
CALIFORNIA MUNICIPAL FINANCE AUTHORITY

**LEASE REVENUE BONDS, SERIES 2017A
(ORANGE COUNTY CIVIC CENTER INFRASTRUCTURE
IMPROVEMENT PROGRAM – PHASE I)**

**LEASE REVENUE BONDS, SERIES 2018A
(ORANGE COUNTY CIVIC CENTER INFRASTRUCTURE
IMPROVEMENT PROGRAM – PHASE II)**

**ANNUAL REPORT
FOR
FISCAL YEAR ENDED JUNE 30, 2024**

Dated February 25, 2025

Series 2017A CUSIP Numbers

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| 13049UCF4 | 13049UCK3 | 13049UCP2 | 13049UCT4 | 13049UCX5 |
| 13049UCG2 | 13049UCL1 | 13049UCQ0 | 13049UCU1 | 13049UCY3 |
| 13049UCH0 | 13049UCM9 | 13049UCR8 | 13049UCV9 | 13049UCZ0 |
| 13049UCJ6 | 13049UCN7 | 13049UCS6 | 13049UCW7 | |

Series 2018A CUSIP Numbers

| | | | | |
|-----------|-----------|-----------|-----------|-----------|
| 13049UEG0 | 13049UEL9 | 13049UEQ8 | 13049UEU9 | 13049UEY1 |
| 13049UEH8 | 13049UEM7 | 13049UER6 | 13049UEV7 | 13049UEZ8 |
| 13049UEJ4 | 13049UEN5 | 13049UES4 | 13049UEW5 | |
| 13049UEK1 | 13049UEP0 | 13049UET2 | 13049UEX3 | |

Prepared at the direction of and on behalf of:

County of Orange
400 W. Civic Center Drive, 5th Floor
Santa Ana, CA 92701

Prepared by:

David Taussig & Associates, Inc.
18201 Von Karman Avenue, Suite 220
Irvine, CA 92612

California Municipal Finance Authority

**Lease Revenue Bonds, Series 2017A
(Orange County Civic Center Infrastructure Improvement Program Phase I)
Lease Revenue Bonds, Series 2018A
(Orange County Civic Center Infrastructure Improvement Program Phase II)**

**Annual Report
For Fiscal Year Ended June 30, 2024**

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EXHIBIT

Exhibit A – County of Orange Annual Comprehensive Financial Report

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INTRODUCTION

The County of Orange, California (the "County"), hereby provides its annual report (the "Annual Report") for the Fiscal Year ended June 30, 2024 in connection with the following Bonds:

Bond Issue:

California Municipal Finance Authority, Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Program – Phase I), dated June 22, 2017 (the "2017A Bonds") and California Municipal Finance Authority, Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Program – Phase II), dated December 13, 2018 (the "2018A Bonds" and, together with the 2017A Bonds, the "Bonds").

Annual Report:

The County's Annual Report required by the Continuing Disclosure Certificate dated June 22, 2017 with respect to the 2017A Bonds and the Continuing Disclosure Certificate dated December 13, 2018 with respect to the 2018A Bonds (the "Disclosure Certificates") for the Fiscal Year ended June 30, 2024 is attached hereto and includes the County's audited financial statements for Fiscal Year ended June 30, 2024 in Exhibit A.

Other Matters:

This Annual Report is provided solely for purposes of the Disclosure Certificates. The filing of this Annual Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the County or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the Fiscal Year to which this Annual Report relates (other than as contained in this Annual Report), or that no other information exists, which may have a bearing on the County's financial condition, the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. The information contained in this report has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this Annual Report should be construed as a prediction or representation about future financial performance of the County.

SECTION 4 – CONTENT OF ANNUAL REPORT

A. Audited Financial Statements for Fiscal Year Ended June 30, 2024

The County’s Audited Financial Statements for Fiscal Year 2023-2024 are included herein as Exhibit A.

B. Financial and Operating Data

1. The Final Budget of the County for the current Fiscal Year in the form of Table A-6 in Appendix A to the Official Statements.

**TABLE A-6
COUNTY OF ORANGE
COMPARISON OF GENERAL FUND
FINAL OR MODIFIED BUDGETS FOR FISCAL YEARS 2021-22 TO 2024-25**

| | FY 2021-22 ⁽¹⁾ Final Budget | FY 2022-23 ⁽¹⁾ Final Budget | FY 2023-24 ⁽¹⁾ Final Budget | FY 2024-25 ⁽¹⁾ Modified Budget |
|---|---|---|---|--|
| REQUIREMENTS: | | | | |
| Public Protection | \$1,509,233,836 | \$1,690,172,970 | \$1,607,236,423 | \$1,711,326,914 |
| Community Services | 2,204,780,610 | 2,377,656,545 | 2,554,569,772 | 2,611,540,093 |
| Infrastructure & Environmental Resources ⁽²⁾ | 124,421,908 | 149,166,929 | 152,134,774 | 148,384,417 |
| General Government Services ⁽³⁾ | 428,194,081 | 799,166,529 | 558,206,330 | 303,217,018 |
| Capital Improvements | 21,990,893 | 16,503,764 | 16,133,931 | 16,133,931 |
| Debt Service | 1,774,400 | 1,782,000 | 1,974,265 | 2,022,647 |
| Insurance, Reserves & Miscellaneous ⁽⁴⁾ | 183,455,396 | 332,834,980 | 212,762,468 | 78,677,601 |
| Increases to Reserves ⁽¹⁰⁾ | 128,749,207 | - | - | - |
| Total Requirements | \$4,602,600,331 | \$5,367,283,717 | \$5,103,017,963 | \$4,871,302,621 |
| AVAILABLE FUNDS: | | | | |
| Property Taxes | \$851,019,000 | \$891,577,000 | \$950,500,000 | \$1,005,881,000 |
| Sales & Other Taxes ⁽⁵⁾ | 12,239,000 | 13,797,000 | 16,407,000 | 17,952,000 |
| Licenses, Permits & Franchises | 27,170,088 | 28,682,127 | 29,140,264 | 32,296,589 |
| Fines, Forfeitures & Penalties | 28,728,524 | 34,877,184 | 38,242,010 | 43,637,761 |
| Use of Money & Property ⁽⁶⁾ | 10,131,125 | 22,386,007 | 73,345,869 | 68,841,454 |
| Intergovernmental Revenues ⁽⁷⁾ | 2,520,869,399 | 2,980,372,535 | 2,672,368,625 | 2,433,563,473 |
| Charges for Services | 549,297,483 | 599,984,724 | 630,984,720 | 682,017,037 |
| Miscellaneous Revenues ⁽⁸⁾ | 36,034,241 | 40,721,555 | 25,181,046 | 17,043,488 |
| Other Financing Sources ⁽⁹⁾ | 567,111,471 | 579,157,003 | 609,173,368 | 570,069,819 |
| Decreases to Reserves ⁽¹⁰⁾ | - | 175,728,582 | 57,675,061 | - |
| Total Available Funds | \$4,602,600,331 | \$5,367,283,717 | \$5,103,017,963 | \$4,871,302,621 |

-
- (1) Final Budgets include all budget adjustments throughout the year after budget adoption. Most recent budget modifications were approved by the Board of Supervisors in January 2025.
 - (2) Fiscal Year 2022-23's increase in appropriations are due to increases in salaries and employee benefits from 77 positions added to OC Public Works from other departments during approved reorganization. In Fiscal Year 2024-25, 63 positions were transferred from OC Public Works to John Wayne Airport, resulting in a decrease in appropriations.
 - (3) Fiscal Year 2021-22 and Fiscal Year 2022-23's increases in appropriations are due to one-time American Rescue Plan Act (ARPA) funding received in May 2021 (\$308 million) and June 2022 (\$308 million). Fiscal Year 2022-23 budget includes carry-over ARPA. ARPA related funding has been expended; resulting in a decrease in appropriations in Fiscal Year 2023-24 and Fiscal Year 2024-25.
 - (4) Fiscal Year 2021-22's Budget includes a transfer out to General Fund 100 reserves. Fiscal Year 2022-23 and Fiscal Year 2023-24's fluctuations in appropriations are due to one-time transfers out to non-General Funds for the re-budget of multi-year projects; which are not budgeted in FY 2024-25, resulting in a decrease in appropriations.
 - (5) Sales and Other Taxes were budgeted based on current economic trends.
 - (6) Changes in Use of Money & Property are the result of fluctuations in interest earnings from increases or decreases of cash balances and changes in interest rates.
 - (7) Fiscal Year 2022-23's increase in intergovernmental revenue is due to additional State and Federal funding for the COVID-19 pandemic. The County does not anticipate the receipt of additional Federal Disaster Revenue.
 - (8) Fiscal Year 2021-22's budget includes \$20 million draw from OCERS investment account plus \$1.1 million discount from OCERS. Fiscal Year 2022-23 and 2023-24's budget includes \$10 million draw from OCERS investment account, which was not budgeted in Fiscal Year 2024-25, resulting in a decrease in budgeted revenue.
 - (9) Other Financing Sources is comprised of operating transfers from other funds within the County including transfers from the Teeter Program and departmental transfers from non-General Funds for the reimbursement of program expenditures. Fiscal Year 2021-22 other financing sources' balance includes the receipt of \$128 million of FEMA revenue. Fiscal Year 2023-24 includes higher reimbursement of Mental Health Services Act eligible expenditures to Health Care Agency.
 - (10) Decreases to reserves are due to rebudgeting of reserve balances to non-General Fund budgets set aside for ongoing multi-year capital projects.

Source: County of Orange, CEO Budget & Finance Office.

2. Numerical and tabular information for the immediately preceding Fiscal Year of the type contained in Appendix A to the Official Statements relating to the Bonds, in the following charts and tables or under the following captions:
 - a. County Financial Information – Tables A-3 through A-5, Tables A-8 through A-10 and Tables A-12 through A-20

TABLE A-3
COUNTY OF ORANGE
GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Fiscal Years Ending June 30, 2021 through June 30, 2024
(In Thousands)

| | 2021 | 2022 | 2023 | 2024 |
|---|-------------|-------------|-------------|-------------|
| <u>REVENUES AND OTHER FINANCING SOURCES</u> | | | | |
| General Fund | \$4,133,547 | \$4,235,138 | \$4,825,841 | \$4,730,012 |
| Flood Control District | 165,785 | 208,778 | 209,385 | 246,067 |
| Other Public Protection | 84,024 | 62,662 | 64,598 | 84,011 |
| Mental Health Services Act | 239,941 | 249,456 | 174,305 | 319,686 |
| Countywide Capital Projects Non-General Fund | -- | -- | 89,104 | 515,036 |
| Other Governmental Funds | 1,094,062 | 1,047,180 | 1,352,785 | 1,442,035 |
| Total | \$5,717,359 | \$5,803,214 | \$6,716,018 | \$7,336,847 |
| <u>EXPENDITURES AND OTHER FINANCING USES</u> | | | | |
| General Fund | \$4,261,122 | \$3,843,660 | \$4,240,533 | \$5,153,953 |
| Flood Control District | 185,516 | 226,997 | 210,858 | 160,889 |
| Other Public Protection | 47,051 | 78,920 | 71,783 | 77,983 |
| Mental Health Services Act | 189,857 | 195,202 | 295,594 | 303,044 |
| Countywide Capital Projects Non-General Fund | -- | -- | 114,950 | 103,970 |
| Other Governmental Funds | 971,417 | 1,037,977 | 1,223,265 | 1,250,737 |
| Total | \$5,654,963 | \$5,382,756 | \$6,156,983 | \$7,050,576 |
| <u>NET CHANGES IN FUND BALANCES</u> | | | | |
| General Fund | (\$127,575) | \$391,478 | \$585,308 | (\$423,941) |
| Flood Control District | (19,731) | (18,219) | (1,473) | 85,178 |
| Other Public Protection | 36,973 | (16,258) | (7,185) | 6,028 |
| Mental Health Services Act | 50,084 | 54,254 | (121,289) | 16,642 |
| Countywide Capital Projects Non-General Fund | -- | -- | (25,846) | 411,066 |
| Other Governmental Funds | 122,645 | 9,203 | 129,520 | 191,298 |
| Total | \$62,396 | \$420,458 | \$559,035 | \$286,271 |

Sources: County of Orange Annual Comprehensive Financial Reports.

TABLE A-4
COUNTY OF ORANGE
GENERAL FUND BALANCE SHEET⁽¹⁾
June 30, 2021 through June 30, 2024
(In Thousands)

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| <u>ASSETS</u> | | | | |
| Pooled Cash/Investments | \$1,247,941 | \$1,499,639 | \$1,141,884 | \$704,014 |
| Imprest Cash Funds | 1,838 | 1,838 | 1,847 | 1,842 |
| Restricted Cash and Investments with Trustee | 8 | 9 | -- | -- |
| Investments | -- | -- | 494,387 | 508,722 |
| Deposits In-Lieu of Cash | 9,803 | 9,245 | 9,170 | 9,042 |
| Receivables | | | | |
| Accounts | 17,709 | 16,499 | 18,288 | 17,061 |
| Taxes | 6,109 | 7,942 | 7,305 | 7,998 |
| Interest/Dividends | 1,598 | 1,536 | 8,814 | 18,561 |
| Deposits | 412 | 412 | 412 | 544 |
| Advances | 7,835 | 1,241 | 330 | 50 |
| Leases | -- | 10,639 | 9,408 | 8,756 |
| Allowance for Uncollectible Receivables | (896) | (673) | (672) | (1,215) |
| Due from Other Funds | 110,138 | 125,995 | 158,689 | 126,042 |
| Due from Component Unit | 142 | 435 | 274 | 361 |
| Due from Other Governmental Agencies, Net | 415,167 | 461,836 | 450,698 | 510,213 |
| Inventory of Materials and Supplies | 1,428 | 1,661 | 1,326 | 1,181 |
| Prepaid Costs | 514,451 | 516,060 | 849 | 3,348 |
| Total Assets | <u>\$2,333,683</u> | <u>\$2,654,314</u> | <u>\$2,303,009</u> | <u>\$1,916,520</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$93,961 | \$84,267 | \$98,630 | \$125,176 |
| Retainage Payable | 1,536 | 1,397 | 189 | 1,260 |
| Salaries and Employee Benefits Payable | 75,953 | 87,901 | 102,816 | 111,253 |
| Interest Payable | 882 | 1,473 | -- | -- |
| Deposits from Others | 24,169 | 22,994 | 23,335 | 24,413 |
| Due to Other Funds | 234,778 | 74,035 | 63,747 | 23,851 |
| Due to Component Unit | -- | -- | 1 | -- |
| Due to Other Governmental Agencies | 43,459 | 31,753 | 32,152 | 49,165 |
| Estimated Litigation and Claims | -- | -- | 855 | 52 |
| Unearned Revenue | 402,513 | 387,788 | 59,693 | 93,848 |
| Bonds Payable | 484,800 | 521,784 | -- | -- |
| Advances from Other Funds | -- | -- | -- | -- |
| Total Liabilities | <u>\$1,362,051</u> | <u>\$1,213,392</u> | <u>\$381,418</u> | <u>\$429,018</u> |
| <u>DEFERRED INFLOWS OF RESOURCES ⁽²⁾</u> | | | | |
| Unavailable Revenue- Intergovernmental Revenues | \$195,873 | -- | -- | -- |
| Unavailable Revenue- Senate Bill 90 Mandated Claims, Net | 17,380 | -- | -- | -- |
| Unavailable Revenue- Property Taxes | 5,995 | -- | -- | -- |
| Unavailable Revenue- Others | 16,657 | -- | -- | -- |
| Total Deferred Inflows of Resources | <u>\$235,905</u> | <u>\$313,717</u> | <u>\$209,078</u> | <u>\$198,930</u> |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable ⁽³⁾ | \$515,879 | \$517,721 | \$2,175 | \$4,529 |
| Restricted | 97,998 | 164,954 | 284,714 | 217,922 |
| Assigned | 108,268 | 316,809 | 653,241 | 160,213 |
| Unassigned | 13,582 | 127,721 | 772,383 | 905,908 |
| Total Fund Balances | <u>\$735,727</u> | <u>\$1,127,205</u> | <u>\$1,712,513</u> | <u>\$1,288,572</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$2,333,683</u> | <u>\$2,654,314</u> | <u>\$2,303,009</u> | <u>\$1,916,520</u> |

⁽¹⁾ The Notes to the County's Basic Financial Statements are an integral part of this table and can be found in the County's Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2024 in Exhibit A of this Annual Report.

⁽²⁾ See Note 1 in the "Notes to the County's Basic Financial Statements Fiscal Year Ended June 30, 2024" in Exhibit A of this Annual Report.

⁽³⁾ Includes an amount equal to pension obligation bonds sold to prepay the subsequent year's pension obligations, which are reserved as nonspendable as a "prepaid cost". Pension prepayments represent \$479 million for Fiscal Year 2021, and \$516 million for Fiscal Year 2022. As a result, GASB 54 presentation does not represent the County's budgetary and financial planning allocation of fund balance.

Sources: County of Orange Annual Comprehensive Financial Reports.

TABLE A-5
COUNTY OF ORANGE
COMPARISON OF STATEMENT OF GENERAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years Ending June 30
(In Thousands)

| | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | |
| Taxes ⁽¹⁾ | \$848,296 | \$889,841 | \$936,727 | \$990,975 |
| Licenses, Permits & Franchises | 26,682 | 25,626 | 28,358 | 28,878 |
| Fines, Forfeitures & Penalties | 38,697 | 39,230 | 43,991 | 40,834 |
| Use of Money and Property | 3,734 | 3,952 | 41,298 | 91,189 |
| Intergovernmental Revenues | 2,401,642 | 2,411,079 | 2,623,835 | 2,255,698 |
| Charges for Services | 499,381 | 524,632 | 548,513 | 542,454 |
| Other Revenues | 22,175 | 19,843 | 33,953 | 15,715 |
| TOTAL REVENUES | <u>\$3,840,607</u> | <u>\$3,914,203</u> | <u>\$4,256,675</u> | <u>\$3,965,743</u> |
| EXPENDITURES | | | | |
| General Government | \$197,531 | \$226,883 | \$321,782 | \$249,137 |
| Public Protection | 1,430,830 | 1,473,627 | 1,526,204 | 1,645,499 |
| Public Ways and Facilities | 40,431 | 38,058 | 46,490 | 54,551 |
| Health and Sanitation | 1,130,237 | 871,788 | 878,092 | 1,033,478 |
| Public Assistance | 1,129,822 | 1,034,064 | 1,099,470 | 1,224,925 |
| Capital Outlay | 28,963 | 19,239 | 134,133 | 149,102 |
| Principal Retirement | 5,682 | 30,699 | 51,391 | 56,939 |
| Interest | 6,983 | 16,903 | 16,793 | 15,892 |
| TOTAL EXPENDITURES | <u>\$3,970,479</u> | <u>\$3,711,261</u> | <u>\$4,074,355</u> | <u>\$4,429,523</u> |
| Excess (Deficit) of Revenues over Expenditures | <u>(129,872)</u> | <u>202,942</u> | <u>182,320</u> | <u>(463,780)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In ⁽²⁾ | \$292,940 | \$315,293 | \$472,846 | \$646,112 |
| Transfers Out ⁽²⁾ | (\$290,643) | (\$132,399) | (\$166,178) | (\$724,430) |
| Leases Issued | -- | 5,642 | \$72,830 | \$118,157 |
| Subscriptions Issued | -- | -- | 23,490 | -- |
| Total Other Financing Sources (Uses) | <u>\$2,297</u> | <u>\$188,536</u> | <u>\$402,988</u> | <u>\$39,839</u> |
| Net Change in Fund Balances | <u>(127,575)</u> | <u>391,478</u> | <u>585,308</u> | <u>(423,941)</u> |
| Fund Balances - Beginning of Year | <u>863,302</u> | <u>735,727</u> | <u>1,127,205</u> | <u>1,712,513</u> |
| Fund Balances - End of Year | <u>\$735,727</u> | <u>\$1,127,205</u> | <u>\$1,712,513</u> | <u>\$1,288,572</u> |

⁽¹⁾ Primarily property taxes, as well as local sales and other taxes.

⁽²⁾ Interfund transfers reflect the flow of assets between funds and component units of the County. See Note 9 in the "Notes to the County's Basic Financial Statements Fiscal Year Ended June 30, 2024" in Exhibit A of this Annual Report.

Sources: County of Orange Annual Comprehensive Financial Reports.

TABLE A-8
COUNTY OF ORANGE
DETAIL OF ASSESSED VALUATION ⁽¹⁾

| Fiscal Year | Secured | Unsecured | Total | % Change |
|--------------------|-------------------|------------------|-------------------|-----------------|
| 2014-15 | \$455,733,167,806 | \$20,570,122,070 | \$476,303,289,876 | 6.38% |
| 2015-16 | 485,007,445,623 | 19,642,914,061 | 504,650,359,684 | 5.95 |
| 2016-17 | 511,774,616,621 | 19,277,541,199 | 531,052,157,820 | 5.23 |
| 2017-18 | 543,455,064,150 | 20,206,980,147 | 563,662,044,297 | 6.14 |
| 2018-19 | 578,490,557,698 | 20,410,457,844 | 598,901,015,542 | 6.25 |
| 2019-20 | 611,273,691,516 | 21,484,564,302 | 632,758,255,818 | 5.65 |
| 2020-21 | 641,723,745,805 | 21,517,432,885 | 663,241,178,690 | 4.82 |
| 2021-22 | 666,026,539,837 | 23,062,391,494 | 689,088,931,331 | 3.90 |
| 2022-23 | 710,146,195,019 | 23,488,321,205 | 733,634,516,224 | 6.46 |
| 2023-24 | 753,517,284,312 | 25,203,131,977 | 778,720,416,289 | 6.15 |
| 2024-25 | 792,107,203,136 | 27,953,760,860 | 820,060,963,996 | 5.31 |

⁽¹⁾ Figures in table include incremental value for redevelopment agencies. Property is assessed at taxable full cash value, pursuant to California Revenue and Taxation Code Section 135(a).

Sources: County of Orange Office of Auditor-Controller, Assessed Valuation Reports.

TABLE A-9
COUNTY OF ORANGE
TOP 20 SECURED TAXPAYERS
FISCAL YEAR 2024-25

| Taxpayers ⁽¹⁾ | Secured Tax Charge | % of Taxes ⁽²⁾ |
|--|---------------------------|----------------------------------|
| 1. Irvine Company | \$201,657,744 | 2.19% |
| 2. Walt Disney Parks & Resorts US | 85,719,904 | 0.93 |
| 3. Southern California Edison Company (Edison International) | 74,319,431 | 0.81 |
| 4. Sempra Energy (SDG&E, So. Cal Gas) | 24,009,746 | 0.26 |
| 5. United Laguna Hills Mutual (Laguna Woods) | 14,913,313 | 0.16 |
| 6. BEX Portfolio, Inc. | 9,417,526 | 0.10 |
| 7. Fertitta MLB Owner LLC (Ritz Carlton/Montage) | 9,395,386 | 0.10 |
| 8. AT&T (Pacific Bell Telephone Company) | 8,231,446 | 0.09 |
| 9. AES Corporation | 8,096,110 | 0.09 |
| 10. Olen Properties Corp | 7,884,194 | 0.09 |
| 11. Edwards Lifesciences | 7,608,339 | 0.08 |
| 12. Five Point Holdings, LLC | 7,576,805 | 0.08 |
| 13. Bella Terra Associates, LLC | 7,463,598 | 0.08 |
| 14. B. Braun Medical, Inc. | 7,102,695 | 0.08 |
| 15. LBA IV-PPI LLC (LBA Realty) | 6,737,185 | 0.07 |
| 16. South Coast Plaza | 5,858,584 | 0.06 |
| 17. United Dominion Realty LP | 5,459,200 | 0.06 |
| 18. Rexford Industrial Realty LP | 5,214,981 | 0.06 |
| 19. Knott's Berry Farm | 5,030,179 | 0.05 |
| 20. Chapman University | 4,570,149 | 0.05 |
| TOTAL | \$506,266,515 | 5.49% |

⁽¹⁾ Taxpayers are grouped under a parent, if identifiable.

⁽²⁾ Total Secured Taxes as of January 21, 2025 were \$9,193,248,143.

Source: County of Orange Treasurer-Tax Collector.

TABLE A-10
COUNTY OF ORANGE
TOP 10 UNSECURED TAXPAYERS
FISCAL YEAR 2024-25

| Taxpayers ⁽¹⁾ | Unsecured Tax Charge | % of Taxes ⁽²⁾ |
|--|----------------------|---------------------------|
| 1. Charter Communications, Inc. (Time Warner) | \$4,624,419 | 1.33% |
| 2. Cox Communications, Inc. | 4,355,609 | 1.25 |
| 3. TGS Computing LLC | 3,227,329 | 0.93 |
| 4. Johnson & Johnson | 2,783,049 | 0.80 |
| 5. Allergan, Inc. | 2,053,739 | 0.59 |
| 6. Applied Medical Resources Corporation | 1,804,694 | 0.52 |
| 7. Luxottica of America, Inc. (Oakley Inc.) | 1,618,070 | 0.46 |
| 8. Republic Services Inc. | 1,538,290 | 0.44 |
| 9. Cereberus Capital Management (Albertson's/Vons) | 1,483,382 | 0.43 |
| 10. Berkshire Hathaway Inc. (PCC Rollmet Inc.) | 1,399,749 | 0.40 |
| TOTAL | \$24,888,330 | 7.15% |

⁽¹⁾ Taxpayers are grouped under a parent, if identifiable.

⁽²⁾ Total Unsecured Taxes as of January 21, 2025 were \$348,235,391.

Source: County of Orange Treasurer-Tax Collector.

TABLE A-12
COUNTY OF ORANGE
OUTSTANDING LONG-TERM DEBT AND LEASE OBLIGATIONS

| Description | Source of Repayment | Outstanding Principal Balance (June 30, 2024) | Final Maturity Date |
|--|---------------------|---|---------------------|
| County of Orange Teeter Plan Obligation Notes, Series B | Series A Taxes | \$ 36,787,000 | 2024 |
| South Orange County Public Financing Authority Central Utility Facility Lease Revenue Bonds, Series 2016 | General Fund | \$ 39,780,000 | 2036 |
| California Municipal Finance Authority Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program - Phase I) ⁽¹⁾ | General Fund | \$ 140,315,000 | 2047 |
| California Municipal Finance Authority Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Improvement Program - Phase II) ⁽²⁾ | General Fund | \$ 178,255,000 | 2048 |
| South Orange County Public Financing Authority Lease Revenue Bonds, Series 2022 (County of Orange Sheriff-Coroner Facility) | General Fund | \$ 82,035,000 | 2052 |
| TOTAL | | \$ 477,172,000 | |

⁽¹⁾ The lease payments for the Series 2017A Bonds became an obligation to the County on November 12, 2019 when the building's Certificate of Substantial Completion was delivered to the trustee. The County's base rental payments began in FY 2020-21.

⁽²⁾ The lease payments for the Series 2018A Bonds became an obligation to the County on August 5, 2022 when the building's Certificate of Substantial Completion was delivered to the trustee. The County's base rental payments began in FY 2022-23.

Source: County of Orange, CEO Budget & Finance Office.

TABLE A-13
COUNTY OF ORANGE
GENERAL FUND DEBT SERVICE

| Description | Fiscal Year 2024-25 | Fiscal Year 2025-26 | Fiscal Year 2026-27 | Fiscal Year 2027-28 | Fiscal Year 2028-29 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| County of Orange Teeter Plan Obligation Notes, Series B ⁽¹⁾ | 0 | 0 | 0 | 37,415,000 | 0 |
| South Orange County Public Financing Authority, Central Utility Facility Lease Revenue Bonds, Series 2016 | 4,489,000 | 4,489,000 | 4,487,750 | 4,490,000 | 4,490,250 |
| California Municipal Finance Authority Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program - Phase I) ⁽²⁾ | 2,395,560 | 2,395,440 | 2,395,680 | 2,394,960 | 2,395,620 |
| California Municipal Finance Authority Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Improvement Program - Phase II) ⁽³⁾ | 5,942,165 | 5,942,050 | 5,941,935 | 5,941,590 | 5,943,085 |
| South Orange County Public Financing Authority Lease Revenue Bonds, Series 2022 (County of Orange Sheriff-Coroner Facility) | 5,506,750 | 5,506,500 | 5,507,750 | 5,505,250 | 5,504,000 |
| TOTAL GENERAL FUND DEBT SERVICE | \$18,333,475 | \$18,332,990 | \$18,333,115 | \$55,746,800 | \$18,332,955 |

⁽¹⁾ Historically, the County has retired portions of the Teeter Notes throughout the year using delinquent tax revenues associated with the Teeter Plan. In July of each year, the County has issued additional Teeter Notes to fund the distribution to Participating Agencies under the Teeter Plan. The Teeter Notes mature on July 30, 2027.

⁽²⁾ The lease payments for the Series 2017A Bonds became an obligation to the County on November 12, 2019 when the building's Certificate of Substantial Completion was delivered to the trustee. The County's base rental payments began in FY 2020-21.

⁽³⁾ The lease payments for the Series 2018A Bonds become an obligation to the County on August 5, 2022 when the building's Certificate of Substantial Completion was delivered to the trustee. The County's base rental payments began in FY 2022-23.

Source: County of Orange, CEO Budget & Finance Office.

TABLE A-14
COUNTY OF ORANGE
DIRECT AND OVERLAPPING DEBT
As of June 30, 2024

2023-24 Assessed Valuation: \$778,720,416,289 (includes unitary utility valuation)

| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | <u>% Applicable</u> | <u>Debt 6/30/24</u> |
|---|---------------------|--|
| Metropolitan Water District | 19.879% | \$ 3,619,966 |
| Coast Community College District | 99.999 | 886,947,214 |
| North Orange County Joint Community College District | 97.767 | 285,050,128 |
| Rancho Santiago Community College District & School Facilities Improvement District No. 1 | 100.000 | 299,041,441 |
| Unified School Districts | 0.164-100 | 2,295,866,415 |
| Anaheim Union High School District | 100.000 | 229,078,955 |
| Fullerton Joint Union High School District | 91.862 | 163,238,774 |
| Huntington Beach Union High School District | 100.000 | 137,329,998 |
| School Districts | 37.998-100 | 1,112,781,955 |
| Irvine Ranch Water District Improvement Districts | 100.000 | 484,405,003 |
| Santa Margarita Water District Improvement Districts | 100.000 | 29,615,000 |
| Cities | 100.000 | 22,530,000 |
| Orange County Community Facilities Districts | 100.000 | 592,585,000 |
| Other Community Facilities Districts | 100.000 | 2,206,031,600 |
| City Special Assessment Bonds | 100.000 | 627,005,219 |
| County 1915 Act Bonds | 100.000 | 22,452,000 |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | | \$9,397,578,668 |
| | | |
| <u>OTHER DIRECT AND OVERLAPPING DEBT:</u> | | |
| Orange County General Fund Obligations | 100.000% | \$ 440,385,000 |
| Orange County Board of Education General Fund Obligations | 100.000 | 10,030,000 |
| Coast Community College District General Fund and Pension Obligation Bonds | 99.999 | 1,999,980 |
| Unified School District General Fund Obligations | 99.990-100 | 250,758,989 |
| High School District General Fund Obligations | 91.862-100 | 93,480,273 |
| School District General Fund Obligations | 100.000 | 67,694,261 |
| City of Anaheim General Fund Obligations | 100.000 | 597,852,761 |
| Other City General Fund Obligations | 100.000 | 1,977,716,337 |
| Moulton-Niguel Water District General Fund Obligations | 100.000 | 48,605,000 |
| TOTAL GROSS OTHER DIRECT AND OVERLAPPING DEBT | | \$3,488,522,601 |
| Less: City of Anaheim supported obligations | | 436,373,953 |
| City of Buena Park supported pension obligations | | 3,661,664 |
| City of Placentia supported pension obligations | | 1,165,124 |
| TOTAL NET OTHER DIRECT AND OVERLAPPING DEBT | | \$3,047,321,860 |
| | | |
| <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u> | | |
| Anaheim Redevelopment Agency | 100.000% | \$106,820,000 |
| Brea Redevelopment Agency | 100.000 | 71,931,668 |
| Westminster Redevelopment Agency | 100.000 | 90,720,000 |
| Fullerton Redevelopment Agency | 100.000 | 27,870,000 |
| Buena Park Redevelopment Agency | 100.000 | 32,195,000 |
| Other Redevelopment Agencies | 100.000 | 252,011,503 |
| TOTAL OVERLAPPING TAX INCREMENT DEBT | | \$581,548,171 |
| | | |
| GROSS COMBINED TOTAL DEBT | | \$13,467,649,440 ⁽¹⁾ |
| NET COMBINED TOTAL DEBT | | \$13,026,448,699 |
| | | |
| <u>Ratios to 2023-24 Assessed Valuation:</u> | | |
| Total Direct and Overlapping Tax and Assessment Debt | 1.21% | |
| Combined Direct Debt (\$440,385,000) | 0.06% | |
| Gross Combined Total Debt | 1.73% | |
| Net Combined Total Debt | 1.67% | |
| | | |
| <u>Ratios to Redevelopment Successor Agencies Incremental Valuation (\$93,326,949,747):</u> | | |
| Total Overlapping Tax Increment Debt | 0.62% | |

⁽¹⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.
Source: California Municipal Statistics, Inc.

TABLE A-15
COUNTY OF ORANGE EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT RETURNS

| <u>Year Ended</u> <u>December 31</u> | <u>Actuarial Value</u> <u>Investment Return</u> | <u>Market Value</u> <u>Investment Return</u> |
|---|--|---|
| 2014 | 7.34% | 4.52% |
| 2015 | 5.26 | (0.45) |
| 2016 | 6.33 | 8.72 |
| 2017 | 7.44 | 14.79 |
| 2018 | 5.20 | (2.46) |
| 2019 | 6.66 | 14.79 |
| 2020 | 9.31 | 12.01 |
| 2021 | 11.38 | 17.71 |
| 2022 | 6.69 | (9.71) |
| 2023 | 7.77 | 11.61 |
| 5-Year Average Return | 8.35% | 8.81% |
| 10-Year Average Return | 7.32% | 6.81% |

Source: County of Orange Employees Retirement System Actuarial Valuation and Review as of December 31, 2023.

TABLE A-16
COUNTY OF ORANGE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
(In Thousands)

| <u>Actuarial</u> <u>Valuation</u> <u>December 31</u> | <u>Actuarial</u> <u>Value of</u> <u>Assets</u> ⁽¹⁾ | <u>Market</u> <u>Value of</u> <u>Assets</u> | <u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> | <u>Total Unfunded</u> | | <u>Actuarial</u> <u>Funded</u> <u>Ratio</u> ⁽³⁾ | <u>Market</u> <u>Funded</u> <u>Ratio</u> ⁽⁴⁾ | <u>Covered</u> <u>Payroll</u> ⁽⁵⁾ | <u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u> ⁽⁶⁾ |
|--|---|---|--|--|--|--|---|---|---|
| | | | | <u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(UAAL)</u> ⁽²⁾ | <u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(UAAL)</u> ⁽²⁾ | | | | |
| 2014 | \$11,449,911 | \$11,428,133 | \$16,413,124 | \$4,963,213 | 69.76% | 69.63% | \$1,648,160 | 301.14% | |
| 2015 | 12,228,009 | 11,548,529 | 17,050,357 | 4,822,348 | 71.72 | 67.73 | 1,633,112 | 295.29 | |
| 2016 | 13,102,978 | 12,657,418 | 17,933,461 | 4,830,483 | 73.06 | 70.58 | 1,759,831 | 274.49 | |
| 2017 | 14,197,125 | 14,652,607 | 19,635,427 | 5,438,302 | 72.30 | 74.62 | 1,811,877 | 300.15 | |
| 2018 | 14,994,420 | 14,349,705 | 20,703,349 | 5,708,929 | 72.43 | 69.31 | 1,875,370 | 304.42 | |
| 2019 | 16,036,869 | 16,516,024 | 21,916,730 | 5,879,861 | 73.17 | 75.36 | 1,952,534 | 301.14 | |
| 2020 | 17,525,117 | 18,494,378 | 22,904,975 | 5,379,858 | 76.51 | 80.74 | 1,962,869 | 274.08 | |
| 2021 | 19,488,761 | 21,738,794 | 24,016,073 | 4,527,312 | 81.15 | 90.52 | 2,052,706 | 220.55 | |
| 2022 | 20,691,659 | 19,534,631 | 25,386,669 | 4,695,010 | 81.51 | 76.95 | 2,124,678 | 220.98 | |
| 2023 | 22,135,285 | 21,635,294 | 26,788,041 | 4,652,756 | 82.63 | 80.76 | 2,277,976 | 204.25 | |

⁽¹⁾ The Actuarial Value of Assets exclude assets held in the Investment Account and prepaid employer contributions.

⁽²⁾ Actuarial Accrued Liability minus Actuarial Value of Assets.

⁽³⁾ Actuarial Value of Assets divided by Actuarial Accrued Liability.

⁽⁴⁾ Market Value of Assets divided by Actuarial Accrued Liability.

⁽⁵⁾ Annual payroll against which UAAL is amortized.

⁽⁶⁾ UAAL divided by Covered Payroll.

Sources: County of Orange Employees Retirement System Annual Comprehensive Financial Reports and County of Orange Employees Retirement System Actuarial Valuation and Review as of December 31, 2023.

TABLE A-17
COUNTY OF ORANGE EMPLOYEES' RETIREMENT SYSTEM
CHANGES IN FIDUCIARY NET POSITION
(In Thousands)

| | Year Ended December 31 | | |
|---|-------------------------------|----------------------|--------------------|
| | 2021 | 2022 | 2023 |
| Contributions Received ⁽¹⁾ | \$970,125 | \$989,690 | \$1,027,231 |
| Net Investment Income (Loss) | 3,221,132 | (2,059,364) | 2,324,556 |
| Net Securities Lending Income | 933 | 774 | 925 |
| Participant's Benefits ⁽²⁾ | (1,031,289) | (1,117,476) | (1,201,497) |
| Withdrawals and Refunds | (14,449) | (22,239) | (14,751) |
| Administrative Expenses | (21,473) | (23,546) | (29,056) |
| Increases in Net Position Restricted for Pension and OPEB | <u>\$3,124,979</u> | <u>(\$2,232,161)</u> | <u>\$2,107,408</u> |

⁽¹⁾ Includes employer and employee pension and retiree health care contributions to OCERS.

⁽²⁾ Participant benefits include death benefits.

Sources: County of Orange Employees Retirement System Annual Comprehensive Financial Reports.

TABLE A-18
COUNTY OF ORANGE EMPLOYEES' RETIREMENT SYSTEM
COUNTY CONTRIBUTIONS
(In Thousands)

| Year Ended June 30 | County Cash Contribution | Investment Account Contribution | Total Annual Required Contribution | Percentage Contributed |
|-------------------------------|-------------------------------------|--|---|-----------------------------------|
| 2015 | \$371,810 | \$0 | \$371,810 | 100.00% |
| 2016 | 384,133 | 0 | 384,133 | 100.00 |
| 2017 | 405,494 | 0 | 405,494 | 100.00 |
| 2018 | 433,098 | 0 | 433,098 | 100.00 |
| 2019 | 440,634 | 0 | 440,634 | 100.00 |
| 2020 | 475,676 | 0 | 475,676 | 100.00 |
| 2021 | 513,799 | 0 | 513,799 | 100.00 |
| 2022 | 557,225 | 0 | 557,225 | 100.00 |
| 2023 | 591,307 | 0 | 591,307 | 100.00 |
| 2024 | 596,348 | 0 | 596,348 | 100.00 |

Source: County of Orange Annual Comprehensive Financial Reports.

TABLE A-19
COUNTY OF ORANGE RETIREE MEDICAL PLAN
SCHEDULE OF FUNDING PROGRESS
(In Thousands)

| Actuarial Valuation as of June 30 ⁽¹⁾ | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded Actuarial Accrued Liability (UAAL) (b - a = c) | Funded Ratio (a / b) | Annual Covered Payroll (d) | UAAL as a Percentage of Covered Payroll (c / d) |
|---|--|---|--|----------------------------|-------------------------------------|---|
| 2015 | \$217,556 | \$614,500 | \$396,944 | 35.4% | \$1,188,727 | 33.4% |
| 2017 | 273,936 | 680,652 | 406,716 | 40.2 | 1,277,714 | 31.8 |
| 2019 | 349,247 | 714,234 | 364,987 | 48.9 | 1,303,928 | 28.0 |
| 2021 | 419,446 | 729,770 | 310,324 | 57.5 | 1,317,622 | 23.6 |
| 2023 | 431,693 | 667,520 | 235,827 | 64.7 | 1,452,174 | 16.2 |

⁽¹⁾ Valuation reports are received every other year.

Sources: County of Orange Annual Comprehensive Financial Report June 30, 2024 and June 30, 2023 Actuarial Valuation.

TABLE A-20
COUNTY OF ORANGE RETIREE MEDICAL PLAN
CALCULATION OF OPEB ASSET
(In Thousands)

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------|---------|---------|---------|---------|
| Annual Required Contribution | (1) | (1) | (1) | (1) | (1) |
| Interest on Net OPEB Obligation | (1) | (1) | (1) | (1) | (1) |
| Amortization of Net OPEB Obligation | (1) | (1) | (1) | (1) | (1) |
| Annual OPEB Cost | (1) | (1) | (1) | (1) | (1) |
| Contributions Made | (1) | (1) | (1) | (1) | (1) |
| Decrease/(Increase) in Net OPEB Asset | (1) | (1) | (1) | (1) | (1) |
| Net OPEB Obligation/(Asset), Beginning of year | (1) | (1) | (1) | (1) | (1) |
| Net OPEB Obligation/(Asset), End of year | (1) | (1) | (1) | (1) | (1) |

⁽¹⁾ Due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", contributions made to the County's Retiree Medical Plan in excess of the annual cost are no longer classified as an asset as shown in prior reports. The tables on the following pages show the Retiree Medical Plan liability for both the County and the collective plan under GASB Statement No. 75. For additional information, see Notes 1, 19 and the Required Supplemental Information section of the County's Annual Comprehensive Financial Report dated June 30, 2024 included herein as Exhibit A.

Sources: County of Orange Annual Comprehensive Financial Reports.

