,629	2,016,166	1,481,584	5,862,494
2006	638,004	1,616,119	2,884,091	1,905,976	7,768,470
2007	432,058	1,993,550	3,468,527	1,907,035	9,675,505
2008	374,844	2,013,041	4,161,959	2,523,762	12,199,267
2009	404,640	863,109	3,358,698	2,900,229	15,099,496
2010	318,571	2,836,332	3,674,085	1,156,324	16,255,820
2011	301,538	1,988,814	(14,856,433)	(16,543,709)	(287,889)

Source: Annual Financial Reports

TABLE XVI
Tax Increment Pass-through
Last Ten Fiscal Years

Fiscal Year	Central City Revitalization Project Area	Downtown Renewal Project Area	Southwinds Project Area	Ormond Beach Project Area	Historical Enhancement & Revitalization of Oxnard Project Area	Total
2002	—	—	—	792,713	—	—
2003	25,384	—	—	716,624	211,084	953,092
2004	47,248	—	—	1,301,646	488,744	1,837,638
2005	89,005	—	—	1,289,009	756,715	2,134,729
2006	88,138	—	—	1,335,536	1,186,414	2,610,088
2007	116,757	—	630,602	1,314,320	1,431,396	3,493,075
2008	134,959	—	656,393	1,183,036	1,818,735	3,793,123
2009	777,717	102,076	887,044	1,090,282	3,235,569	6,092,688
2010	1,128,827	185,808	1,368,030	599,638	2,648,878	5,931,181
2011	400,208	66,386	502,919	296,480	2,144,446	3,410,439

Source: Annual Financial Reports