



Measure O

Financial Audit

CITY OF OXNARD
MEASURE O FUND
STATEMENT OF REVENUES AND EXPENDITURES

Year Ended June 30, 2011



Mayer Hoffman McCann P.C.
An Independent CPA Firm

5060 California Avenue, Suite 800
Bakersfield, CA 93309
PH 661.325.7500
FAX 661.325.7004

INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Oxnard, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oxnard, California, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 1, 2011. We have also audited the accompanying statement of revenues and expenditures for the Measure O Program for the year ended June 30, 2011. This statement of revenues and expenditures is the responsibility of the City's management. Our responsibility is to express opinion on this statement based on our audit.

We conducted our audit of the statement of revenues and expenditures for the Measure O Program in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of revenues and expenditures are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures related to the statement of revenues and expenditures for the Measure O Program. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and expenditures. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the statement of revenues and expenditures for the Measure O Program referred to above present fairly, in all material respects, the statement of revenues and expenditures of the Measure O Program as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the City Council of the City of Oxnard and the Measure O Program and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.
Bakersfield, California
February 14, 2012

Southern California Locations

10474 Santa Monica Blvd. Suite 200 • Los Angeles, CA 90025 • PH 310.268.2000 • FX 310.268.2001
5060 California Ave. Suite 800 • Bakersfield, CA 93309 • PH 661.325.7500 • FX 661.325.7004
300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220

CITY OF OXNARD, CALIFORNIA

MEASURE O PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011

REVENUES

Sales tax revenue	\$ 11,161,453
Interest	<u>167,320</u>
Total revenues	<u>11,328,773</u>

EXPENDITURES

Capital outlay	\$ 3,979,000
Transportation	364,558
Culture and leisure	349,643
Community development	138,378
General government	<u>96,800</u>
Total expenditures	<u>4,928,379</u>
Excess of revenues over expenditures	<u>\$ 6,400,394</u>

CITY OF OXNARD, CALIFORNIA

**MEASURE O PROGRAM
NOTES TO STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011**

(I) Summary of significant accounting policies

A. Basis of Accounting

On November 4, 2008, City voters approved Measure O that imposed a general purpose sales and use tax of one-half cent on the gross receipts of any retailer from the sale of tangible personal property sold within the City. The City Council of the City of Oxnard desires to provide enhanced levels of vital community services including police, fire and emergency response, increasing street paving and sidewalk/pothole repair to improve traffic flow, expanding youth recreation, after-school and anti-gang prevention programs, acquiring property for parks/open space preservation, upgrading storm water drains, improving senior services, increasing building code compliance, and other general City services; The authority to levy the tax imposed by this ordinance shall expire twenty years from the operative date of this ordinance, unless extended by the voters. In July 2010, the City of Oxnard City Council approved the first appropriation of funds available under Measure O.

The accompanying Schedule of Revenues and Expenditures includes the activity of the City of Oxnard's Measure O Program is presented on the modified accrual basis of accounting.

B. Schedule of Revenue and Expenditures

The Schedule of Revenue and Expenditures of the Measure O Program is prepared from the activity of the program and, therefore, does not present the financial position or results of operations of the City of Oxnard.



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INDEPENDENT AUDITOR' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable City Council
City of Oxnard, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Oxnard, California (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 1, 2011. We have also audited the accompanying statement of revenues and expenditures for the Measure O Program for the year ended June 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Honorable City Council
City of Oxnard, California
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, and federal award agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Mayer Hoffman McClann P.C.
Bakersfield, California
February 14, 2012