COUNTY OF ORANGE RETIREE MEDICAL PLAN (CONTINUED)

**Schedule of Changes in the Collective Plan Net OPEB Liability
And Related Ratios**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total OPEB Liability | | | | | | | |
| Service Cost | \$8,825 | \$14,426 | \$15,397 | \$14,912 | \$16,501 | \$15,982 | \$15,479 |
| Interest | 47,434 | 51,443 | 52,018 | 50,385 | 50,298 | 48,442 | 46,589 |
| Changes of benefit terms | -- | (75,495) | -- | -- | 5,508 | -- | -- |
| Difference between expected and actual experience | (41,865) | -- | (41,074) | -- | (10,635) | -- | -- |
| Changes of assumptions | 11,569 | -- | 8,321 | -- | (17,535) | -- | -- |
| Benefit payments, including refunds of member contributions | (42,265) | (41,808) | (42,002) | (42,911) | (39,719) | (37,118) | (35,111) |
| Net change in Total OPEB Liability | (16,302) | (51,434) | (7,340) | 22,386 | 4,418 | 27,306 | 26,957 |
| Total OPEB Liability-beginning | 689,935 | 741,369 | 748,709 | 726,322 | 721,904 | 694,598 | 667,641 |
| Total OPEB Liability-ending (a) | \$673,633 | \$689,935 | \$741,369 | \$748,708 | \$726,322 | \$721,904 | \$694,598 |
| Plan Fiduciary Net Position | | | | | | | |
| Changes of benefit terms | -- | (\$59,975) | -- | -- | -- | -- | -- |
| Contributions-employer | 43,963 | 46,389 | 45,402 | 45,989 | 58,807 | 54,229 | \$60,721 |
| Contributions-employee | 250 | 237 | 235 | 208 | 505 | 2,103 | 2,193 |
| Net investment income (loss) | 49,468 | (38,387) | 66,778 | 40,847 | 43,720 | (5,746) | 34,217 |
| Benefit payments, including refunds of member contributions | (42,265) | (41,808) | (42,002) | (42,911) | (39,719) | (37,118) | (35,111) |
| Administrative expense | (24) | (23) | (24) | (22) | (20) | (21) | (22) |
| Net change in Plan Fiduciary Net Position | 51,392 | (93,567) | 70,389 | 44,111 | 63,293 | 13,447 | 61,998 |
| Plan Fiduciary Net Position-beginning | 391,478 | 485,045 | 414,656 | 370,545 | 307,252 | 293,805 | 231,807 |
| Plan Fiduciary Net Position-ending (b) | \$442,870 | \$391,478 | \$485,045 | \$414,656 | \$370,545 | \$307,252 | \$293,805 |
| Plan Net OPEB Liability-ending (a)-(b) | \$230,763 | \$298,457 | \$256,324 | \$334,052 | \$355,777 | \$414,652 | \$400,793 |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 65.74% | 56.74% | 65.43% | 55.38% | 51.02% | 42.56% | 42.30% |
| Covered payroll ⁽¹⁾ | \$1,590,114 | \$1,499,572 | \$1,453,302 | \$1,426,003 | \$1,368,521 | \$1,346,440 | \$1,313,217 |
| Plan Net OPEB Liability as a percentage of covered payroll | 14.51% | 19.90% | 17.64% | 23.43% | 26.00% | 30.80% | 30.52% |

Schedule of Investment Returns

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|--------|--------|--------|--------|--------|--------|--------|
| Actual money-weighted rate of return, net of investment expense | 11.44% | -7.88% | 16.67% | 11.22% | 14.81% | -1.31% | 14.74% |

⁽¹⁾ For the 12-month period ending on December 31 (measurement date and plan year).

The schedule is presented to show information for 10 years. However, a full 10-year trend is currently not available; the County will be adding years in the future.

Source: County of Orange Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024.

COUNTY OF ORANGE RETIREE MEDICAL PLAN (CONTINUED)

Schedule of County's Proportionate Share of the Net OPEB Liability

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| County's proportion of the net OPEB Liability | 90.92% | 90.94% | 90.92% | 91.43% | 92.31% | 91.78% | 90.84% |
| County's proportionate share of the net OPEB liability | \$209,799 | \$271,417 | \$233,049 | \$305,411 | \$328,412 | \$380,581 | \$364,071 |
| Covered payroll ⁽¹⁾ | \$1,450,738 | \$1,373,815 | \$1,331,656 | \$1,306,964 | \$1,254,780 | \$1,234,558 | \$1,203,106 |
| County's proportionate share of the net OPEB liability as a percentage of its covered payroll | 14.46% | 19.76% | 17.50% | 23.37% | 26.17% | 30.83% | 30.26% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 65.74% | 56.74% | 65.43% | 55.38% | 51.02% | 42.56% | 42.30% |

Schedule of Collective Plan Contributions

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actuarially determined contribution | \$40,589 | \$46,906 | \$50,102 | \$48,525 | \$50,037 | \$52,554 | \$47,006 |
| Contributions in relation to the actuarially determined contribution | 43,963 | 46,389 | 45,402 | 45,989 | 58,807 | 54,229 | 60,721 |
| Contribution deficiency (excess) | (\$3,374) | \$517 | \$4,700 | \$2,536 | (\$8,770) | (\$1,675) | (\$13,715) |
| Covered payroll ⁽¹⁾ | \$1,590,114 | \$1,499,572 | \$1,453,302 | \$1,426,003 | \$1,368,521 | \$1,346,440 | \$1,313,217 |
| Contributions as a percentage of covered payroll | 2.76% | 3.09% | 3.12% | 3.23% | 4.30% | 4.03% | 4.62% |

Schedule of County Contributions

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actuarially determined contribution | \$36,902 | \$42,425 | \$45,930 | \$44,577 | \$45,698 | \$48,101 | \$42,716 |
| Contributions in relation to the actuarially determined contribution | 23,780 | 43,336 | 42,373 | 39,393 | 50,466 | 52,349 | 46,005 |
| Contribution deficiency (excess) | \$13,122 | (\$911) | \$3,557 | \$5,184 | (\$4,768) | (\$4,248) | (\$3,289) |
| Covered payroll ⁽²⁾ | \$1,523,377 | \$1,404,551 | \$1,353,522 | \$1,310,629 | \$1,293,186 | \$1,254,706 | \$1,220,638 |
| Contributions as a percentage of covered payroll | 1.56% | 3.09% | 3.13% | 3.01% | 3.90% | 4.17% | 3.77% |

⁽¹⁾ For the 12 month period ending on December 31 (measurement date and plan year).

⁽²⁾ For the 12 month period ending on June 30, fiscal year end.

The schedule is presented to show information for 10 years. However, a full 10-year trend is currently not available; the County will be adding years in the future.

Source: County of Orange Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2024.

b. Investment Policy

The Board of Supervisors of the County approved the 2025 Investment Policy on February 11, 2025. A copy of the County's 2025 Investment Policy is included herein as Exhibit B.

CERTAIN DISCLAIMERS

The information contained in this Annual Report expresses only the views of the applicable party. An explanation of the significance of any such information may be obtained from the applicable party; provided, however, that no information provided by any party is incorporated in this Annual Report. The County and the California Municipal Finance Authority (“CMFA”) undertakes no responsibility to oppose any revision or withdrawal of such information contained in this Annual Report.

To the extent the County or the CMFA provides information in this Annual Report, the County and the CMFA are not obligated to present or update information in future Annual Reports. Investors are advised to refer to the Official Statements for the Bonds for information concerning the initial delivery of and security for the Bonds.

By providing the information in this Annual Report, the County and the CMFA do not imply or represent (a) that all information provided in this Annual Report is material to investors’ decisions regarding investment in the Bonds, (b) the completeness or accuracy of any financial, operational or other information not included herein or in the Official Statements, (c) that no changes, circumstances or events have occurred since the date of this Annual Report (other than as contained herein), or (d) that no other information exists which may have a bearing on the County’s financial condition, the security for the Bonds or an investor’s decision to buy, sell or hold the Bonds.

The information set forth in this Annual Report or incorporated in this Annual Report has been furnished by the County and the CMFA and is believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in or incorporated by this Annual Report which involves estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, expressions of opinion contained in this Annual Report or incorporated in this Annual Report are subject to change without notice and the delivery of this Annual Report will not, under any circumstances, create any implication that there has been no change in the affairs of the County and the CMFA.

No statement contained in this Annual Report should be construed as a prediction or representation about future financial performance of the County and the CMFA. Historical results presented herein may not be indicative of future operating results.

EXHIBIT A

COUNTY OF ORANGE
ANNUAL COMPREHENSIVE FINANCIAL REPORT



ANNUAL COMPREHENSIVE FINANCIAL REPORT

JOHN WAYNE
ORANGE COUNTY
(SNA)



2024

For the year ended June 30, 2024

Andrew N. Hamilton, CPA, Auditor-Controller

Each year the Orange County Auditor-Controller's Office releases the County's Annual Comprehensive Financial Report (ACFR) for the prior fiscal year ending June 30. The document is prepared in accordance with Sections 25250 and 25253 of the Government Code of the State of California, to be released no later than December 31. An outside auditing firm, Eide Bailly LLP, is retained to audit the report. The Auditor-Controller Financial Reporting Unit works tirelessly to ensure the report is not only on time but is of the highest quality. Last year's report received, once again, the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. This award is a prestigious national award recognizing excellence in State and local government financial reporting.

For the past seven years, the ACFR has highlighted one of the County's various agencies through a representative photograph on the cover and interior tabs of the report. This year, our theme examines the County's John Wayne Airport (Airport). This award-winning airport has been a significant cornerstone of Orange County for more than 100 years, and currently serves more than 11 million annual passengers. As a financially self-supporting enterprise, no general fund tax revenues are used to support the Airport. The Airport's facilities and services are funded by user-fees collected from airlines and other aviation users, concessionaires, parking, and off-airport businesses. The Airport is a powerful economic engine that drives the regional economy by generating more than 45,000 jobs and over \$5.7 billion dollars in annual economic impact alone.

This theme is also carried over into the ACFR's accompanying Citizens' Report, known as the Popular Annual Financial Report (PAFR). We hope you enjoy this look at one of the larger agencies within the County.

In addition to the ACFR, the Auditor-Controller's Office has three Satellite units at John Wayne Airport, OC Community Resources and OC Waste & Recycling with teams also working tirelessly to produce stand-alone financial statements which are audited by the outside auditing firm, Eide Bailly LLP. The statements give a financial picture of those agencies' individual finances for the County's two Enterprise Funds, John Wayne Airport and OC Waste & Recycling, as well as for the County's Redevelopment Successor Agency, a Private-Purpose Trust Fund. To view the stand-alone Financial Statements, please visit ocauditor.gov and select "Component Unit Financial Statements" under the Reports tab.

Thank you to all the employees of the Auditor-Controller's Office for their ongoing hard work and dedication to the residents of Orange County.

To view this year's ACFR, please visit ocauditor.gov/reports/acfrreports/

To view this year's PAFR, please visit ocauditor.gov/reports/citizens-reports/

County of Orange

State of California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024



Andrew N. Hamilton, CPA
Auditor-Controller

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**JOHN WAYNE
ORANGE COUNTY
(SNA)**





**AUDITOR-CONTROLLER
COUNTY OF ORANGE**

1770 N. BROADWAY
POST OFFICE BOX 567
SANTA ANA, CALIFORNIA 92706

(714) 834-2450 FAX: (714) 834-2569

ocauditor.gov



**COUNTY EXECUTIVE OFFICE
COUNTY OF ORANGE**

COUNTY ADMINISTRATION NORTH
400 CIVIC CENTER DRIVE
SANTA ANA, CALIFORNIA 92701

(714) 834-2345 FAX: (714) 834-3018

www.ocgov.com

February 24, 2025

Members of the Board of Supervisors and Citizens of Orange County:

The Annual Comprehensive Financial Report (ACFR) of the County of Orange (County), State of California, for the year ended June 30, 2024, is hereby submitted in accordance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California (CGC). The report contains financial statements that have been prepared in conformity with United States generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. A comprehensive framework of internal controls has been designed and established to provide reasonable assurance that the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of County Funds. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

The ACFR has been audited by the independent certified public accounting firm of Eide Bailly LLP. The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the County for the year ended June 30, 2024, are free of material misstatement. The independent certified public accounting firm has issued an unmodified (clean) opinion on the County's basic financial statements as of and for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

This letter of transmittal is designed to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report. MD&A provides a narrative introduction, overview, and analysis of the basic financial statements.

PROFILE OF THE GOVERNMENT

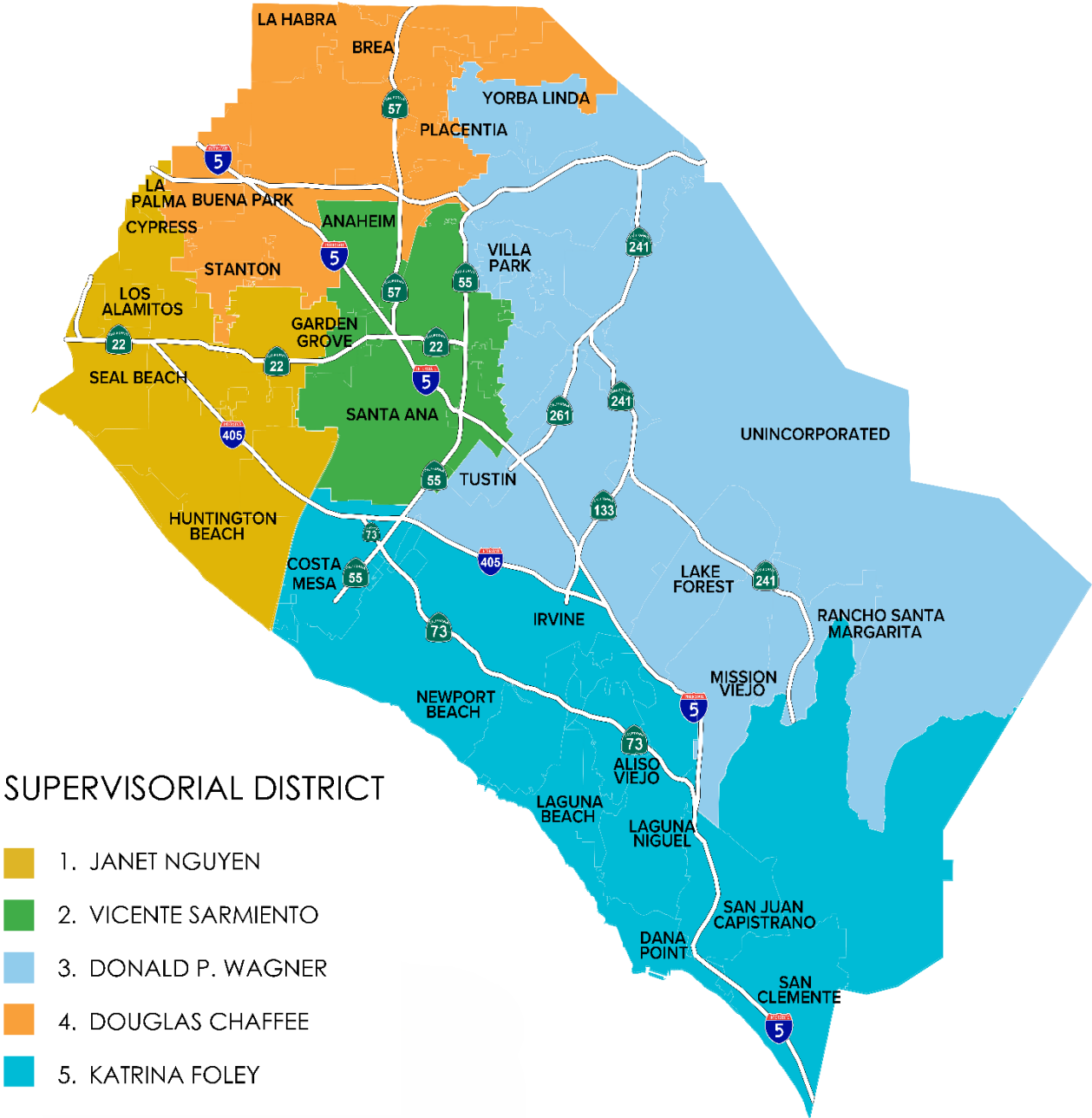
The County, incorporated in 1889 and located in the southern part of the State of California, is one of the major metropolitan areas in the state and nation. The County occupies a land area of 798 square miles with a coastline of 42 miles serving a population of over 3 million. It represents the third most populous county in the state and ranks sixth in the nation.

The County was incorporated as a general law County and converted to a charter county on March 5, 2002, with voter approval. In November 2008, voters approved Measure J, which added Article III, Section 301 to the Charter of Orange County requiring voter approval for increases in future retirement system benefits of any employee, legislative officer, or elected official of the County in the Orange County Employees Retirement System (OCERS) or any successor retirement system, with the exception of statutorily-established cost of living adjustments, salary increases, and annual leave, vacation, or compensatory time cash-outs. In June 2012, voters approved Measure B, which requires that any Orange County Supervisors elected on or after June 5, 2012 can enroll only in the minimum pension option, i.e., the least lucrative pension plan, offered to Orange County employees. At present, the minimum pension plan is a 1.62% at 65 pension plan. In June 2016, voters approved Measure B, which requires the County Auditor-Controller to review any Countywide measure placed on the ballot and prepare a fiscal impact statement.

The County is governed by a five-member Board of Supervisors (Board), who each serve four-year terms, and annually elect a Chair and Vice-Chair. The Supervisors represent districts that are each approximately equal in population. The district boundaries were revised effective January 6, 2022, incorporating the results of the 2020 census. A County Executive Officer (CEO) oversees 15 County departments, and elected officials serving as department heads oversee six County departments. The Supervisorial Districts map below shows the boundaries of Orange County and the areas governed by each member of the Board.

BOARD OF SUPERVISORS DISTRICT MAP

(As of December 5, 2024)



The County provides a full range of services Countywide, for the unincorporated areas, and contracted services for cities. These services are outlined in the following table:

| Countywide Services | | Unincorporated Area Services | |
|--|------------------------------------|-------------------------------------|---------------------------|
| Affordable Housing (Housing Authority) | Veterans Services | Animal Care & Control | Libraries |
| Agricultural Commissioner | Indigent Medical Services | Flood Control | Parks |
| Airport | Jails & Juvenile Facilities | Land Use | Waste Disposal Collection |
| Child Protection & Social Services | Juvenile Justice Commission | Law Enforcement | |
| Child Support Services | Landfills & Solid Waste Disposal | | |
| Clerk-Recorder | Law Enforcement | | |
| Coroner & Forensic Services | Probationary Supervision | | |
| District Attorney/Public Administrator | Public Assistance | | |
| Elections & Voter Registration | Public Defender/ Alternate Defense | | |
| Environmental/Regulatory Health | Public & Behavioral Health | | |
| Flood Control & Transportation | Senior Services | | |
| OC Parks | Collection & Appeals | | |
| Disaster Preparedness | Weights & Measures | | |
| Grand Jury | Public Guardian | | |
| Property Tax Assessment, Apportionment/Billing, Collection & Receipt | | | |

| Contracted Services for Cities | |
|---|----------------------------|
| Animal Care & Control | Libraries |
| Law Enforcement | Public Works & Engineering |
| Utility Billing and Check Remittance Processing | |

Sources: County departments

In addition to these services, the County is also financially accountable for the reporting of component units, which can be either blended or discretely presented. Blended component units, although legally separate entities, are, in substance, part of the County's operations and, therefore, data from these component units is combined with data of the County. The County has two discretely presented component units, the First 5 Orange County and CalOptima Health, which require discrete presentation in the government-wide financial statements. The County has one fiduciary component unit, OCERS. The following entities are presented as blended component units in the basic financial statements for the year ended June 30, 2024: Orange County Flood Control District (OCFCD), Orange County Housing Authority, Orange County Public Financing Authority, South Orange County Public Financing Authority, Capital Facilities Development Corporation, Orange County Public Facilities Corporation, County Service Areas, Special Assessment Districts, Community Facility Districts, and In-Home Supportive Services Public Authority. Additional information on these entities can be found in Note 1, Summary of Significant Accounting Policies, in the Notes to the Basic Financial Statements Section.

The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the General Fund and most of the Special Revenue, Debt Service, Capital Projects and Permanent Funds are included in the annual appropriated budget. The level of budgetary control (that level which cannot be exceeded without action by the Board) is at the legal fund, department, and budget control level, which represents a department or an agency. Budget-to-actual comparisons are provided in this report for each Governmental Fund for which an appropriated annual budget has been adopted. The Budgetary Comparison Statements for the General Fund and major Special Revenue Funds are part of the Basic Financial Statements. The Budgetary Comparison Schedules for major Capital Projects Fund and the nonmajor Governmental

Funds with appropriated annual budgets are presented in the Supplemental Information Section for Governmental Funds. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered appropriations do not lapse at year-end; outstanding encumbrances are carried forward. Additional information on the budgetary process can be found in Note 1, Summary of Significant Accounting Policies, in the Notes to the Basic Financial Statements Section.

The County's eGovernment website portal at <http://www.ocgov.com> provides online services and extensive information about County government to Orange County residents, businesses, partners, and visitors. The County's website provides information and online services to the public 24/7. It includes information about the Board, County job listings, purchasing bid solicitations, assessment appeals, links to court information and local court rules, voter information, County permits and forms, public safety, health and human services programs and financial information. The site also provides several online services, including live and archived Board meeting videos, the ability to order birth, death and marriage certificates, search fictitious business names, find polling locations and election results, how to license pets, pay property taxes and subscribe to receive emergency alerts. The County continuously strives to improve a constituent's ability to conduct business online with the County.

FACTORS AFFECTING ECONOMIC CONDITION

Local Economy

Two indicators of the County economy are: how well the local economy performs relative to surrounding counties, the State, and the Nation and its own historical trends. This section provides data for various indicators that summarize the current and projected outlook of the County's economy.

Various forecasts indicate that 2024 will be a year of expansionary fiscal policy. In terms of historical trends, current and projected activity suggests slow but positive economic growth at the local level which will generally follow national and state trends.

The County's unemployment rate continues to be lower than surrounding Southern California counties, and the State (see Table 1).

According to the California Department of Finance, inflation, as measured by the Consumer Price Index (CPI), is expected to be 3.2% for Orange County, lower than both the State and U.S. at 3.4% and 3.4%, respectively, in FY 2023-24 (see Table 2).

Table 1: Unemployment Rate Comparison

| Primary Government Entity | July 2024 Unemployment Rate |
|---------------------------|--------------------------------|
| United States | 4.3% |
| California | 5.8% |
| Los Angeles County | 6.5% |
| Riverside County | 5.9% |
| San Bernardino County | 5.7% |
| San Diego County | 4.9% |
| Orange County | 4.4% |

Table 2: 2024 – Projected Increase of the CPI

| United States | California | Orange County |
|---------------|------------|---------------|
| 3.4% | 3.4% | 3.2% |

Sources: State of California, Employment Development Department
California Department of Finance, 2024

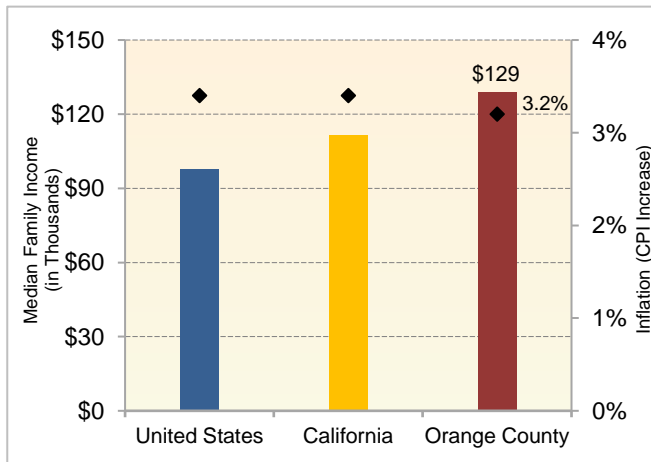
According to the Department of Housing and Urban Development, the County’s median family income is expected to be \$129,000 (absolute dollars) in 2024, compared to \$127,800 (absolute dollars) in 2023. The median family income in the County continues to exceed all surrounding Southern California counties, the State, and the Nation (see Table 3).

Table 3: Median Family Income Comparison

| Primary Government Entity | Median Family Income (absolute dollars) |
|---------------------------|--|
| United States | \$97,800 |
| California | \$111,300 |
| Orange County | \$129,000 |
| San Diego County | \$119,500 |
| Los Angeles County | \$98,200 |
| Riverside County | \$97,500 |

Sources: U.S. Department of Housing and Urban Development, 2024

Comparisons of Inflation and Median Family Income



Sources: U.S. Department of Housing and Urban Development, 2024
 California Department of Finance, 2024

According to the California Association of Realtors, the median home sales price for existing single-family homes in Orange County was \$1,390,000 (absolute dollars) in July 2024, representing a 6.9% increase from July 2023. The median sales price in Orange County continues to exceed all surrounding counties (see Table 4).

In terms of internal trends, current and projected indicators forecast modest growth in the Orange County economy, with job growth expected to increase by 1.4% in 2024.

**Table 4: Median Home Sales Price Comparison-existing single-family homes only
 Southern California Counties – July 2024**

| Primary Government Entity | Median Home Sales Price Change increase | Median Home Sales Price (absolute dollars) |
|---------------------------|---|--|
| Orange County | 6.9% | \$1,390,000 |
| San Diego County | 5.3% | \$1,020,000 |
| Los Angeles County | 6.7% | \$909,010 |
| Riverside County | 5.7% | \$650,000 |
| San Bernardino County | 6.2% | \$515,000 |

Source: California Association of Realtors, July 2024

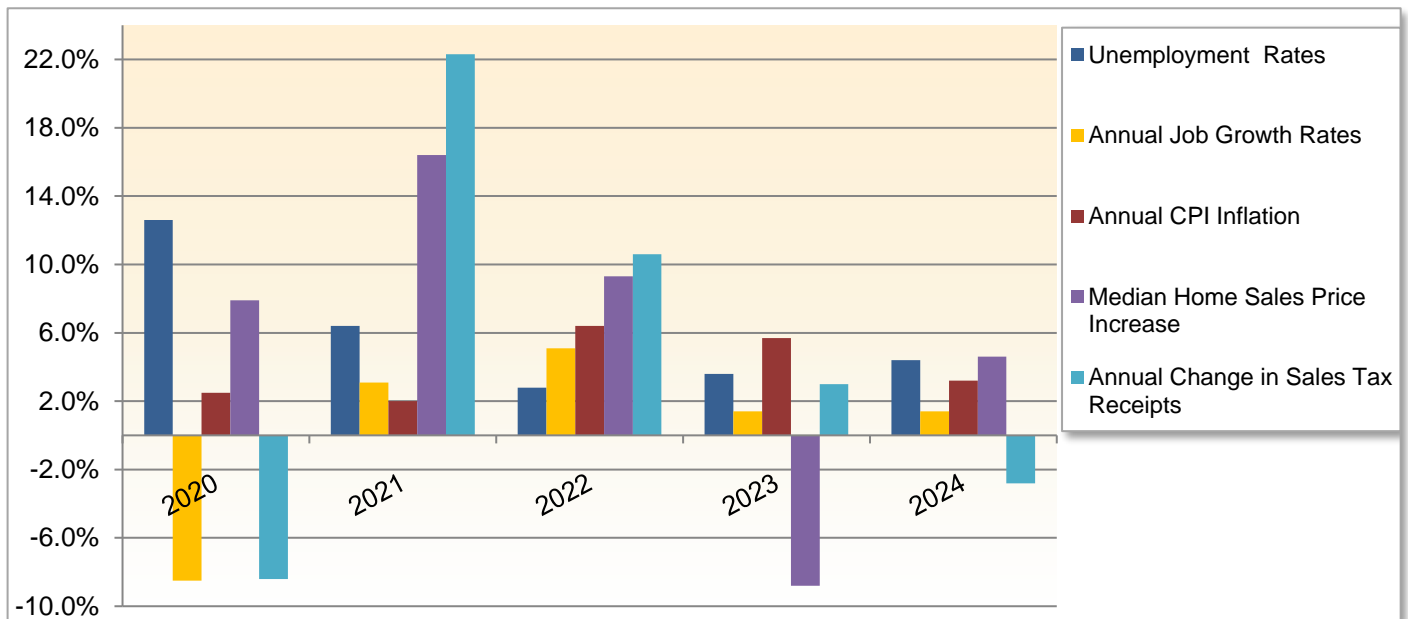
Table 5 shows various internal indicators reflecting a slight decline in the County’s economy. The unemployment rate increased from 3.6% in July 2023 to 4.4% in July 2024. According to the April 2024 UCLA Anderson Forecast, job growth is expected to increase at 1.4% in 2024; median home sales price for existing single-family detached homes are forecasted to increase by 4.6% in 2024, higher than the 8.8% decrease experienced in 2023; and according to the December 2023 Chapman University Economic & Business Review, sales tax receipts are forecasted to decrease by 2.8% in 2024. In summary, the economy in Orange County is forecasted to show a modest slowdown.

Table 5: Orange County Historical Data

| Historical Indicators | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------------|--------|-------|-------|--------|--------|
| Unemployment Rates | 12.3% | 6.4% | 3.2% | 3.6% | 4.4% |
| Annual Job Growth Rates | (8.5)% | 3.6% | 5.3% | 1.4% | 1.4% |
| Annual CPI Inflation | 2.5% | 2.0% | 6.5% | 5.7% | 3.2% |
| Median Home Sales Price Increase | 7.9% | 16.4% | 12.5% | (8.8%) | 4.6% |
| Annual Change in Sales Tax Receipts | (8.4)% | 22.6% | 12.1% | 3.0% | (2.8%) |

Data in Table 5 for prior years may be different from previous ACFR due to timing. Data for 2024 is preliminary or based on forecasted data.

Orange County Historical Data Comparison
(Shown as a year-to-year percentage increase/decrease)



Sources: State of California, Employment Development Department
Economic & Business Review, Chapman University, December 2023
California Association of Realtors,
UCLA Anderson Forecast, April 2024

Long-Term Financial Planning

Strategic Financial Plan (SFP): In March 1997, the Board initiated an annual financial planning process that is a key component of the County’s commitment to fiscal responsibility, accountability, and efficiency. The plan includes Countywide initiatives and projections of County general purpose revenues, departmental projections of operating costs, revenues, capital and information technology needs for current programs and services and anticipated caseload changes. New programs, services and capital projects are identified and prioritized on a Countywide basis with financial impacts identified over the plan period. The plan covers a five-year period and includes a ten-year analysis of operating costs in cases where new programs and facilities are assessed to ensure the ability to pay for long-term operational costs.

The 2024 SFP was presented to the Board on December 17, 2024. The 2024 SFP is the foundation in planning for continued financial stability and is augmented by the monitoring and establishment of budgetary control via the budget

reporting process and adoption of the Annual Budget. The five-year SFP projections indicate that General Purpose Revenue will grow, on average, about 3.3% annually. The moderate growth rate for revenue, coupled with the increasing cost of doing business, will require the County to carefully manage programs and service levels. The County continues to believe that sustained job growth and reduced unemployment are the key indicators for economic growth.

In order to address identified budget issues and prepare for the continued uncertainty of the general and local economy, the following represent some of the actions taken or identified as options for early planning. Early action is critical to ensure baseline services are met and that the County continues to experience financial stability.

- The SFP does not provide an increase in Net County Cost for the five years presented, FY 2025-26 through FY 2029-30. General Purpose Revenue growth will be strategically allocated through the budget process consistent with the priorities identified in the SFP
- A continuation of the policy to not backfill State budget reductions
- Internal financing program to support major capital and information technology projects
- Maintenance of prudent levels of General Fund and Contingency Reserves

The County's long-term financial planning focuses on the current and anticipated uses of County resources in order to maintain or expand operations, address legislative impacts, and implementation of countywide initiatives. Major initiatives continue to focus around the various systems of care provided in the County, such as OC CARES and the Master Plan for Aging, addressing homelessness and affordable housing, and addressing infrastructure and sustainability initiatives.

James A. Musick Facility Project: The James A. Musick Facility Project is a multi-year project that includes construction of two inmate housing units with approximately 512 beds and two inmate rehabilitation, treatment, and housing units with approximately 384 beds. The project also includes administrative and support space, a warehouse/maintenance building, and infrastructure and site improvements. Housing units are designed for direct supervision of minimum and medium security inmates, providing a program aimed at reducing recidivism rates and increasing public safety. Programming includes specialized education and enhanced vocational tracks that individuals in custody will be able to participate in that meet their specific needs. The programming services will include three separate tracks which inmates can voluntarily participate in. The educational track will provide assistance with a high school diploma or HiSet, thereby increasing reading, writing, and math skills. The enhanced vocational track will focus on technology-based programming, food service based programming, and skill trade programming. The reentry track will focus on helping an individual with life skills and changing negative thought processes. Each inmate will have a reentry Coordinator working with them through their time in custody to ensure that they are meeting their goals. In addition, an individualized discharge plan will be created to ensure direct linkage to service providers immediately post release.

On May 5, 2020, the County awarded a construction contract to Bernards Bros., Inc. for the project in the amount of \$261,118 and also approved a five percent construction contingency amount of \$13,056. An additional five percent contingency was approved in January 2023 for \$13,056. The total project construction cost is estimated to be \$329,000 including, owner-carried insurance, construction management, special inspections and utility fees. The cost is funded by \$180,000 from AB900 and SB 1022 State funding with the remaining funds coming from the County's General Fund. As of September 2024, the County has received a total of \$171,000 in reimbursements from the State. The project has been completed and began housing individuals and providing services in the Fall of 2024.

Orange County Civic Center Facilities Master Plan: In 2013, the Board adopted an ordinance approving the Civic Center Facilities Strategic Plan (Master Plan). The Master Plan included several phases of development with the first phase focused on the general government administration buildings in the center of the Civic Center area. This phase was completed in August 2022 with the construction of the County Administration South (CAS) and North (CAN) buildings. Both buildings are state-of-the-art facilities that have been LEED Certified meaning they meet the extensive criteria signifying a healthy, highly efficient, cost saving, green building. The buildings were financed using Lease Revenue Bonds issued by the California Municipal Finance Authority. The County makes base rental payments under a Facility Lease.

Subsequent phases are in the planning phase and will continue to address improving the delivery of county services to the community by grouping similar and related services together as well as optimize the use of space, reduce operating costs, and address an aging real estate portfolio with deferred maintenance costs.

The additional phases are planned to be implemented over the next 15 years and include eight county-owned buildings around the Civic Center Area as well as provide opportunities to develop multifamily residential housing and commercial uses.

Be Well Campuses: County property across from the Great Park in Irvine has been identified as the second location for the Be Well Irvine campus, with a long-term ground lease established. The development plans for this campus currently include three phases under the option agreement. The first phase, which is anticipated to be implemented in May 2025, will house crisis stabilization units for adults and adolescents, a sobering center, adult residential treatment services, and children, youth and families outpatient clinic. The second phase will include perinatal substance use residential services for pregnant and parenting women and their children up to age 10, a youth and adolescent substance use residential program for both male and female and expanded outpatient and intensive outpatient services for children and youth and perinatal women. The third and final phase will include education and training, a community meeting and events center, youth and senior centers and interfaith shared-use space. The campus is committed to serving all residents of Orange County, by providing a full continuum of services from prevention through treatment, as outlined below:

- Be Well Center for behavioral health and substance use services: A continuum of program offerings from crisis care, extended treatment, to outpatient services, for youth, adolescents, and adults, to support clients wherever they are in their recovery journey.
- Community and Family Center: A multi-entity, multicultural, multi-faith collective including local Orange County public and private health systems and community-based organizations, integrating health clinics with youth and community education, enrichment and experiential learning spaces.

The Be Well Irvine campus is currently under construction for Phase 1, site work has begun for Phase 2 and is expected to be complete in the third quarter of 2025. Phase 3 is in the planning and design phase. In consideration of the public benefit afforded by the Be Well Campus, the annual rent will be one dollar.

OC CARES Initiatives: OC CARES links the five systems of care in the County (behavioral health, healthcare, community corrections, housing, and benefits & support services) to provide full care coordination and services to address immediate and underlying mental health issues and work towards self-sufficiency. Currently, projects and programs are guided by the OC CARES, Justice Through Prevention and Intervention 2025 Vision overseen by the Orange County Criminal Justice Coordinating Council. A focus is on increasing diversion options from pre-arrest to reintegration that involve treatment, specialty courts, and supportive services. Below is a listing of the significant projects in progress:

- Coordinated Reentry System: Developing and implementing coordinated reentry services including regional reentry offices, mobile units, centralized adult reentry center with transitional housing, and a workforce reentry program to increase accessibility and linkages to services to meet the needs of the justice-involved population for successful reintegration.
- Juvenile Corrections Campus: Revitalize the existing Juvenile Hall Campus to establish a Youth Transition Center that fully utilizes existing space to provide camp programming, education services, health and mental health services, and housing for juvenile and transition aged youth offenders, including those realigned from the State Correctional System.
- Housing for Transitional Aged Youth (TAY): Establish transitional and permanent supportive housing and placement services for youth and TAY involved in the juvenile justice system that includes treatment for substance use, mental health issues or for those involved in the Commercial Sexual Exploitation of Children population.
- Pre-Trial Intervention: Establish a dedicated arraignment court where a multi-disciplinary team collaborates to assess individuals pending arraignment to determine if it would be beneficial to divert the individual to a program or treatment to address underlying mental health or substance use contributing to the criminal behavior rather than place into a custodial setting.
- Workforce Reentry Center: Develop and implement a workforce readiness program for justice-involved individuals that will provide housing for eligible participants, link to trainings provided while in custody, provide a variety of trainings and linkages relevant for the country's economy, preparing the individuals to be employable and working towards being self-sufficient.

- **Access to Permanent Supportive & Affordable Housing:** In alignment with the updated Housing Funding Strategy: 2022 Update (HFS Update), efforts continue to develop subsidized housing units that combine affordable housing assistance with voluntary support services to address the needs of chronically homeless individuals. The HFS Update outlines the recommendations for a strategic approach to achieve an updated goal of developing 2,396 supportive housing units from 2022 to 2029. The updated goal reflects the progress under the previous 2018 Strategy as well as the additional supportive housing units needed over the next seven-year period based on the 2022 Point in time homeless count.

Master Plan for Aging: The Governor's January 2021 Master Plan for Aging included five distinct goals for counties to achieve as California prepares for a projected increase in the number of California residents age 60 years and older. An intradepartmental team consisting of OC Community Resources, Social Services Agency, Health Care Agency, and the County Executive Office have collaborated in a joint effort to build the foundation for Orange County to improve the quality of service delivery to this population. A countywide healthy aging assessment is being completed to help the County understand the holistic needs of the aging population and establish a plan for efficient and effective delivery of services. The plan will address housing, inclusion and equity, caregiving, and economic security. Increased information and resources are already being implemented via a call center, home visitation services, care coordination, and case management services.

OC Builds: The County continues to assess and prioritize critical infrastructure, such as bridges, roads, and flood control channels to ensure the safety and efficient transportation of Orange County residents. The County maintains and annually updates a 10-year Facilities Master Plan that outlines all real estate projects currently in progress and completed. Enhancement of John Wayne Airport's infrastructure, including significant investments in reconstructing taxiways and modernizing the passenger processing system, is included to ensure a world-class airport experience that is safe and facilitates efficient travel. Similarly, the County continues to invest in its technological infrastructure to modernize systems with an emphasis on innovation, mobility, and a focus on strengthening system and data security.

Environmental Sustainability: Various efforts aimed towards environmental sustainability and green technologies are underway and being compiled in the County of Orange Climate Action Plan. This comprehensive plan outlines the goals and strategies for developing greener, more sustainable infrastructure that reduces greenhouse gas emissions, prioritizes the use of renewable energy, preserves natural landscapes and resources, and decreases food and consumer waste.

Relevant Financial Policies

To achieve the goal of providing outstanding and cost-effective regional public services, the County applies sound management practices and policies that enhance the quality of life of its citizens. Such financial management practices have been identified by the Government Finance Officers Association (GFOA) of the United States and Canada and recognized by Fitch Ratings as best practices that promote financial soundness, efficiency in government, and solvency in public finance.

General Fund Reserves Policy

The County General Fund Reserves Policy provides guidance in the creation, maintenance and use of reserves. The policy covers formal and informal reserves, and includes provisions for reserves such as appropriations for contingencies, reserve-like appropriations, and reserve-like funds held by others such as the OCERS Investment Account. The policy also recognizes whether funds are legally required or discretionary or have special restrictions. The reserves policy is maintained and updated, as needed, through the County's annual SFP process. The reserves policy targets and balances are included in the annual SFP document.

The General Fund Reserves policy is designed to provide flexibility to the County as well as the following:

- Resources to address unanticipated or cyclical economic conditions
- Resources for emergencies and/or catastrophic events
- Mitigation of the volatility of revenues and expenditures in managing temporary cash flow shortages
- Capacity to cover unexpected large one-time expenses and opportunities
- Capacity to fund capital investments
- Capacity to minimize borrowing costs

- Capacity to provide some level of protection against statutory changes to County revenues and impacts from federal and state actions

The County has a variety of reserve funds available to both the General Fund and Non-General Funds including:

- Fund Balance Assigned for Contingencies
- Fund Balance Assigned for Reserve Target
- Reserve-Like Funds
- Reserve-Like Appropriations
- Department-Type Reserves

All of the previously mentioned are reserves normally modified at the time of budget adoption (Government Code Section 29085) or at fiscal year-end. Changes to reserve amounts at other times require a 4/5 vote of the Board. A 4/5 vote is also required to make such reserves available for appropriation to expend the funds, if needed, during the fiscal year (Government Code Section 29130).

Reserve Targets and Descriptions

Under GFOA recommended practice, the County establishes an overall reserve target and allocates the calculated target among the classes of obligated fund balances as appropriate. The County may fund more or less to each reserve class for a variety of reasons, such as its current financial condition, the need to set aside for particular goals or directives, the need to bridge one-time gaps, etc. The goal is to ensure a prudent reserve balance that is maintained and replenished on a regular basis. In implementing the GFOA’s best practice, the County elected to establish a funding target based upon two months of General Fund operating revenues.

