

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Rate of Return ⁽¹⁾	Rate of Return ⁽²⁾
		Years 1 - 10	Years 11+
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%

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

⁽²⁾ An expected inflation of 3.0% used for this period

F. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

The City's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. The following tables show the plan fiduciary net position and the net pension liabilities for the Miscellaneous and Safety-Police Plans and the respective changes in net pension liabilities recognized over the measurement period.

Miscellaneous Plan	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability/(Asset)
Balance at June 30, 2013 (Valuation Date)	<u>\$376,852,577</u>	<u>\$276,554,342</u>	<u>\$100,298,235</u>
Changes Recognized for the Measurement Period			
Service cost	7,507,381		7,507,381
Interest on the total pension liability	27,937,746		27,937,746
Employer contributions		6,858,454	(6,858,454)
Employee contributions (paid by employer)		3,730,681	(3,730,681)
Net investment income		47,653,092	(47,653,092)
Benefit payments, included refunds of employee contributions	<u>(16,205,985)</u>	<u>(16,205,985)</u>	<u>-</u>
Net changes	<u>19,239,142</u>	<u>42,036,242</u>	<u>(22,797,100)</u>
Balance at June 30, 2014 (Measurement Date)	<u>\$396,091,719</u>	<u>\$318,590,584</u>	<u>\$ 77,501,135</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Safety-Police Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2013 (Valuation Date)	<u>\$288,596,333</u>	<u>\$201,155,170</u>	<u>\$ 87,441,163</u>
Changes Recognized for the Measurement Period			
Service cost	8,379,851		8,379,851
Interest on the total pension liability	21,472,209		21,472,209
Employer contributions		8,947,510	(8,947,510)
Employee contributions (paid by employer)		2,505,819	(2,505,819)
Net investment income		34,904,812	(34,904,812)
Benefit payments, included refunds of employee contributions	<u>(12,980,263)</u>	<u>(12,980,263)</u>	<u>-</u>
Net changes	<u>16,871,797</u>	<u>33,377,878</u>	<u>(16,506,081)</u>
Balance at June 30, 2014 (Measurement Date)	<u>\$305,468,130</u>	<u>\$234,533,048</u>	<u>\$ 70,935,082</u>

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

Safety-Fire Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2013 (Valuation Date)	\$130,023,419	\$ 89,369,128	\$ 40,654,291
Net changes during 2013-2014	<u>6,308,006</u>	<u>13,449,774</u>	<u>(7,141,768)</u>
Balance at June 30, 2014 (Measurement Date)	<u>\$136,331,425</u>	<u>\$102,818,902</u>	<u>\$ 33,512,523</u>

For the year ended June 30, 2015, the City recognized pension expense of \$5,825,758, \$8,373,906, and \$3,189,761 for the Miscellaneous, Safety-Police and Safety-Fire Plans, respectively. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date:		
Miscellaneous Plan	\$ 7,208,176	
Safety-Police	9,907,130	
Safety-Fire	4,004,186	
Net difference between projected and actual earnings on pension plan investments:		
Miscellaneous Plan		\$ 21,764,404
Safety-Police		15,932,477
Safety-Fire		7,084,956
Adjustment due to the differences in proportions:		
Safety-Fire	<u>-</u>	<u>335,649</u>
TOTALS	<u>\$ 21,119,492</u>	<u>\$ 45,117,486</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

C. Notes to the Financial Statements - Successor Agency

a. Reporting Entity

On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with AB 1X 26 as part of City resolution number 14135, to oversee the winding down of the agency's affairs and liquidation of the agency's assets effective February 1, 2012. AB 1484 essentially transferred authority over the Successor Agency to the oversight board, also established pursuant to AB 1X 26 and the California Department of Finance. Oversight Boards are composed of one member each appointed by the county board of supervisors, mayor, the largest special district by property tax share, the county supervisor of education, the Chancellor of the California Community Colleges, a public member appointed by the county board of supervisors, and a member representing employees of the former redevelopment agency appointed by the mayor or chair of the county board of Supervisors.

Oversight boards direct the staff of the Successor Agency, have fiduciary responsibilities to holders of enforceable obligations, approve actions of the Successor Agency, and establish the Recognized Payment Obligation Payment Schedule.

b. Prior-Period Adjustments

At July 1, 2015, the Successor Agency's net position was restated for the following:

	<u>AMOUNT</u>
<u>Change in Accounting Principle</u>	
To record net pension liabilities in compliance with GASB 68 pronouncement	\$ (122,937)
<u>Correction of Errors</u>	
To transfer cash with fiscal agents to CDC SA from City of Oxnard debt service fund	1,813,744
To correct the cost of construction in progress and capital assets, net of accumulated depreciation	(354,457)
To correct amounts reported in accounts payable	<u>1,434</u>
TOTAL	<u>\$ 1,337,784</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

f. Long-Term Obligations

The following is a summary of changes in the Successor Agency's long-term obligations for the year ended June 30, 2015:

	BALANCE JULY 1, 2014	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2015	DUE WITHIN ONE YEAR
Tax allocation refunding bonds Series 2004A	\$ 12,440,000	\$ -	\$ 810,000	\$ 11,630,000	\$ 840,000
Tax allocation bond financing Series 2006	17,610,000	-	495,000	17,115,000	515,000
HERO project tax allocation bonds Series 2008	10,870,000	-	215,000	10,655,000	215,000
Less: Unamortized discounts	(138,689)	-	(57,647)	(81,042)	-
TOTAL LONG-TERM INDEBTEDNESS	\$ 40,781,311	\$ -	\$ 1,462,353	\$ 39,318,958	\$ 1,570,000

Description of Long-term Debt

Tax Allocation Refunding Bonds, Series 2004A

Tax Allocation Refunding Bonds, Series 2004A were issued on May 4, 2004 in the amount of \$19,185,000. These are twenty-two-year bonds with a net interest cost of 4.58%. The bonds were issued to refinance the Tax Allocation Refunding Bonds, Series 1994A and to finance additional redevelopment activities within the Central City Revitalization and Downtown Project Area. The balance outstanding as of June 30, 2015 is \$11,630,000.

2006 Tax Allocation Bond Financings

Local Obligation Revenue Bonds (2006 Tax Allocation Bond Financings) in the amount of \$20,530,000 were issued on December 1, 2006 to purchase the following obligations being issued simultaneously for 1) the Oxnard Community Development Commission Ormond Beach Project Area Tax Allocation Bonds, Series 2006 in the amount of \$5,750,000; 2) the Oxnard Community Development Commission Southwinds Project Area Tax Allocation Bonds, Series 2006 in the amount of \$3,290,000; and 3) the Oxnard Community Development Commission Historic Enhancement and Revitalization of Oxnard (HERO) Project Area Tax Allocation Bonds, Series 2006 in the amount of \$11,490,000. The bonds were issued to finance redevelopment activities (street improvement projects) in the Ormond Beach Project Area, Southwinds Project Area and the HERO Redevelopment Project Areas. These bonds carry a net interest cost of 4.424%, maturing on September 1, 2036. The outstanding balance as of June 30, 2015 is \$17,115,000.

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

MEASUREMENT PERIOD	<u>2015</u>
Total Pension Liability	
Service cost	\$ 2,220,000
Interest	5,238,000
Benefit payments, including refunds of member contributions:	<u>(2,599,000)</u>
Net change in total pension liability	4,859,000
Total pension liability, beginning of year	<u>76,677,000</u>
Total pension liability, end of year	<u>81,536,000</u>
 Plan Fiduciary Net Position	
Contributions - employee	2,731,000
Contributions - employer	985,000
Net investment income (2)	6,805,000
Benefit payments, including refunds of member contributions	<u>(2,599,000)</u>
Other Changes in Fiduciary Net Position	<u>(65,000)</u>
Net change in plan fiduciary net position	7,857,000
Total plan fiduciary net position, beginning of year	<u>42,714,000</u>
Total plan fiduciary net position, end of year	<u>50,571,000</u>
 Net pension liability - ending	 <u><u>\$30,965,000</u></u>
 Plan fiduciary net position as a percentage of total pension liability	 62.02%
Covered-employee payroll	31,157,782
Net pension liability as a percentage of covered-employee payroll	99.38%

(1) GASB Statement No. 68, which requires ten years of history for this schedule, was implemented during fiscal year ended June 30, 2015. Additional years will be added as they become available in the future.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes, which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

City of Oxnard, California

SCHEDULE VIII Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Proctor & Gamble Paper Products	318,375,847	1	1.89%	271,274,723	1	2.10%
Essex Arbors LP	202,081,727	2	1.20%			
SOCMI LLC	141,719,871	3	0.84%			
NRG CA South LP - Ormond Beach	112,900,000	4	0.67%			
Serenade APTS Property	85,367,223	5	0.51%			
Prime Peninsula LP	84,540,000	6	0.50%			
Haas Automation Inc	80,616,800	7	0.48%			
New-Indy Oxnard LLC	70,977,098	8	0.42%			
Riverpark A LLC				173,439,239	2	1.34%
Reliant Energy Ormond Beach, INC				168,900,000	3	1.31%
D R Horton LA Holding Company				98,116,063	4	0.76%
SI VIII LLC				76,666,310	5	0.59%
Essex Tierra Vista				76,496,888	6	0.59%
Fred Kavli				61,937,650	7	0.48%
Channel Islands Harbor Investment CO				61,483,393	8	0.48%
Duesenberg Investment Company	68,783,032	9	0.41%	61,479,198	9	0.48%
MC Gaelic Group	68,038,961	10	0.40%			
Fred Kavli				56,498,976	10	0.44%
Other taxpayers	15,607,215,150		92.68%	11,830,341,200		91.45%
Totals	16,840,615,709		100.00%	12,936,633,640		100.00%