Contingencies

The purpose and use of this reserve is to cover unanticipated and severe economic downturns, major emergencies, or catastrophes that cannot be covered with existing appropriations. A significant event could create the need for a higher funding level of this reserve. The target amount for this reserve is 15% of ongoing annual General Purpose Revenues (excluding Fund Balance Unassigned and one-time amounts and transfers).

The following table summarizes the County’s financial management practices:

| Relevant Financial Policies | |
|---|--|
| Multi-Year SFP | The County’s SFP is based on a five-year financial forecast and includes a 10-year analysis of operating costs in cases where new programs and facilities are recommended to ensure the ability to pay for long-term operational costs. Performance measures and strategies are key elements of the SFP process. |
| Five-Year Capital Improvement Plan | The County’s five-year Capital Improvement Plan (CIP) is a long-term list of significant projects funded by the General Fund in the Capital Projects budget. It also includes the five-year capital program for Non-General Fund agencies. The CIP aids the County in its assessment of the best use of funds available in order to establish and prioritize its capital asset goals, while maintaining long-term financial stability. |
| Information Technology Projects | The five-year Information Technology Plan (ITP) is a compilation of significant IT projects including upgrades or replacements of existing systems, greater or equal to \$150 and less than \$1,000 in any one fiscal year of the five years in the plan. Costs for ongoing system support and maintenance are included. The ITP is a tool used by the County to assess IT projects, leverage overlap, and prioritize the use of County General Funds available for IT projects. |

| Relevant Financial Policies (Continued) | |
|--|--|
| Mid-Year Budget Report | The County Executive Office issues mid-year budget reports that provide the Board, County departments, members of the public, and other interested parties with an overview of the current status of budgeted revenues and expenditures, total budgeted positions and various departmental issues requiring adjustments to the County's budget. |
| Annual Budget Policies and Guidelines | The Annual Budget reflects the County's disciplined approach to fiscal management and is consistent with the County's SFP process. Department budgets are consistent with the priorities and operations plans contained in the SFP. Departments use these planning processes, along with outcome indicators, to evaluate programs and redirect existing resources as needed for greater efficiency to reduce costs and minimize the need for additional resources. |
| Fund Balance Reserve Policy | The County General Fund currently contains formal and informal reserves, appropriations for contingencies, appropriated reserve-type funds, and reserves held by others. The purpose of these reserves is to protect community programs and services from temporary revenue shortfalls and provide for unpredicted, sudden and unavoidable one-time expenditures. |
| Contingency Planning Policy | <p>The County's General Fund maintains a reserve for contingencies, which was established through the SFP process. The target amount for this reserve is 15% of ongoing annual General Purpose Revenues (excludes fund balance unassigned and one-time amounts and transfers), or \$167,965. This compares to the GFOA guidelines for funding contingencies at 15% or higher. The September 30, 2024 balance is \$167,965, at target.</p> <p>In addition to the reserve for contingencies, the County budgets an annual appropriation for significant unanticipated emergencies, catastrophes, one-time expenditures and opportunities of no less than \$10,000 in the General Fund.</p> |
| Debt Disclosure Practices | The County presents a set of debt disclosures in the County's adopted Budget document and the ACFR, as well as Continuing Disclosure Annual Reports on its website and the Electronic Municipal Market Access (EMMA) repository. |
| Pay-as-you-go Capital Funding | The County's long-term practice has been to use pay-as-you-go funding for capital projects whenever possible. The use of systematic long range financial planning assists in making fiscal decisions such as debt vs. pay-as-you-go capital project financing. The SFP forecasts sources of the County's revenue and operating expenses and incorporates a list of previously identified and prioritized projects that will benefit the citizens of the County. The financial planning for capital projects considers the County's limited funding sources, the capital and operating costs, useful life of projects, and good business practices. |
| Credit and Debt Management Policy | The County's long-term practice has been to rapidly repay debt when practicable. The Policy is intended to maintain long-term financial stability by ensuring that its long-term financing commitments are affordable and do not create undue risk or burden, achieve and maintain high credit ratings, minimize debt service interest expense and issuance costs, provide accurate and timely financial disclosure and reporting, and comply with applicable State and Federal laws and financing covenants. |

| Relevant Financial Policies (Continued) | |
|--|---|
| Public Financing Advisory Committee | The Public Financing Advisory Committee (PFAC) is responsible for the review and recommendation of debt financing proposals. The Board may amend, modify or rescind any PFAC recommendation by a four-fifths (4/5) vote. The PFAC membership consists of the following: five public voting members, each representing a district, and three Ex-Officio County government members (the County Executive Officer, the elected Treasurer-Tax Collector, and the elected Auditor-Controller) (non-voting). |
| Audit Oversight Committee | The Audit Oversight Committee (AOC) is an advisory committee to the Board that provides oversight of the activities of the County's Internal Audit Department and the County's external audit coverage including financial reporting and federal and state audit activities. The AOC membership includes the Chair and Vice-Chair of the Board, the County Executive Officer, the elected Treasurer-Tax Collector (non-voting), the elected Auditor-Controller (non-voting), and five private sector members appointed by the Board. The private sector members are appointed by the Board for a term of four years and may be reappointed or removed by the Board. |
| Treasury Oversight Committee | <p>The Treasury Oversight Committee (TOC) is responsible for reviewing and monitoring the annual Investment Policy Statement (IPS). In addition, the TOC causes an annual audit of the County's compliance with the IPS, bond related documents and various Government Code sections. The TOC shall also investigate any and all irregularities in the treasury operations, which become known to the TOC. The TOC has an approved policy to investigate and report such irregularities.</p> <p>Annually, The TOC reviews the IPS, including all proposed changes to IPS. The elected Treasurer-Tax Collector then submits the IPS to the Board for approval, including any changes thereto. The TOC membership consists of the following: the elected Auditor-Controller, the County Executive Officer, the elected County Superintendent of Schools, or their respective designees, and four public members. The public members shall be nominated by the elected Treasurer-Tax Collector and confirmed by the Board.</p> |
| 24/7 Fraud Hotline | The Fraud Hotline is part of an ongoing fraud detection and prevention effort. The Fraud Hotline is intended for use by County employees, the general public, or vendors for reporting suspected waste, fraud, violations of County policy or misuse of County resources by vendors, contractors or County employees. https://ocgov.com/how-do-i/report/fraud-waste-abuse (714) 834-3608 |

Major Initiatives

Funding Equity: The County hovers at the bottom of funding for counties statewide, receiving the lowest percentage of property taxes in California to support services, about 5 cents on the dollar; while the state average is 14 cents. The formula for retaining local property taxes in the counties where they were collected was set in 1978 and has not been updated since. This systematically disadvantages the County's ability to provide services to its diverse population.

The County's predicament does not have easy or implementable solutions. In looking to legislative solutions, a change in methodologies or shifts in funding formulas could affect other counties receiving more of their share in taxes. Therefore, the answer to assuring funding equity for the County lies in increasing funding, programs, and partnerships that specifically benefit County programs and services. When the state shifts or adds responsibilities at the county level, the County will seek enough funding for those programs to ensure their success and cover costs. The County's robust legislative agenda seeks creative and substantive ways to assure our residents are provided with their fair share of the taxes they pay to support the programs and services they deserve.

Labor Agreements: Most County employees are represented by one of 21 bargaining units, which are separated into eight labor organizations. The principal organization is the Orange County Employees Association (OCEA), which represents six bargaining units totaling about 11,630 members in budgeted positions. The next largest unions are the Association of Orange County Deputy Sheriffs (AOCDS), which represents four bargaining units totaling about 2,940 members and the American Federation of State, County, and Municipal Employees (AFSCME) at about 1,636 members. As of March 2024, all labor agreements are current with contracts terms ending June 30, 2026.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Awards: The GFOA awarded the Triple Crown Medallion, which recognizes that the County received all three GFOA Awards.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the year ended June 30, 2023; this represents the County's 29th consecutive award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such an ACFR must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.

In addition, the County received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) titled the "OC Citizens' Report" for the year ended June 30, 2023; this represents the County's 21st consecutive award. The award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to be awarded, a government must publish a PAFR that reflects the program standards of creativity, presentation, understandability, and reader appeal. The "OC Citizens' Report" is available for viewing at ocauditor.gov.

The GFOA also awarded a Distinguished Budget Presentation Award to the County for its FY 2023-24 Annual Budget; this is the County's 8th award. The award is the highest form of recognition in governmental budgeting. In order to receive the award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to acknowledge how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.

Counties Financial Transactions Reporting Award: The County received the Financial Transactions Reporting Award from the State Controller's Office for its Year-End Financial Transaction Report for the fiscal year ended June 30, 2023. The award is in recognition of the professionalism demonstrated by counties in preparing accurate and timely financial reports and for those counties that meet the review criteria of the award program.

Acknowledgments: We would like to express our sincere appreciation to County staff and the staff of the certified public accounting firm of Eide Bailly LLP. We hope this report will be of interest and use to those in county government, other governmental agencies, and the public interested in the financial activities of the County of Orange.

Respectfully submitted,



Andrew N. Hamilton, CPA
Auditor-Controller



Kimberly Engelby
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Orange
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

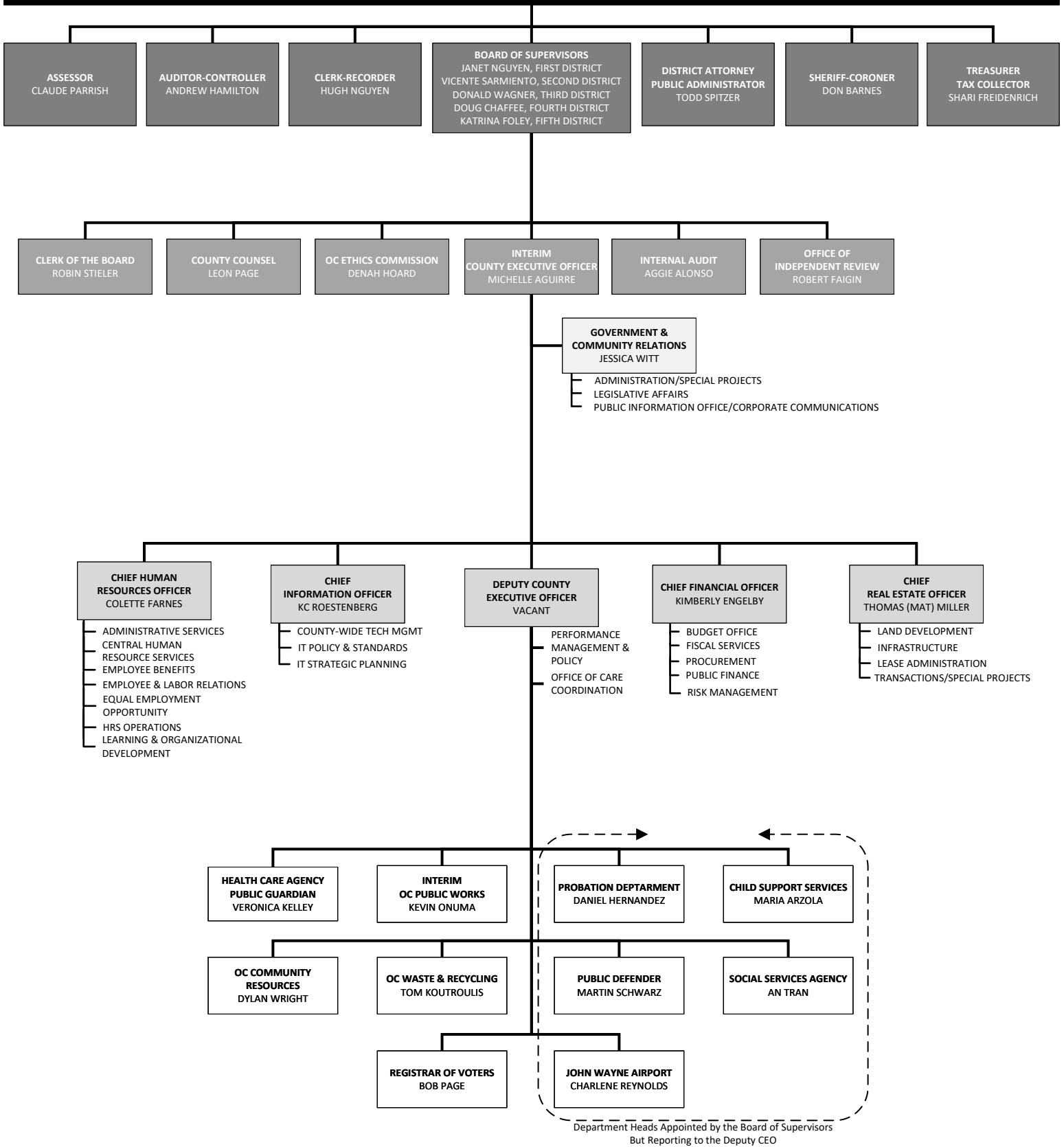
Executive Director/CEO



County of Orange Organizational Chart

(As of December 5, 2024)

PEOPLE OF ORANGE COUNTY



Department Heads Appointed by the Board of Supervisors
But Reporting to the Deputy CEO



**JOHN WAYNE
ORANGE COUNTY
(SNA)**







Independent Auditor’s Report

To the Board of Supervisors
County of Orange, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, California (County) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General fund, Flood Control District fund, Other Public Protection fund, Mental Health Services Act fund and the Countywide Capital Projects Non-General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Orange County Health Authority, a Public Agency dba Orange Prevention and Treatment Integrated Medical Assistance dba CalOptima Health (CalOptima) and Orange County Employees Retirement System (OCERS), which represent the following percentages of assets, net position/fund balances and revenues of the opinion units listed below as of and for the year ended June 30, 2024:

| | <u>Assets</u> | <u>Net Position</u> | <u>Revenues</u> |
|--|---------------|---------------------|-----------------|
| <u>CalOptima:</u> | | | |
| Aggregate discretely presented component units | 98.1% | 97.1% | 99.5% |
| <u>OCERS:</u> | | | |
| Aggregate remaining fund information | 64.5% | 65.8% | 11.1% |

Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CalOptima and OCERS, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter — Litigation

As discussed in Note 22 to the financial statements, the County has initiated litigation proceedings against a former member of the Board of Supervisors and several nonprofit entities over the use of certain federal funds. Some of the nonprofits' stakeholders have familial relations with the member of the Board of Supervisors, who subsequently resigned as part of a separate settlement process and later pled guilty to a criminal charge. The conflict of interest between the former Board of Supervisor member and related nonprofit was disclosed to the federal granting agency on November 26, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules for the OCERS plan, Orange County Extra-Help Defined Benefit plan, and the Orange County Retiree Medical plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Laguna Hills, California
February 24, 2025





**JOHN WAYNE
ORANGE COUNTY
(SNA)**





**MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
 (UNAUDITED)**

This section of the County’s ACFR provides a narrative overview and analysis of the financial activities of the County for the year ended June 30, 2024. We hope that the information presented here, in conjunction with the Letter of Transmittal, provides a clear picture of the County’s overall financial status. Unless otherwise indicated, all amounts in this section are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- Total change in net position, which is the difference between total revenues (including transfers in) and expenses (including transfers out), was \$816,023 for the fiscal year, and it increased net position by 14% from prior year.
- Long-term debt obligations decreased by \$58,294 or 10% during the current fiscal year.
- The County’s governmental funds reported combined ending fund balances \$4,020,237, an increase of \$286,271 or 8% in comparison with the prior year.
- General Fund revenues and other financing sources ended the year 11% below budget.
- General Fund expenditures and other financing uses ended the year 11% below budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements presented in the County’s ACFR are divided into three different sections:

- Government-wide Financial Statements
- Fund Financial Statements and Budgetary Comparison Statements
- Notes to the Basic Financial Statements

| <i>Basic Financial Statements</i> | | | |
|---|---|---|--|
| Government-wide Financial Statements | Fund Financial Statements | | |
| | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Statement of Net Position | Balance Sheet | Statement of Net Position | Statement of Fiduciary Net Position |
| | Statement of Revenues, Expenditures, and Changes in Fund Balances | Statement of Revenues, Expenses, and Changes in Fund Net Position | |
| Statement of Activities | Budgetary Comparison Statement | Statement of Cash Flows | Statement of Changes in Fiduciary Net Position |
| | Notes to the Basic Financial Statements | | |

The following table summarizes the major features of the basic financial statements:

| | Government-wide Financial Statements | Fund Financial Statements | | |
|--|--|---|---|--|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Type of Financial Statement | Statement of Net Position Statement of Activities | Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances Budgetary Comparison Statements | Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows | Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position |
| Scope | Entire entity (except fiduciary funds) | Day-to-day operating activities for basic services | Day-to-day operating activities for business-type services | Resources held on behalf of others |
| Accounting Basis and Measurement Focus | Accrual accounting and economic resources measurement focus | Modified accrual accounting and current financial resources measurement focus | Accrual accounting and economic resources measurement focus | Accrual accounting and economic resources measurement focus |
| Type of Asset, Deferred Outflows of Resources, Liability, and Deferred Inflows of Resources Information | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term | Current assets, liabilities, and deferred inflows of resources that come due during the year or soon thereafter | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term | All assets, deferred outflows of resources, liabilities and deferred inflows of resources held in a trustee or custodial capacity for others |
| Type of Inflow and Outflow Information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

Government-wide Financial Statements

The government-wide financial statements consist of the following two financial statements: the Statement of Net Position and the Statement of Activities. Both of these statements were prepared using an accounting method and a measurement focus similar to those used by private-sector companies, the accrual basis of accounting and the economic resources measurement focus. The **Statement of Net Position** provides information regarding all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The **Statement of Activities**, on the other hand, provides information on how the government's net position changed during the most recent fiscal year regardless of the period when the related cash or cash equivalent is received or paid. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes, and earned but unused vacation leave).

The Statement of Net Position and the Statement of Activities distinguish functions of the County that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include (1) general government, (2) public protection, (3) public ways and facilities, (4) health and sanitation, (5) public assistance, (6) education, and (7) recreation and cultural services. The business-type activities of the County include John Wayne Airport (Airport), OC Waste & Recycling, and Compressed Natural Gas (CNG).

The government-wide financial statements also provide information regarding the County's component units, entities for which the County (the primary government) is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations; therefore, data from these component units are combined with data of the primary government. Financial information for the First 5 Orange County and CalOptima Health, discretely presented component units, are reported separately from the financial information presented for the primary government itself. Separate stand-alone annual financial reports can be obtained by accessing the County's website at the following address: ocauditor.gov. A separate stand-alone CalOptima Health annual financial report can be obtained by accessing the website at <http://wpso.dmhc.ca.gov/fe/search/>.

Fund Financial Statements

- **Fund** - a separate accounting entity with a self-balancing set of accounts.
- Focus is on **major funds**.
- Provides information regarding the three major categories of all County funds: **governmental, proprietary, and fiduciary**.

The fund financial statements report on groupings of related funds that are used to maintain control over resources that have been segregated for specific activities or objectives. A fund is a separate accounting entity with a self-balancing set of accounts. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of governmental and proprietary fund financial statements is on major funds as determined by the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*." All of the County funds can be divided into three major categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds include most of the County's basic services and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements are prepared using the modified accrual basis of accounting and current financial resources measurement focus.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are prepared for the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances to facilitate comparisons between governmental funds and governmental activities. The primary differences between the government-wide and fund financial statements relate to noncurrent assets, such as land and structures and improvements, and noncurrent liabilities, such as bonded debt and amounts owed for compensated

absences, financed purchases, leases, net pension liability and net Other Postemployment Benefits (OPEB) liability, which are reported in the government-wide statements but not in the fund financial statements.

The County maintains several individual governmental funds organized according to their type (General Fund, Special Revenue, Debt Service, Capital Projects and Permanent funds). Information is presented separately in the governmental funds balance sheet and in the statement of revenues, expenditures, and changes in fund balances for the General Fund, which is always a major fund, and all other major funds which may change each year depending on if they meet the major funds criteria. Information for nonmajor funds is presented in the aggregate as "Other Governmental Funds" in these statements. Individual fund data for each of the nonmajor governmental funds is presented in the Supplemental Information Section of this ACFR. The County adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with the budget and are presented in the Basic Financial Statements and Supplemental Information Section of this ACFR, respectively.

Proprietary Funds - The County maintains two different types of proprietary funds: Enterprise funds and Internal Service funds. **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Airport, OC Waste & Recycling, and CNG activities. **Internal Service funds** are used to accumulate and allocate costs, such as insurance, transportation, publishing services, and information technology, internally among the County's various functions. Because these services predominantly benefit governmental rather than business-type functions, Internal Service funds have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport and OC Waste & Recycling operations, which are both considered to be major funds of the County. Conversely, the Internal Service funds are combined into a single, aggregated presentation in the proprietary fund financial statements with the individual fund data provided in the combining statements, which can be found in the Supplemental Information Section of this ACFR.

Fiduciary Funds - Fiduciary funds include the **Trust** and **Custodial** funds and are used to account for assets held on behalf of outside parties, including other governments. Financial information for fiduciary funds is not reported in the government-wide financial statements because the resources of these funds are not available to support the County's programs. The combining statements for fiduciary funds are included in the Supplemental Information Section of this ACFR.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. To find a specific note, refer to the Table of Contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. At June 30, 2024, the County's combined net position (governmental and business-type activities) totaled \$6,668,042 an increase of 14% from June 30, 2023.

The largest component of the County's net position, which totals \$4,703,498 was **net investment in capital assets**, which represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets and debt-related deferred outflows and inflows of resources. The County's capital assets are used to provide needed services to its citizens. Since the capital assets themselves cannot be used to liquidate the associated debt, the resources needed to repay the debt must be provided from other sources.

| COMPONENTS OF NET POSITION | |
|----------------------------|----------------------------------|
| • | Net Investment in Capital Assets |
| • | Restricted |
| • | Unrestricted |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

The County's **restricted** net position of \$2,255,813 represents resources that are subject to external restrictions on their use and are available to meet the County's ongoing obligations for programs with external restrictions. External restrictions include those imposed by grantors, contributors, laws/regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation, including those passed by the County itself.

The **unrestricted** net position is the final component of net position. Unrestricted net position is resources that the County may use to meet its ongoing obligations to citizens and creditors. As of June 30, 2024, the County's unrestricted net position totals a deficit of \$291,269. Among governmental activities the deficit was \$1,122,428 in unrestricted net position, compared to its deficit of \$1,385,230 at June 30, 2023. The main contributor of the deficit continues to be the reporting of the County's proportionate share of net pension and net OPEB liabilities on the financial statements.

The following table presents condensed financial information derived from the government-wide Statement of Net Position:

| NET POSITION – Primary Government | | | | | | |
|--|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| June 30, 2024 and 2023 | | | | | | |
| | Governmental | | Business-Type | | Total | |
| | Activities | | Activities | | | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| ASSETS | | | | | | |
| Current and Other Assets | \$ 5,715,487 | \$ 5,392,474 | \$ 1,398,492 | \$ 1,297,045 | \$ 7,113,979 | \$ 6,689,519 |
| Capital Assets | 4,807,580 | 4,617,517 | 987,219 | 940,872 | 5,794,799 | 5,558,389 |
| Total Assets | 10,523,067 | 10,009,991 | 2,385,711 | 2,237,917 | 12,908,778 | 12,247,908 |
| DEFERRED OUTFLOWS OF RESOURCES | 1,051,485 | 1,315,258 | 21,533 | 26,628 | 1,073,018 | 1,341,886 |
| Total Assets/Deferred Outflows of Resources | 11,574,552 | 11,325,249 | 2,407,244 | 2,264,545 | 13,981,796 | 13,589,794 |
| LIABILITIES | | | | | | |
| Long-term Liabilities | 5,746,519 | 6,188,895 | 312,745 | 317,385 | 6,059,264 | 6,506,280 |
| Other Liabilities | 660,528 | 621,939 | 101,017 | 103,831 | 761,545 | 725,770 |
| Total Liabilities | 6,407,047 | 6,810,834 | 413,762 | 421,216 | 6,820,809 | 7,232,050 |
| DEFERRED INFLOWS OF RESOURCES | 396,919 | 400,548 | 96,026 | 105,177 | 492,945 | 505,725 |
| Total Liabilities/Deferred Inflows of Resources | 6,803,966 | 7,211,382 | 509,788 | 526,393 | 7,313,754 | 7,737,775 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 3,730,032 | 3,558,179 | 973,466 | 927,705 | 4,703,498 | 4,485,884 |
| Restricted | 2,162,982 | 1,940,918 | 92,831 | 63,614 | 2,255,813 | 2,004,532 |
| Unrestricted | (1,122,428) | (1,385,230) | 831,159 | 746,833 | (291,269) | (638,397) |
| Total Net Position | \$ 4,770,586 | \$ 4,113,867 | \$ 1,897,456 | \$ 1,738,152 | \$ 6,668,042 | \$ 5,852,019 |

As of June 30, 2024, the County's total assets and deferred outflows of resources increased by 3% or \$392,002 during the current fiscal year. There was an increase of \$424,460 in current and other assets, which is primarily attributable to an overall increase in cash and cash equivalents as a result of higher interest and investment income, higher tax apportionments and an increase in sales and use tax revenues. There was a decrease of \$268,868 in deferred outflows of resources, primarily due to a decrease in the difference between the projected and actual investment earnings for the changes in net pension liability measurements as required by GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27," (GASB Statement No. 68). In addition, capital assets increased by \$236,410, primarily due to the construction of the Huntington Beach and Talbert Channels Rehabilitation projects, an increase in land use rights for Santa Ana River Mainstem/Prado Dam projects and completion of the Fee Booth Relocation and Entrance Improvements project at Prima Deshecha Landfill.

Total liabilities and deferred inflows of resources as of June 30, 2024, decreased by 5% or \$424,021. Long-term liabilities decreased by \$447,016, mainly due to a decrease in the County's proportionate share of the net pension liability as a result of favorable returns from OCERS' investments. Additionally, the net OPEB liability decreased following a restructuring of the Plan, which eliminated the Grant for new employees, froze the Grant for existing employees, and transitioned both new and existing employees to the County Health Reimbursement Agreement. For more information on the restructuring, refer to Note 19, Other Postemployment Benefits.

The following table provides summarized data of the government-wide Statement of Activities:

| CHANGES IN NET POSITION – Primary Government | | | | | | |
|---|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| For the Years Ended June 30, 2024 and 2023 | | | | | | |
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 735,249 | \$ 675,999 | \$ 411,538 | \$ 386,855 | \$ 1,146,787 | \$ 1,062,854 |
| Operating Grants and Contributions | 3,178,163 | 3,208,589 | 3,450 | 52,105 | 3,181,613 | 3,260,694 |
| Capital Grants and Contributions | 119,432 | 200,108 | 1,614 | 225 | 121,046 | 200,333 |
| General Revenues: | | | | | | |
| Property Taxes | 730,427 | 705,986 | -- | -- | 730,427 | 705,986 |
| Property Taxes in Lieu of | | | | | | |
| Motor Vehicle License Fees | 514,941 | 484,543 | -- | -- | 514,941 | 484,543 |
| Other Taxes | 156,940 | 134,123 | 44 | -- | 156,984 | 134,123 |
| Grants and Contributions not Restricted to Specific Programs | 3,986 | 4,675 | -- | -- | 3,986 | 4,675 |
| State Allocation of Motor Vehicle License Fees | 3,738 | 2,931 | -- | -- | 3,738 | 2,931 |
| Other General Revenues | 226,444 | 154,838 | 66,969 | 30,744 | 293,413 | 185,582 |
| Total Revenues | 5,669,320 | 5,571,792 | 483,615 | 469,929 | 6,152,935 | 6,041,721 |
| EXPENSES | | | | | | |
| General Government | 272,288 | 363,314 | -- | -- | 272,288 | 363,314 |
| Public Protection | 1,783,109 | 1,824,133 | -- | -- | 1,783,109 | 1,824,133 |
| Public Ways and Facilities | 173,202 | 167,921 | -- | -- | 173,202 | 167,921 |
| Health and Sanitation | 1,021,899 | 906,593 | -- | -- | 1,021,899 | 906,593 |
| Public Assistance | 1,528,806 | 1,395,469 | -- | -- | 1,528,806 | 1,395,469 |
| Education | 64,272 | 61,221 | -- | -- | 64,272 | 61,221 |
| Recreation and Cultural Services | 136,248 | 155,460 | -- | -- | 136,248 | 155,460 |
| Interest on Long-Term Debt | 39,741 | 40,843 | -- | -- | 39,741 | 40,843 |
| Airport | -- | -- | 155,488 | 159,451 | 155,488 | 159,451 |
| OC Waste & Recycling | -- | -- | 161,859 | 162,221 | 161,859 | 162,221 |
| Compressed Natural Gas | -- | -- | -- | 3 | -- | 3 |
| Total Expenses | 5,019,565 | 4,914,954 | 317,347 | 321,675 | 5,336,912 | 5,236,629 |
| Excess before Transfers | 649,755 | 656,838 | 166,268 | 148,254 | 816,023 | 805,092 |
| Transfers | 6,964 | 8,554 | (6,964) | (8,554) | -- | -- |
| Change in Net Position | 656,719 | 665,392 | 159,304 | 139,700 | 816,023 | 805,092 |
| Net Position-Beginning of the Year | 4,113,867 | 3,448,475 | 1,738,152 | 1,598,452 | 5,852,019 | 5,046,927 |
| Net Position-End of the Year | \$ 4,770,586 | \$ 4,113,867 | \$ 1,897,456 | \$ 1,738,152 | \$ 6,668,042 | \$ 5,852,019 |

The County's net position increased by \$816,023 during the current fiscal year. Revenues for the year totaled \$6,152,935, an increase of \$111,214 from the previous year. Expenses totaled \$5,336,912, an increase of \$100,283 from the previous year.

Governmental Activities

The County's governmental activities rely on several sources of revenue to finance ongoing operations. Operating grants and contributions comprised the largest revenue source for the County, followed by charges for services. Operating grants and contributions are monies received from parties outside the County and are generally restricted to one or more specific programs such as State and Federal revenues for public assistance and for healthcare. Charges for services are revenues that arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Examples of the types of services that fall under this category include engineering services provided to cities under contract, park and recreation fees, and law enforcement services provided to other governmental agencies under contract.

At the end of FY 2023-24, total revenues for governmental activities, including transfers from the business-type activities, were \$5,676,284, an increase of \$95,938 from the previous year. Expenses totaled \$5,019,565, an increase of \$104,611 from the prior year. Net position for governmental activities increased \$656,719 from the prior fiscal year for an ending balance of \$4,770,586. Key elements of the change are as follows:

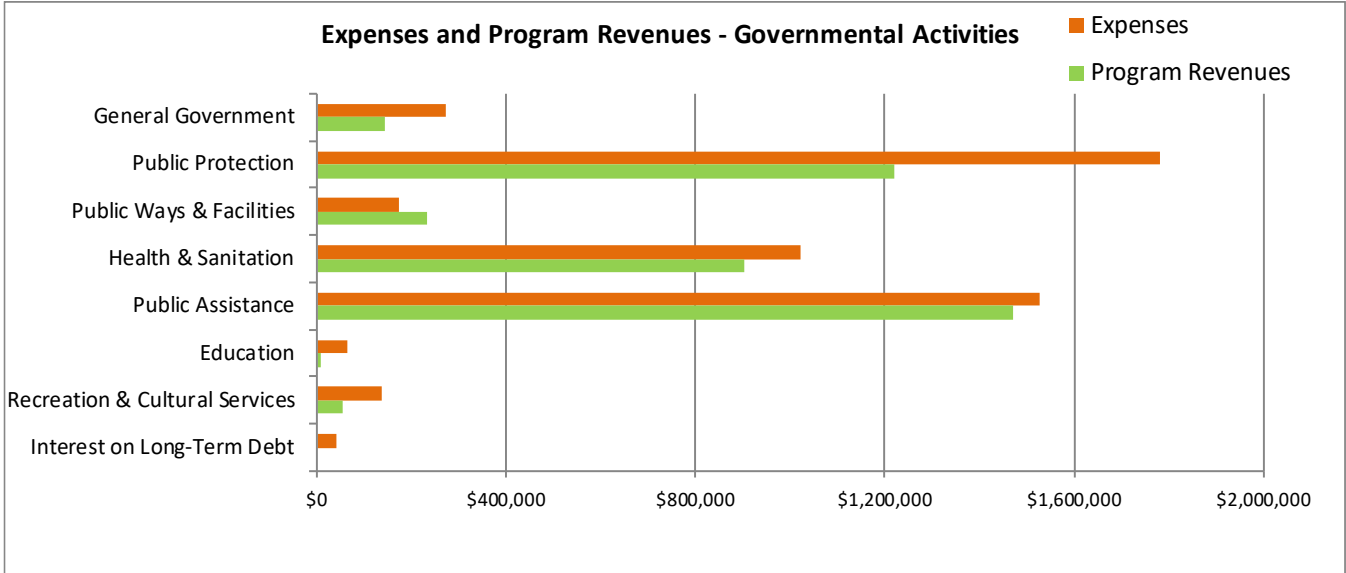
Revenues

- Other general revenues increased by \$71,606, mainly due to an increase in the interest and investment income.
- Charges for services increased by \$59,250, mainly due to an increase in Health Care Agency's (HCA) Mental Health Services programs.
- Property taxes in lieu of Vehicle License Fees (VLF) increased by \$30,398, primarily due to growth in the secured property tax roll value.
- Property taxes increased by \$24,441, mainly due to an increase in secured assessed values.
- Capital grants and contributions decreased by \$80,676, due to the bond proceeds and construction for the development of CFD, 2021-1 RMV (Rienda) in FY 22-23. This decrease was partially offset by an increase in bond proceeds for the construction and development of CFD, 2023-1 RMV (Rienda PH 2B).
- Operating grants and contributions decreased by \$30,426, primarily due to a decrease in realignment revenue and a reduction in revenue recognized under the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).

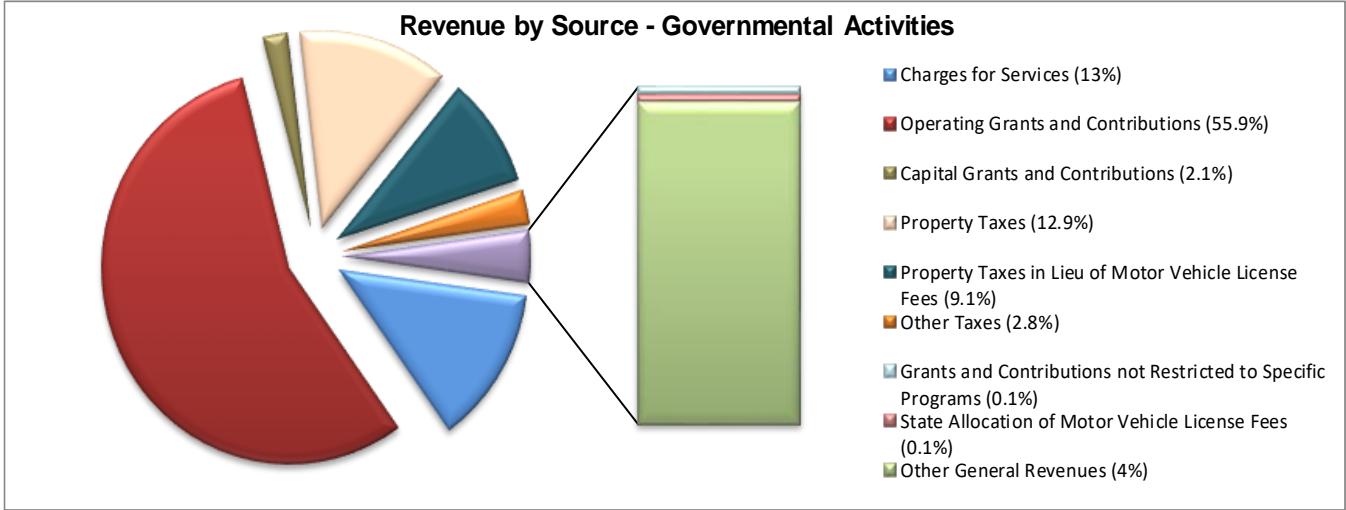
Expenses

- Expenses in public assistance increased by \$133,337, mainly due to an increase in salaries and employee benefits (S&EB) costs and an increase in support and care costs related to CALWORKS, In-Home Supportive Services (IHSS), and General Relief.
- Expenses in health and sanitation increased by \$115,306, mainly due to an increase in S&EB costs and an increase in costs related to Mental Health Services Act (MHSA) services.
- Expenses in general government decreased by \$91,026 mainly due to a decrease in payments for the Be Well Irvine campus, various construction costs for the CFD, 2021-1 RMV (Rienda) and a decrease in professional and specialized services related to the OC Cares Coordination compared to FY 2022-23.
- Expenses in public protection decreased by \$41,024 mainly due to a decrease in S&EB and pension costs mainly in the Sheriff-Coroner, District Attorney, and Probation departments.
- Expenses in recreation and cultural services decreased by \$19,212 due to lower contributions to other entities following the conveyance of certain County owned coastal properties within the city of Laguna Beach in FY 22-23.

The following chart presents a comparison of expenses by function and the associated program revenues for governmental activities:



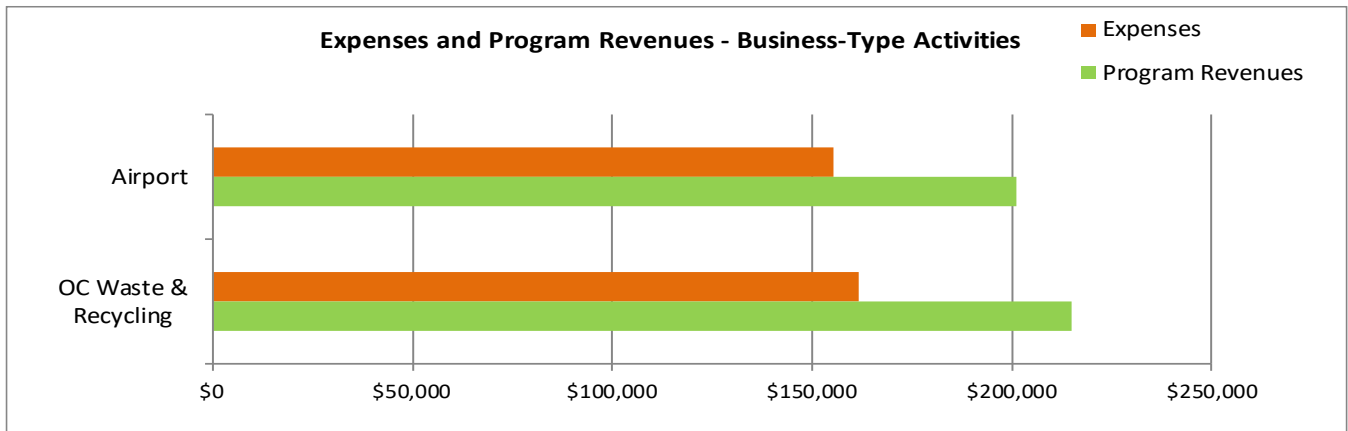
The chart below presents the percentage of total revenues by source for governmental activities:



Business-Type Activities

The County has three business-type activities: Airport, OC Waste & Recycling, and CNG. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported charges for services as their largest source of revenues.

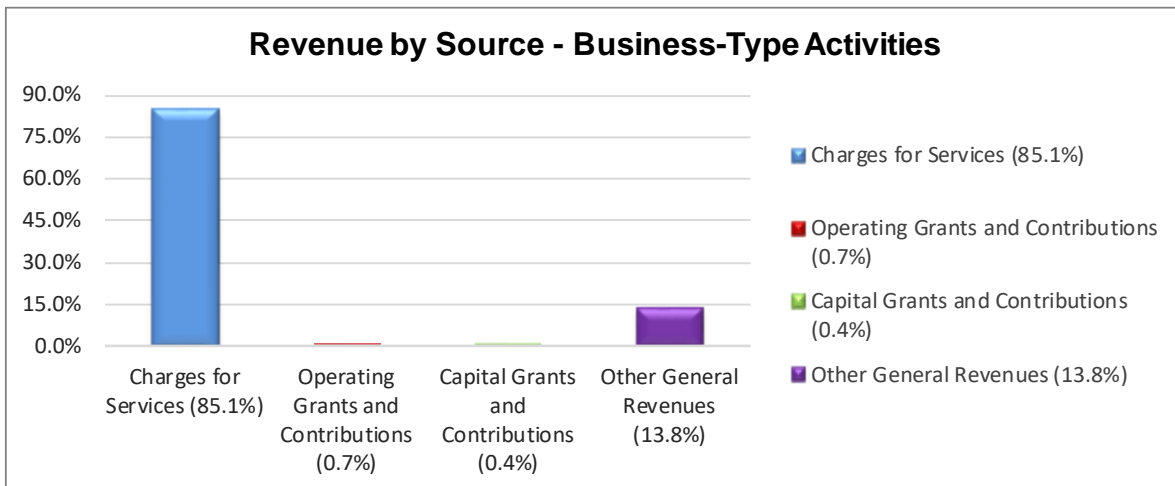
The following chart displays expenses and the associated program revenues by function for the business-type activities (major enterprise funds):



At the end of FY 2023-24, the business-type activities' total revenues exceeded expenses and transfers resulting in an increase of \$159,304 in net position compared to the prior year's increase in net position of \$139,700. Revenues totaled \$483,615, an increase of \$13,686 from the previous fiscal year, which is primarily attributable to increases in revenue from interest and investment income, OC Waste & Recycling's sanitation and landfill disposal tonnage and fees, as well as the Airport's revenue from concessions. Offsetting this increase was a net decrease in intergovernmental revenues and COVID-19 relief grant funding.

Expenses, including transfers to governmental activities, totaled \$324,311 representing a decrease of \$5,918 from the previous year. This decrease is primarily due to decreases in OC Waste & Recycling's closure and postclosure care costs. This decrease was partially offset by the increase in S&EB, services and supplies (S&S) and professional and specialized services from both Airport and OC Waste & Recycling. Other factors concerning the finances of the County's two major enterprise funds are discussed in the Proprietary Funds section of the "Financial Analysis of the County's Funds."

The chart below presents the percentage of total revenues by source for business-type activities (major enterprise funds):



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities.

Governmental Funds

Governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and deferred inflows of resources related to unavailable revenue, leases, and Public-Private and Public-Public Partnerships (PPP) generally are included on the balance sheet, with the difference reported as fund balance. Fund balance, excluding nonspendable and restricted fund balances, may serve as a valuable measure of the government's available financial resources for spending at the end of a fiscal year. This amount is available for spending at the discretion of the Board in order to achieve the established function of the respective funds.

At June 30, 2024, the County's governmental funds reported total fund balances of \$4,020,237, which is an increase of \$286,271 in comparison with prior year ending fund balances.

Comparative Analysis of Changes in Fund Balances

The following schedule presents a summary of revenues and other financing sources, expenditures and other financing uses, and the net change in fund balances for the governmental funds for the current and previous fiscal year:

| GOVERNMENTAL FUNDS COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES For the Years Ended June 30, 2024 and 2023 | | | | | | |
|--|---|---------------------|--|---------------------|--------------------------------|-------------------|
| | Revenues and Other Financing Sources | | Expenditures and Other Financing Uses | | Net Change in Fund Balances | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General Fund | \$ 4,730,012 | \$ 4,825,841 | \$ 5,153,953 | \$ 4,240,533 | \$ (423,941) | \$ 585,308 |
| Flood Control District | 246,067 | 209,385 | 160,889 | 210,858 | 85,178 | (1,473) |
| Other Public Protection | 84,011 | 64,598 | 77,983 | 71,783 | 6,028 | (7,185) |
| Mental Health Services Act Countywide Capital Projects | 319,686 | 174,305 | 303,044 | 295,594 | 16,642 | (121,289) |
| Non-General Fund | 515,036 | 89,104 | 103,970 | 114,950 | 411,066 | (25,846) |
| Other Governmental Funds | 1,442,035 | 1,352,785 | 1,250,737 | 1,223,265 | 191,298 | 129,520 |
| Total | \$ 7,336,847 | \$ 6,716,018 | \$ 7,050,576 | \$ 6,156,983 | \$ 286,271 | \$ 559,035 |

In addition to the effects of expenditure-driven grants, the following information provides explanations for the significant changes in fund balance:

General Fund

The General Fund is the chief operating fund of the County. At the end of FY 2023-24, revenues and other financing sources were less than the expenditures and other financing uses resulting in a decrease in fund balance of \$423,941, compared to last year's increase of \$585,308. Revenues and other financing sources decreased by \$95,829, and expenditures and other financing uses increased by \$913,420. The following is a brief summary of the primary factors that contributed to the decrease in the net change in fund balance for the General Fund in FY 2023-24:

Revenues

- Intergovernmental revenue decreased by \$368,140, primarily due to increases in 2011 Realignment drawdowns which lead to lower unspent 2011 Realignment Fund balance. Additionally, there was no revenue recognized for American Rescue Plan Act (ARPA) in this FY as all ARPA funds were expended in FY 2022-23.
- Transfers to the General Fund increased by \$173,266, primarily due to the transfers from the OC CARES and County Strategic Planning and Board Initiatives Special Revenue Funds to reimburse eligible activities incurred in the General Fund.
- Tax revenue increased by \$54,248, largely due to higher secured property taxes and property taxes in-lieu of VLF resulting from an increase in secured assessed values.

- Use of money and property revenue increased by \$49,891, primarily due to higher interest and investment income due to higher interest rates.
- Subscriptions issued increased by \$24,436, with new subscriptions-based IT arrangements entered into by the Public Defender, Sheriff-Coroner and CEO Real Estate departments.

Expenditures

- Transfer to other funds increased by \$558,252, mainly due to increases in transfers to the Countywide Capital Projects Non-General Fund, OC CARES Fund, and OC Housing Fund for the County's various projects such as the Affordable Housing programs, multi-year countywide capital projects, and implementation of the OC CARES Initiative.
- Expenditures for health and sanitation increased by \$155,386, primarily due to higher spending in professional services and S&EB in HCA.
- Expenditures for public assistance increased by \$125,455, largely due to higher S&EB costs in the Social Service Agency (SSA), and increased spending on programs such as CalWORKs, IHHS Providers, General Relief Assistance, and Foster Care Assistance.

Flood Control District

This group of funds is used to account for the planning, construction, and operation of flood control and water conservation works, such as dams, basins, and trunk channels, and for the retardation, conservation, and controlled discharge of storm waters. At the end of FY 2023-24, there was an increase in fund balance of \$85,178 as compared to last year's decrease of \$1,473. Revenues and other financing sources increased by \$36,682, mainly due to higher interest and investment income, higher reimbursement of eligible costs for the Santa Ana River Project, and higher property taxes received. Expenditures and other financing uses decreased by \$49,969, primarily due to lower construction costs for projects nearing completion, such as the East Garden Grove Wintersburg Channel Improvements, the Huntington Beach Channel and the Talbert Channel Sheet Pile Repair Design-Build Project.

Other Public Protection

This group of funds accounts for revenues restricted for safety and law enforcement activities such as the child support program, automated fingerprint identification systems, and investigation team. At the end of FY 2023-24, there was an increase in fund balance of \$6,028, compared to last year's decrease of \$7,185. Revenues and other financing sources increased by \$19,413, primarily attributable to revenue received from the State for the Juvenile Justice Realignment Block Grant for the Probation Department. Expenditures and other financing uses increased by \$6,200, largely due to transfers out from Prop 172 Public Safety Sales Tax to the Sheriff-Coroner Department and the District Attorney for the provision of government services.

Mental Health Services Act (MHSA)

This fund accounts for purpose restricted MHSA revenues. At the end of FY 2023-24, fund balance increased by \$16,642, compared to last year's decrease of \$121,289. Revenues and other financing sources increased by \$145,381, primarily due to a higher allocation from the State for approved mental health services. Expenditures and other financing uses increased by \$7,450, primarily due to higher transfers to the General Fund for reimbursement of MHSA related services.

Countywide Capital Projects Non-General Fund

This fund accounts for the multi-year approved capital projects funded primarily with Net County Cost or general purpose revenue. At the end of FY 2023-24, fund balance increased by \$411,066, compared to last year's decrease of \$25,846. Revenues and other financing sources increased by \$425,932, primarily due to the transfer of anticipated NCC savings within the General Fund for future capital projects that have not been expended in the current fiscal year. Expenditures decreased by \$10,980, primarily due to higher construction costs for the El Toro Emergency Medical Facility and the Juvenile Hall-Youth Transition Center. These increases were partially offset by a decrease in transfers related to the James A. Musick Facility expansion project as it nears completion.

Other Governmental Funds

Other governmental funds encompass nonmajor funds, which include special revenue funds, debt service funds, capital project funds, and a permanent fund. At the end of FY 2023-24, fund balances increased by \$191,298, in comparison to prior year's increase of \$129,520. Revenues and other financing sources increased by \$89,250, primarily due to an increase in transfers to the OC CARES Fund for future capital projects and strategic priorities, and

an increase in interest and investment income as a result of higher interest rates. Partially offsetting this increase was a decrease in bonds issued due to the prior year finance of the Bell Building facility. Expenditures and other financing uses increased by \$27,472, primarily due to transfers from the OC CARES Fund to the General Fund, increased redemption of Teeter Plan Notes, and higher expenditures related to rental assistance programs by the Orange County Housing Authority. These increases were partially offset by decreased costs for the acquisition and improvements of the Bell Building, lower reimbursements to Rancho Mission Viejo for the CFD 2021-1 RMV (Rienda) construction costs, and decreased operating costs following the conveyance of certain County owned costal properties within the city of Laguna Beach in prior year.

The following table shows fund balances and percentage change in fund balances for governmental funds for the current and previous fiscal year:

| COMPARATIVE FUND BALANCE | | | | | |
|--|-------------|------------------|-------------|------------------|------------------------------|
| GOVERNMENTAL FUNDS | | | | | |
| June 30, 2024 and 2023 | | | | | |
| | 2024 | | 2023 | | Increase/(Decrease) % |
| General Fund | \$ | 1,288,572 | \$ | 1,712,513 | (25)% |
| Flood Control District | | 533,594 | | 448,416 | 19 % |
| Other Public Protection | | 201,749 | | 195,721 | 3 % |
| Mental Health Services Act | | 131,766 | | 115,124 | 14 % |
| Countywide Capital Projects Non-General Fund | | 625,452 | | 214,386 | 192 % |
| Other Governmental Funds | | 1,239,104 | | 1,047,806 | 18 % |
| Total | \$ | 4,020,237 | \$ | 3,733,966 | 8 % |

Proprietary Funds

The proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Airport and OC Waste & Recycling funds, which are considered to be major funds of the County, and the CNG fund. Internal Service Funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

Comparative Analysis of Changes in Fund Net Position

The following table presents the enterprise funds' revenues, expenses, contributions, transfers, and changes in fund net position for the current and previous fiscal year:

| ENTERPRISE FUNDS | | | | | | | | | | | | |
|---|--|----------------|-------------|-------------------------------|-----------|------------------------------------|-----------|----------------|-----------|----------------|-----------|----------------|
| COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, CONTRIBUTIONS, TRANSFERS, AND CHANGES IN FUND NET POSITION | | | | | | | | | | | | |
| For the Years Ended June 30, 2024 and 2023 | | | | | | | | | | | | |
| | Revenues, Contributions and Transfers | | | Expenses and Transfers | | Change in Fund Net Position | | | | | | |
| | <u>2024</u> | | <u>2023</u> | <u>2024</u> | | <u>2023</u> | | | | | | |
| | \$ | | \$ | \$ | | \$ | | | | | | |
| Airport | \$ | 224,860 | \$ | 242,496 | \$ | 153,277 | \$ | 157,229 | \$ | 71,583 | \$ | 85,267 |
| OC Waste & Recycling | | 260,912 | | 227,613 | | 170,446 | | 170,796 | | 90,466 | | 56,817 |
| Compressed Natural Gas | | 379 | | 321 | | -- | | 3 | | 379 | | 318 |
| Total | \$ | 486,151 | \$ | 470,430 | \$ | 323,723 | \$ | 328,028 | \$ | 162,428 | \$ | 142,402 |

Airport

This fund accounts for major construction and self-supporting aviation related activities rendered at the Airport. At the end of FY 2023-24, there was an increase of \$71,583 in net position compared to the prior year increase of \$85,267. Revenues, contributions and transfers decreased by \$17,636, primarily due to a decrease in intergovernmental revenues, partially offset by an increase in interest and investment income and revenue from use of property. Expenses decreased by \$3,952, mainly due to a decrease in minor alterations and improvements costs and a one-time loss on debt defeasance in the prior year. These decreases were partially offset by increased S&S costs.

OC Waste & Recycling

This fund is used to account for the operation, expansion and closing of existing landfills. Monies are collected through gate tipping fees, which users pay based primarily on tonnage. At the end of FY 2023-24, there was an increase of \$90,466 in net position compared to the prior year increase of \$56,817. Revenues, contributions and transfers increased by \$33,299, primarily due to increases in interest and investment income, sanitation and landfill disposal tonnage and fees collected for waste, recycling, and importation. Expenses and transfers decreased by \$350, primarily due to a decrease in the landfill site closure and post-closure care costs. This decrease was partially offset by an increase in S&EB, S&S, and professional and specialized services.

Compressed Natural Gas

This fund is used to account for the operation and maintenance of the CNG facility. Revenues consist primarily of compressed natural gas sales to fuel the County's growing fleet of CNG-powered heavy equipment. At the end of FY 2023-24, there was an increase of \$379 in net position compared to the prior year increase of \$318. Revenues increased by \$58 due to a higher interest and investment income and a one-time federal excise tax refund. These increases were partially offset by a lower royalty payment from Clean Energy. Expenditures decreased by \$3 due to a decrease in utilities purchased.

For further comparative analysis of Changes in Fund Net Position, please see the Business-Type Activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

This section provides a summary of the primary factors involved in the variances between: 1) the Original Budget and the Final Budget; and 2) the Final Budget and the budgetary based actual amounts for the General Fund. In addition to the effects of expenditure-driven grants, the following information provides explanations for significant variances. Refer to the General Fund Budgetary Comparison Statement for a full budgetary comparison.

Original Revenue Budget vs. Final Revenue Budget

The following provides a summary of the primary factors attributable to the increase or decrease in the General Fund final budget revenues and other financing sources compared to the original budget revenues and other financing sources:

Intergovernmental

- An increase of \$21,877 in SSA due to the anticipation of more State and Federal allocations and grants for various programs including Medi-Cal, Family Self-Sufficiency and Adult Services, and CalFresh.
- An increase of \$13,784 in OC Community Resources (OCCR) for the closure of the Workforce Innovation and Opportunity Act Fund to reduce the County's administrative burden of maintaining a separate fund.
- An Increase of \$10,000 due to anticipated revenues from the Federal Emergency Management Agency (FEMA) for the reimbursement of claims associated with the COVID-19 Pandemic response.
- An increase of \$7,600 in Miscellaneous Budget Control for anticipated federal revenues for funding of future capital projects and strategic priorities.

Transfers In

- An increase of \$13,090 in HCA from various sources, including the MHSA Fund, the OC Tobacco Settlement, Bioterrorism Center for Disease Control and OC Opioid Settlement Funds to support ongoing programs costs.
- An increase of \$5,913 in the Sheriff-Coroner Department, primarily from the SCAAP Fund and Sheriff's Supplemental Law Enforcement Services to cover for S&EB and the purchase of equipment related to narcotics law enforcement activities.
- An increase of \$5,341 in the Clerk-Recorder Department to allow transfers from the Operating Reserve Fund for reimbursement of various eligible expenditures.
- An increase of \$3,261 in the District Attorney Department, primarily from the Excess Public Safety Sales Tax Fund to meet current year operational needs.

Use of Money and Property

- An increase of \$22,100 in the Miscellaneous Budget Control as a result of project savings for funding of future IT projects and strategic priorities.

- An increase of \$21,395 due to higher interest rates to provide sufficient funding of future capital projects and strategic priorities.

Final Revenue Budget vs. Actual Revenue Amounts

The following information provides a summary of the primary factors that caused significant variances in the General Fund actual revenues and other financing sources compared to the final revenue and other financing sources budget:

Intergovernmental

- A \$399,896 less than budgeted amount was primarily comprised of the following:
 - \$273,888 less in the ARPA budget control as a result of the increased use of CSLFRF funds in prior year, which fully expended the federal funding.
 - \$59,908 decreased in the Local Revenue 2011 due to a reduction of State funding and higher expenditures.
 - \$21,559 less in HCA due to lower than expected Federal and State funding related to Communicable Disease Control, Adults and Families Program, Correctional Medical Services, Public Health Laboratory and Emergency Medical Services.
 - Partially offsetting the overall less than budgeted intergovernmental revenue amounts was the following:
 - \$24,255 more received by SSA from State funding for CalWORKS Assistance and Foster Care Assistance programs.

Transfers In

- A \$141,830 less than budgeted amount was primarily comprised of the following:
 - \$111,599 less received in HCA due to lower than expected drawdowns from the MHSA Fund, Opioid Settlement and OC Tobacco Settlement Funds.
 - \$13,919 less received in SSA mainly attributable to lower than budgeted reimbursements from the SSA Wraparound Fund and the Operations Facilities Development and Maintenance Fund for expenditures related to Tustin Family Campus.

Original Expenditure Budget vs. Final Expenditure Budget

The following provides a brief summary of the primary factors attributable to the increase or decrease in the General Fund final budget expenditures and other financing uses compared to the original budget expenditures and other financing uses:

Miscellaneous

- An increase of \$83,466, mainly due to the budgeted transfers out to the OC CARES Fund and Countywide Capital Projects Non-General Fund. The increase in budgeted transfers out was partially offset by a decrease in budget for appropriations for contingencies.

Sheriff-Coroner

- An increase of \$30,044, due to unanticipated higher costs for S&EB for unbudgeted cost of living adjustments per various Memorandum of Understandings.

Social Services Agency

- An increase of \$27,207, mainly due to higher appropriations for S&EB for added positions to support Medi-Cal Services, enhance Child Welfare Services programs, administer the CalFresh program within State guidelines and mandates, and support the Master Plan for Aging and IHSS.

Health Care Agency

- An increase of \$17,416, primarily to cover the costs of professional and specialized services to support the opioid abatement activities, OC Tobacco Settlement program, MHSA services, pharmaceutical supplies for opioid abatement, support and care services for the temporary shelter, and to purchase vehicles to provide mobile field based crisis services and to provide transportation services to clients.

OC Community Resources

- An increase of \$13,940, mainly due to the increase in S&S for the transfer of appropriations from the Workforce Innovation & Opportunity Act resulting from the fund closure.

Final Expenditure Budget vs. Actual Expenditure Amounts

The following provides a summary of the primary factors that caused significant variances in the General Fund actual expenditures as compared to the final budget:

American Rescue Plan Act (ARPA)

- \$273,888 lower than budgeted amount mainly as a result of the increased use of CSLFRF funds in prior years, which fully expended the federal funding.

Health Care Agency

- \$143,877 less than budgeted amount mainly due to lower than anticipated expenditures for professional and specialized services associated with Communicable Disease Control, MHPA programs and Substance Use Disorder Services.

Sheriff-Coroner

- \$37,187 lower than budgeted amount mainly due to lower than expected costs for S&EB and professional and specialized services such as food services, supplies for the shooting range facility and other bureaus, and building maintenance.

OC Community Resources

- \$20,600 lower than budgeted amount primarily due to lower professional and specialized services and administrative expenditures related to OC Workforce and Economic Development Division, Office on Aging, and Information Technology.

Capital Assets

At June 30, 2024, the County’s capital assets for both the governmental and business-type activities amounted to \$5,794,799 net of accumulated depreciation/amortization. The investment in capital assets includes land, land use rights, construction in progress, intangible in progress, structures and improvements, land improvements, equipment, software, infrastructure, and right-to-use assets. The total increase in the County’s investment in capital assets for the current year was 4%.

Capital assets for the governmental and business-type activities are presented below to illustrate changes:

| CAPITAL ASSETS | | | | | | | |
|---|---------------------|---------------------|----------------------|-------------------|---------------------|---------------------|-------------------|
| (Net of Accumulated Depreciation/Amortization) | | | | | | | |
| June 30, 2024 and 2023 | | | | | | | |
| | Governmental | | Business-Type | | Total | | Increase/ |
| | Activities | | Activities | | | | (Decrease) |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>% Change</u> |
| Land | \$ 901,923 | \$ 900,174 | \$ 38,379 | \$ 38,379 | \$ 940,302 | \$ 938,553 | -- |
| Land Use Rights Permanent | 58,713 | 16,682 | -- | -- | 58,713 | 16,682 | 252 % |
| Construction in Progress | 589,425 | 555,576 | 124,577 | 94,786 | 714,002 | 650,362 | 10 % |
| Intangible in Progress | 5,578 | 3,416 | 95 | -- | 5,673 | 3,416 | 66 % |
| Structures and Improvements | 992,856 | 1,000,728 | 470,000 | 493,906 | 1,462,856 | 1,494,634 | (2)% |
| Land Improvements | 42,495 | 42,149 | 523 | 544 | 43,018 | 42,693 | 1 % |
| Equipment | 204,235 | 204,886 | 72,066 | 58,994 | 276,301 | 263,880 | 5 % |
| Software | 55,154 | 41,086 | 1,785 | 2,357 | 56,939 | 43,443 | 31 % |
| Land Use Rights Amortizable | 138 | -- | -- | -- | 138 | -- | 100 % |
| Infrastructure | 1,450,397 | 1,388,002 | 279,531 | 251,410 | 1,729,928 | 1,639,412 | 6 % |
| Right-to-Use Assets | 506,666 | 464,818 | 263 | 496 | 506,929 | 465,314 | 9 % |
| Total | \$ 4,807,580 | \$ 4,617,517 | \$ 987,219 | \$ 940,872 | \$ 5,794,799 | \$ 5,558,389 | 4 % |

The following lists the significant expenditures for capital assets in FY 2023-24:

General Fund

- \$4,169 for the Central Utility Facility-Replacement of Steam and Condensate Lines to Jail/Intake Release Center
- \$2,684 for the purchase of IT hardware, software and services for Public Defender
- \$2,352 for the interior upgrades and tenant improvements at SSA Central Regional Office
- \$2,240 for the replacement of emergency backup generators at the Bell Building
- \$1,906 for the purchase of Registrar of Voter's mail inserting system for elections
- \$1,767 for the purchase of server and software licenses and monthly software subscriptions for HCA
- \$1,220 for the purchase of IT hardware, software and services for Sherriff-Coroner's Information Services Bureau
- \$1,208 for the purchase of laboratory equipment and technical support for the OC Crime Lab
- \$1,173 for the replacement of Reverse Osmosis System at the Central Utility Facility
- \$1,086 for the purchase of communications systems, electronic key management system and kitchen appliances at Juvenile Hall

Flood Control District

- \$23,655 for the purchase of properties for the Santa Ana River Mainstem and Prado Dam Project
- \$12,220 for the East Garden Grove-Wintersburg Channel Bridges at Warner Ave, Springdale St., and Edwards St
- \$2,790 for the Santa Ana Gardens Channel Bikeway Extension Project
- \$1,145 for the Santa Ana Delhi Channel Improvement Project

Other Public Protection

- \$1,455 for the purchase of various telecommunication equipment for the 800 MHz Countywide Coordinated Communication System Upgrade Project

Countywide Capital Projects Non-General Fund

- \$34,675 for the El Toro Emergency Medical Facility
- \$7,954 for the Probation Youth Transition Center
- \$6,800 for the Civic Center Facilities Master Plan Phase III
- \$1,523 for the County Operations Center Building A, Registrar of Voters Vote Center Training Site
- \$1,463 for the Health Care Agency 17th St at El Toro Feasibility
- \$1,379 for the Manchester Office Building, Building Automation Controls Replacement
- \$1,189 for the Brad Gates Building Replace Variable Air Volume Boxes Phase III Project
- \$1,145 for the County Operations Center Building B, 1st Floor remodel and HVAC upgrade
- \$1,049 for the OC CARES Coordinated Re-entry Facility

Other Governmental Funds

- \$24,871 for the James A. Musick Facility Master Plan, Phase I Project
- \$11,255 for the James A. Musick Facility Master Plan, Phase II Project
- \$5,303 for the Intake Release Center-Mod-L Mental Health upgrades
- \$3,230 for the Los Alamitos/Rossmoor tenant enhancement, HVAC and roof
- \$2,164 for the replacement of air handler units at the Intake Release Center
- \$1,511 for the Salt Creek Beach revetment repair
- \$1,448 for the OC Jail Facilities ADA Compliance upgrade
- \$1,275 for the Mile Square Regional Park Expansion Phase II Project
- \$1,228 for the Coyote Creek Channel Segment O Project
- \$1,158 for the Intake Release Center Carousel and Stations Replacement Project
- \$1,137 for the traffic signals upgrades-Coto De Caza to Oso Parkway

Airport

- \$6,374 for the facility accessibility improvements for Terminal Phase II
- \$6,138 for the elevator/escalator modernization and refurbishment
- \$2,141 for the Taxiways A-D-E Reconstruction
- \$1,636 for the purchase of various equipment and vehicles

- \$1,578 for the Baggage Handling System Upper-Level controls
- \$1,115 for the Airport Power Generation and Distribution Upgrades
- \$1,095 for the Terminal Floors Expansion Joints Improvement

OC Waste & Recycling

- \$29,420 for the Prima Zone 4 Phase A Mass Excavation and Liner Project
- \$18,484 for the Frank R. Bowerman (FRB) Phase VIII-A Groundwater Protection and Stockpile Project
- \$8,834 for the purchase of heavy equipment at Olinda Alpha Landfill and North Regional Landfill
- \$6,700 for the purchase of heavy equipment at Prima Deshecha Landfill and South Regional Landfill
- \$6,582 for the purchase of heavy equipment at FRB Landfill and Central Regional Landfill
- \$5,192 for the Prima Infrastructure Phase I Project
- \$3,957 for the Fee Booth Replacement Project at Prima Deshecha

Internal Service Funds

- \$8,600 for the purchase of various vehicles for OC Fleet Services

Additional information on the County's capital assets can be found in Note 6, Changes in Capital Assets, Note 12, Leases and Note 13, Subscription-Based Information Technology Arrangements (SBITA) in the Notes to the Basic Financial Statements section.

Commitments for Capital Expenditures

At the end of FY 2023-24, significant commitments for capital expenditures included the following:

- \$58,787 for the Prima Zone 4 Phase A Mass Excavation and Liner Project
- \$40,553 for the El Toro Emergency Medical Facility
- \$24,167 for the OC CARES Housing of Transitional Aged Youth (TAY)
- \$22,291 for the Facility Accessibility Improvements for Terminal Phase II
- \$21,350 for the purchase of various vehicles
- \$16,883 for the FRB Phase VIII-A1 Groundwater Protection and Stockpile Project
- \$15,125 for the Airport Power Generation and Distribution Upgrades
- \$13,892 for the elevator/escalator modernization and refurbishment
- \$12,589 for the OC Loop Carbon Creek Channel Segment D Bikeway Gap Closure
- \$8,712 for the Mile Square Regional Park-Golf Course to Park Conversion Phase 2
- \$8,306 for the FRB Sewer Line and Water Treatment System
- \$6,432 for the East Garden Grove-Wintersburg Channel Bridges at Warner Ave, Springdale St, and Edwards St
- \$5,994 for the Dana Point Library-Tenant Enhancements
- \$5,691 for the Rental Car Reconfiguration
- \$5,618 for the OC CARES Juvenile Corrections Campus-Phase I

Additional information on the County's commitments for capital expenditures can be found in Note 15, Construction and Other Significant Commitments in the Notes to the Basic Financial Statements section.

Long-Term Debt

At June 30, 2024, the County had total debt obligations outstanding of \$544,920, excluding long-term liabilities such as compensated absences payable, pension, OPEB, lease obligations payable, and SBITA. During the year, the County's outstanding bond obligations decreased by \$58,294, or 10% which is primarily attributable to the redemption of \$134,525 Teeter Plan Notes. Partially offsetting the decrease was the issuance of \$89,004 in Teeter Plan Notes.

The following table summarizes the County's outstanding bonds for governmental activities at June 30, 2024 and 2023:

| LONG-TERM DEBT OBLIGATIONS | | | |
|--------------------------------------|---------------------|-------------------|-------------------|
| June 30, 2024 and 2023 | | | |
| | Governmental | | (Decrease) |
| | Activities | | |
| | <u>2024</u> | <u>2023</u> | <u>% Change</u> |
| Revenue Bonds | \$ 440,386 | \$ 451,166 | (2)% |
| Teeter Plan Notes (Direct Placement) | 36,787 | 82,308 | (55)% |
| Add: Premium on Bonds Payable | 67,747 | 69,740 | (3)% |
| Total | \$ 544,920 | \$ 603,214 | (10)% |

The following summarizes the County's long-term debt issuance during FY 2023-24:

Teeter Plan Notes On July 14, 2023, the County paid \$41,208 of its \$82,308 taxable Teeter Plan Obligation Notes, Series B utilizing accumulated base taxes. On July 17, 2023, the Teeter Plan Notes were issued for \$89,004 in taxable Teeter Plan Obligation Notes, Series B, to refund the outstanding balance of \$41,100 and to finance the purchase of \$47,904 in delinquent property tax receivables. The Teeter Plan Notes issued on July 17, 2023, were issued pursuant to a First Amendment to Second Amended and Restated Note Purchase and Reimbursement Agreement, dated between the County and Wells Fargo Bank, National Association. Teeter Plan Notes may be issued from time to time by the County provided that the total principal amount of Teeter Plan Notes outstanding at any one time shall not exceed \$150,000. The County paid \$18,200 on September 15, 2023, \$15,017 on November 17, 2023, \$9,433 on March 22, 2024, and \$9,567 on May 16, 2024 of its \$89,004 Teeter Plan Notes utilizing accumulated base taxes. The Teeter Plan Notes mature on July 30, 2024, and bear a variable interest rate. As of June 30, 2024, the outstanding principal amount of the Teeter Plan Obligation Notes was \$36,787 and the authorized, unused available commitment under the First Amendment to Amended and Restated Note Purchase and Reimbursement Agreement was \$113,213.

Additional information on the County's long-term debt activity can be found in Note 10, Long-Term Obligations, and Note 22, Subsequent Events in the Notes to the Basic Financial Statements section.

Bond Ratings

The County maintained its Issuer Credit Rating (ICR) of AA+ from Standard & Poor's Global Ratings (S&P), and AAA Issuer Default Rating (IDR) from Fitch Ratings. Refer to Note 22, Subsequent Events for additional information on the County's S&P issuer credit rating.

On December 11, 2023, Moody's Investors Service (Moody's) withdrew the County's Issuer Credit Rating.

The County has the following long-term underlying debt ratings:

| LONG-TERM DEBT RATINGS | | | |
|-------------------------------|----------------|----------------|--------------|
| June 30, 2024 | | | |
| | S&P | Moody's | Fitch |
| Issuer/Default Rating | AA+ | NR | AAA |
| 2016 Lease Revenue Bonds | AA | NR | NR |
| 2017 Lease Revenue Bonds | AA | NR | AA+ |
| 2018 Lease Revenue Bonds | AA | NR | AA+ |
| 2022 Lease Revenue Bonds | AA | NR | AA+ |
| Teeter Plan Notes | NR | NR | NR |

OTHER POTENTIALLY SIGNIFICANT MATTERS

The County's management has determined that the following are significant matters that have a potential impact on the County's financial position or changes in financial position:

State Legislation and Budget

Behavioral Health Service Act (Proposition 1 BHSA)

The Behavioral Health Modernization was announced in March 2023, as part of the Governor's State of the State Tour and subsequently passed by voters as Proposition 1 (Prop 1), in March 2024. Prop 1 intends to transform California's behavioral health system by focusing on homeless, conservatorship, and system-involved individuals. Funding received would now be allocated for housing interventions (30%), full-service partnerships (35%), and behavioral health services and supports (35%). Responsibilities for behavioral health prevention services currently provided by the County will shift to the California Department of Public Health, as the allowable funding for state administration doubles. The shift in allowable use coupled with the decrease in revenues will result in an estimated decrease of \$150,000 for the provision of behavioral health services.

Also approved with Prop 1 was a \$6,400,000 bond authorizing competitive grants to build an array of treatment, residential care, and supportive housing to provide appropriate care facilities for those experiencing mental health conditions and/or substance use disorders. BHSA has various effective dates and requires a Board-approved BHSA Integrated Plan for FY 2026-27 through FY 2028-29 by July 1, 2026.

System of Care-Homelessness

The County continues to work together with cities to respond to regional community needs in addressing homelessness. The partnership between the County and each of the 34 cities in the County is essential to meet the needs of people experiencing homelessness and leverages the funding available with the Building Homes Job Act (SB 2) or other programs such as the State's No Place Like Home, California Advancing and Innovating Medi-Cal, and the Special Needs Housing Programs.

In June 2018, the County filed the Housing Funding Strategy with the goal of developing 2,700 units of permanent supportive housing. As of October 2024, the County has committed funding to 1,547 permanent supportive housing units throughout the County. The update also addressed the housing needs for individuals reentering the community upon release from custody; affordable housing assistance with voluntary support services to address the needs of chronically homeless individuals; and housing tailored with supportive services for youths and veterans experiencing challenges on the path to being successfully housed. In addition to the larger housing efforts, the County is assisting with housing stability by providing landlord incentives for 500 units and match commitments for developing an additional 300 units. Significant efforts include the following:

- Operational funding was provided to three city-operated emergency shelters and capital funding was provided for a city-operated emergency shelter.
- Funding was provided for development and operation of a transitional aged youth-focused emergency shelter and construction of the Yale Navigation Center.
- California Department of Housing and Community Development awarded \$20,592 in funding during Homekey Round one and \$33,620 during Round two. In total, the funding was used to support the acquisition and rehab of five motels converting to 252 units of interim and permanent supportive housing. Additionally, the County supported the City of Anaheim in an application for Homekey Round two funds for an 89-unit motel conversion (interim to permanent housing) by providing a commitment of funding for operating costs. The County also applied for up to \$29,000 in Homekey Round three funding for the conversion of a 120-room motel to 78 units of permanent supportive housing in the City of Costa Mesa, in partnership with the cities of Costa Mesa and Newport Beach.
- State Homeless Housing, Assistance and Prevention funding identified to create 62 units of non-congregate shelter.
- Field-based outreach teams integrate with County behavioral health resources to support city-led homeless services programs.
- The Emergency Rental Assistance Program provided nearly \$39,000 in financial assistance to tenant households experiencing financial hardship due to COVID-19 to pay for rental arrears and past due utilities, thus promoting housing stability and minimizing the risk of homelessness.

In addition, the County utilizes the Care Plus Program to provide services through a multi-disciplinary team approach, focusing on person-centered care for those experiencing homelessness to streamline their access of County programs and improve outcomes related to health and housing.

Master Plan for Aging

The Governor's January 2021 Master Plan for Aging included five distinct goals for counties to achieve as California prepares for a projected increase in the number of California residents age 60 years and older. An intradepartmental team consisting of OCCR, SSA, HCA, and CEO have collaborated in a joint effort to build the foundation for Orange County to improve the coordination and quality of service delivery to this population. A Countywide healthy aging assessment has been completed that will identify and prioritize the needs and factors affecting the health of our aging population. In 2023, the Orange County Older Adults Needs Assessment was conducted to gather information aligned to the California's Master Plan on Aging five goals. The Assessment included three surveys that were offered to older adults aged 55 and older, as well as those who are caregivers and paid providers. Multiple efforts were made to reach all populations, including the hard to reach populations (e.g., unhoused, incarcerated individuals, homebound), and included seven different languages. This effort resulted in over 7,000 responses to the three surveys. Assessment results are being analyzed to identify the priorities and needs aligned to the five goals. This information will be shared with outside stakeholders for use in their work to serve this population and will inform the development of the Orange County Master Plan for Aging which will be released in 2025.

FEMA Revenue for COVID-19

The County has filed all required claims for reimbursement for eligible COVID-19-related expenditures from FEMA. As of June 2024, the County submitted \$199,310 in FEMA claims which were reduced by \$7,113. The County received reimbursement for \$153,252 and the remaining balance is currently pending reimbursement from FEMA for the following four eligible COVID-19 projects: Emergency Operations Center, Testing Kits, Vaccination and the Great Plates Program. In addition to FEMA funding, some County departments received additional funding from the state/federal governments for other eligible program costs related to COVID-19.

Long-Term Financial Planning

Funding Progress of the County's Retirement System (System)

The funded ratio of the System is a measure of the ability of the System to make obligated payments to current retirees and future retirees. As of December 31, 2023, the funding ratio for the System is 82.6%, which is an increase from 81.5% in 2022. The System's Unfunded Actuarial Accrued Liability (UAAL) decreased from \$4.70 billion (\$3.99 billion attributable to the County) to \$4.65 billion (\$3.94 billion attributable to the County). The decrease in the UAAL is primarily attributable to investment returns (after smoothing) greater than the 7.00% return assumption and salary increases greater than expected and cost-of-living adjustment (COLA) increases greater than expected.

On November 4, 2008, the voters in Orange County approved Measure J, which requires voter approval for any future pension benefit enhancements. The County carefully monitors the activities at OCERS and regularly provides input to OCERS management, as well as providing input at OCERS Board meetings.

Requests for Information

We hope that the preceding information provides a general overview of the County's overall financial status. For questions or comments concerning information contained in this report, please contact the Auditor-Controller's Office, County of Orange, 1770 N. Broadway, Santa Ana, CA 92706 or you can access our website at ocauditor.gov.





County of Orange
Annual Comprehensive Financial Report
June 30, 2024
(Dollar Amounts in Thousands)

| | Primary Government | | | Component Units | |
|---|-------------------------|--------------------------|--------------|-----------------|------------------|
| | Governmental Activities | Business-Type Activities | Total | First 5 OC | CalOptima Health |
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 3,869,805 | \$ 1,044,497 | \$ 4,914,302 | \$ 71,908 | \$ 550,817 |
| Restricted Cash and Cash Equivalents | 73,256 | 181,929 | 255,185 | -- | 300 |
| Investments | 508,722 | -- | 508,722 | -- | 2,892,841 |
| Deposits In-Lieu of Cash | 11,446 | 44,178 | 55,624 | -- | -- |
| Internal Balances | 13,445 | (13,445) | -- | -- | -- |
| Due from Component Unit | 362 | -- | 362 | -- | -- |
| Due from Primary Government | -- | -- | -- | 469 | -- |
| Receivables, Net of Allowances | | | | | |
| Accounts | 32,545 | 25,835 | 58,380 | -- | 461,900 |
| Taxes | 43,586 | -- | 43,586 | 2,099 | -- |
| Interest/Dividends | 48,106 | 14,761 | 62,867 | 1,474 | -- |
| Deposits | 1,313 | -- | 1,313 | -- | -- |
| Advances | 84 | -- | 84 | 500 | -- |
| Leases | 71,451 | 95,907 | 167,358 | -- | -- |
| PPP | 142,739 | -- | 142,739 | -- | -- |
| Due from Other Governmental Agencies, Net | 668,364 | 3,024 | 671,388 | 1,239 | -- |
| Notes Receivable, Net | 73,991 | -- | 73,991 | -- | -- |
| Prepaid Costs | 153,741 | 1,806 | 155,547 | 113 | 103,956 |
| Inventory of Materials and Supplies | 2,531 | -- | 2,531 | -- | -- |
| Capital Assets | | | | | |
| Not Depreciable/Amortizable | 1,555,639 | 163,051 | 1,718,690 | -- | 23,501 |
| Depreciable/Amortizable, Net | 3,251,941 | 824,168 | 4,076,109 | 484 | 73,060 |
| Total Capital Assets | 4,807,580 | 987,219 | 5,794,799 | 484 | 96,561 |
| Total Assets | 10,523,067 | 2,385,711 | 12,908,778 | 78,286 | 4,106,375 |
| DEFERRED OUTFLOWS OF RESOURCES | 1,051,485 | 21,533 | 1,073,018 | 1,563 | 75,899 |

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

Basic Financial Statements
Statement of Net Position
(Dollar Amounts in Thousands)

| | Primary Government | | | Component Units | |
|--|-------------------------|--------------------------|----------------|-----------------|------------------|
| | Governmental Activities | Business-Type Activities | Total | First 5 OC | CalOptima Health |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 171,506 | \$ 30,648 | \$ 202,154 | \$ 2,191 | \$ 17,667 |
| Salaries and Employee Benefits Payable | 118,798 | 2,367 | 121,165 | 109 | 25,887 |
| Retainage Payable | 5,950 | 4,648 | 10,598 | 1,171 | -- |
| Interest Payable | 1,002 | -- | 1,002 | -- | -- |
| Deposits from Others | 99,063 | 46,509 | 145,572 | -- | -- |
| Due to Primary Government | -- | -- | -- | 362 | -- |
| Due to Component Unit | 1 | -- | 1 | -- | -- |
| Due to Other Governmental Agencies | 116,572 | 11,674 | 128,246 | 2,346 | 937,277 |
| Unearned Revenue | 147,636 | 5,171 | 152,807 | -- | 6,778 |
| Long-Term Liabilities | | | | | |
| Due Within One Year | | | | | |
| Civic Center Facilities Master Plan Loan | 8,940 | -- | 8,940 | -- | -- |
| Estimated Liability-Litigation and Claims | 11 | -- | 11 | -- | -- |
| Insurance Claims Payable | 74,439 | -- | 74,439 | -- | -- |
| Medical Claims Payable | -- | -- | -- | -- | 376,945 |
| Capitation and Withholds | -- | -- | -- | -- | 176,234 |
| Compensated Employee Absences Payable | 124,633 | 2,669 | 127,302 | 103 | -- |
| Financed Purchase Liability | 8,581 | -- | 8,581 | -- | -- |
| Notes Payable | 36,787 | -- | 36,787 | -- | -- |
| Bonds Payable | 4,689 | -- | 4,689 | -- | -- |
| Pollution Remediation Obligation | -- | 623 | 623 | -- | -- |
| Intangible Assets Obligations Payable | 822 | 89 | 911 | -- | -- |
| Lease Liability | 27,304 | 32 | 27,336 | 66 | -- |
| Subscription Liability | 20,539 | 99 | 20,638 | -- | 7,135 |
| Landfill Site Closure/Postclosure Liability | -- | 4,188 | 4,188 | -- | -- |
| Due in More than One Year | | | | | |
| Civic Center Facilities Master Plan Loan | 355,814 | -- | 355,814 | -- | -- |
| Estimated Liability-Litigation and Claims | 991 | -- | 991 | -- | -- |
| Insurance Claims Payable | 213,332 | -- | 213,332 | -- | -- |
| Compensated Employee Absences Payable | 58,152 | 1,084 | 59,236 | 14 | -- |
| Capitation and Withholds | -- | -- | -- | -- | 106,676 |
| Financed Purchase Liability | 2,178 | -- | 2,178 | -- | -- |
| Bonds Payable | 138,690 | -- | 138,690 | -- | -- |
| Pollution Remediation Obligation | -- | 8,021 | 8,021 | -- | -- |
| Intangible Assets Obligations Payable | 220 | -- | 220 | -- | -- |
| Lease Liability | 455,321 | 115 | 455,436 | 435 | -- |
| Subscription Liability | 34,098 | -- | 34,098 | -- | 10,596 |
| Landfill Site Closure/Postclosure Liability | -- | 204,764 | 204,764 | -- | -- |
| Net Pension Liability | 3,975,105 | 87,135 | 4,062,240 | 190 | 45,981 |
| Net OPEB Liability | 205,873 | 3,926 | 209,799 | 249 | 17,370 |
| Total Liabilities | 6,407,047 | 413,762 | 6,820,809 | 7,236 | 1,728,546 |
| DEFERRED INFLOWS OF RESOURCES | 396,919 | 96,026 | 492,945 | 435 | 8,646 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 3,730,032 | 973,466 | 4,703,498 | (16) | 78,830 |
| Restricted for: | | | | | |
| Expendable | | | | | |
| Pension Benefits | 150,393 | -- | 150,393 | -- | -- |
| Capital Projects | 2,064 | -- | 2,064 | -- | -- |
| Debt Service | 30,692 | -- | 30,692 | -- | -- |
| Legally Segregated for Grants and Other Purposes | 1,979,437 | -- | 1,979,437 | -- | -- |
| Regional Park Endowment | 196 | -- | 196 | -- | -- |
| CalOptima Health | -- | -- | -- | -- | 127,853 |
| Passenger Facility Charges Approved Capital Projects | -- | 51,334 | 51,334 | -- | -- |
| Landfill Closure/Postclosure | -- | 26,272 | 26,272 | -- | -- |
| Landfill Corrective Action | -- | 14,346 | 14,346 | -- | -- |
| Wetland | -- | 879 | 879 | -- | -- |
| Nonexpendable | | | | | |
| Regional Park Endowment | 200 | -- | 200 | -- | -- |
| Unrestricted (Deficit) | (1,122,428) | 831,159 | (291,269) | 72,194 | 2,238,399 |
| Total Net Position | \$ 4,770,586 | \$ 1,897,456 | \$ 6,668,042 | \$ 72,178 | \$ 2,445,082 |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

| Functions/Programs | Expenses | | Program Revenues | | |
|----------------------------------|---------------------|------------------------------|----------------------|------------------------------------|----------------------------------|
| | Direct Expenses | Indirect Expenses Allocation | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| General Government | \$ 330,502 | \$ (58,214) | \$ 58,977 | \$ 24,098 | \$ 58,247 |
| Public Protection | 1,744,468 | 38,641 | 330,208 | 844,459 | 46,700 |
| Public Ways and Facilities | 176,812 | (3,610) | 70,291 | 153,318 | 9,441 |
| Health and Sanitation | 1,013,896 | 8,003 | 215,762 | 688,525 | -- |
| Public Assistance | 1,519,711 | 9,095 | 21,245 | 1,449,497 | -- |
| Education | 63,451 | 821 | 927 | 7,563 | -- |
| Recreation and Cultural Services | 132,968 | 3,280 | 37,839 | 10,703 | 5,044 |
| Interest on Long-Term Debt | 39,741 | -- | -- | -- | -- |
| Total Governmental Activities | <u>5,021,549</u> | <u>(1,984)</u> | <u>735,249</u> | <u>3,178,163</u> | <u>119,432</u> |
| Business-Type Activities | | | | | |
| Airport | 154,481 | 1,007 | 196,548 | 3,046 | 1,606 |
| OC Waste & Recycling | 160,882 | 977 | 214,702 | 404 | 8 |
| Compressed Natural Gas | -- | -- | 288 | -- | -- |
| Total Business-Type Activities | <u>315,363</u> | <u>1,984</u> | <u>411,538</u> | <u>3,450</u> | <u>1,614</u> |
| Total Primary Government | <u>\$ 5,336,912</u> | <u>\$ --</u> | <u>\$ 1,146,787</u> | <u>\$ 3,181,613</u> | <u>\$ 121,046</u> |
| Component Units | | | | | |
| First 5 Orange County | \$ 22,216 | \$ -- | \$ -- | \$ 21,902 | \$ -- |
| CalOptima Health | 4,772,705 | -- | 5,373,183 | -- | -- |
| Total Component Units | <u>\$ 4,794,921</u> | <u>\$ --</u> | <u>\$ 5,373,183</u> | <u>\$ 21,902</u> | <u>\$ --</u> |

General Revenues

| |
|--|
| Taxes |
| Property Taxes, Levied for General Fund |
| Property Taxes, Levied for Flood Control District |
| Property Taxes, Levied for OC Parks |
| Property Taxes, Levied for OC Public Libraries |
| Property Taxes in-Lieu of Motor Vehicle License Fees |
| Other Taxes |
| Grants and Contributions Not Restricted to Specific Programs |
| State Allocation of Motor Vehicle License Fees |
| Unrestricted Investment Earnings |
| Miscellaneous |
| Transfers |
| Total General Revenues and Transfers |
| Change in Net Position |
| Net Position-Beginning of Year |
| Net Position-End of Year |

Basic Financial Statements
Statement of Activities
(Dollar Amounts in Thousands)

Net (Expense) Revenue and Change in Net Position

| Primary Government | | | Component Units | | | |
|---------------------------|--------------------------|---------------------|------------------|---------------------|--|--|
| Governmental Activities | Business-Type Activities | Total | First 5 OC | CalOptima Health | Functions/Programs | |
| Primary Government | | | | | | |
| Governmental Activities | | | | | | |
| \$ (130,966) | \$ -- | \$ (130,966) | \$ -- | \$ -- | General Government | |
| (561,742) | -- | (561,742) | -- | -- | Public Protection | |
| 59,848 | -- | 59,848 | -- | -- | Public Ways and Facilities | |
| (117,612) | -- | (117,612) | -- | -- | Health and Sanitation | |
| (58,064) | -- | (58,064) | -- | -- | Public Assistance | |
| (55,782) | -- | (55,782) | -- | -- | Education | |
| (82,662) | -- | (82,662) | -- | -- | Recreation and Cultural Services | |
| (39,741) | -- | (39,741) | -- | -- | Interest on Long-Term Debt | |
| <u>(986,721)</u> | <u>--</u> | <u>(986,721)</u> | <u>--</u> | <u>--</u> | Total Governmental Activities | |
| Business-Type Activities | | | | | | |
| -- | 45,712 | 45,712 | -- | -- | Airport | |
| -- | 53,255 | 53,255 | -- | -- | OC Waste & Recycling | |
| -- | 288 | 288 | -- | -- | Compressed Natural Gas | |
| -- | <u>99,255</u> | <u>99,255</u> | <u>--</u> | <u>--</u> | Total Business-Type Activities | |
| <u>(986,721)</u> | <u>99,255</u> | <u>(887,466)</u> | <u>--</u> | <u>--</u> | Total Primary Government | |
| Component Units | | | | | | |
| First 5 Orange County | | | | | | |
| | | | (314) | -- | | |
| | | | <u>--</u> | <u>600,478</u> | CalOptima Health | |
| | | | <u>(314)</u> | <u>600,478</u> | Total Component Units | |
| General Revenues | | | | | | |
| Taxes | | | | | | |
| 409,474 | -- | 409,474 | -- | -- | Property Taxes, Levied for General Fund | |
| 141,785 | -- | 141,785 | -- | -- | Property Taxes, Levied for Flood Control District | |
| 109,832 | -- | 109,832 | -- | -- | Property Taxes, Levied for OC Parks | |
| 69,336 | -- | 69,336 | -- | -- | Property Taxes, Levied for OC Public Libraries | |
| 514,941 | -- | 514,941 | -- | -- | Property Taxes in-Lieu of Motor Vehicle License Fees | |
| 156,940 | 44 | 156,984 | -- | -- | Other Taxes | |
| 3,986 | -- | 3,986 | -- | -- | Grants and Contributions Not Restricted to Specific Programs | |
| 3,738 | -- | 3,738 | -- | -- | State Allocation of Motor Vehicle License Fees | |
| 162,321 | 66,661 | 228,982 | 3,925 | 174,596 | Unrestricted Investment Earnings | |
| 64,123 | 308 | 64,431 | 1,802 | -- | Miscellaneous | |
| 6,964 | (6,964) | -- | -- | -- | Transfers | |
| <u>1,643,440</u> | <u>60,049</u> | <u>1,703,489</u> | <u>5,727</u> | <u>174,596</u> | Total General Revenues and Transfers | |
| 656,719 | 159,304 | 816,023 | 5,413 | 775,074 | Change in Net Position | |
| 4,113,867 | 1,738,152 | 5,852,019 | 66,765 | 1,670,008 | Net Position-Beginning of Year | |
| <u>\$ 4,770,586</u> | <u>\$ 1,897,456</u> | <u>\$ 6,668,042</u> | <u>\$ 72,178</u> | <u>\$ 2,445,082</u> | Net Position-End of Year | |

County of Orange
Annual Comprehensive Financial Report
June 30, 2024
(Dollar Amounts in Thousands)

| | General Fund | Flood Control District | Other Public Protection | Mental Health Services Act |
|--|---------------------|------------------------------|-------------------------------|----------------------------------|
| <u>ASSETS</u> | | | | |
| Pooled Cash/Investments | \$ 704,014 | \$ 574,124 | \$ 242,709 | \$ 145,994 |
| Imprest Cash Funds | 1,842 | -- | -- | -- |
| Restricted Cash and Investments with Trustee | -- | -- | -- | -- |
| Investments | 508,722 | -- | -- | -- |
| Deposits In-Lieu of Cash | 9,042 | -- | -- | -- |
| Receivables | | | | |
| Accounts | 17,061 | 397 | 236 | -- |
| Taxes | 7,998 | 2,159 | -- | -- |
| Interest/Dividends | 18,561 | 6,904 | 3,044 | 2,357 |
| Deposits | 544 | 556 | -- | -- |
| Advances | 50 | -- | 34 | -- |
| Leases | 8,756 | 23,850 | -- | -- |
| PPP | -- | 1,476 | -- | -- |
| Allowance for Uncollectible Receivables | (1,215) | (204) | -- | -- |
| Due from Other Funds | 126,042 | 2,518 | 6,406 | -- |
| Due from Component Unit | 361 | -- | -- | -- |
| Due from Other Governmental Agencies, Net | 510,213 | 97,183 | 3,610 | 18,680 |
| Inventory of Materials and Supplies | 1,181 | 682 | 461 | -- |
| Prepaid Costs | 3,348 | -- | -- | -- |
| Notes Receivable, Net | -- | -- | -- | -- |
| Total Assets | <u>\$ 1,916,520</u> | <u>\$ 709,645</u> | <u>\$ 256,500</u> | <u>\$ 167,031</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 125,176 | \$ 7,703 | \$ 370 | \$ -- |
| Retainage Payable | 1,260 | 1,383 | 3 | -- |
| Salaries and Employee Benefits Payable | 111,253 | 1,392 | 338 | -- |
| Interest Payable | -- | -- | -- | -- |
| Deposits from Others | 24,413 | 7,951 | 24,104 | -- |
| Due to Other Funds | 23,851 | 8,250 | 17,881 | 35,265 |
| Due to Other Governmental Agencies | 49,165 | 21,847 | 9,772 | -- |
| Estimated Litigation and Claims | 52 | -- | -- | -- |
| Unearned Revenue | 93,848 | 5,728 | 30 | -- |
| Total Liabilities | <u>429,018</u> | <u>54,254</u> | <u>52,498</u> | <u>35,265</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Total Deferred Inflows of Resources | <u>198,930</u> | <u>121,797</u> | <u>2,253</u> | <u>--</u> |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable | 4,529 | 682 | 461 | -- |
| Restricted | 217,922 | 532,912 | 201,288 | 131,766 |
| Assigned | 160,213 | -- | -- | -- |
| Unassigned | 905,908 | -- | -- | -- |
| Total Fund Balances | <u>1,288,572</u> | <u>533,594</u> | <u>201,749</u> | <u>131,766</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,916,520</u> | <u>\$ 709,645</u> | <u>\$ 256,500</u> | <u>\$ 167,031</u> |

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

Basic Financial Statements
Balance Sheet
Governmental Funds
(Dollar Amounts in Thousands)

| Countywide Capital Projects Non- General Fund | Other Governmental Funds | Total Governmental Funds |
|---|--------------------------------|--------------------------------|
| \$ 625,106 | \$ 1,211,771 | \$ 3,503,718 |
| -- | 45 | 1,887 |
| -- | 73,256 | 73,256 |
| -- | -- | 508,722 |
| -- | 2,404 | 11,446 |
| -- | 16,436 | 34,130 |
| -- | 33,429 | 43,586 |
| 1,730 | 11,614 | 44,210 |
| -- | 213 | 1,313 |
| -- | -- | 84 |
| -- | 38,777 | 71,383 |
| -- | 141,263 | 142,739 |
| -- | (232) | (1,651) |
| 9,610 | 6,119 | 150,695 |
| -- | -- | 361 |
| -- | 38,401 | 668,087 |
| -- | -- | 2,324 |
| -- | -- | 3,348 |
| -- | 73,991 | 73,991 |
| <u>\$ 636,446</u> | <u>\$ 1,647,487</u> | <u>\$ 5,333,629</u> |

ASSETS

| |
|--|
| Pooled Cash/Investments |
| Imprest Cash Funds |
| Restricted Cash and Investments with Trustee |
| Investments |
| Deposits In-Lieu of Cash |
| Receivables |
| Accounts |
| Taxes |
| Interest/Dividends |
| Deposits |
| Advances |
| Leases |
| PPP |
| Allowance for Uncollectible Receivables |
| Due from Other Funds |
| Due from Component Unit |
| Due from Other Governmental Agencies, Net |
| Inventory of Materials and Supplies |
| Prepaid Costs |
| Notes Receivable, Net |
| Total Assets |

| | | |
|---------------|----------------|----------------|
| \$ 6,121 | \$ 22,278 | \$ 161,648 |
| 2,064 | 1,238 | 5,948 |
| -- | 4,519 | 117,502 |
| -- | 162 | 162 |
| -- | 42,595 | 99,063 |
| 1,537 | 75,310 | 162,094 |
| -- | 35,516 | 116,300 |
| -- | -- | 52 |
| 1,272 | 46,758 | 147,636 |
| <u>10,994</u> | <u>228,376</u> | <u>810,405</u> |

LIABILITIES

| |
|--|
| Accounts Payable |
| Retainage Payable |
| Salaries and Employee Benefits Payable |
| Interest Payable |
| Deposits from Others |
| Due to Other Funds |
| Due to Other Governmental Agencies |
| Estimated Litigation and Claims |
| Unearned Revenue |
| Total Liabilities |

| | | |
|-----------|----------------|----------------|
| <u>--</u> | <u>180,007</u> | <u>502,987</u> |
|-----------|----------------|----------------|

DEFERRED INFLOWS OF RESOURCES

Total Deferred Inflows of Resources

| | | |
|----------------|------------------|------------------|
| -- | 200 | 5,872 |
| -- | 1,107,846 | 2,191,734 |
| 625,452 | 135,080 | 920,745 |
| -- | (4,022) | 901,886 |
| <u>625,452</u> | <u>1,239,104</u> | <u>4,020,237</u> |

FUND BALANCES

| |
|---------------------|
| Nonspendable |
| Restricted |
| Assigned |
| Unassigned |
| Total Fund Balances |

| | | |
|-------------------|---------------------|---------------------|
| <u>\$ 636,446</u> | <u>\$ 1,647,487</u> | <u>\$ 5,333,629</u> |
|-------------------|---------------------|---------------------|

Total Liabilities, Deferred Inflows of Resources,
and Fund Balances

County of Orange
Annual Comprehensive Financial Report
June 30, 2024
(Dollar Amounts in Thousands)

The governmental funds balance sheet includes a reconciliation between fund balances-total governmental funds and net position-governmental activities as reported in the government-wide Statement of Net Position. The difference between the two of (\$750,349) is due to the economic resource focus of the Statement of Net Position versus the current resource focus of the governmental funds. The components of the difference are described below.

Total Fund Balances-Governmental Funds \$ 4,020,237

Capital assets used in the operations of the County that are not reported in the governmental funds financial statements:

| | | |
|--|--------------------|-----------|
| Land | 901,923 | |
| Land Use Rights (Permanent) | 58,713 | |
| Construction in Progress | 586,240 | |
| Intangible in Progress | 3,460 | |
| Structures and Improvements | 1,914,409 | |
| Land Improvements | 57,626 | |
| Equipment | 368,031 | |
| Software | 201,484 | |
| Land Use Rights (Amortizable) | 178 | |
| Infrastructure | 2,334,395 | |
| Right-to-Use Lease and Subscription Assets | 663,570 | |
| Accumulated Depreciation/Amortization | <u>(2,363,347)</u> | 4,726,682 |

Other assets used in governmental activities that do not consume current financial resources, and therefore, are not reported in the governmental funds:

| | |
|---------------------------------------|---------|
| Prepaid Pension Investment with OCERS | 150,393 |
|---------------------------------------|---------|

The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.

133,972

Deferred outflows of resources are similar to assets, but they do not meet the definition of an asset. When all the recognition criteria are met, the deferred outflows of resources will become an expense. The counterpart to deferred outflows of resources are deferred inflows of resources, which do not meet the definition of a liability. When all recognition criteria are met, the deferred inflows of resources will become revenue, except for pension and OPEB related deferred inflows of resources which will be recognized as a credit to expense. The County reports the different types of deferred outflows and inflows of resources in the Statement of Net Position as follows:

Deferred Outflows of Resources:

| | |
|---|-----------|
| Deferred Outflows of Resources Related to Pension | 1,012,436 |
| Deferred Outflows of Resources Related to OPEB | 27,629 |

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
(Dollar Amounts in Thousands)

Deferred Inflows of Resources:

| | |
|---|----------|
| Deferred Inflows of Resources that have been earned but not available to finance expenditures in the current period | 304,710 |
| Deferred Inflows of Resources Related to Pension | (78,804) |
| Deferred Inflows of Resources Related to OPEB | (65,567) |
| Deferred Inflows from PPP | (51,437) |

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

| | | |
|---|-------------|--------------------|
| Bonds Payable, Net | (143,379) | |
| Civic Center Facilities Master Plan Loan | (364,754) | |
| Teeter Plan Notes Payable | (36,787) | |
| Compensated Employee Absences Payable | (180,377) | |
| Financed Purchase Liability | (5,390) | |
| Intangible Assets Obligations Payable | (1,042) | |
| Lease Liability | (482,553) | |
| Subscription Liability | (50,306) | |
| Interest Payable on Bonds | (840) | |
| Estimated Liability-Litigation and Claims | (950) | |
| County's proportionate share of Net Pension Liability | (3,939,931) | |
| County's proportionate share of Net OPEB Liability | (203,356) | <u>(5,409,665)</u> |

| | |
|---|---------------------|
| Net Position of Governmental Activities | <u>\$ 4,770,586</u> |
|---|---------------------|

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

| | General Fund | Flood Control District | Other Public Protection | Mental Health Services Act |
|---|------------------|------------------------------|-------------------------------|----------------------------------|
| Revenues | | | | |
| Taxes | \$ 990,975 | \$ 162,079 | \$ -- | \$ -- |
| Licenses, Permits, and Franchises | 28,878 | 460 | 11 | -- |
| Fines, Forfeitures, and Penalties | 40,834 | 37 | 3,651 | -- |
| Use of Money and Property | 91,189 | 32,232 | 14,501 | 11,253 |
| Intergovernmental | 2,255,698 | 30,793 | 49,573 | 308,412 |
| Charges for Services | 542,454 | 17,533 | 7,811 | -- |
| Other | 15,715 | 2,629 | 5,118 | 21 |
| Total Revenues | 3,965,743 | 245,763 | 80,665 | 319,686 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 249,137 | -- | -- | -- |
| Public Protection | 1,645,499 | 123,747 | 28,576 | -- |
| Public Ways and Facilities | 54,551 | -- | -- | -- |
| Health and Sanitation | 1,033,478 | -- | -- | 76 |
| Public Assistance | 1,224,925 | -- | -- | -- |
| Education | -- | -- | -- | -- |
| Recreation and Cultural Services | -- | -- | -- | -- |
| Capital Outlay | 149,102 | 32,285 | 2,084 | -- |
| Debt Service | | | | |
| Principal Retirement | 56,939 | 303 | 133 | -- |
| Interest | 15,892 | 39 | 69 | -- |
| Total Expenditures | 4,429,523 | 156,374 | 30,862 | 76 |
| Excess (Deficit) of Revenues Over Expenditures | (463,780) | 89,389 | 49,803 | 319,610 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 646,112 | 240 | 3,346 | -- |
| Transfers Out | (724,430) | (4,515) | (47,121) | (302,968) |
| Debt Issued | -- | -- | -- | -- |
| Leases Issued | 70,231 | 51 | -- | -- |
| Subscriptions Issued | 47,926 | 13 | -- | -- |
| Total Other Financing Sources (Uses) | 39,839 | (4,211) | (43,775) | (302,968) |
| Net Change in Fund Balances | (423,941) | 85,178 | 6,028 | 16,642 |
| Fund Balances-Beginning of Year, as Previously Reported | 1,712,513 | 448,416 | 195,721 | 115,124 |
| Change Within Financial Reporting Entity | -- | -- | -- | -- |
| Fund Balances-Beginning of Year, as Restated | 1,712,513 | 448,416 | 195,721 | 115,124 |
| Fund Balances-End of Year | \$ 1,288,572 | \$ 533,594 | \$ 201,749 | \$ 131,766 |

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

Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
(Dollar Amounts in Thousands)

| Countywide Capital Projects Non- General Fund | Other Governmental Funds | Total Governmental Funds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------------------------|--------------------------------|-----------|--|-----------|-------------|---------|--|-----------|------------|--------------|---|---|---------|-----------|-----------|---------|-----------|---|---------|-----------|-----------|------------|--------------|--------------|---|---------|-----------|-----------|-----------|-----------|---------|-----------|---|-----------|------------|--------------|---|----------------------------------|-----------|-----------|----------|-----------|-------------|-----|-----------|--------|-----------|---|--------|---------|--------|-----------|---------|---------|---------|------------------------------------|---------|--------|---------|---------|----|---------|--------|---------|---------|-----------|---|-----------|--------|---------|----|---------|-----------|--------|--------|---------|----|-----------|-----------|-----------|--|-----------|-----------|--------|--------|----|---------|---------|---------|--------|-----------|----|---------|---------|--------|--------|-----------|--|---------|-----------|---|
| <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">\$</td><td style="width: 10%;">--</td><td style="width: 10%;">\$</td><td style="width: 10%;">200,618</td><td style="width: 10%;">\$</td><td style="width: 10%;">1,353,672</td></tr> <tr><td></td><td>--</td><td></td><td>956</td><td></td><td>30,305</td></tr> <tr><td></td><td>--</td><td></td><td>24,781</td><td></td><td>69,303</td></tr> <tr><td></td><td>23,547</td><td></td><td>113,377</td><td></td><td>286,099</td></tr> <tr><td></td><td>728</td><td></td><td>585,922</td><td></td><td>3,231,126</td></tr> <tr><td></td><td>--</td><td></td><td>48,429</td><td></td><td>616,227</td></tr> <tr><td></td><td>478</td><td></td><td>36,404</td><td></td><td>60,365</td></tr> <tr style="border-top: 1px solid black;"><td></td><td>24,753</td><td></td><td>1,010,487</td><td></td><td>5,647,097</td></tr> </table> | \$ | -- | \$ | 200,618 | \$ | 1,353,672 | | -- | | 956 | | 30,305 | | -- | | 24,781 | | 69,303 | | 23,547 | | 113,377 | | 286,099 | | 728 | | 585,922 | | 3,231,126 | | -- | | 48,429 | | 616,227 | | 478 | | 36,404 | | 60,365 | | 24,753 | | 1,010,487 | | 5,647,097 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">\$</td><td style="width: 10%;">200,618</td><td style="width: 10%;">\$</td><td style="width: 10%;">1,353,672</td></tr> <tr><td></td><td>956</td><td></td><td>30,305</td></tr> <tr><td></td><td>24,781</td><td></td><td>69,303</td></tr> <tr><td></td><td>113,377</td><td></td><td>286,099</td></tr> <tr><td></td><td>585,922</td><td></td><td>3,231,126</td></tr> <tr><td></td><td>48,429</td><td></td><td>616,227</td></tr> <tr><td></td><td>36,404</td><td></td><td>60,365</td></tr> <tr style="border-top: 1px solid black;"><td></td><td>1,010,487</td><td></td><td>5,647,097</td></tr> </table> | \$ | 200,618 | \$ | 1,353,672 | | 956 | | 30,305 | | 24,781 | | 69,303 | | 113,377 | | 286,099 | | 585,922 | | 3,231,126 | | 48,429 | | 616,227 | | 36,404 | | 60,365 | | 1,010,487 | | 5,647,097 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">\$</td><td style="width: 10%;">1,353,672</td></tr> <tr><td></td><td>30,305</td></tr> <tr><td></td><td>69,303</td></tr> <tr><td></td><td>286,099</td></tr> <tr><td></td><td>3,231,126</td></tr> <tr><td></td><td>616,227</td></tr> <tr><td></td><td>60,365</td></tr> <tr style="border-top: 1px solid black;"><td></td><td>5,647,097</td></tr> </table> | \$ | 1,353,672 | | 30,305 | | 69,303 | | 286,099 | | 3,231,126 | | 616,227 | | 60,365 | | 5,647,097 | <p>Revenues</p> <ul style="list-style-type: none"> Taxes Licenses, Permits, and Franchises Fines, Forfeitures, and Penalties Use of Money and Property Intergovernmental Charges for Services Other <li style="padding-left: 20px;">Total Revenues | | | |
| \$ | -- | \$ | 200,618 | \$ | 1,353,672 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | -- | | 956 | | 30,305 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | -- | | 24,781 | | 69,303 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 23,547 | | 113,377 | | 286,099 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 728 | | 585,922 | | 3,231,126 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | -- | | 48,429 | | 616,227 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 478 | | 36,404 | | 60,365 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 24,753 | | 1,010,487 | | 5,647,097 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | 200,618 | \$ | 1,353,672 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 956 | | 30,305 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 24,781 | | 69,303 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 113,377 | | 286,099 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 585,922 | | 3,231,126 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 48,429 | | 616,227 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 36,404 | | 60,365 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 1,010,487 | | 5,647,097 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ | 1,353,672 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 30,305 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 69,303 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 286,099 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3,231,126 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 616,227 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 60,365 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 5,647,097 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">52,225</td><td style="width: 10%;">301,362</td></tr> <tr><td>--</td><td>372</td><td>1,798,194</td></tr> <tr><td>--</td><td>94,643</td><td>149,194</td></tr> <tr><td>--</td><td>839</td><td>1,034,393</td></tr> <tr><td>--</td><td>299,250</td><td>1,524,175</td></tr> <tr><td>--</td><td>59,737</td><td>59,737</td></tr> <tr><td>--</td><td>126,825</td><td>126,825</td></tr> <tr><td>69,291</td><td>72,638</td><td>325,400</td></tr> <tr><td>--</td><td>146,107</td><td>203,482</td></tr> <tr><td>--</td><td>25,566</td><td>41,566</td></tr> <tr style="border-top: 1px solid black;"><td>69,291</td><td>878,202</td><td>5,564,328</td></tr> </table> | -- | 52,225 | 301,362 | -- | 372 | 1,798,194 | -- | 94,643 | 149,194 | -- | 839 | 1,034,393 | -- | 299,250 | 1,524,175 | -- | 59,737 | 59,737 | -- | 126,825 | 126,825 | 69,291 | 72,638 | 325,400 | -- | 146,107 | 203,482 | -- | 25,566 | 41,566 | 69,291 | 878,202 | 5,564,328 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">52,225</td><td style="width: 10%;">301,362</td></tr> <tr><td>--</td><td>372</td><td>1,798,194</td></tr> <tr><td>--</td><td>94,643</td><td>149,194</td></tr> <tr><td>--</td><td>839</td><td>1,034,393</td></tr> <tr><td>--</td><td>299,250</td><td>1,524,175</td></tr> <tr><td>--</td><td>59,737</td><td>59,737</td></tr> <tr><td>--</td><td>126,825</td><td>126,825</td></tr> <tr><td>69,291</td><td>72,638</td><td>325,400</td></tr> <tr><td>--</td><td>146,107</td><td>203,482</td></tr> <tr><td>--</td><td>25,566</td><td>41,566</td></tr> <tr style="border-top: 1px solid black;"><td>69,291</td><td>878,202</td><td>5,564,328</td></tr> </table> | -- | 52,225 | 301,362 | -- | 372 | 1,798,194 | -- | 94,643 | 149,194 | -- | 839 | 1,034,393 | -- | 299,250 | 1,524,175 | -- | 59,737 | 59,737 | -- | 126,825 | 126,825 | 69,291 | 72,638 | 325,400 | -- | 146,107 | 203,482 | -- | 25,566 | 41,566 | 69,291 | 878,202 | 5,564,328 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">52,225</td><td style="width: 10%;">301,362</td></tr> <tr><td>--</td><td>372</td><td>1,798,194</td></tr> <tr><td>--</td><td>94,643</td><td>149,194</td></tr> <tr><td>--</td><td>839</td><td>1,034,393</td></tr> <tr><td>--</td><td>299,250</td><td>1,524,175</td></tr> <tr><td>--</td><td>59,737</td><td>59,737</td></tr> <tr><td>--</td><td>126,825</td><td>126,825</td></tr> <tr><td>69,291</td><td>72,638</td><td>325,400</td></tr> <tr><td>--</td><td>146,107</td><td>203,482</td></tr> <tr><td>--</td><td>25,566</td><td>41,566</td></tr> <tr style="border-top: 1px solid black;"><td>69,291</td><td>878,202</td><td>5,564,328</td></tr> </table> | -- | 52,225 | 301,362 | -- | 372 | 1,798,194 | -- | 94,643 | 149,194 | -- | 839 | 1,034,393 | -- | 299,250 | 1,524,175 | -- | 59,737 | 59,737 | -- | 126,825 | 126,825 | 69,291 | 72,638 | 325,400 | -- | 146,107 | 203,482 | -- | 25,566 | 41,566 | 69,291 | 878,202 | 5,564,328 | <p>Expenditures</p> <ul style="list-style-type: none"> Current <ul style="list-style-type: none"> General Government Public Protection Public Ways and Facilities Health and Sanitation Public Assistance Education Recreation and Cultural Services Capital Outlay Debt Service <ul style="list-style-type: none"> Principal Retirement Interest Total Expenditures Excess (Deficit) of Revenues Over Expenditures |
| -- | 52,225 | 301,362 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 372 | 1,798,194 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 94,643 | 149,194 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 839 | 1,034,393 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 299,250 | 1,524,175 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 59,737 | 59,737 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 126,825 | 126,825 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 69,291 | 72,638 | 325,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 146,107 | 203,482 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 25,566 | 41,566 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 69,291 | 878,202 | 5,564,328 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 52,225 | 301,362 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 372 | 1,798,194 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 94,643 | 149,194 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 839 | 1,034,393 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 299,250 | 1,524,175 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 59,737 | 59,737 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 126,825 | 126,825 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 69,291 | 72,638 | 325,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 146,107 | 203,482 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 25,566 | 41,566 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 69,291 | 878,202 | 5,564,328 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 52,225 | 301,362 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 372 | 1,798,194 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 94,643 | 149,194 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 839 | 1,034,393 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 299,250 | 1,524,175 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 59,737 | 59,737 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 126,825 | 126,825 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 69,291 | 72,638 | 325,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 146,107 | 203,482 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 25,566 | 41,566 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 69,291 | 878,202 | 5,564,328 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">(44,538)</td><td style="width: 10%;">132,285</td><td style="width: 10%;">82,769</td></tr> </table> | (44,538) | 132,285 | 82,769 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">(44,538)</td><td style="width: 10%;">132,285</td><td style="width: 10%;">82,769</td></tr> </table> | (44,538) | 132,285 | 82,769 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">(44,538)</td><td style="width: 10%;">132,285</td><td style="width: 10%;">82,769</td></tr> </table> | (44,538) | 132,285 | 82,769 | <p>Other Financing Sources (Uses)</p> <ul style="list-style-type: none"> Transfers In Transfers Out Debt Issued Leases Issued Subscriptions Issued Total Other Financing Sources (Uses) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (44,538) | 132,285 | 82,769 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (44,538) | 132,285 | 82,769 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (44,538) | 132,285 | 82,769 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">490,283</td><td style="width: 10%;">342,032</td><td style="width: 10%;">1,482,013</td></tr> <tr><td>(34,679)</td><td>(372,535)</td><td>(1,486,248)</td></tr> <tr><td>--</td><td>89,004</td><td>89,004</td></tr> <tr><td>--</td><td>439</td><td>70,721</td></tr> <tr><td>--</td><td>73</td><td>48,012</td></tr> <tr style="border-top: 1px solid black;"><td>455,604</td><td>59,013</td><td>203,502</td></tr> </table> | 490,283 | 342,032 | 1,482,013 | (34,679) | (372,535) | (1,486,248) | -- | 89,004 | 89,004 | -- | 439 | 70,721 | -- | 73 | 48,012 | 455,604 | 59,013 | 203,502 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">490,283</td><td style="width: 10%;">342,032</td><td style="width: 10%;">1,482,013</td></tr> <tr><td>(34,679)</td><td>(372,535)</td><td>(1,486,248)</td></tr> <tr><td>--</td><td>89,004</td><td>89,004</td></tr> <tr><td>--</td><td>439</td><td>70,721</td></tr> <tr><td>--</td><td>73</td><td>48,012</td></tr> <tr style="border-top: 1px solid black;"><td>455,604</td><td>59,013</td><td>203,502</td></tr> </table> | 490,283 | 342,032 | 1,482,013 | (34,679) | (372,535) | (1,486,248) | -- | 89,004 | 89,004 | -- | 439 | 70,721 | -- | 73 | 48,012 | 455,604 | 59,013 | 203,502 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">490,283</td><td style="width: 10%;">342,032</td><td style="width: 10%;">1,482,013</td></tr> <tr><td>(34,679)</td><td>(372,535)</td><td>(1,486,248)</td></tr> <tr><td>--</td><td>89,004</td><td>89,004</td></tr> <tr><td>--</td><td>439</td><td>70,721</td></tr> <tr><td>--</td><td>73</td><td>48,012</td></tr> <tr style="border-top: 1px solid black;"><td>455,604</td><td>59,013</td><td>203,502</td></tr> </table> | 490,283 | 342,032 | 1,482,013 | (34,679) | (372,535) | (1,486,248) | -- | 89,004 | 89,004 | -- | 439 | 70,721 | -- | 73 | 48,012 | 455,604 | 59,013 | 203,502 | <p>Net Change in Fund Balances</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 490,283 | 342,032 | 1,482,013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (34,679) | (372,535) | (1,486,248) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 89,004 | 89,004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 439 | 70,721 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 73 | 48,012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 455,604 | 59,013 | 203,502 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 490,283 | 342,032 | 1,482,013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (34,679) | (372,535) | (1,486,248) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 89,004 | 89,004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 439 | 70,721 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 73 | 48,012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 455,604 | 59,013 | 203,502 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 490,283 | 342,032 | 1,482,013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (34,679) | (372,535) | (1,486,248) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 89,004 | 89,004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 439 | 70,721 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 73 | 48,012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 455,604 | 59,013 | 203,502 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">411,066</td><td style="width: 10%;">191,298</td><td style="width: 10%;">286,271</td></tr> </table> | 411,066 | 191,298 | 286,271 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">411,066</td><td style="width: 10%;">191,298</td><td style="width: 10%;">286,271</td></tr> </table> | 411,066 | 191,298 | 286,271 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">411,066</td><td style="width: 10%;">191,298</td><td style="width: 10%;">286,271</td></tr> </table> | 411,066 | 191,298 | 286,271 | <p>Fund Balances-Beginning of Year, as Previously Reported Change Within Financial Reporting Entity Fund Balances-Beginning of Year, as Restated Fund Balances-End of Year</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 411,066 | 191,298 | 286,271 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 411,066 | 191,298 | 286,271 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 411,066 | 191,298 | 286,271 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">1,262,192</td><td style="width: 10%;">3,733,966</td></tr> <tr><td>214,386</td><td>(214,386)</td><td>--</td></tr> <tr style="border-top: 1px solid black;"><td>214,386</td><td>1,047,806</td><td>3,733,966</td></tr> <tr style="border-top: 1px solid black;"><td>\$ 625,452</td><td>\$ 1,239,104</td><td>\$ 4,020,237</td></tr> </table> | -- | 1,262,192 | 3,733,966 | 214,386 | (214,386) | -- | 214,386 | 1,047,806 | 3,733,966 | \$ 625,452 | \$ 1,239,104 | \$ 4,020,237 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">1,262,192</td><td style="width: 10%;">3,733,966</td></tr> <tr><td>214,386</td><td>(214,386)</td><td>--</td></tr> <tr style="border-top: 1px solid black;"><td>214,386</td><td>1,047,806</td><td>3,733,966</td></tr> <tr style="border-top: 1px solid black;"><td>\$ 625,452</td><td>\$ 1,239,104</td><td>\$ 4,020,237</td></tr> </table> | -- | 1,262,192 | 3,733,966 | 214,386 | (214,386) | -- | 214,386 | 1,047,806 | 3,733,966 | \$ 625,452 | \$ 1,239,104 | \$ 4,020,237 | <table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">1,262,192</td><td style="width: 10%;">3,733,966</td></tr> <tr><td>214,386</td><td>(214,386)</td><td>--</td></tr> <tr style="border-top: 1px solid black;"><td>214,386</td><td>1,047,806</td><td>3,733,966</td></tr> <tr style="border-top: 1px solid black;"><td>\$ 625,452</td><td>\$ 1,239,104</td><td>\$ 4,020,237</td></tr> </table> | -- | 1,262,192 | 3,733,966 | 214,386 | (214,386) | -- | 214,386 | 1,047,806 | 3,733,966 | \$ 625,452 | \$ 1,239,104 | \$ 4,020,237 | <p>Fund Balances-End of Year</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 1,262,192 | 3,733,966 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 214,386 | (214,386) | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 214,386 | 1,047,806 | 3,733,966 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ 625,452 | \$ 1,239,104 | \$ 4,020,237 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 1,262,192 | 3,733,966 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 214,386 | (214,386) | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 214,386 | 1,047,806 | 3,733,966 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ 625,452 | \$ 1,239,104 | \$ 4,020,237 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -- | 1,262,192 | 3,733,966 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 214,386 | (214,386) | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 214,386 | 1,047,806 | 3,733,966 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| \$ 625,452 | \$ 1,239,104 | \$ 4,020,237 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

County of Orange
 Annual Comprehensive Financial Report
 For the Year Ended June 30, 2024
 (Dollar Amounts in Thousands)

The Net Change in Fund Balances for governmental funds of \$286,271 in the Statement of Revenues, Expenditures, and Changes in Fund Balances differs from the Change in Net Position for governmental activities of \$656,719 reported in the government-wide Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The main components of the difference are described below.

| | | |
|--|----|---------|
| Net Change in Fund Balances-Total Governmental Funds | \$ | 286,271 |
|--|----|---------|

When capital assets used in governmental activities are purchased or constructed in the current fiscal year, the resources expended for those assets are reported as expenditures in the governmental funds. However, in the Statement of Activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation or amortization expense. In addition, donations, transfers, gains or losses from sales and other disposals/acquisitions of capital assets are not reported in governmental funds. These assets, and their associated depreciation/amortization expense, must be reported or removed in the government-wide financial statements. The details of the expenditures for capital outlay, capital contributions, depreciation/amortization and other disposals/acquisitions of capital assets are as follows:

| | | |
|--|-----------|---------|
| Expenditures for Capital Outlay: | | |
| Land | 27,112 | |
| Construction in Progress | 219,048 | |
| Equipment | 25,052 | |
| Software | 118,791 | |
| Net of Gains/(Losses) on Capital Assets Dispositions | (16,042) | |
| Depreciation/Amortization Expense | (199,215) | |
| Capital Contributions | 8,247 | 182,993 |

The issuance of long-term debt (e.g. bonds) is recorded as an other financing source in the governmental funds because it provides current financial resources. Similarly, the repayment of principal on long-term debt or the payment of other long-term liabilities is reported as an expenditure in the governmental funds because current financial resources have been consumed. PPP and bond proceeds, net of payments to escrow agents and principal payments, are reported as financing sources in governmental funds and thus contribute to the change in fund balance. These transactions do not have any effect on net position in the government-wide financial statements. The details of the principal and other long-term liability payments and other financing sources are as follows:

| | | |
|---|----------|---------|
| Teeter Plan Notes Proceeds | (89,004) | |
| PPP Proceeds | 1,656 | |
| Leases Issued | (70,721) | |
| Subscription Issued | (48,012) | |
| Principal and Other Long-Term Liability Payments: | | |
| Bonds Payable | 10,780 | |
| Teeter Plan Notes Payable | 134,525 | |
| Leases | 27,404 | |
| Subscriptions | 24,088 | |
| Financed Purchases | 6,685 | (2,599) |

Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
(Dollar Amounts in Thousands)

Revenues related to prior years that are available in the current fiscal year are reported as revenue in the governmental funds. In contrast, revenues that are earned, but unavailable in the current year are deferred in the governmental funds. For government-wide reporting, revenue is recognized when earned, regardless of availability. The following amounts reflect the net effect of the timing differences for revenue recognition:

| | | |
|---|----------------|----------|
| Government Mandated and Voluntary Nonexchange | (17,028) | |
| Property Tax Revenues | <u>(1,553)</u> | (18,581) |

Some expenses reported in the Statement of Activities do not require the use of current financial resources; and therefore, are not reported as expenditures in the governmental funds until paid. The following amounts represent the net effect of these differences in the treatment of long-term liabilities:

| | | |
|--|--------------|---------|
| Accrued Interest Expense on Bonds Payable | 35 | |
| Amortization of Bond Premiums | 1,993 | |
| Change in Compensated Employee Absences Payable | (8,119) | |
| Pension Costs and Investment Gain of the County's Investment Account with OCERS | 5,710 | |
| Estimated Litigation and Claims Expense | <u>(950)</u> | (1,331) |

Internal service funds (ISF) are used by management to charge the costs of certain activities, such as insurance, transportation, and telephone services to individual governmental funds. The operating loss of the ISF's is eliminated in the Statement of Activities as an adjustment to the various functions to arrive at a break-even basis. Also, general or non-program revenues and expenses of the ISF are recorded in governmental activities.

| | | |
|---|---------------|-------|
| Allocation of ISF's Operating Loss to Governmental Activities, net of Business-Type Activities | (39,239) | |
| Consolidation of Nonoperating Revenues, Expenses and Transfers to Governmental Activities | <u>40,569</u> | 1,330 |

GASB Statement No. 75 requires an employer to record OPEB expense and employer contribution that affects the County's proportionate share of the net OPEB liability.

| | | |
|----------------------------|---------------|--------|
| OPEB Expense | (9,939) | |
| OPEB Employer Contribution | <u>23,027</u> | 13,088 |

GASB Statement No. 68 requires an employer to record pension expense and employer contribution that affects the County's proportionate share of the net pension liability.

| | | |
|-------------------------------|----------------|----------------|
| Pension Expense | (366,724) | |
| Pension Employer Contribution | <u>562,272</u> | <u>195,548</u> |

| | | |
|---|--|-------------------|
| Change in Net Position of Governmental Activities | | <u>\$ 656,719</u> |
|---|--|-------------------|

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

**BUDGETARY COMPARISON STATEMENT
MAJOR GOVERNMENTAL FUNDS-GENERAL FUND**

| | Original Budget | Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|---------------------|---------------------|------------------------------|------------------------------------|
| Revenues and Other Financing Sources | | | | |
| Taxes | \$ 966,907 | \$ 966,907 | \$ 990,761 | \$ 23,854 |
| Licenses, Permits, and Franchises | 29,257 | 29,140 | 29,085 | (55) |
| Fines, Forfeitures, and Penalties | 38,242 | 38,242 | 40,662 | 2,420 |
| Use of Money and Property | 29,419 | 73,346 | 87,342 | 13,996 |
| Intergovernmental | 2,613,668 | 2,672,369 | 2,272,473 | (399,896) |
| Charges for Services | 626,265 | 630,984 | 564,921 | (66,063) |
| Other | 24,549 | 25,195 | 29,484 | 4,289 |
| Transfers In | 574,656 | 609,159 | 467,329 | (141,830) |
| Total Revenues and Other Financing Sources | <u>4,902,963</u> | <u>5,045,342</u> | <u>4,482,057</u> | <u>(563,285)</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| American Rescue Plan Act | 273,888 | 273,888 | -- | 273,888 |
| Assessor | 45,787 | 45,787 | 44,250 | 1,537 |
| Auditor-Controller | 22,376 | 22,757 | 21,142 | 1,615 |
| Board of Supervisors-1st District | 1,972 | 1,972 | 1,720 | 252 |
| Board of Supervisors-2nd District | 1,932 | 1,932 | 1,741 | 191 |
| Board of Supervisors-3rd District | 1,894 | 1,894 | 1,468 | 426 |
| Board of Supervisors-4th District | 1,941 | 1,941 | 1,769 | 172 |
| Board of Supervisors-5th District | 1,924 | 1,924 | 1,617 | 307 |
| Capital Acquisition Financing | 1,926 | 1,969 | 1,968 | 1 |
| Capital Projects | 12,149 | 12,149 | 12,135 | 14 |
| CAPS Program | 12,823 | 14,730 | 14,294 | 436 |
| CEO Real Estate | 11,072 | 11,369 | 10,677 | 692 |
| Clerk of the Board | 10,554 | 11,142 | 10,746 | 396 |
| County Counsel | 12,853 | 15,106 | 14,757 | 349 |
| County Executive Office | 73,925 | 76,229 | 64,395 | 11,834 |
| Data Systems Development Project | 4,000 | 4,000 | 4,000 | -- |
| Employee Benefits | 3,065 | 3,065 | 2,662 | 403 |
| FEMA Reimbursements | 535 | 535 | -- | 535 |
| Human Resources | 8,824 | 9,332 | 8,560 | 772 |
| IBM Mainframe | 1,668 | 1,668 | 728 | 940 |
| Internal Audit | 3,323 | 3,323 | 2,590 | 733 |
| Miscellaneous | 119,020 | 202,486 | 189,386 | 13,100 |
| OC Campaign Finance and Ethics Commission | 506 | 530 | 529 | 1 |
| OCIT Shared Services | 4,929 | 5,104 | 5,009 | 95 |
| Office of Independent Review | 1,497 | 1,497 | 1,271 | 226 |
| Prepaid Pension Obligation | 5 | 5 | -- | 5 |
| Property Tax System Centralized O & M Support | 4,560 | 4,560 | 3,480 | 1,080 |
| Registrar of Voters | 27,506 | 29,412 | 28,184 | 1,228 |
| Treasurer-Tax Collector | 16,851 | 18,230 | 17,852 | 378 |
| Utilities | 48,865 | 48,092 | 37,614 | 10,478 |
| Public Protection: | | | | |
| Alternate Defense | 6,171 | 6,171 | 5,410 | 761 |
| Building & Safety | 16,344 | 16,344 | 14,467 | 1,877 |
| Child Support Services | 54,279 | 56,282 | 54,768 | 1,514 |
| Clerk-Recorder | 19,079 | 20,281 | 18,671 | 1,610 |
| District Attorney | 195,567 | 203,562 | 197,822 | 5,740 |
| District Attorney-Public Administrator | 4,322 | 4,506 | 4,383 | 123 |
| Grand Jury | 588 | 673 | 669 | 4 |
| HCA Public Guardian | 5,761 | 6,306 | 6,306 | -- |
| Juvenile Justice Commission | 200 | 200 | 170 | 30 |
| OC Animal Care | 26,661 | 26,761 | 24,062 | 2,699 |
| Pretrial Services | 2,154 | 2,585 | 2,585 | -- |
| Probation | 216,390 | 218,640 | 199,879 | 18,761 |
| Public Defender | 110,440 | 112,633 | 111,024 | 1,609 |
| Sheriff-Coroner | 1,001,340 | 1,031,384 | 994,197 | 37,187 |
| Trial Courts | 66,528 | 66,528 | 65,877 | 651 |
| Public Ways and Facilities: | | | | |
| OC Public Works | 77,920 | 77,920 | 66,888 | 11,032 |
| Health and Sanitation: | | | | |
| Health Care Agency | 1,166,800 | 1,184,216 | 1,040,339 | 143,877 |
| OC Watersheds | 23,160 | 23,160 | 16,112 | 7,048 |
| Public Assistance: | | | | |
| OC Community Resources | 75,647 | 89,587 | 68,987 | 20,600 |
| Social Services Agency | 1,169,361 | 1,196,568 | 1,191,996 | 4,572 |
| Total Expenditures and Other Financing Uses | <u>4,970,882</u> | <u>5,170,935</u> | <u>4,589,156</u> | <u>581,779</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (67,919) | (125,593) | (107,099) | \$ <u>18,494</u> |
| Fund Balances-Beginning of Year | 1,210,725 | 1,210,725 | 1,210,725 | |
| Fund Balances-End of Year | <u>\$ 1,142,806</u> | <u>\$ 1,085,132</u> | <u>\$ 1,103,626</u> | |

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

Budgetary Comparison Statement
(Dollar Amounts in Thousands)

**BUDGETARY COMPARISON STATEMENT
MAJOR GOVERNMENTAL FUNDS-FLOOD CONTROL DISTRICT**

| | Original Budget | Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|-------------------|-------------------|------------------------------|------------------------------------|
| Revenues and Other Financing Sources | | | | |
| Taxes | \$ 139,815 | \$ 139,815 | \$ 161,996 | \$ 22,181 |
| Licenses, Permits, and Franchises | -- | -- | 88 | 88 |
| Fines, Forfeitures, and Penalties | 18 | 18 | 37 | 19 |
| Use of Money and Property | 4,369 | 4,369 | 25,003 | 20,634 |
| Intergovernmental | 60,876 | 60,876 | 53,506 | (7,370) |
| Charges for Services | 20,146 | 20,146 | 18,955 | (1,191) |
| Other | 106 | 106 | 3,063 | 2,957 |
| Transfers In | 81,643 | 81,668 | 41,668 | (40,000) |
| Total Revenues and Other Financing Sources | <u>306,973</u> | <u>306,998</u> | <u>304,316</u> | <u>(2,682)</u> |
| Expenditures and Other Financing Uses | | | | |
| Public Protection: | | | | |
| OC Flood | 250,218 | 250,243 | 149,480 | 100,763 |
| OC Flood-Capital Improvement Projects | 75,006 | 76,556 | 23,411 | 53,145 |
| OC Flood-Santa Ana River | 155,989 | 155,989 | 30,986 | 125,003 |
| Total Expenditures and Other Financing Uses | <u>481,213</u> | <u>482,788</u> | <u>203,877</u> | <u>278,911</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (174,240) | (175,790) | 100,439 | <u>\$ 276,229</u> |
| Fund Balances-Beginning of Year | 453,051 | 453,051 | 453,051 | |
| Fund Balances-End of Year | <u>\$ 278,811</u> | <u>\$ 277,261</u> | <u>\$ 553,490</u> | |

County of Orange
Annual Comprehensive Financial Report
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(Dollar Amounts in Thousands)

BUDGETARY COMPARISON STATEMENT
MAJOR GOVERNMENTAL FUNDS-OTHER PUBLIC PROTECTION

| | Original Budget | Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------|------------------------------------|
| Revenues and Other Financing Sources | | | | |
| Licenses, Permits, and Franchises | \$ 11 | \$ 11 | \$ 11 | \$ -- |
| Fines, Forfeitures, and Penalties | 2,518 | 2,518 | 3,651 | 1,133 |
| Use of Money and Property | 4,184 | 4,483 | 10,688 | 6,205 |
| Intergovernmental | 27,434 | 30,697 | 49,638 | 18,941 |
| Charges for Services | 10,707 | 10,707 | 7,811 | (2,896) |
| Other | 4,949 | 4,950 | 5,118 | 168 |
| Transfers In | 3,667 | 5,138 | 5,137 | (1) |
| Total Revenues and Other Financing Sources | <u>53,470</u> | <u>58,504</u> | <u>82,054</u> | <u>23,550</u> |
| Expenditures and Other Financing Uses | | | | |
| Public Protection: | | | | |
| Building and Safety-Operating Reserve | 1,358 | 1,358 | 547 | 811 |
| California Automated Fingerprint Identification Operational Costs | 1,697 | 1,676 | 1,230 | 446 |
| California Automated Fingerprint Identification Systems Costs | 44,085 | 44,085 | 1,130 | 42,955 |
| Child Support Program Development | 3,140 | 5,144 | 3,574 | 1,570 |
| Clerk Recorder Operating Reserve | 607 | 5,946 | 5,946 | -- |
| Clerk Recorder Special Revenue | 8,310 | 8,310 | 4,803 | 3,507 |
| County Automated Fingerprint Identification | 2,287 | 2,287 | 2,003 | 284 |
| Delta Special Revenue | 16 | 16 | 8 | 8 |
| District Attorney's Supplemental Law Enforcement Services | 2,652 | 2,652 | 2,651 | 1 |
| Excess Public Safety Sales Tax | 6,359 | 10,171 | 10,112 | 59 |
| Inmate Welfare | 13,804 | 13,812 | 3,345 | 10,467 |
| Jail Commissary | 7,589 | 7,589 | 6,493 | 1,096 |
| Motor Vehicle Theft Task Force | 5,098 | 5,098 | 4,696 | 402 |
| Narcotic Forfeiture and Seizure | 408 | 806 | 651 | 155 |
| Orange County Jail | 4 | 4 | -- | 4 |
| Proposition 64-Consumer Protection | 2,515 | 2,515 | 2,285 | 230 |
| Proposition 69-DNA Identification | 1,585 | 1,585 | 932 | 653 |
| Real Estate Prosecution | 1,090 | 1,090 | 494 | 596 |
| Regional Narcotic Suppression Program-Other | 2,604 | 2,604 | 1,705 | 899 |
| Sheriff Court OPS-Special Collections | 2,294 | 2,232 | 1,271 | 961 |
| Sheriff Narcotics Program-CALMMET-Treasury | 127 | 127 | 34 | 93 |
| Sheriff Narcotics Program-Dept of Justice | 13,092 | 13,092 | 6,032 | 7,060 |
| Sheriff Narcotics Program-Other | 416 | 416 | 36 | 380 |
| Sheriff-Coroner Replacement and Maintenance | 25,852 | 27,316 | 1,612 | 25,704 |
| Sheriff's State Criminal Alien Assistance Program | 2,729 | 5,811 | 5,585 | 226 |
| Sheriff's Substations Fee Program | 84 | 84 | -- | 84 |
| Sheriff's Supplemental Law Enforcement Services | 3,415 | 4,415 | 2,001 | 2,414 |
| Traffic Violator | 1,067 | 1,067 | 222 | 845 |
| Ward Welfare | 102 | 102 | 44 | 58 |
| 800 MHz Countywide Coordinated Communications System | 12,931 | 12,907 | 9,370 | 3,537 |
| Total Expenditures and Other Financing Uses | <u>167,317</u> | <u>184,317</u> | <u>78,812</u> | <u>105,505</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (113,847) | (125,813) | 3,242 | <u>\$ 129,055</u> |
| Fund Balances-Beginning of Year | 183,155 | 183,155 | 183,155 | |
| Fund Balances-End of Year | <u>\$ 69,308</u> | <u>\$ 57,342</u> | <u>\$ 186,397</u> | |

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

Budgetary Comparison Statement
(Dollar Amounts in Thousands)

**BUDGETARY COMPARISON STATEMENT
MAJOR GOVERNMENTAL FUNDS-MENTAL HEALTH SERVICES ACT**

| | Original Budget | Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------|------------------------------------|
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ 3,963 | \$ 3,963 | \$ 9,072 | \$ 5,109 |
| Intergovernmental | 308,550 | 308,550 | 308,412 | (138) |
| Other | -- | -- | 21 | 21 |
| Total Revenues and Other Financing Sources | <u>312,513</u> | <u>312,513</u> | <u>317,505</u> | <u>4,992</u> |
| Expenditures and Other Financing Uses | | | | |
| Health & Sanitation: | | | | |
| Mental Health Services Act | 382,254 | 382,864 | 303,044 | 79,820 |
| Total Expenditures and Other Financing Uses | <u>382,254</u> | <u>382,864</u> | <u>303,044</u> | <u>79,820</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (69,741) | (70,351) | 14,461 | <u>\$ 84,812</u> |
| Fund Balances-Beginning of Year | 116,691 | 116,691 | 116,691 | |
| Fund Balances-End of Year | <u>\$ 46,950</u> | <u>\$ 46,340</u> | <u>\$ 131,152</u> | |

County of Orange
Annual Comprehensive Financial Report
June 30, 2024
(Dollar Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|--|--|-------------------------|---|------------------|---|
| | Airport | OC Waste & Recycling | Compressed Natural Gas (Nonmajor) | Total | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Pooled Cash/Investments | \$ 396,272 | \$ 647,102 | \$ 1,074 | \$ 1,044,448 | \$ 362,210 |
| Cash/Cash Equivalents | -- | -- | -- | -- | 1,982 |
| Imprest Cash Funds | 14 | 35 | -- | 49 | 8 |
| Restricted Pooled Cash and Investments | 49,065 | 1,343 | -- | 50,408 | -- |
| Deposits In-Lieu of Cash | 6,932 | 37,246 | -- | 44,178 | -- |
| Receivables: | | | | | |
| Accounts | 6,637 | 15,840 | 95 | 22,572 | 165 |
| Passenger Facility Charges | 3,008 | -- | -- | 3,008 | -- |
| Interest/Dividends | 5,377 | 9,372 | 12 | 14,761 | 3,896 |
| Pollution Remediation Obligation Recoveries | 256 | -- | -- | 256 | -- |
| Leases | 15,190 | 213 | -- | 15,403 | 39 |
| Allowance for Uncollectible Receivables | -- | (1) | -- | (1) | (99) |
| Due from Other Funds | -- | 20,625 | -- | 20,625 | 4,114 |
| Due from Component Unit | -- | -- | -- | -- | 1 |
| Due from Other Governmental Agencies | 720 | 2,304 | -- | 3,024 | 277 |
| Inventory of Materials and Supplies | -- | -- | -- | -- | 207 |
| Prepaid Costs | 1,751 | 55 | -- | 1,806 | -- |
| Total Current Assets | <u>485,222</u> | <u>734,134</u> | <u>1,181</u> | <u>1,220,537</u> | <u>372,800</u> |
| Noncurrent Assets | | | | | |
| Restricted Pooled Cash and Investments | -- | 15,389 | -- | 15,389 | -- |
| Restricted Pooled Cash and Investments-Closure and Postclosure Care Costs | -- | 116,132 | -- | 116,132 | -- |
| Leases Receivable | 74,049 | 6,455 | -- | 80,504 | 29 |
| Capital Assets: | | | | | |
| Not Depreciable/Amortizable | 68,687 | 94,364 | -- | 163,051 | 5,303 |
| Depreciable/Amortizable, Net | 495,803 | 328,365 | -- | 824,168 | 75,595 |
| Total Capital Assets | <u>564,490</u> | <u>422,729</u> | <u>--</u> | <u>987,219</u> | <u>80,898</u> |
| Total Noncurrent Assets | <u>638,539</u> | <u>560,705</u> | <u>--</u> | <u>1,199,244</u> | <u>80,927</u> |
| Total Assets | <u>1,123,761</u> | <u>1,294,839</u> | <u>1,181</u> | <u>2,419,781</u> | <u>453,727</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>9,127</u> | <u>12,406</u> | <u>--</u> | <u>21,533</u> | <u>11,420</u> |

Basic Financial Statements
Statement of Net Position
Proprietary Funds
(Dollar Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | Total | Governmental Activities - Internal Service Funds |
|--|--|-------------------------|---|---------------------|---|
| | Airport | OC Waste & Recycling | Compressed Natural Gas (Nonmajor) | | |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$ 10,987 | \$ 19,661 | \$ -- | \$ 30,648 | \$ 9,858 |
| Retainage Payable | 665 | 3,983 | -- | 4,648 | 2 |
| Salaries and Employee Benefits Payable | 786 | 1,581 | -- | 2,367 | 1,296 |
| Unearned Revenue | 4,748 | 423 | -- | 5,171 | -- |
| Due to Other Funds | 2,794 | 9,603 | -- | 12,397 | 943 |
| Due to Component Unit | -- | -- | -- | -- | 1 |
| Due to Other Governmental Agencies | 229 | 11,445 | -- | 11,674 | 272 |
| Insurance Claims Payable | -- | -- | -- | -- | 74,439 |
| Compensated Employee Absences Payable | 907 | 1,762 | -- | 2,669 | 1,563 |
| Pollution Remediation Obligation | -- | 623 | -- | 623 | -- |
| Intangible Assets Obligations Payable | 89 | -- | -- | 89 | -- |
| Landfill Site Closure/Postclosure Liability | -- | 4,188 | -- | 4,188 | -- |
| Financed Purchase Liability | -- | -- | -- | -- | 4,139 |
| Lease Liability | -- | 32 | -- | 32 | 19 |
| Subscription Liability | 7 | 92 | -- | 99 | 2,956 |
| Deposits from Others | 7,671 | 38,838 | -- | 46,509 | -- |
| Total Current Liabilities | <u>28,883</u> | <u>92,231</u> | <u>--</u> | <u>121,114</u> | <u>95,488</u> |
| Noncurrent Liabilities | | | | | |
| Insurance Claims Payable | -- | -- | -- | -- | 213,332 |
| Compensated Employee Absences Payable | 293 | 791 | -- | 1,084 | 845 |
| Pollution Remediation Obligation | 994 | 7,027 | -- | 8,021 | -- |
| Landfill Site Closure/Postclosure Liability | -- | 204,764 | -- | 204,764 | -- |
| Financed Purchase Liability | -- | -- | -- | -- | 1,230 |
| Lease Liability | -- | 115 | -- | 115 | 53 |
| Subscription Liability | -- | -- | -- | -- | 1,375 |
| Net Pension Liability | 38,730 | 48,405 | -- | 87,135 | 35,174 |
| Net OPEB Liability | 1,688 | 2,238 | -- | 3,926 | 2,517 |
| Total Noncurrent Liabilities | <u>41,705</u> | <u>263,340</u> | <u>--</u> | <u>305,045</u> | <u>254,526</u> |
| Total Liabilities | <u>70,588</u> | <u>355,571</u> | <u>--</u> | <u>426,159</u> | <u>350,014</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| | <u>87,458</u> | <u>8,568</u> | <u>--</u> | <u>96,026</u> | <u>2,834</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 561,300 | 412,166 | -- | 973,466 | 71,121 |
| Restricted for: | | | | | |
| Passenger Facility Charges Approved Capital Projects | 51,334 | -- | -- | 51,334 | -- |
| Landfill Closure/Postclosure | -- | 26,272 | -- | 26,272 | -- |
| Landfill Corrective Action | -- | 14,346 | -- | 14,346 | -- |
| Wetland | -- | 879 | -- | 879 | -- |
| Unrestricted | <u>362,208</u> | <u>489,443</u> | <u>1,181</u> | <u>852,832</u> | <u>41,178</u> |
| Total Net Position | <u>\$ 974,842</u> | <u>\$ 943,106</u> | <u>\$ 1,181</u> | <u>1,919,129</u> | <u>\$ 112,299</u> |
| Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds | | | | (3,124) | |
| Cumulative Effect of Prior Years' Internal Service Funds Allocation | | | | <u>(18,549)</u> | |
| Net Position of Business-Type Activities | | | | <u>\$ 1,897,456</u> | |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds | |
|--|--|-------------------------|---|---|-------------------|
| | Airport | OC Waste & Recycling | Compressed Natural Gas (Nonmajor) | | Total |
| Operating Revenues | | | | | |
| Use of Money and Property | \$ 139,843 | \$ 4,572 | \$ 288 | \$ 144,703 | \$ 1,107 |
| Licenses, Permits, and Franchises | -- | 319 | -- | 319 | -- |
| Charges for Services | 34,869 | 209,786 | -- | 244,655 | 129,664 |
| Insurance Premiums | -- | -- | -- | -- | 371,799 |
| Total Operating Revenues | <u>174,712</u> | <u>214,677</u> | <u>288</u> | <u>389,677</u> | <u>502,570</u> |
| Operating Expenses | | | | | |
| Salaries and Employee Benefits | 17,919 | 35,534 | -- | 53,453 | 28,462 |
| Services and Supplies | 49,297 | 46,807 | -- | 96,104 | 57,246 |
| Professional Services | 52,854 | 23,658 | -- | 76,512 | 65,736 |
| Insurance Claims and Premiums | -- | -- | -- | -- | 374,491 |
| Pollution Remediation Expense | -- | 10 | -- | 10 | -- |
| Other Charges | -- | -- | -- | -- | 367 |
| Taxes and Other Fees | 208 | 21,882 | -- | 22,090 | 11 |
| Landfill Site Closure/Postclosure Costs | -- | 9,335 | -- | 9,335 | -- |
| Depreciation/Amortization | 32,998 | 23,417 | -- | 56,415 | 18,620 |
| Total Operating Expenses | <u>153,276</u> | <u>160,643</u> | <u>--</u> | <u>313,919</u> | <u>544,933</u> |
| Operating Income (Loss) | <u>21,436</u> | <u>54,034</u> | <u>288</u> | <u>75,758</u> | <u>(42,363)</u> |
| Nonoperating Revenues (Expenses) | | | | | |
| Fines, Forfeitures, and Penalties | 255 | 25 | -- | 280 | -- |
| Intergovernmental Revenues | 3,046 | 404 | -- | 3,450 | 267 |
| Interest and Investment Income | 25,297 | 46,748 | 52 | 72,097 | 20,336 |
| Net Decrease in the Fair Value of Investments | (1,974) | (3,457) | (5) | (5,436) | (1,572) |
| Interest Expense | (1) | (12) | -- | (13) | (204) |
| Gain (Loss) on Disposition of Capital Assets | 99 | (390) | -- | (291) | (305) |
| Passenger Facility Charges Revenue | 21,581 | -- | -- | 21,581 | -- |
| Other Taxes | -- | -- | 44 | 44 | 12 |
| Other Revenue | 197 | 111 | -- | 308 | 10,730 |
| Total Nonoperating Revenues | <u>48,500</u> | <u>43,429</u> | <u>91</u> | <u>92,020</u> | <u>29,264</u> |
| Income (Loss) Before Contributions and Transfers | 69,936 | 97,463 | 379 | 167,778 | (13,099) |
| Capital Grant Contributions | 1,565 | -- | -- | 1,565 | -- |
| Capital Contributions | 41 | 8 | -- | 49 | 106 |
| Transfers In | 41 | 2,396 | -- | 2,437 | 12,933 |
| Transfers Out | -- | (9,401) | -- | (9,401) | (1,734) |
| Change in Net Position | <u>71,583</u> | <u>90,466</u> | <u>379</u> | <u>162,428</u> | <u>(1,794)</u> |
| Net Position-Beginning of Year | 903,259 | 852,640 | 802 | | 114,093 |
| Net Position-End of Year | <u>\$ 974,842</u> | <u>\$ 943,106</u> | <u>\$ 1,181</u> | | <u>\$ 112,299</u> |
| Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds | | | | (3,124) | |
| Change in Net Position of Business-Type Activities | | | | <u>\$ 159,304</u> | |

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



County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|---|--|-------------------------|---|---------------------|---|
| | Airport | OC Waste & Recycling | Compressed Natural Gas (Nonmajor) | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Customers | \$ 147,734 | \$ 214,265 | \$ 14 | \$ 362,013 | \$ 40,388 |
| Cash Received for Premiums within the County's Entity | -- | -- | -- | -- | 371,799 |
| Payments to Suppliers for Goods and Services | (102,095) | (82,901) | -- | (184,996) | (475,026) |
| Payments to Employees for Services | (19,636) | (35,235) | -- | (54,871) | (30,909) |
| Receipts from Interfund Services | 419 | -- | -- | 419 | 90,404 |
| Payments for Interfund Services Provided | -- | (19,780) | -- | (19,780) | (4) |
| Payments for Landfill Site Closure/Postclosure Care Costs | -- | (4,188) | -- | (4,188) | -- |
| Payment for Taxes and Other Fees | (208) | (21,882) | -- | (22,090) | (11) |
| Other Operating Receipts | 733 | 495 | 288 | 1,516 | 10,719 |
| Other Operating Payments | -- | (2,644) | -- | (2,644) | (417) |
| Net Cash Provided by Operating Activities | <u>26,947</u> | <u>48,130</u> | <u>302</u> | <u>75,379</u> | <u>6,943</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers In | 41 | 2,396 | -- | 2,437 | 12,933 |
| Transfers Out | -- | (9,401) | -- | (9,401) | (1,734) |
| Intergovernmental Revenues | 10,808 | 404 | -- | 11,212 | 267 |
| Other Taxes | -- | -- | 44 | 44 | 12 |
| Payments Received on Advances made to other Funds | -- | 20,000 | -- | 20,000 | -- |
| Net Cash Provided by Noncapital Financing Activities | <u>10,849</u> | <u>13,399</u> | <u>44</u> | <u>24,292</u> | <u>11,478</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of Capital Assets | (23,376) | (67,111) | -- | (90,487) | (13,397) |
| Capital Grant Contributions | 1,058 | -- | -- | 1,058 | -- |
| Passenger Facility Charges Received | 21,972 | -- | -- | 21,972 | -- |
| Principal Paid on Financed Purchase Liability | (331) | -- | -- | (331) | (4,560) |
| Principal Paid on Leases | (16) | (27) | -- | (43) | (170) |
| Interest Paid on Leases | -- | (4) | -- | (4) | (3) |
| Principal Paid on Subscriptions | (6) | (273) | -- | (279) | (3,509) |
| Interest Paid on Subscriptions | (1) | (8) | -- | (9) | (200) |
| Receipts for Leases Receivables | 15,341 | 298 | -- | 15,639 | 53 |
| Interest Received on Leases Receivables | 2,876 | 269 | -- | 3,145 | 5 |
| Proceeds from Sale of Capital Assets | 140 | 394 | -- | 534 | 474 |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>17,657</u> | <u>(66,462)</u> | <u>--</u> | <u>(48,805)</u> | <u>(21,307)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest on Investments | 21,865 | 41,405 | 43 | 63,313 | 18,215 |
| Net Change in the Fair Value of Investments | (1,974) | (3,457) | (5) | (5,436) | (1,572) |
| Net Cash Provided by Investing Activities | <u>19,891</u> | <u>37,948</u> | <u>38</u> | <u>57,877</u> | <u>16,643</u> |
| Net Increase in Cash and Cash Equivalents | 75,344 | 33,015 | 384 | 108,743 | 13,757 |
| Cash and Cash Equivalents-Beginning of Year | 370,007 | 746,986 | 690 | 1,117,683 | 350,443 |
| Cash and Cash Equivalents-End of Year | <u>\$ 445,351</u> | <u>\$ 780,001</u> | <u>\$ 1,074</u> | <u>\$ 1,226,426</u> | <u>\$ 364,200</u> |

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

Basic Financial Statements
Statement of Cash Flows
Proprietary Funds
(Dollar Amounts in Thousands)

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|--|--|-------------------------|---|---------------------|---|
| | Airport | OC Waste & Recycling | Compressed Natural Gas (Nonmajor) | Total | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | | |
| Operating Income (Loss) | \$ 21,436 | \$ 54,034 | \$ -- | \$ 75,470 | \$ (42,363) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | | |
| Depreciation/Amortization | 32,998 | 23,417 | -- | 56,415 | 18,620 |
| Recognition of Lease Income | (18,217) | (567) | -- | (18,784) | (58) |
| Fines, Forfeitures and Penalties | 255 | 25 | -- | 280 | -- |
| Other Revenue | 205 | 111 | 288 | 604 | 10,730 |
| (Increases) Decreases In: | | | | | |
| Deposits In-Lieu of Cash | (264) | (2,878) | -- | (3,142) | -- |
| Receivables, Net | 7,216 | 704 | 14 | 7,934 | 405 |
| Due from Other Funds | 14 | (20,574) | -- | (20,560) | (662) |
| Due from Component Unit | -- | -- | -- | -- | (1) |
| Due from Other Governmental Agencies | 159 | (49) | -- | 110 | 11 |
| Inventory of Materials and Supplies | -- | -- | -- | -- | (8) |
| Prepaid Costs | (231) | -- | -- | (231) | -- |
| Deferred Outflows of Resources Related to Pension | 2,072 | 2,567 | -- | 4,639 | 3,243 |
| Deferred Outflows of Resources Related to OPEB | 211 | 245 | -- | 456 | 317 |
| Increases (Decreases) In: | | | | | |
| Accounts Payable | 298 | (12,933) | -- | (12,635) | (2,209) |
| Retainage Payable | (11) | -- | -- | (11) | (78) |
| Salaries and Employee Benefits Payable | 55 | 118 | -- | 173 | 157 |
| Unearned Revenue | (7,314) | 359 | -- | (6,955) | -- |
| Due to Other Funds | 405 | 794 | -- | 1,199 | 213 |
| Due from Component Unit | -- | -- | -- | -- | 1 |
| Due to Other Governmental Agencies | 141 | 497 | -- | 638 | (335) |
| Insurance Claims Payable | -- | -- | -- | -- | 25,077 |
| Compensated Employee Absences Payable | 61 | 181 | -- | 242 | 86 |
| Pollution Remediation Obligation | -- | (505) | -- | (505) | -- |
| Deposits from Others | (185) | 3,034 | -- | 2,849 | -- |
| Net Pension Liability | (3,473) | (4,177) | -- | (7,650) | (5,278) |
| Net OPEB Liability | (524) | (629) | -- | (1,153) | (797) |
| Landfill Site Closure/ Postclosure Liability | -- | 5,147 | -- | 5,147 | -- |
| Deferred Inflows of Resources Related to Pension | (317) | (380) | -- | (697) | (482) |
| Deferred Inflows of Resources Related to OPEB | 198 | 245 | -- | 443 | 307 |
| Deferred Inflows of Resources Related to Leases | (8,241) | (656) | -- | (8,897) | 47 |
| Total Adjustments | 5,511 | (5,904) | 302 | (91) | 49,306 |
| Net Cash Provided by Operating Activities | <u>\$ 26,947</u> | <u>\$ 48,130</u> | <u>\$ 302</u> | <u>\$ 75,379</u> | <u>\$ 6,943</u> |
| Reconciliation of Cash and Cash Equivalents to Statement of Net Position Accounts | | | | | |
| Pooled Cash/Investments | \$ 396,272 | \$ 647,102 | \$ 1,074 | \$ 1,044,448 | \$ 362,210 |
| Cash/Cash Equivalents | -- | -- | -- | -- | 1,982 |
| Imprest Cash Funds | 14 | 35 | -- | 49 | 8 |
| Restricted Pooled Cash/Investments | 49,065 | 16,732 | -- | 65,797 | -- |
| Restricted Pooled Cash/Investments-Closure and Postclosure Care Costs | -- | 116,132 | -- | 116,132 | -- |
| Total Cash and Cash Equivalents | <u>\$ 445,351</u> | <u>\$ 780,001</u> | <u>\$ 1,074</u> | <u>\$ 1,226,426</u> | <u>\$ 364,200</u> |
| Schedule of Noncash Investing, Capital, and Financing Activities: | | | | | |
| Gain (Loss) on Disposition of Capital Assets | \$ 99 | \$ (390) | \$ -- | \$ (291) | \$ -- |
| Receipts of Capital Contributions | 41 | 8 | -- | 49 | (305) |
| Acquisition of Capital Assets with Accounts Payable | 2,436 | 6,405 | -- | 8,841 | 106 |
| Acquisition of Capital Assets with Retainage Payable | 658 | 3,919 | -- | 4,577 | 5 |
| Lease Liability for Acquisition of Lease Assets | -- | 163 | -- | 163 | 38 |
| Subscription Liability for Acquisition of Lease Assets | -- | 11 | -- | 11 | 1,762 |
| Accrued Capital Grant Contribution Receivable | 728 | -- | -- | 728 | -- |

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

| | Private- Purpose Trust Funds | Investment Trust Funds | Pension and OPEB Trust Funds | Custodial Funds |
|---|------------------------------------|---------------------------|---------------------------------|--------------------|
| ASSETS | | | | |
| Pooled Cash/Investments | \$ 90,377 | \$ 9,351,654 | \$ 25,238 | \$ 305,745 |
| Cash/Cash Equivalents | -- | -- | 379,382 | 670 |
| Securities Lending Collateral | -- | -- | 326,270 | -- |
| Restricted Investments with Trustee | | | | |
| Global Public Equity | -- | -- | 10,391,372 | 13,293 |
| Private Equity | -- | -- | 3,597,888 | -- |
| Core Fixed Income | -- | -- | 3,230,359 | 5,543 |
| Real Assets | -- | -- | 3,011,847 | -- |
| Risk Mitigation | -- | -- | 1,813,822 | -- |
| Unique Strategies | -- | -- | 123,207 | -- |
| Money Market Mutual Funds | -- | -- | -- | 57,140 |
| Bond Mutual Funds | -- | -- | 3,342 | -- |
| Cash Equivalent | -- | -- | 1,752 | -- |
| Mutual Funds | -- | -- | 23,773 | -- |
| Equity Mutual Funds | -- | -- | 101,144 | -- |
| Variable Annuities | -- | -- | 2,901 | -- |
| Combined Mutual Funds | -- | -- | 179,606 | -- |
| Collective Trust Funds | -- | -- | 98,377 | -- |
| Stable Value Funds | -- | -- | 20,762 | -- |
| Total Restricted Cash and Investments | -- | -- | 22,600,152 | 75,976 |
| Receivables | | | | |
| Accounts | -- | -- | -- | 340 |
| Investments | -- | -- | 21,268 | -- |
| Taxes | -- | -- | -- | 281,845 |
| Securities Sales | -- | -- | 131,586 | -- |
| Contributions | -- | -- | 41,072 | -- |
| Foreign Currency Forward Contracts | -- | -- | 1,655 | -- |
| Interest/Dividends | 958 | 67,049 | 35 | 18,238 |
| Other Receivables | -- | -- | 9,003 | -- |
| Allowance for Uncollectible Receivables | -- | -- | -- | (77,783) |
| Due from Other Governmental Agencies | -- | -- | 2,256 | 9,269 |
| Notes Receivable | 22,059 | -- | -- | -- |
| Capital Assets, Net | -- | -- | 6,927 | -- |
| Total Assets | <u>113,394</u> | <u>9,418,703</u> | <u>23,544,844</u> | <u>614,300</u> |
| LIABILITIES | | | | |
| Accounts Payable | -- | -- | 244,475 | 10,408 |
| Salaries and Employee Benefits Payable | -- | -- | 183,126 | -- |
| Unearned Contributions | -- | -- | 38,502 | -- |
| Investment Obligations | -- | -- | 326,287 | -- |
| Due to Other Governmental Agencies | 549 | 33 | -- | 25,725 |
| Unapportioned Taxes | -- | -- | -- | 209,269 |
| Total Liabilities | <u>549</u> | <u>33</u> | <u>792,390</u> | <u>245,402</u> |
| NET POSITION | | | | |
| Restricted for: | | | | |
| OPEB Benefits | -- | -- | 873,679 | 19,464 |
| Pension Benefits | -- | -- | 21,878,775 | -- |
| Pool Participants | -- | 9,418,670 | -- | -- |
| Individuals, Organizations, and Other Governments | 112,845 | -- | -- | 349,434 |
| Total Net Position | <u>\$ 112,845</u> | <u>\$ 9,418,670</u> | <u>\$ 22,752,454</u> | <u>\$ 368,898</u> |

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

| | Private- Purpose Trust Funds | Investment Trust Funds | Pension and OPEB Trust Funds | Custodial Funds |
|--|------------------------------------|---------------------------|------------------------------------|--------------------|
| Additions: | | | | |
| Contributions to Pension and OPEB | | | | |
| Employer | \$ -- | \$ -- | \$ 931,653 | \$ 794 |
| Employee | -- | -- | 278,854 | -- |
| Contributions to Pooled Investments | -- | 12,213,208 | -- | 974,710 |
| Contributions to Private-Purpose Trust | 41,000 | -- | -- | -- |
| Intergovernmental Revenues | 2,664 | -- | -- | -- |
| Charges for Services | 14 | -- | -- | -- |
| Other Revenues | 15,419 | 511 | -- | -- |
| Taxes | -- | -- | -- | 11,883,640 |
| Investment Earnings | | | | |
| Interest and Investment Income | 3,118 | 479,172 | 297,528 | 74,324 |
| Net Increase (Decrease) in the Fair Value of Investments | (267) | (17,972) | 2,293,437 | 1,924 |
| Securities Lending | -- | -- | 12,526 | -- |
| Less: Investment Expense | (14) | (3,068) | (173,962) | (86) |
| Total Additions | <u>61,934</u> | <u>12,671,851</u> | <u>3,640,036</u> | <u>12,935,306</u> |
| Deductions: | | | | |
| Benefits Paid to Participants | -- | -- | 1,278,195 | 1,531 |
| Distributions from Pooled Investments | -- | 12,461,165 | -- | 962,031 |
| Distributions from Private-Purpose Trust | 38,390 | -- | -- | -- |
| Professional Services | 628 | -- | 29,103 | 6,733 |
| Other Expenses | -- | -- | -- | 77,782 |
| Tax Pass-Throughs | 147 | -- | -- | -- |
| Apportioned Taxes | -- | -- | -- | 11,986,851 |
| Interest Expense, Net | (84) | -- | -- | -- |
| Total Deductions | <u>39,081</u> | <u>12,461,165</u> | <u>1,307,298</u> | <u>13,034,928</u> |
| Change in Net Position | 22,853 | 210,686 | 2,332,738 | (99,622) |
| Net Position-Beginning of Year | <u>89,992</u> | <u>9,207,984</u> | <u>20,419,716</u> | <u>468,520</u> |
| Net Position-End of Year | <u>\$ 112,845</u> | <u>\$ 9,418,670</u> | <u>\$ 22,752,454</u> | <u>\$ 368,898</u> |





**JOHN WAYNE
ORANGE COUNTY
(SNA)**





1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies of the County of Orange (County):

A. Reporting Entity

The County is a legal subdivision of the State of California charged with general governmental powers. The County's powers are exercised through an elected five-member Board of Supervisors (Board), which, as the governing body, is responsible for the legislative and executive control of the County. The County provides a full range of general government services, including police protection, detention and correction, public assistance, health and sanitation, recreation, library, flood control, public ways and facilities, waste management, airport management, and general financial and administrative support.

As required by generally accepted accounting principles (GAAP) in the United States of America, these financial statements present financial information for both the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations and the Board is typically their governing body. Therefore, data from these component units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. Management applied the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," Statement No. 39, "Determining Whether Certain Organizations are Component Units-An Amendment of GASB Statement No. 14," Statement No. 61, "The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34," Statement No. 80, "Blending Requirements for Certain Component Units-An Amendment of GASB Statement No. 14," and Statement No. 84, "Fiduciary Activities," to determine whether the component units should be reported as blended or discretely presented component units. The criteria included whether the County appoints the voting majority, there is a financial benefit/burden relationship, the County is able to impose its will, the component unit is fiscally dependent on the County, the component unit's governing body is substantially the same as the County, and management of the County have operational responsibility for the activities of the component unit. These criteria were used to determine the following:

Blended Component Units

Orange County Flood Control District The Orange County Board of Supervisors is the governing body of the District. The Board's powers include, but are not limited to, approving the District's budget, levying a tax or assessment upon real property in the District, approving contracts for the District, and appointing County officers to perform additional duties for the District. The District is reported in governmental fund types.

Orange County Housing Authority The governing body of the Authority is the County's governing body. Among its duties, it approves the Authority's budget and policies that govern the administration of housing assistance programs and appoints the management. The Authority is reported in governmental fund types.

Orange County Public Financing Authority The Authority is a joint powers authority of the County and the Orange County Development Agency (OCDA), formed to provide financial assistance to the County by financing the acquisition, construction and improvement of public facilities in the County. The governing body of the Authority is the County's governing body. The Authority is reported in governmental fund types. With the passage of ABX1 26 dissolving redevelopment agencies statewide effective February 1, 2012, the Authority will not issue any new debt. A termination agreement between the County and Oversight Board of the County of Orange as Successor Agency to the OCDA was executed on April 16, 2024, which dissolved the Orange County Public Financing Authority.

South Orange County Public Financing Authority The Authority is a joint powers authority of the County and Community Facilities District 88-2 of the County of Orange (Lomas Laguna), formed to provide for the financing of public capital improvements. The governing body of the Authority is the County's governing body. The Authority is reported in governmental fund types.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Capital Facilities Development Corporation The Corporation has a three-member governing body that is appointed by the Board. Its purpose is to facilitate financings, acquisitions of property, and other financial and property related transactions, by or for the benefit of the County, including but not limited to purchasing property from or for the benefit of, borrowing or loaning money and selling or leasing property to, and otherwise participating in financial and leasing transactions with the County. The Corporation is reported in governmental fund types.

Orange County Public Facilities Corporation The Corporation has a five-member governing body that is appointed by the Board. It provides services entirely to the County, through the purchases, construction or lease of land and buildings, which are then leased back to the County. The Corporation is reported in governmental fund types.

County Service Areas, Special Assessment Districts, and Community Facilities Districts The governing body of County Service Areas, Special Assessment Districts, and Community Facilities Districts (districts) is the County's governing body. It approves the districts' budgets, and approves parcel fees, special assessments and special taxes. The districts are reported in governmental fund types.

In-Home Supportive Services (IHSS) Public Authority The governing body of the Authority is the County's governing body. The Authority was established by the Board to act as the employer of record for the individual providers for the IHSS program. The duties of the Authority include collective bargaining for the individual providers, establishing a registry of providers, investigating the background of providers and providing training to IHSS providers and consumers. The Authority is reported in governmental fund types.

Fiduciary Component Unit

Orange County Employee Retirement System (OCERS) OCERS is a public retirement system established in 1945 that administers the County's retirement and Other Postemployment Benefits (OPEB) Plans in accordance with the County Employees Retirement Law of 1937 and the California Public Employees' Pension Reform Act (PEPRA) of 2013. OCERS was determined to be a fiduciary component unit of the County based on the guidelines of GASB Statement No. 84. It is reported in the Pension and OPEB Trust Funds and Custodial Fund Fiduciary financial statements. OCERS issues a stand-alone financial report with year-end December 31 and is available online at www.ocers.org or in writing if requested to the Orange County Employees Retirement System, P.O. Box 1229, Santa Ana, CA 92702.

Discretely Presented Component Units

First 5 Orange County First 5 Orange County (formerly Children and Families Commission of Orange County) is administered by a governing board of nine members, who are appointed by the Board. Its purpose is to develop, adopt, promote and implement early childhood development programs in the County. It is funded by additional State taxes on tobacco products which were approved by California voters via Prop 10 in November 1998. First 5 Orange County is presented as a discretely presented component unit of the County because, although the County Board has no control over the revenues, budgets, staff, or funding decisions made by First 5 Orange County, the appointed First 5 Orange County members serve at the will of the Board members who appoint them. A separate stand-alone annual financial report can be obtained by writing to First 5 Orange County, 1505 E. 17th Street, Suite 230, Santa Ana, CA 92705, or by accessing Orange County's website: ocauditor.gov.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance (CalOptima Health) The Board established CalOptima Health in 1993. The governing board of CalOptima Health is comprised of nine voting members and includes two County Board members and one County Board member alternate; all other members are appointed by the Board. This is a County organized health system whose purpose is to administer health insurance programs for low-income families, children, seniors, and persons with disabilities throughout the County. These programs include Medi-Cal, OneCare (HMO D-SNP), and Program of All-Inclusive Care for the Elderly (PACE). CalOptima Health is presented as a discretely presented component unit of the County because, although the County Board has no control over the revenues, budgets, staff, or funding decisions made by CalOptima Health, the appointed CalOptima Health members serve at the will of the Board members who appoint them. CalOptima Health will continue until such time as the Board takes action to terminate CalOptima Health. A separate stand-alone annual financial report can be obtained by writing to CalOptima Health, 505 City Parkway West, Orange, CA 92868 or can be accessed via the website <http://wps0.dmhc.ca.gov/fe/search/>.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide and fund financial statements. The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. The government-wide financial statements report deferred outflows of resources, long-term liabilities and capital assets. Depreciation/amortization expense and accumulated depreciation/amortization are displayed on the government-wide financial statements. The capital assets and related depreciation/amortization include the costs and depreciation of infrastructure assets.

The fund financial statements for the governmental funds are prepared using the modified accrual basis of accounting and the current financial resources measurement focus. Fund financial statements are shown separately for specific major governmental funds and in total for all other governmental funds. Fund financial statements for proprietary funds are reported under the accrual basis of accounting and the economic resources measurement focus. Major enterprise funds are shown separately, with internal service funds shown in total. Financial data for the internal service funds is included with the governmental funds for presentation in the government-wide financial statements. Fiduciary funds are displayed by category in the fund financial statements, but are not reported in the government-wide financial statements, because the assets of these funds are not available to the County.

Government-Wide Financial Statements

GASB Statement No. 34, *“Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments”* (GASB Statement No. 34), as amended by GASB Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* (GASB Statement No. 63), mandates the presentation of two basic government-wide financial statements:

- *Statement of Net Position*
- *Statement of Activities*

The scope of the government-wide financial statements is to report information on all of the non-fiduciary activities of the primary government and its component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

Government activities, which are normally supported by taxes, intergovernmental revenues, other nonexchange revenues, and business-type activities, which are financed by fees charged to external parties for goods and services, are reported in separate columns with a combined total column presented for the primary government. Likewise, the primary government is reported separately from the legally separate component units, First 5 Orange County and CalOptima Health, for which the primary government is financially accountable. The government-wide Statement of Net Position displays the financial position of the primary government, in this case, the County and its discretely presented component units. The Statement of Net Position reports the County's financial and capital resources, including infrastructure, as well as the County's long-term obligations. The difference between the County's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources is its net position. Net position represents the resources that the County has available for use in providing services after its debt or other obligations are settled.

These resources may not be readily available or spendable and consequently are classified into the following categories of net position in the government-wide financial statements:

- Net Investment in Capital Assets This amount is derived by subtracting the outstanding liabilities incurred by the County, including debt-related deferred outflows and inflows of resources, to buy or construct capital assets shown in the Statement of Net Position, net of depreciation and amortization.
- Restricted Net Position This category represents restrictions imposed on the use of the County's resources by parties outside of the government or by law through constitutional provisions or enabling legislation. All of the County's net position restrictions are externally imposed by outside parties, constitutional provisions or enabling legislation. Examples of restricted net position include federal and state grants that are restricted by grant agreements for specific purposes and restricted cash set aside for debt service payments. At June 30, 2024, the County's governmental activities reported restricted net position of \$2,162,982 and is restricted for pension benefits related to the OCERS Investment Account, capital projects, debt service, legally segregated funds restricted for grants and other purposes, and regional park endowment. Restricted Net Position for business-type activities amounted to \$92,831 and is restricted for the use of John Wayne Airport (Airport) and OC Waste & Recycling activities, including passenger facility charges (PFC), landfill closure/postclosure, landfill corrective action, and wetland. At June 30, 2024, the County reported \$51,334 of net position restricted by enabling legislation related to the Airport's PFC.
- Unrestricted Net Position These assets are resources of the County that can be used for any purpose, though they may not necessarily be liquid. In addition, assets in a fund that exceed the amounts required to be restricted by external parties or enabling legislation are reported as unrestricted net position (deficit). When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues and the extent to which the function or segment is supported by general government revenues, such as property taxes, local unrestricted sales taxes, and investment earnings. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated to match the reimbursement of indirect costs recorded as program revenues to the same function where the related expense is recorded. Program revenues include:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

- *Charges and fees to customers or applicants for goods, services, or privileges provided, including fines, forfeitures, and penalties related to the program*
- *Operating grants and contributions*
- *Capital grants and contributions, including special assessments*

Taxes and other items such as unrestricted investment earnings (loss) not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on major funds. The financial information of each major fund is shown in a separate column in the fund financial statements, with the data for all nonmajor governmental funds aggregated into a single column and all nonmajor proprietary funds aggregated into a single column. GASB Statement No. 34, as amended by GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities" (GASB Statement No. 65), sets forth minimum criteria (specified minimum percentages of the assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of a fund category and of the governmental and enterprise funds combined) for the determination of major funds. In addition to funds that meet the minimum criteria, any other governmental or enterprise fund that the government believes is of particular importance to financial statement users may be reported as a major fund.

The County reports the following major governmental funds:

General Fund This fund accounts for resources traditionally associated with government and all other resources, which are not required legally, or by sound financial management, to be accounted for in another fund. Revenues are primarily derived from taxes; licenses, permits and franchises; fines, forfeitures and penalties; use of money and property; intergovernmental revenues; charges for services; and other revenues. Expenditures are primarily expended for functions of general government, public protection, public ways and facilities, health and sanitation, public assistance, capital outlay, and debt service.

Flood Control District This fund accounts for the planning, construction, operation, and maintenance of regional flood protection and water conservation works, such as dams, control channels, retarding basins, and other flood control infrastructure, intergovernmental revenue, along with use of money and property, provide most of this fund's revenues.

Other Public Protection This fund accounts for revenues restricted for safety and law enforcement activities such as the child support program, automated fingerprint identification systems, and investigation team. Revenues consist primarily of federal grants, state grants, fines, use of money and property, and charges for services.

Mental Health Services Act This fund accounts for the County's mental health programs for children, transition age youth, adults, older adults and families pursuant to the State of California Mental Health Services Act. Revenues consist primarily from a 1% income tax on personal income in excess of one million dollars.

Countywide Capital Projects Non-General Fund This fund was established to budget and account for the multi-year approved capital projects funded primarily with Net County Cost or general purpose revenue.

The County reports the following proprietary enterprise funds:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Airport This major fund accounts for major construction and for self-supporting aviation-related activities rendered at John Wayne Airport, Orange County. The airport's staff coordinates and administers general business activities related to the Airport, including concessions, commercial and general aviation operations, leased property, auto parking, and aircraft tie-down facilities.

OC Waste & Recycling This major fund accounts for the operation, expansion, and closing of existing landfills. Monies are collected through landfill disposal fees, which users pay based primarily on tonnage.

Compressed Natural Gas (CNG) This nonmajor fund accounts for the operation and maintenance of the CNG facility. Revenues consist primarily of CNG sales to both the County and the public.

Additionally, the County reports the following fund types:

Internal Service Funds These proprietary funds are used to report activities that provide goods or services to other funds of the County. These funds account for fleet services, publishing services, and other services (including claims for workers' compensation, property damage, information & technology, insurance and various health programs) provided to other County departments or agencies. The Internal Service Funds receive revenues on a cost-reimbursement basis.

Fiduciary Fund Types These trust and custodial funds are used to account for assets held on behalf of outside parties including other governments. They also include funds to account for financial activities of Pension and OPEB Plans administered by OCERS. When these assets are held under the terms of a formal trust agreement, a private-purpose trust, pension trust or OPEB trust fund is used. An investment trust fund is used for the portion of the County investment pool representing external pool participants, whose assets are deemed to be held in trust by the County's Treasurer. Custodial funds are used to account for assets that the County holds on behalf of others as their agent.

The County reports the following trust and custodial funds:

Private-Purpose Trust These funds are used to account for trust arrangements where the principal and income benefit individuals, private organizations, or other governments. Examples of private-purpose trusts include unidentified funds, unclaimed prisoner funds, and decedents' property held for escheatment. Also included are the County accounts for the former redevelopment agency.

Investment Trust (Orange County Treasurer's Pool)

Orange County Investment Pool

These funds are used to account for assets, consisting primarily of cash and investments, of separate legal entities, other than school and community college districts, which participate in the County Treasurer's Investment Pool, and includes debt reserves for school and community college districts.

Orange County Educational Investment Pool

These funds are used to account for assets, consisting primarily of cash and investments, of school and community college districts that participate in the County Treasurer's External Educational Investment Pool.

Pension and Other Postemployment Benefits Trust The County reports nine Pension and OPEB Trust funds, which includes three trust funds under OCERS, the County's fiduciary component unit. These trust funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit and defined contribution pension and OPEB plans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements (Continued)

Custodial Funds These funds are used to report fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds, such as funds to hold property taxes and special assessments collected on behalf of various local governments, monies held in the Redevelopment Property Tax Trust funds, civil filing fees, and special assessment districts debt service funds. They also include the Orange County Transportation Agency, which is an OCERS custodial fund that is used to account for the Health Care Plan established in accordance with Internal Revenue Code (IRC) Section 115. The County's custodial funds use the economic resources measurement focus and accrual basis of accounting.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources and all liabilities, and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. Receivables are reported net of allowances for uncollectible receivables in the Statement of Net Position. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

For purposes of not overstating the true costs and program revenues reported for the various functions, interfund activities (e.g. interfund transfers and interfund reimbursements) have been eliminated from the government-wide Statement of Activities. Exceptions to the general rule are interfund services provided and used between functions, such as charges for auditing and accounting fees between the general government function and various other functions of the primary government. Elimination of these interfund activities would distort the direct costs and program revenues reported for the various functions concerned. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed. Additionally, only the interfund transfers between governmental and business-type activities are reported in the Statement of Activities.

Governmental Fund Financial Statements

Governmental funds are used to report all governmental activities that are not primarily self-funded by fees or charges to external users or other funds and are not fiduciary activities. These activities include the County's basic services to its citizenry and to other agencies, including general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. There are five types of governmental funds:

- *General Fund*
- *Special Revenue Funds*
- *Capital Projects Funds*
- *Debt Service Funds*
- *Permanent Fund*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of accounting, revenues and other governmental fund type financial resources (e.g., bond issuance proceeds) are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Revenues that are accrued include real and personal property taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, fines, forfeitures and penalties, interest, federal and state grants and subventions, charges for current services, and the portion of long-term sales contracts and leases receivable that are measurable and available and where collectability is assured. Revenues that are not considered susceptible to accrual include penalties on delinquent property taxes and minor licenses and permits. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, provided that the revenues are also available. If intergovernmental revenues are expected to be received later than 60 days following the end of the fiscal year, then a receivable is recorded along with deferred inflows of resources. Once the intergovernmental revenue is received, revenue and cash are recorded, and the receivable and deferred inflows of resources are eliminated. Receipts that have not met all of the earning requirements are reported as unearned revenue received. Refer to Note 20, Deferred Outflows and Inflows of Resources for additional information.

Most expenditures are recorded when the related fund liabilities are incurred. However, inventory type items are considered expenditures at the time of use and principal and interest expenditures on bonded debt, financed purchases, leases and subscription-based information technology arrangements (SBITAs) are recorded in the year they become due for payment. Costs of claims, judgments, compensated employee absences and employer pension contributions are recorded as expenditures at fiscal year-end if they are due and payable. The related long-term obligation is recorded in the government-wide financial statements. Commitments such as purchase orders and contracts for materials and services are recorded as encumbrances. General capital asset acquisitions, including entering into contracts, giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Because the fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented to explain the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds are used to account for business-type activities, which are financed mainly by fees and charges to users of the services provided by the funds' operations. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

There are two types of proprietary funds:

- *Enterprise Funds*
- *Internal Service Funds*

The County has three enterprise funds: Airport, OC Waste & Recycling, and CNG. The principal operating revenues of the Airport, OC Waste & Recycling, and CNG enterprise funds are charges to customers for (1) landing fees, terminal space rental, auto parking, concessions, revenue from use of property, revenue from services, and aircraft tie-down fees, (2) disposal fees charged to users of the waste disposal sites, and (3) natural gas sales, respectively.

Internal Service Funds are used to report activities that provide goods or services to other funds of the County. The internal service funds receive revenues through cost-reimbursements of the goods and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

services provided to other County departments and agencies. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets.

Fiduciary Fund Financial Statements

Fiduciary funds are used to account for assets held in a trustee or custodial capacity and cannot be used to support the County's own programs. They are accounted for using the economic resources measurement focus and accrual basis of accounting.

D. Budget Adoption and Revision

No later than October 2nd of each year, after conducting public hearings concerning the recommended budget, the Board adopts a budget in accordance with Government Code Sections 29000-29144 and 30200. The County publishes the results of this initial budgeting process in a separate report, the "Adopted Budget," which specifies all accounts established within each fund, department and budget control (a collection of account numbers necessary to fund a certain division or set of goal related activities) and will not include the carried forward prior year encumbrances. However, the original and final budget amounts presented in the financial statements may differ due to the inclusion of the carried forward prior year encumbrances.

Throughout the year, the original budget is adjusted to reflect increases or decreases in revenues and changes in fund balance, offset by an equal amount of adjustments to appropriations. Department heads are authorized to approve appropriation transfers within a fund, department and budget control. However, appropriation transfers between funds/departments/budget controls require approval of the Board. Accordingly, the lowest level of budgetary control exercised by the County's governing body is the fund, department, and budget control level.

Annual budgets are adopted on a basis consistent with GAAP except for the general fund and major special revenue funds as detailed in the Budgetary Comparison Statement reconciliation between the budgetary basis and GAAP basis. Budgeted governmental funds consist of the general fund, major funds, and other nonmajor governmental funds. Budgetary comparison statements are prepared only for the general fund and major special revenue funds (listed below) for which the County legally adopts annual budgets, and are presented as part of the basic financial statements. The County did not legally adopt annual budgets for the Capital Facilities Development Corporation Fund and South OC Public Financing Authority Fund. The budgetary comparison statements provide three separate types of information: (1) the original budget, which is the first complete appropriated budget; (2) the final amended budget, which includes all legally authorized changes regardless of when they occurred; and (3) the actual revenues and expenditures during the year for budget-to-actual comparisons. The actual comparisons are presented on a budgetary basis and will not compare to the Statement of Revenues, Expenditures and Changes in Fund Balance.

The major special revenue fund Budgetary Comparison Statements reported by the County in the Basic Financial Statements are:

- *Flood Control District*
- *Other Public Protection*
- *Mental Health Services Act*

The intent of preparing the Budgetary Comparison Statement reconciliation is to provide the reader with a more complete understanding and appreciation for the difference between budgetary revenues and other

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budget Adoption and Revision (Continued)

financing sources and expenditures and other financing uses presented in the Budgetary Comparison Statements and the revenues, expenditures, and other financing sources (uses) reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, which is prepared in accordance with GAAP. The major areas of difference are as follows:

- Under the budgetary basis, investment income is recognized on an amortized cost basis. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" (GASB Statement No. 31), all investment income, including changes in fair value (gains/losses) of investments, are recognized as investment income.
- Under the budgetary basis, revenues are normally recorded when earned. For GAAP basis, in accordance with GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*" (GASB Statement No. 33), and GASB Statement No. 65, all nonexchange transactions, such as government-mandated nonexchange transactions and voluntary nonexchange transactions, can be accrued only if they are measurable and "available." "Available" has been defined by GASB Statement No. 33 as "collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period." The County has established the availability period as 60 days after the end of the fiscal year. In order to ensure all transactions for the current fiscal year meet this criterion, the County analyzes revenue receipts through August 31 and records adjustments to deferred inflows of resources for transactions that are not collected.
- GASB Statement No. 84 establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. For the GAAP financial statements, an adjustment to record public-purpose trust monies as revenue in the benefitting funds is recorded for funds which continue to be accounted for as fiduciary funds on a budgetary basis, but do not meet the definition of a fiduciary fund.
- Under the budgetary basis, intrafund transfers are recognized as other financing sources (uses). For the GAAP financial statements, intrafund transfers are eliminated to minimize the "grossing-up" of intrafund transfers.
- Under the budgetary basis, interfund reimbursements or repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are recorded as revenues in the payer fund. In accordance with GASB Statement No. 34, an adjustment to eliminate interfund reimbursements is recorded for the GAAP financial statements.
- In accordance with GAAP, the County has established guidelines for recording expenditure accruals. In order to reasonably ensure that accruals for current fiscal year transactions are materially accurate, the County performs an analysis to identify expenditure accruals for the GAAP financial statements.
- The OC Animal Care Center used cash basis to record money it received from invoicing due to the low collection rate. Per GAAP, the receivables and the amount of the allowance for the doubtful accounts should be recorded.
- Under the budgetary basis, lease rental payments were recorded in the Information Technology Internal Service Fund (ISF). Per GAAP, the lease payments were reclassified to the fund where the financed purchase liability is recorded.
- Under a budgetary basis, the County bills departments for their portion of the pension required contribution to OCERS and recognizes the portion that is not forwarded to OCERS as revenue because the County Investment Account at OCERS funded this portion of the required contribution. For the GAAP financial statements, the County reclassified the budgeted revenue for the portion of the required contribution funded by the County Investment Account to reduce expenditures.
- For the GAAP financial statements, the County recorded an expenditure and other financing source for the period the lease/subscription is initially recognized for the present value of the payments expected to be made during the lease/subscription term.
- The County reclassified to the General Fund all the activities of certain special revenue funds which no longer meet the definition of a special revenue fund in accordance with GASB.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budget Adoption and Revision (Continued)

The following schedule shows the Budgetary Comparison Statement reconciliation between the budgetary basis and GAAP basis for the General Fund and major special revenue funds:

| | General Fund | Flood Control District | Other Public Protection | Mental Health Services Act |
|--|---------------------|------------------------------|-------------------------------|----------------------------------|
| Actual Revenues and Other Financing Sources from the Budgetary Comparison Statements | \$ 4,482,057 | \$ 304,316 | \$ 82,054 | \$ 317,505 |
| Differences-budget to GAAP: | | | | |
| Change in unrealized gain on investment | 29,799 | 1,317 | 744 | 523 |
| Adjustment to report redirected investment income as transfers | -- | -- | 737 | -- |
| Adjustment of revenue accruals for 60 day recognition period | (36,268) | (22,461) | (65) | -- |
| Adjustment to record Public-Purpose Trust Fund monies as revenue in benefitting fund | 4,541 | 5,275 | 2,336 | 1,658 |
| Adjustment to eliminate intrafund transfers | (23,905) | (41,428) | (1,795) | -- |
| Reclassification of direct billing reimbursements paid by fund for the benefit of other funds | 15,240 | (1,421) | -- | -- |
| Recognition of outstanding invoices for OC Animal Care Center | (230) | -- | -- | -- |
| Reclassification of Other Revenues to an Expenditure for portion of pension obligation bonds funded by the County Investment Account with OCERS | (10,580) | -- | -- | -- |
| Reclass ISF financed purchase rental to General Fund | 105 | -- | -- | -- |
| Record Lessee/Lessor activities | 70,389 | 456 | -- | -- |
| Record Subscription Liabilities activities | 47,926 | 13 | -- | -- |
| Certain budgeted special revenue funds do not meet the criteria for separate reporting and are reported within the General Fund in the GAAP financial statements | 150,938 | -- | -- | -- |
| Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances | \$ 4,730,012 | \$ 246,067 | \$ 84,011 | \$ 319,686 |
| Actual Expenditures and Other Financing Uses from the Budgetary Comparison Statements | \$ 4,589,156 | \$ 203,877 | \$ 78,812 | \$ 303,044 |
| Differences-budget to GAAP: | | | | |
| Adjustment to report redirected investment income as transfers | -- | -- | 737 | -- |
| Adjustment of expenditure accruals for timing differences | 465,865 | (203) | -- | -- |
| Adjustment to eliminate intrafund transfers | (23,905) | (41,428) | (1,795) | -- |
| Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements | -- | -- | 229 | -- |
| Reclassification of direct billing reimbursements paid by fund for the benefit of other funds | 15,240 | (1,421) | -- | -- |
| Reclassification of Other Revenues to an Expenditure for portion of pension obligation bonds funded by the County Investment Account with OCERS | (10,580) | -- | -- | -- |
| Reclass ISF financed purchase rental to General Fund | 105 | -- | -- | -- |
| Record Lessee/Lessor activities | 70,315 | 51 | -- | -- |
| Record Subscription Liabilities activities | 47,756 | 13 | -- | -- |
| Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 5,153,953 | \$ 160,889 | \$ 77,983 | \$ 303,044 |

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance

The County applies GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" (GASB Statement No. 54) for financial statement purposes. The intent of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

The balance sheet reports the following five different classifications of fund balance:

Nonspendable Fund Balance Amounts that are not in a spendable form, such as long-term receivables, inventory or prepaid costs, or that are required to be maintained intact, such as the corpus of an endowment fund. The County's Regional Park Endowment Permanent Fund reports the original donation as nonspendable in accordance with donor requirements.

Restricted Fund Balance Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance Amounts constrained to specific purposes by a formal action of the highest level of decision-making authority. The constraint remains binding unless the government takes the same highest-level action to remove or change the constraint. The Board is the County's highest level of decision-making authority. The highest level of formal action to commit resources is an ordinance.

Assigned Fund Balance Amounts a government intends to use for a specific purpose that are neither restricted nor committed; intent can be expressed by the governing body (Board) or by an official or body to which the governing body delegates authority (CEO, County Department Heads, and County Purchasing Agent). The County's budget development guidelines provide the policy that is used by all County departments to determine the designation of assigned fund balance. Assigned fund balance includes the aggregation of resources for capital projects, which are expected to develop in future periods and fund balance reserved for outstanding contractual obligations for which goods and services have not yet been received or approved by the Board for appropriation in FY 2023-24, through the County's budget process.

Unassigned Fund Balance Residual amounts within the General Fund in excess of what can be properly classified in one of the four other fund balance classifications. Within all other governmental funds, unassigned fund balance is comprised of the negative residual in excess of what can be properly classified as nonspendable, restricted, or committed.

With regards to the hierarchy for spending, when expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the County's policy is to spend restricted fund balance before unrestricted fund balance. When committed, assigned, and unassigned fund balance is available for the same specific purpose, the County's policy is to expend fund balance according to the following priority: committed, assigned, and then unassigned.

Following are detailed descriptions within each fund balance classification reported in the balance sheet:

County of Orange
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For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

| | General Fund | Flood Control District | Other Public Protection | Mental Health Services Act | Countywide Capital Projects Non-General Fund | Other Governmental Funds | Total Governmental Funds |
|---|--------------|------------------------|-------------------------|----------------------------|--|--------------------------|--------------------------|
| Nonspendable: | | | | | | | |
| Inventory | \$ 1,181 | \$ 682 | \$ 461 | \$ -- | \$ -- | \$ -- | \$ 2,324 |
| Prepaid costs | 3,348 | -- | -- | -- | -- | -- | 3,348 |
| Endowment | -- | -- | -- | -- | -- | 200 | 200 |
| Total Nonspendable Fund Balance | 4,529 | 682 | 461 | -- | -- | 200 | 5,872 |
| Restricted for: | | | | | | | |
| Public Safety Realignment | 217,922 | -- | -- | -- | -- | -- | 217,922 |
| Flood Control District | -- | 154,424 | -- | -- | -- | -- | 154,424 |
| Flood Control District-Construction & Maintenance | -- | 111,512 | -- | -- | -- | -- | 111,512 |
| Flood Control District-Project Management | -- | 65,016 | -- | -- | -- | -- | 65,016 |
| OC Flood Santa Ana River Mainstem/Prado Dam Capital Project | -- | 201,960 | -- | -- | -- | -- | 201,960 |
| Building & Safety Operating Reserve | -- | -- | 5,059 | -- | -- | -- | 5,059 |
| Motor Vehicle Theft Task Force | -- | -- | 5,269 | -- | -- | -- | 5,269 |
| Child Support Program Development | -- | -- | 12,937 | -- | -- | -- | 12,937 |
| Clerk Recorder Special Revenue | -- | -- | 12,111 | -- | -- | -- | 12,111 |
| Clerk Recorder Operating Reserve | -- | -- | 8,403 | -- | -- | -- | 8,403 |
| Sheriff-Coroner Replacement & Maintenance | -- | -- | 25,682 | -- | -- | -- | 25,682 |
| Sheriff-Coroner State Criminal Alien Assistance Program | -- | -- | 3,054 | -- | -- | -- | 3,054 |
| Excess Public Safety Sales Tax | -- | -- | 112 | -- | -- | -- | 112 |
| CAL-ID System Costs | -- | -- | 64,954 | -- | -- | -- | 64,954 |
| Jail Commissary | -- | -- | 3,776 | -- | -- | -- | 3,776 |
| Inmate Welfare | -- | -- | 12,924 | -- | -- | -- | 12,924 |
| 800 MHz Countywide Coordinated Communications System | -- | -- | 2,145 | -- | -- | -- | 2,145 |
| Prop 64-Consumer Protection | -- | -- | 5,228 | -- | -- | -- | 5,228 |
| Supplemental Law Enforcement Services | -- | -- | 2,760 | -- | -- | -- | 2,760 |
| Regional Narcotics Suppression Program | -- | -- | 14,128 | -- | -- | -- | 14,128 |
| Other Public Safety Programs | -- | -- | 22,746 | -- | -- | -- | 22,746 |
| Mental Health Services Workforce Education & Training | -- | -- | -- | 26,660 | -- | -- | 26,660 |
| Mental Health Services Prevention & Early Intervention | -- | -- | -- | 41,840 | -- | -- | 41,840 |
| Mental Health Services General | -- | -- | -- | 63,266 | -- | -- | 63,266 |
| OC Dana Point Harbor Projects | -- | -- | -- | -- | -- | 60,773 | 60,773 |
| Community and Welfare Services | -- | -- | -- | -- | -- | 168,365 | 168,365 |
| Low and Moderate Income Housing Program | -- | -- | -- | -- | -- | 29,170 | 29,170 |
| Health Care Programs | -- | -- | -- | -- | -- | 22,365 | 22,365 |
| Parking Facilities | -- | -- | -- | -- | -- | 4,753 | 4,753 |
| Roads | -- | -- | -- | -- | -- | 219,642 | 219,642 |
| OC Road-Capital Improvement | -- | -- | -- | -- | -- | 104,223 | 104,223 |
| Major Thoroughfare & Bridge Fee Program | -- | -- | -- | -- | -- | 19,246 | 19,246 |
| Public Libraries | -- | -- | -- | -- | -- | 135,705 | 135,705 |
| OC Parks | -- | -- | -- | -- | -- | 126,789 | 126,789 |
| OC Parks-Capital Projects | -- | -- | -- | -- | -- | 31,206 | 31,206 |
| County Tidelands-Newport Bay | -- | -- | -- | -- | -- | 12,590 | 12,590 |
| Service Areas, Lighting, Maintenance and Assessment Districts | -- | -- | -- | -- | -- | 52,270 | 52,270 |
| Other Environmental Management | -- | -- | -- | -- | -- | 15,372 | 15,372 |
| Tobacco Settlement Programs | -- | -- | -- | -- | -- | 20,091 | 20,091 |
| Opioid Settlement Programs | -- | -- | -- | -- | -- | 13,883 | 13,883 |
| Housing Programs | -- | -- | -- | -- | -- | 38,451 | 38,451 |
| Technological & Capital Acquisitions/Improvements | -- | -- | -- | -- | -- | 2,033 | 2,033 |
| Endowment | -- | -- | -- | -- | -- | 196 | 196 |
| South OC Public Financing Authority | -- | -- | -- | -- | -- | 11 | 11 |
| Teeter Plan Notes | -- | -- | -- | -- | -- | 30,692 | 30,692 |
| Capital Facilities Development Corporation | -- | -- | -- | -- | -- | 20 | 20 |
| Capital Projects: | | | | | | | |
| Criminal Justice Facilities Improvement | -- | -- | -- | -- | -- | 0 | 0 |
| Total Restricted Fund Balance | \$ 217,922 | \$ 532,912 | \$ 201,288 | \$ 131,766 | \$ -- | \$ 1,107,846 | \$ 2,191,734 |

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

| | General Fund | Flood Control District | Other Public Protection | Mental Health Services Act | Countywide Capital Projects Non-General Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------|---------------------|------------------------------|-------------------------------|----------------------------------|---|--------------------------------|--------------------------------|
| Assigned to: | | | | | | | |
| General Services: | | | | | | | |
| General Services-Operations | \$ 11,245 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | 11,245 |
| Imprest Cash | 1,842 | -- | -- | -- | -- | 45 | 1,887 |
| Public Safety | 29,120 | -- | -- | -- | -- | -- | 29,120 |
| Public Works | 2,676 | -- | -- | -- | -- | -- | 2,676 |
| Watershed Programs | 3,030 | -- | -- | -- | -- | -- | 3,030 |
| Social Services Programs | 3,062 | -- | -- | -- | -- | -- | 3,062 |
| Health Care Programs | 150 | -- | -- | -- | -- | 13,588 | 13,738 |
| OC Cares Initiative | 88,902 | -- | -- | -- | -- | -- | 88,902 |
| Teeter Plan Notes | -- | -- | -- | -- | -- | 85,622 | 85,622 |
| Capital Projects: | | | | | | | |
| Strategic Priorities Capital Projects | 20,186 | -- | -- | -- | -- | -- | 20,186 |
| Countywide Projects | -- | -- | -- | -- | 554,152 | -- | 554,152 |
| Countywide IT Projects | -- | -- | -- | -- | 71,300 | -- | 71,300 |
| Parking Facilities | -- | -- | -- | -- | -- | 7,026 | 7,026 |
| Real Estate Development | -- | -- | -- | -- | -- | 13,273 | 13,273 |
| Community and Welfare Services | -- | -- | -- | -- | -- | 15,526 | 15,526 |
| Total Assigned Fund Balance | <u>160,213</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>625,452</u> | <u>135,080</u> | <u>920,745</u> |
| Unassigned | 905,908 | -- | -- | -- | -- | (4,022) | 901,886 |
| Total Unassigned Fund Balance | <u>905,908</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(4,022)</u> | <u>901,886</u> |
| Total Fund Balances | <u>\$ 1,288,572</u> | <u>\$ 533,594</u> | <u>\$ 201,749</u> | <u>\$ 131,766</u> | <u>\$ 625,452</u> | <u>\$ 1,239,104</u> | <u>\$ 4,020,237</u> |

Annually, the Board adopts a five-year Strategic Financial Plan (SFP). The County of Orange SFP includes a policy for Fund Balance Unassigned (FBU) that eliminates FBU as a funding source for the next year's budget as a significant step toward reducing structural reliance on one-time funds. Positive variances in estimated FBU are to be added to strategic reserves, consistent with the Board policy.

F. Cash and Investments

The County's cash and investments are called the Orange County Investment Fund (OCIF), which includes all cash and investment balances entrusted to the Treasurer and may include cash on hand, demand deposits, restricted cash, investments in Orange County Treasurer's Pool (OCTP), specific investments and bond proceeds. For reporting purposes, OCTP is further divided into the Orange County Investment Pool (OCIP) and the Orange County Educational Investment Pool (OCEIP), the latter of which is utilized exclusively by the County's public school and community college districts. The OCTP is maintained for the County, Educational Districts and other Non-County government entities for the purpose of benefiting from economies of scale through pooled investment activities.

The County has reported investment values at fair value in the accompanying financial statements, using the fair value measurement within the fair value hierarchy established by GASB Statement No. 72 "Fair Value Measurement and Application" (GASB Statement No. 72).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Investments (Continued)

Proceeds from County-issued bonds are held by trustees and are invested in instruments authorized by the respective trust agreements that may include money market mutual funds, investment agreements, repurchase agreements, and U.S. Government securities. All investments are measured at fair value. The trustees generally use an independent service to value those securities.

Participants' shares are valued using a cost basis and income is distributed to participants based on their average daily balances during the period. Income is calculated based on (1) interest income as stated rates, including both amounts paid and accrued, (2) amortization of discounts and premiums on a straight-line basis, and reduced by (3) actual investment administrative cost of such investing, depositing or handling of funds. This method differs from the fair value method used to value investments in this statement because the cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pools' investments. Refer to Note 4, Cash and Investments for additional information.

The investments in the Retiree Medical Defined Benefit Trust are managed by OCERS and are reported at fair value. Refer to Note 19, Other Postemployment Benefits, to obtain OCERS stand-alone annual financial statements.

G. Inventory of Materials and Supplies

Inventories consist of expendable materials and supplies held for consumption. Inventories are valued at cost, which is determined on a moving weighted-average basis. Applicable fund balances are non-spendable for amounts equal to the inventories on hand at the end of the fiscal year, as these amounts are not available for appropriation and expenditure. The costs of inventory items are recorded as expenditures/expenses when issued to user departments.

H. Prepaid Costs

The County may pay for certain types of services in advance, such as pension costs and rents, and recognizes these expenditures/expenses when consumed.

Prepaid costs in the government-wide financial statements also include the prepaid costs reported in the fund financial statements, as well as the County's Investment Account with OCERS for future pension costs of \$150,393. Refer to Note 18, Retirement Plans for additional information.

I. Capital Assets

Capital assets are defined as assets of a long-term character that are intended to be held or used in operations, such as land, land improvements, structures and improvements, equipment, intangible, intangible right-to-use lease and SBITA assets, and infrastructure. Infrastructure assets are grouped by categories that include flood channels, roads, bridges, trails, traffic signals, watersheds, and harbors.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Intangible right-to-use assets are recorded at the present value of future lease/subscription payments over the contract/subscription term. In the case of SBITAs, capitalizable initial implementation costs are included as well. The County's capitalization thresholds shown in the following table are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

| <u>Asset Type</u> | <u>Capitalization Threshold</u> |
|----------------------------------|---------------------------------|
| Land | \$ 0 |
| Land Improvements | \$150 |
| Structures and Improvements | \$150 |
| Equipment | \$ 5 |
| Intangible: | |
| Software (Commercially Acquired) | \$ 5 |
| All Other | \$150 |
| Intangible Right-To-Use Asset: | |
| Lease Equipment | \$10 |
| Lease IT Equipment | \$10 |
| Lease Structure and Improvements | \$ 0 |
| Lease Land | \$ 0 |
| SBITAs | \$10 |
| Infrastructure | \$150 |

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the related assets. Intangible right-to-use lease and SBITA assets are amortized over the shorter of lease/subscription term or the estimated useful life of the asset. No depreciation or amortization is provided on construction in progress or intangible assets in progress, respectively, until the project is completed and the asset is placed into service. Estimated useful lives of structures and improvements, equipment, intangibles, and infrastructure are as follows:

| | |
|---|-----------------|
| Land Improvements | 5 to 70 years |
| Structures and Improvements | 5 to 70 years |
| Equipment | 2 to 40 years |
| Intangibles: | |
| Computer Software | 2 to 20 years |
| Intangible Right-To-Use Assets: | |
| Lease Equipment | 2 to 6 years |
| Lease IT Equipment | 2 to 5 years |
| Lease Structures and Improvements | 2 to 28 years |
| Lease Land | 6 to 13 years |
| SBITAs | 2 to 10 years |
| Infrastructure: | |
| Flood Channels | 20 to 100 years |
| Roads | 10 to 25 years |
| Bridges | 50 to 75 years |
| Trails | 20 to 75 years |
| Traffic Signals | 15 to 75 years |
| Harbors | 20 to 70 years |
| Airport-Runways, Taxiways, and Aprons | 15 to 60 years |
| OC Waste & Recycling-Cell Development, Drainage Channels, Facility Improvements, Habitat, Landfill Gas/Environmental, Closure/Other Earthwork | 10 to 153 years |

Maintenance and repair costs are expensed in the period incurred. Expenditures that materially increase the capacity or efficiency or extend the useful life of an asset are capitalized and depreciated. Upon the sale or retirement of the capital asset, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the Statement of Activities and Proprietary Funds' Statement of Revenues, Expense and Changes in Fund Net Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

An impairment loss of capital assets is measured using one of several allowable methodologies based on the reason for the impairment, which is reported net of insurance recovery, and is reported as a program or operating expense, special item or extraordinary item, depending on the circumstances.

J. Leases

GASB Statement No. 87 "Leases" (GASB Statement No. 87) defines a lease as a contract that transfers the right to use another entity's asset for a specific period of time in an exchange or exchange-like transaction. The County has entered into various lease agreements, primarily for office buildings, office equipment and other equipment. Under these contracts, the County recognizes a lease liability and a lease asset (intangible right-to-use asset) at the commencement of the lease term in the government-wide financial statements or Proprietary Funds' Statement of Net Position. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Likewise, the County leases its real property, structures and improvements to others, which include the Airport's non-cancellable leases with air carriers and concessionaires, OC Waste & Recycling landfill gas lease agreements, and other recreational boating, golf course, retail, restaurants, and commercial operations at County parks and facilities. Under these contracts, the County recognizes a leases receivable and a deferred inflows of resources at the commencement of the lease term in the fund financial statements. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflows of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

An amendment to a lease contract is considered a lease modification, unless the lessee's right to use the underlying asset decreases, in which case it is considered a partial or full lease termination. A lease termination is accounted for by reducing the carrying values of the lease liability and lease asset by a lessee, or the lease receivable and deferred inflow of resources by the lessor, with any difference being recognized as a gain or loss.

The future lease payments are discounted using the interest rate implicit in the lease contract. If the interest rate is not available, the County uses its incremental borrowing rate determined by CEO Budget and Finance. The lease term is determined by the sum of the non-cancelable periods, plus renewal options when they are reasonably certain of being exercised or early termination options when they are reasonably certain of not being exercised.

K. Subscription-Based IT Arrangements (SBITA)

GASB Statement No. 96 "Subscription-Based Information Technology Arrangements" (GASB Statement No. 96) defines a SBITA as a contract that transfers the right to use another entity's subscription asset for a specific period of time in an exchange or exchange-like transaction. The County has entered into various SBITA agreements, primarily for Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS). Under these contracts, the County recognizes a SBITA liability and a SBITA asset (intangible right-to-use SBITA asset) at the commencement of the SBITA term in the government-wide financial statements or Proprietary Funds' Statement of Net Position. The SBITA liability is measured at the present value of payments expected to be made during the SBITA term (less any SBITA incentives). The SBITA asset is measured at the amount of the initial measurement of the SBITA liability, plus any payments made to the vendor at or before the commencement of the SBITA term and any capitalizable initial implementation costs.

An amendment to a SBITA contract is considered a SBITA modification, unless the County's right to use the underlying asset decreases, in which case it is considered a partial or full SBITA termination. A SBITA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Subscription-Based IT Arrangements (SBITA) (Continued)

termination is accounted for by reducing the carrying values of the SBITA liability and SBITA asset by the County, with any difference being recognized as a gain or loss.

The future SBITA payments are discounted using the interest rate implicit in the SBITA contract. If the interest rate is not available, the County uses its incremental borrowing rate determined by CEO Budget and Finance. The SBITA term is determined by the sum of the non-cancelable periods, plus renewal options when they are reasonably certain of being exercised or early termination options when they are reasonably certain of not being exercised.

L. Deferred Outflows/Inflows of Resources

The County reports deferred outflows and inflows of resources in its governmental, proprietary, and government-wide financial statements. Deferred outflows of resources represent a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets by the government that is applicable to a future period. Refer to Note 20, Deferred Outflows and Inflows of Resources for a detailed listing of the deferred inflows and outflows of resources the County has recognized.

M. Self-Insurance

The County is self-insured for general and automobile liability claims, workers' compensation claims, and for claims arising under the County self-insured PPO Health Plans, short-term disability plans, dental plan, Reserve Deputy Sheriff accidental death and dismemberment plan, and unemployment benefits program. Liabilities are accrued based upon case reserves, development of known claims, incurred but not reported claims and allocated and unallocated loss adjustment expenses. For additional information, refer to Note 16, Self-Insurance.

N. Property Taxes

The provisions of the California Constitution and Revenue and Taxation Code govern assessment, collection, and apportionment of real and personal property taxes. Real and personal property taxes are computed by applying approved property tax rates to the assessed value of properties as determined by the County Assessor in the case of locally assessed properties and as determined by the State Board of Equalization in the case of state-assessed properties. Property taxes are levied annually, with the exception of the supplemental property taxes, which are levied when supplemental assessment events, such as sales of property or new construction, take place.

The County collects property taxes on behalf of all property tax-receiving agencies in Orange County. Property tax-receiving agencies include the school districts, cities, special districts not governed by the Board, special districts governed by the Board, redevelopment successor agencies, and the County General Fund.

Property taxes receivables are recorded as of the date levied in property tax unapportioned funds, which are classified as custodial funds. When collected, the property taxes are deposited into the County Treasury in the property tax unapportioned funds, where they are held in the unapportioned taxes liability accounts pending periodic apportionment to the tax-receiving agencies. The property tax unapportioned funds are included in the custodial funds category of the County's fund financial statements because the unapportioned taxes are collected and held on behalf of other governmental agencies.

Property tax collections are apportioned (disbursed) to the tax-receiving agencies periodically from the tax unapportioned funds based on various factors including statutory requirements, materiality of collections received, tax delinquency dates, the type of property tax roll unapportioned fund (e.g. secured, unsecured, supplemental, delinquent secured, delinquent unsecured, delinquent supplemental, homeowners' property tax subvention, or state-assessed properties, etc.), and cash flow needs of the tax-receiving agencies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Property Taxes (Continued)

Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due within the fiscal year and collected within 60 days after the fiscal year-end. Property tax revenues are also recognized for unsecured and supplemental property taxes that are due at year-end, and are collected within 60 days after the fiscal year-end, but will not be apportioned until the next fiscal year due to the timing of the tax apportionment schedule. The County's portion of the unapportioned taxes at June 30, 2024 is allocated to and recorded in the corresponding funds for reporting purposes.

Unsecured and supplemental property tax levies that are due within the fiscal year but are unpaid at fiscal year-end, are recorded as deferred inflows of resources in the fund-level financial statements, and recognized as revenue in the government-wide financial statements. The County records an allowance to recognize uncollectible taxes receivable.

Local assessed values are subject to appeal. The County maintains records of disputed property taxes, such as those properties for which the values have been appealed to the local Assessment Appeals Boards. Upon final disposition of the appeals and disputes, the amounts are either refunded to taxpayers or the tax bills are corrected.

The following are significant dates on the property tax calendar:

| | <u>California Revenue & Taxation Code Section</u> |
|---|---|
| Supplemental assessments are effective on the 1st day of the month following the completion of new construction or ownership change | 75.41 |
| Property tax lien date is January 1 | 2192 |
| Unsecured taxes on the roll as of July 31 are delinquent August 31 | 2922 |
| Assessor delivers roll to Auditor-Controller on or before July 1 | 616, 617 |
| Tax roll is delivered to the Treasurer-Tax Collector on or before the levy date (the 4th Monday in September) | 2601 |
| Secured tax payment due dates are: | |
| 1st Installment - November 1, and | 2605 |
| 2nd Installment - February 1 | 2606 |
| Secured tax delinquent dates (last day to pay without penalty) are: | |
| 1st Installment - December 10, and | 2617 |
| 2nd Installment - April 10 | 2618 |
| Declaration of tax default for unpaid taxes occurs July 1 | 3436 |
| Power to sell is effective five years (three years for nonresidential commercial property), after tax default. | 3691 |

O. Compensated Employee Absences

Compensated employee absences (vacation, compensatory time off, performance incentive plan time off, annual leave, and sick/healthcare leave) are accrued as an expense and liability in the proprietary funds when incurred. In the governmental funds, only those amounts that are due and payable at year-end are accrued. Compensated employee absences that exceed this amount represent a reconciling item between the fund and government-wide presentations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pensions

The County recognizes a net pension liability to reflect the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the County's retirement plans.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the OCERS and the Extra-Help Defined Benefit Plan and additions to/deductions from OCERS and the Extra-Help Defined Benefit Plan fiduciary net position have been determined on the same basis as they are reported by OCERS and the Extra-Help Defined Benefit Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2024, the County's net pension liability from OCERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by using actuarial valuation results. The County's net pension liability from the Extra-Help Defined Benefit Plan was measured as of June 30, 2024; and the plan's total pension liability used to calculate the net pension liability was determined by rolling forward the July 1, 2023 valuation to June 30, 2024.

Q. Other Postemployment Benefits (OPEB)

The County recognizes a net OPEB liability to reflect the County's proportionate share of the excess of the total OPEB liability over the fiduciary net position of the County's Retiree Medical Plan. The Retiree Medical Plan is reported in the County's financial statements and has a plan year-end of December 31, 2023.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Retiree Medical Plan and additions to/deductions from the Retiree Medical Plan's fiduciary net position have been determined on the same basis as they are reported by the Retiree Medical Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

At June 30, 2024, the County's net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

R. Statement of Cash Flows

A Statement of Cash Flows is presented for proprietary fund types. The County's cash and cash equivalents for cash flow reporting purposes are considered to be cash on hand, demand deposits, unrestricted and restricted investments held in the County Treasury's investment pooled funds and outside trustees.

Only investments with maturities of three months or less at the time of purchase may be classified as cash equivalent and this includes the Money Market Mutual Funds and the Local Agency Investment Fund balances.

S. Indirect Costs

County indirect costs are allocated to benefitting departments in the "Indirect Expenses Allocation" column of the government-wide Statement of Activities. Allocated costs are from the County's FY 2023-24 County Wide Cost Allocation Plan (CWCAP), which was prepared in accordance with the Code of Federal Regulation, Title 2, Part 200. For financial statement purposes, the County has elected to allocate and record indirect costs to budget controls within the General Fund in order to match the reimbursement of indirect costs recorded as program revenues to the same function.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Effects of New Pronouncements

The following lists recent GASB Pronouncements that have been implemented in FY 2023-24:

In April 2022, GASB issued Statement No. 99, "*Omnibus 2022.*" The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of other GASB statements, and (2) adding accounting and financial reporting guidance for financial guarantees. Portions of this Statement are effective upon issuance and were implemented in FY 2021-22 without an impact to the County. Certain requirements related to the leases, PPPs, and SBITAs, are effective for reporting periods beginning after June 15, 2022. The County implemented this requirement in FY 2022-23 without any impact to the County. The requirements related to the financial guarantees and the classification and reporting of certain derivatives are effective for periods beginning after June 13, 2023. The County implemented this requirement in FY 2023-24 without any impact to the County.

In June 2022, GASB issued Statement No. 100, "*Accounting Changes and Error Corrections-an amendment of GASB Statement No.62.*" This Statement improves accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. It also requires the display of note disclosures of the accounting change and error corrections. The requirements of this statement are effective for reporting periods after June 15, 2023. The statement was implemented without a material impact to the County in FY 2023-24. Refer to Note 2, Change in Accounting Principle for additional information.

The following summarizes recent GASB Pronouncements that will be implemented in future financial statements. The County has not determined the effect of these Statements.

In June 2022, GASB issued Statement No. 101, "*Compensated Absences*" in which the primary objective is to update the recognition and measurement guidance for compensated absences. This is achieved by a unified model and amends certain previously required disclosures. The requirements of this statement are effective for reporting periods after December 15, 2023, which requires the County to implement the Statement in FY 2024-25.

In December 2023, GASB issued Statement No. 102, "*Certain Risk Disclosures.*" The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. A government may be vulnerable to risks from certain concentrations or constraints that limit its ability to acquire resources or control spending. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, which requires the County to implement the Statement in FY 2024-25.

In April 2024, GASB issued Statement No. 103, "*Financial Reporting Model Improvements*". The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, which requires the County to implement the Statement in FY 2025-26.

In September 2024, GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets.*" This Statement requires certain types of capital assets to be disclosed separately by major class in the capital assets note disclosures. It also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, which requires the County to implement the Statement in FY 2025-26.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates. Where significant estimates have been made in preparing these financial statements, they are described in the applicable footnotes.

V. Consolidation of Governmental Funds Balance Sheet and Proprietary Funds Statement of Net Position Line Items in Statement of Net Position

Several asset line items in the Governmental Funds Balance Sheet and the Proprietary Funds Statement of Net Position are combined into one line item in the Government-Wide Statement of Net Position for presentation purposes. In order to avoid any confusion, the following table lists the line items shown in the Governmental and Proprietary Fund financial statements that are condensed together in the Government-Wide Statement of Net Position.

| Government-Wide Statement of Net Position Line Item | Corresponding Governmental Funds Balance Sheet or Proprietary Funds Statement of Net Position Line Item |
|--|---|
| Cash and Cash Equivalents | Pooled Cash/Investments; Cash Equivalents/Specific Investments; Imprest Cash Funds; and Cash/Cash Equivalents |
| Restricted Cash and Cash Equivalents | Restricted Cash and Investments with Trustee; Restricted Pooled Cash/Investments; and Restricted Pooled Cash/Investments—Closure and Postclosure Care Costs |

2. CHANGE WITHIN THE FINANCIAL REPORTING ENTITY

During fiscal year 2024, the County had a change within the financial reporting entity which resulted in a nonmajor fund moved to a major fund, and resulted in the restatement of the following:

| | Countywide Capital Projects Non- General Fund | Other Governmental Funds | Total |
|---|---|--------------------------------|-------------------|
| Fund Balance at June 30, 2023, as Previously Reported | \$ -- | \$ 214,386 | \$ 214,386 |
| Change from nonmajor to major fund | 214,386 | (214,386) | -- |
| Fund Balance at June 30, 2024, as Restated | <u>\$ 214,386</u> | <u>\$ --</u> | <u>\$ 214,386</u> |

3. DEFICIT FUND EQUITY

The Criminal Justice Facilities Fund reported a deficit fund balance of \$4,022. The deficit is primarily due to timing of reimbursements from the State for expenditures related to the James A. Musick Facility Construction Project. Costs incurred during the development of the project are reimbursed from the State in arrears of actual expenditures.

The Property and Casualty Risk ISF reported a deficit net position balance of \$58,985. The deficit results from the amount calculated in the annual actuarial study which includes case reserves, development of known claims, incurred but not reported claims, allocated and unallocated loss adjustment expenses, and a discount for anticipated investment income. The deficit is primarily due to elevated insurance premiums on the back of a hard commercial insurance market for the last several years, combined with higher than anticipated claim and settlement costs. Charges to County departments have not provided sufficient cash flows to entirely fund the deficit in the Property and Casualty Risk ISF. The County will continue to review charges to departments and manage the funding status of the Property and Casualty Program.

The Workers' Compensation ISF reported a deficit net position balance of \$2,325. The deficit results from the amount calculated in the annual actuarial study which includes case reserves, development of known claims,

3. DEFICIT FUND EQUITY (Continued)

incurred but not reported claims, allocated and unallocated loss adjustment expenses, and a discount for anticipated investment income. The deficit decreased by \$2,801 from the previous fiscal year primarily due to stable charges to program participants combined with favorable actuarial results. Charges to County departments have not provided sufficient cash flows to entirely fund the deficit in the Workers' Compensation ISF. The County will continue to review charges to departments and manage the funding status of the Worker's Compensation program.

The Retiree Medical Plan 115 Trust reported a deficit net position balance of \$21,968. The deficit decreased by \$39,274 due to the transition of new and existing employees to the County Health Reimbursement Arrangement Plan (HRA) as part of the restructuring of the Retiree Medical Plan. Refer to Note 19, Other Postemployment Benefits for more information.

4. CASH AND INVESTMENTS

The elected Treasurer is responsible for authorizing all County bank accounts and pursuant to California Government Code (CGC) Sections 27000.1–27000.5, 27130–27137 and 53600–53686, is responsible for conducting County investment activities for all public funds in the OCIF. The County Treasury contains pooled funds called the OCTP in an external investment pool wherein monies of the County and other legally separate external entities, which are not part of the County reporting entity, are commingled (pooled) for investment purposes only and invested on the participants' behalf. The OCTP is not registered with the Securities and Exchange Commission (SEC) as an investment company, and therefore is exempt from SEC rules. The Treasurer will act on a "best efforts" basis to stabilize the Net Asset Value (NAV) at or above \$0.9975 (in absolute dollar amounts). OCTP does not have any legally binding guarantees of share values. The OCTP's maximum duration is 1.5 years. On November 1, 2023, Fitch Ratings, Inc. assigned the OCTP their highest credit rating of AA+ for credit risk and a rating of S1, indicating a very low sensitivity to market risk. In addition to the pooled funds in OCTP, the Treasurer separately invests funds in Specific Investment Accounts and a Bond Fund Account.

The State of California allows the Board the ability to delegate the investment authority to the TTC in accordance with Section 53607 of the CGC. On an annual basis, the Board delegates the investment authority to the TTC. Pursuant to CGC Sections 27130-27137, the Board has established a Treasury Oversight Committee (TOC) that monitors and reviews the Investment Policy Statement (IPS) annually and also causes a compliance audit of the County Treasury annually to assure compliance. The TOC consists of the County Executive Officer, the elected County Auditor-Controller, the elected Superintendent of Schools, or their respective designees, and four public members, with at least three having expertise in, or an academic background in, public finance.

The investment practices and policies of the Treasurer are based on compliance with state law and prudent money management. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to pool participants. The last goal is to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds. Interest is allocated to eligible fund-accounts monthly based on the average daily cash balances on deposit with the Treasurer.

Cash and investments in OCIF with the Treasurer totaled \$15,640,082 as of June 30, 2024, consisting of \$54,251 in pooled cash, \$15,031,070 in investment securities in OCTP, \$532,276 in Specific Investments and \$22,485 in the Bond Proceeds Account.

4. CASH AND INVESTMENTS (Continued)

Total County cash and investments at fair value as of June 30, 2024, are reported as follows:

Cash:

| | |
|-----------------------------|---------------------|
| Cash and Timing Differences | <u>\$ (113,278)</u> |
|-----------------------------|---------------------|

Investments:

| | |
|---|--------------------------|
| Pooled Investments for OCTP with Treasurer | 15,031,070 |
| Specific Investments Accounts with Treasurer | 532,276 |
| Specific Investments-Bond Proceeds Account with Treasurer | 22,485 |
| Restricted Investments with Trustees | <u>539,417</u> |
| Total Investments | <u><u>16,125,248</u></u> |

Component Units Cash and Investments: ⁽¹⁾

| | |
|----------------------------|-----------------------------|
| External-OCERS | 22,893,611 |
| External-CalOptima Health | <u>3,443,958</u> |
| Total Cash and Investments | <u><u>\$ 42,349,539</u></u> |

Total County Cash and Investments are reported in the following funds:

| | |
|--------------------------------------|-----------------------------|
| Governmental Activities | \$ 4,451,783 |
| Business-Type Activities | 1,226,426 |
| Fiduciary Funds | 33,155,464 |
| Component Unit-First 5 Orange County | 71,908 |
| Component Unit-CalOptima Health | <u>3,443,958</u> |
| Total Cash and Investments | <u><u>\$ 42,349,539</u></u> |

(1) The Cash and Investments are held by the Component Unit and are not with the County Treasurer.

A. Cash Deposits

As of June 30, 2024, the OCTP maintained accounts at Wells Fargo Bank. Federal Depository Insurance Corporation (FDIC) insurance is available for demand deposits and interest saving deposit funds deposited at any one financial institution up to a maximum of \$250. Demand deposits of public funds at financial institutions that are not covered by the FDIC are required to be collateralized under CGC 53652 et. seq. and the IPS. Collateral is required for demand deposits at 110% of all deposits not covered by FDIC obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. The pledge to secure deposits is administered by the California Department of Financial Protection and Innovation. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution.

B. Investments

The CGC Sections 53601 and 53635, Board ordinances and resolutions, the County's IPS, the bond indenture documents, trust agreements, and other contractual agreements govern the investments that may be purchased and may include certain restrictions on investment maturity, maximum portfolio percentages, term, value and credit quality to minimize the risk of loss. The IPS adds further restrictions to permitted investments from the CGC. The current IPS expressly prohibits leverage, reverse repurchase agreements as defined by CGC Section 53601, structured notes, structured investment vehicles, derivative instruments, and money market mutual funds that do not maintain a constant net asset value. All investments must be

4. **CASH AND INVESTMENTS (Continued)**

B. Investments (Continued)

United States dollar denominated. As of June 30, 2024, the Treasurer was in full compliance with the CGC and/or the County's IPS for OCIF, as applicable.

Investments by the Treasurer are stated at fair value in accordance with GASB Statement No. 72 and are marked-to-market on a daily basis. Institutional money market mutual funds are valued at book value (net asset value). Unrealized gains or losses of securities are determined by taking the difference between cost and the fair value of investments. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments.

Unless otherwise required in a trust agreement, educational districts (public school and community college), including certain bond-related funds are required by state law to deposit all monies received from any source with the County Treasurer. At June 30, 2024, the OCTP includes approximately 69.20% of these involuntary participant deposits. Involuntary (Education Code Sections 41001 and 41002) and other external pool participants funds (CGC Section 27100.1) are deemed to be held in trust and such funds shall not be deemed funds or assets of the County and the relationship of the depositing entity and the County shall not be one of creditor-debtor.

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the CGC Section 16429.1 under the oversight of the Treasurer of the State of California. The fair value of the investment in this pool is reported in the accompanying financial statements at amounts based on the pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices based on quoted identical assets in an active market.
- Level 2: Investments reflect prices that are based on identical or similar assets in inactive markets or similar assets in active markets. Inputs other than quotes are observable.
- Level 3: Investments reflect prices based on significant unobservable inputs.

Fair value measurements are based on pricing received from the custodial bank. Investments in money market mutual funds of \$794,103 are priced using amortized cost which approximates fair value, with a net asset value of \$1.00 (in absolute dollar amounts) per share, and per GASB Statement No. 72 not subject to the fair value hierarchy. Additionally, the LAIF is not subject to the fair value hierarchy.

When quoted prices in active markets are available, investments are classified within level 1 of the fair value hierarchy. For investments classified within level 2, the County's custodian generally uses external pricing, vendor or matrix pricing models. The County uses the market approach method as a valuation technique in the application of GASB Statement No. 72. This method uses prices and other relevant information generated by market transactions involving identical or similar assets or groups of assets.

4. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements (Continued)

The following table presents a summary of the County's investments according to the assigned fair value hierarchy level as of June 30, 2024:

| | Fair Value | Fair Value Measurement | | |
|---|-----------------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| <u>OCIF-OCTP</u> | | | | |
| U.S. Treasuries | \$ 3,154,057 | \$ -- | \$ 3,154,057 | \$ -- |
| U.S. Government Agencies: | | | | |
| Federal Farm Credit Bank | 4,140,937 | -- | 4,140,937 | -- |
| Federal Home Loan Bank Bonds | 6,761,702 | -- | 6,761,702 | -- |
| Federal National Mortgage Association | 29,216 | -- | 29,216 | -- |
| Federal Home Loan Mortgage Corporation | 149,684 | -- | 149,684 | -- |
| Sub-total | <u>14,235,596</u> | <u>--</u> | <u>14,235,596</u> | <u>--</u> |
| Investments Not Subject to Fair Value Hierarchy: | | | | |
| Money Market Mutual Funds | 794,103 | | | |
| Local Agency Investment Fund | 1,371 | | | |
| Total, OCIF-OCTP | <u>\$ 15,031,070</u> | | | |
| <u>OCIF-Specific Investments</u> | | | | |
| U.S. Treasuries | \$ 522,398 | \$ -- | \$ 522,398 | \$ -- |
| U.S. Government Agencies: | | | | |
| Federal National Mortgage Association | 9,878 | -- | 9,878 | -- |
| Sub-total | <u>532,276</u> | <u>--</u> | <u>532,276</u> | <u>--</u> |
| Total, OCIF-Specific Investments | <u>\$ 532,276</u> | | | |
| <u>OCIF-Specific Investments-Bond Proceeds Account</u> | | | | |
| U.S. Treasuries | \$ 3,413 | \$ -- | \$ 3,413 | \$ -- |
| U.S. Government Agencies: | | | | |
| Federal Farm Credit Bank | 8,937 | -- | 8,937 | -- |
| Federal Home Loan Bank Bonds | 4,382 | -- | 4,382 | -- |
| Federal National Mortgage Association | 1,621 | -- | 1,621 | -- |
| Federal Home Loan Mortgage Corporation | 3,932 | -- | 3,932 | -- |
| Sub-total | <u>22,285</u> | <u>--</u> | <u>22,285</u> | <u>--</u> |
| Investments Not Subject to Fair Value Hierarchy: | | | | |
| Money Market Mutual Funds | 200 | | | |
| Total, OCIF-Specific Investments-Bond Proceeds Account | <u>\$ 22,485</u> | | | |
| <u>With Trustees</u> | | | | |
| Variable Annuities | \$ 2,901 | \$ -- | \$ 2,901 | \$ -- |
| Equity Mutual Funds | 101,144 | 101,144 | -- | -- |
| Bond Mutual Funds | 3,342 | 3,342 | -- | -- |
| Combined Mutual Fund | 179,606 | 179,606 | -- | -- |
| Sub-total | <u>286,993</u> | <u>284,092</u> | <u>2,901</u> | <u>--</u> |
| Investments Not Subject to Fair Value Hierarchy: | | | | |
| Cash Equivalent | \$ 1,752 | | | |
| Money Market Mutual Funds | 107,760 | | | |
| Collective Trust Funds | 98,377 | | | |
| Mutual Funds | 23,773 | | | |
| Stable Value Funds | 20,762 | | | |
| Total, With Trustees | <u>\$ 539,417</u> | | | |

4. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Measurements (Continued)

The valuation of money market mutual funds, collective trust funds, and mutual funds held with trustees is at one-dollar net asset value (NAV) per share. The total fair value of these at June 30, 2024 was \$229,910, with \$0 unfunded commitments. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury, equities and government securities (including repurchase agreements collateralized by the U.S. Treasury and government agency securities).

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, fixed income investments of longer maturities are more sensitive to changes in market interest rates. Declines in the fair value of investments are managed by limiting the length of the maturity of the securities and providing daily and ongoing liquidity in the portfolio. The Treasurer manages its exposure to interest rate risk by carefully matching incoming cash flows and maturing investments to meet expenditures and by maintaining a duration of 1.50 years or less. The OCTP duration at June 30, 2024 is 1.05 year. The table below shows the maturities distribution of the OCTP as of June 30, 2024:

| Maturities | Principal | % of Portfolio |
|---------------------|----------------------|-----------------------|
| 1 day to 30 days | \$ 1,645,480 | 10.82% |
| 31 day to 180 days | 2,999,604 | 19.73% |
| 181 day to 365 days | 4,093,500 | 26.91% |
| 1 year to 2 years | 2,995,000 | 19.70% |
| 2 years to 3 years | 3,173,000 | 20.87% |
| 3 years to 5 years | 300,000 | 1.97% |
| Total | \$ 15,206,584 | 100.00% |

In general, the maximum maturity allowed is five years unless the Board has granted express authority either specifically or as part of an investment policy. Actual weighted average days to maturity by investment type for the OCTP are presented in the table below under Credit Risk. The OCTP at June 30, 2024 has 30.55% of investments maturing in six months or less and 69.45% maturing between six months and five years. As of June 30, 2024, the OCTP had no variable-rate notes.

Credit Risk

This is the risk that an issuer or other counterparty to an investment may not fulfill its obligations or that negative perceptions of the issuer's ability to make these payments will cause the price to decline. Fitch Ratings, Inc. assigned the OCTP their highest credit rating of AA+ for credit risk and a rating of S1, indicating a very low sensitivity to market risk. The IPS, which is more restrictive than the CGC, sets forth the minimum acceptable credit ratings for investments from at least two of the following NRSROs: S&P, Moody's, or Fitch. All short-term and long-term investments, except those noted below must have the minimum ratings required below by at least two NRSROs, and the lowest rating of any NRSRO must meet or exceed the minimum rating required below:

| | |
|---------|-------------------------|
| S&P | A-1, "AA" |
| Moody's | P-1, MIG 1/VMIG 1, "Aa" |
| Fitch | F-1, "AA" |

If an issuer of Long-term debt has a short-term debt rating, then it may not be less than the minimum required short-term debt ratings above. Exceptions to the rating policy are Municipal debt issued by the County of Orange, California, U.S. Government obligations, the State Pool, Money Market Mutual Funds (MMMF) and Investment Pools that have retained an investment advisor registered or exempt from registration from the SEC with not less than five years' experience managing MMMF with assets under management in excess of \$500 million require the highest ranking or the highest letter and numerical rating

4. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk (Continued)

provided by a NRSRO. No investment may be purchased from an issuer and all related entities, including parent and subsidiaries, that have been placed on “credit watch-negative” by any of the NRSROs or whose credit rating by any of the NRSROs is less than the minimum rating required by the IPS for that class of security unless the issuer has a short-term rating of A-1+ or F1+ or a long-term rating of at least AA or Aa2; and the Treasurer has approved the purchase in writing prior to purchase.

The following table presents a summary of the County’s investments by interest rate risk and credit risk at June 30, 2024.

| <u>With Treasurer:</u> | Fair Value | Principal | IPS Maximum Maturity | Weighted Average Maturity (Years) | Rating (1) | % of Portfolio |
|--|----------------------|----------------------|----------------------------|--|------------|-------------------|
| <u>OCIF-OCTP</u> | | | | | | |
| U.S. Treasuries | \$ 3,154,057 | \$ 3,300,000 | 5 Year | 0.334 | NA | 20.98% |
| U.S. Government Agencies: | | | | | | |
| Federal Home Loan Bank Bonds | 6,761,702 | 6,781,500 | 5 Year | 0.366 | AA | 44.99% |
| Federal National Mortgage Association | 149,684 | 154,605 | 5 Year | 0.007 | AA | 1.00% |
| Federal Farm Credit Bank | 4,140,937 | 4,145,000 | 5 Year | 0.406 | AA | 27.55% |
| Federal Home Loan Mortgage Corporation | 29,216 | 30,000 | 5 Year | 0.001 | AA | 0.19% |
| Money Market Mutual Funds | 794,103 | 794,103 | N/A | 0.000 | AAA | 5.28% |
| Local Agency Investment Fund | 1,371 | 1,376 | N/A | 0.000 | NR | 0.01% |
| | <u>\$ 15,031,070</u> | <u>\$ 15,206,584</u> | | <u>1.114 (2)</u> | | <u>100.00%</u> |
| | | | | | | |
| <u>With Treasurer:</u> | Fair Value | Principal | Maximum Maturity | Weighted Average Maturity (Years) | Rating (1) | % of Portfolio |
| <u>OCIF-Specific Investments</u> | | | | | | |
| U.S. Treasuries | \$ 522,398 | \$ 548,375 | 2/15/2028 | 2.653 | NA | 98.14% |
| U.S. Government Agencies: | | | | | | |
| Federal National Mortgage Association | 9,878 | 10,300 | 9/24/2026 | 0.374 | AA | 1.86% |
| | <u>\$ 532,276</u> | <u>\$ 558,675</u> | | <u>3.027 (2)</u> | | <u>100.00%</u> |
| | | | | | | |
| <u>With Treasurer:</u> | Fair Value | Principal | Maximum Maturity | Weighted Average Maturity (Years) | Rating (1) | % of Portfolio |
| <u>OCIF-Bond Proceeds Account</u> | | | | | | |
| U.S. Treasuries | \$ 3,413 | \$ 3,500 | 2/15/2036 | 1.011 | NA | 15.18% |
| U.S. Government Agencies: | | | | | | |
| Federal Home Loan Bank Bonds | 4,382 | 4,450 | 11/16/2028 | 0.121 | AA | 19.49% |
| Federal National Mortgage Association | 1,621 | 1,500 | 5/15/2029 | 0.352 | AA | 7.21% |
| Federal Farm Credit Bank | 8,937 | 9,666 | 11/2/2035 | 2.937 | AA | 39.74% |
| Federal Home Loan Mortgage Corporation | 3,932 | 3,500 | 7/15/2032 | 1.306 | AA | 17.49% |
| Money Market Mutual Funds | 200 | 200 | 7/1/2024 | 0.000 | AAA | 0.89% |
| | <u>\$ 22,485</u> | <u>\$ 22,816</u> | | <u>5.727 (2)</u> | | <u>100.00%</u> |

4. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

| <u>With Trustees:</u> | Fair Value | Principal | Maximum Maturity | Weighted Average Maturity (Years) | Rating (1) | % of Portfolio |
|---|-------------------|-------------------|------------------|-----------------------------------|------------|----------------|
| <u>Restricted Investments with Trustees</u> | | | | | | |
| Money Market Mutual Funds | \$ 107,760 | \$ 107,760 | N/A | 0.001 | AAA | 19.97% |
| Bond Mutual Funds | 3,342 | 3,342 | N/A | 0.000 | AA | 0.62% |
| Cash Equivalent | 1,752 | 1,753 | N/A | 0.000 | NR | 0.32% |
| Mutual Funds | 23,773 | 23,773 | N/A | 0.000 | AA | 4.41% |
| Equity Mutual Funds | 101,144 | 101,144 | N/A | 0.001 | NR | 18.75% |
| Variable Annuities | 2,901 | 2,901 | N/A | 0.000 | Baa | 0.54% |
| Combined Mutual Fund | 179,606 | 179,606 | N/A | 0.001 | NR | 33.30% |
| Collective Trust Funds | 98,377 | 98,376 | N/A | 0.001 | AA | 18.24% |
| Stable Value Funds | 20,762 | 20,762 | N/A | 0.000 | NR | 3.85% |
| | <u>\$ 539,417</u> | <u>\$ 539,417</u> | | <u>0.004 (2)</u> | | <u>100.00%</u> |

- (1) The County obtains credit ratings from S&P, Moody's and Fitch. The rating indicative of the greatest of risk has been disclosed. NR means not rated. The County is not required to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed.
- (2) Portfolio weighted average maturity.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the County contains limitations for certain investment types on the percentage or amount that can be invested in any one issuer beyond that stipulated by the CGC. The OCTP's holdings of FNMA and FREDDIE MAC securities are issued by agencies that remain under conservatorship by the Director of the Federal Housing Agency. The U.S. Government does not explicitly guarantee the securities of the FHLB and the FFCB. As of June 30, 2024, all OCIF investments were in compliance with state law and the IPS single issuer limits as applicable.

The following holdings in OCTP exceeded five percent of the portfolio at June 30, 2024:

| <u>Investment Type</u> | <u>Issuer</u> | <u>Fair Value</u> | <u>Portfolio %</u> |
|--------------------------|------------------------------|-------------------|--------------------|
| U.S. Government Agencies | Federal Home Loan Bank Bonds | \$ 6,761,702 | 44.99% |
| | Federal Farm Credit Bank | 4,140,937 | 27.55% |

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The IPS does not permit investments in uninsured and unregistered securities not held by the County. The Treasurer utilizes third party Delivery Versus Payment which mitigates any custodial credit risk. Securities purchased by the Treasurer are held by third party custodians in their trust department to mitigate custodial credit risk. At year-end, in accordance with the IPS, the OCTP and specific investments did not have any securities exposed to custodial credit risk, and the Treasurer did not have any securities lending during the year (or at year-end).

Interest Receivable:

Interest receivable consists of interest accrued on investments including interest purchased with certain securities. At June 30, 2024, OCTP had \$167,134 of interest receivable.

Condensed Financial Statements:

In lieu of separately issued financial statements for the entire pools and the external portion of the pools, condensed financial statements for the OCIF are presented below as of and for the year ended June 30, 2024:

4. CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Condensed Financial Statements (Continued)

OCIF

Statement of Net Position

| | <u>OCIP</u> | <u>OCEIP</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------------|
| Net Position Held for Pool Participants | \$ 6,589,714 | \$ 8,919,790 | \$ 15,509,504 |
| Equity of Internal Pool Participants | \$ 6,118,072 | \$ -- | \$ 6,118,072 |
| Equity of External Pool Participants | 498,880 | 8,959,470 | 9,458,350 |
| Undistributed and Unrealized Loss | (27,238) | (39,680) | (66,918) |
| Total Net Position | <u>\$ 6,589,714</u> | <u>\$ 8,919,790</u> | <u>\$ 15,509,504</u> |

Statement of Changes in Net Position

| | <u>OCIP</u> | <u>OCEIP</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------------|
| Net Position at July 1, 2023 | \$ 6,297,063 | \$ 8,719,142 | \$ 15,016,205 |
| Net Changes in Investments by Pool Participants | 292,651 | 200,648 | 493,299 |
| Net Position at June 30, 2024 | <u>\$ 6,589,714</u> | <u>\$ 8,919,790</u> | <u>\$ 15,509,504</u> |

External Pool Portion

Combining Statement of Fiduciary Net Position

| | <u>OCIP</u> | <u>OCEIP</u> | <u>Total</u> |
|------------------------------------|-------------------|---------------------|---------------------|
| <u>Assets</u> | | | |
| Pooled Cash/Investments | \$ 493,396 | \$ 8,858,258 | \$ 9,351,654 |
| Receivables | | | |
| Interest/Dividends | 5,517 | 61,532 | 67,049 |
| Total Assets | <u>498,913</u> | <u>8,919,790</u> | <u>9,418,703</u> |
| <u>Liabilities</u> | | | |
| Due to Other Governmental Agencies | 33 | -- | 33 |
| Total Liabilities | <u>33</u> | <u>--</u> | <u>33</u> |
| <u>Net Position</u> | | | |
| Restricted for Pool Participants | 498,880 | 8,919,790 | 9,418,670 |
| Total Net Position | <u>\$ 498,880</u> | <u>\$ 8,919,790</u> | <u>\$ 9,418,670</u> |

Combining Statement of Changes in Fiduciary Net Position

| | <u>OCIP</u> | <u>OCEIP</u> | <u>Total</u> |
|--|-------------------|---------------------|---------------------|
| <u>Additions:</u> | | | |
| Contributions to Pooled Investments | \$ 713,838 | \$ 11,499,370 | \$ 12,213,208 |
| Other Revenues | -- | 511 | 511 |
| Interest and Investment Income | 25,104 | 454,068 | 479,172 |
| Net Decrease in the Fair Value of Investments | (2,184) | (15,788) | (17,972) |
| Less: Investment Expense | (108) | (2,960) | (3,068) |
| Total Additions | <u>736,650</u> | <u>11,935,201</u> | <u>12,671,851</u> |
| <u>Deductions:</u> | | | |
| Distributions from Pooled Investments | 726,612 | 11,734,553 | 12,461,165 |
| Total Deductions | <u>726,612</u> | <u>11,734,553</u> | <u>12,461,165</u> |
| Change in Net Position Held in Trust For External Investment Pool | 10,038 | 200,648 | 210,686 |
| Net Position-Beginning of Year | 488,842 | 8,719,142 | 9,207,984 |
| Net Position-End of Year | <u>\$ 498,880</u> | <u>\$ 8,919,790</u> | <u>\$ 9,418,670</u> |

4. CASH AND INVESTMENTS (Continued)

C. Restricted Deposits and Investments with Trustees

All monies for restricted investments held by trustees are invested in “permitted investments” as defined in the various trust agreements. Restricted deposits with trustees are insured by FDIC up to \$250 and the excess amounts are collateralized.

D. OCERS Investments

Narratives and tables presented for investments managed by OCERS are taken directly from OCERS’ ACFR for the year ended December 31, 2023 (tables were formatted to conform with the County’s presentation). The custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk related to OCERS investments are different than the corresponding risk on investments held by the Treasurer.

OCERS may invest, in accordance with state statutes, in any form or type of investment deemed prudent by the Board of Retirement. Pension and 401(h) health care plan assets are restricted for the exclusive purposes of providing benefits to plan participants and defraying reasonable expenses of administering the plans. The Board of Retirement may invest, or delegate the authority to invest, the assets of the funds through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction. Custodial fund assets, restricted pursuant to section 115 of the Internal Revenue Code, are separately invested in domestic equity, international equity and domestic bond index funds in accordance with the respective OCTA Third-Party Administrative and Investment Management Agreement.

The following table shows the Investment Allocation as of December 31, 2023:

| <u>Investment Category</u> | <u>Target Ranges</u> | <u>Actual</u> |
|----------------------------|----------------------|---------------|
| Global Public Equity | 38% - 52% | 46% |
| Private Equity | 10% - 20% | 16% |
| Income Strategies | 12% - 22% | 14% |
| Real Assets | 8% - 18% | 13% |
| Risk Mitigation | 6% - 14% | 8% |
| Unique Strategies | 0% - 5% | 1% |
| Cash & Cash Equivalents | 0% - 5% | 2% |
| <u>Total</u> | | <u>100%</u> |

During 2023, changes made to the investment allocation include combining the Core Fixed Income and Credit categories to create the Income Strategies category, and slight allocation adjustments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a financial institution’s failure, OCERS would not be able to recover its deposits. Deposits are exposed to custodial risk if they are not insured or not collateralized. As of December 31, 2023, OCERS’ deposits with a financial institution are fully insured by FDIC insurance up to \$250 with the remaining balance exposed to custodial credit risk as it is not insured; however, the financial institution does collateralize the deposit of monies in excess of the FDIC insurance amount with eligible securities held by the pledging financial institution, but not in OCERS’ name, which approximates \$109,300. Deposits held by OCERS’ custodial bank are not exposed to custodial credit risk as they are held in a qualified pool trust, separate from the custodial bank assets.

For an investment, custodial credit risk is the risk that, in the event of a counterparty failure, OCERS will not be able to recover the value of its investments or collateral securities that are in the possession of counterparties. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in OCERS’ name or by other qualified third-party administrator trust accounts.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Custodial Credit Risk (Continued)

OCERS' investments and collateral received through securities lending are not exposed to custodial credit risk because all securities are held by OCERS' custodial bank in OCERS' name or by other qualified third-party administrator trust accounts. The risk is managed by the custodian bank by diversifying the number of counterparties, with periodic review of the credit quality of counterparties and by regularly posting/receiving margins. OCERS does not maintain any general policies regarding custodial credit risk.

Credit Risk

By definition, credit risk measures the risk that an issuer or counterparty will not fulfill its obligations. S&P Global defines investment grade as those fixed income securities with ratings between AAA and BBB. OCERS' investment policy permits, on an opportunistic basis, the investment in fixed income securities rated below investment grade. A rating of NR represents pooled funds and other securities that have not been rated by S&P Global and NA represents securities explicitly guaranteed by the U.S. Government that are not subject to the GASB Statement No. 40 disclosure requirements. The credit ratings for individual OCERS' fixed income portfolios are monitored regularly.

As of December 31, 2023, the S&P Global credit ratings of the OCERS' fixed income portfolio were as follows:

| Investment Type | AAA | AA | A | BBB | BB | B | CCC | CC | D | N/R | N/A | Total |
|----------------------------|------------------|-------------------|------------------|-------------------|------------------|------------------|------------------|-----------------|-----------------|-------------------|-------------------|---------------------|
| Pooled | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ 470,772 | \$ -- | \$ 470,772 |
| U.S. Treasury Notes | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 306,294 | 306,294 |
| Corporate Bonds | -- | 8,085 | 42,071 | 171,768 | 59,318 | 33,809 | 9,309 | 4,015 | 249 | 13,818 | -- | 342,442 |
| Mortgage-Backed Securities | 13,660 | 385,851 | 915 | 368 | 430 | 198 | 113 | -- | -- | 25,592 | 24,144 | 451,271 |
| Asset-Backed Securities | 9,909 | 7,744 | 3,982 | 3,893 | 2,157 | 829 | 1,309 | -- | 889 | 32,418 | -- | 63,130 |
| Municipal Bonds | 2,584 | 14,416 | 10,413 | -- | 916 | 962 | -- | -- | -- | 2,759 | -- | 32,050 |
| Agencies | -- | -- | -- | -- | -- | -- | -- | -- | -- | 3,031 | -- | 3,031 |
| International | -- | 432 | 18,845 | 83,399 | 22,268 | 11,232 | 3,078 | -- | 178 | 6,878 | -- | 146,310 |
| Swaps | -- | -- | -- | -- | -- | -- | -- | -- | -- | 870 | -- | 870 |
| Total | \$ 26,153 | \$ 416,528 | \$ 76,226 | \$ 259,428 | \$ 85,089 | \$ 47,030 | \$ 13,809 | \$ 4,015 | \$ 1,316 | \$ 556,138 | \$ 330,438 | \$ 1,816,170 |

This schedule reflects credit ratings for OCERS' fixed income portfolio, which excludes \$120,600 of non-fixed income securities that are included in the Income Strategies investment category on the Statement of Fiduciary Net Position.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed-income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

Interest rate risk is managed through OCERS' investment policies requiring that investment managers investing on behalf of OCERS have applicable investment guidelines and that the effective durations of fixed income portfolios remain within a defined range of the benchmark's effective duration. The primary benchmark for domestic fixed income is a blend of two indices, the Bloomberg US Universal (85%) and the Bloomberg US Treasury TIPS (15%). As of December 31, 2023, the durations of these indices are 6.17 years and 2.36 years, respectively, for a blended duration of 5.60 years. All investment managers were in compliance within their defined range.

OCERS invests in a variety of fixed income instruments including asset-backed securities, corporate obligations and commercial mortgage-backed securities. The value, liquidity and income of these securities are sensitive to changes in overall economic conditions and the fair value of these securities may be affected by changes in interest rates, default rates and the value of the underlying securities.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Interest Rate Risk (Continued)

The interest rate risk schedule presents the duration of fixed income securities by investment category as of December 31, 2023:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Portfolio %</u> | <u>Duration (in Years)</u> |
|-------------------------------|---------------------|--------------------|--------------------------------|
| Pooled | \$ 470,772 | 26% | 3.36 |
| U.S. Treasury Notes | 306,294 | 17% | 9.26 |
| Corporate Bonds | 333,575 | 18% | 5.17 |
| Mortgage-Backed Securities | 440,337 | 24% | 4.75 |
| Asset-Backed Securities | 58,641 | 3% | 3.08 |
| Municipal Bonds | 30,678 | 2% | 8.70 |
| Agencies | 3,031 | 0% | 3.24 |
| International | 146,059 | 8% | 4.38 |
| No Effective Duration: | | | |
| Corporate Bonds | 8,867 | 1% | N/A |
| Mortgage-Backed Securities | 10,934 | 1% | N/A |
| Asset-Backed Securities | 4,489 | 0% | N/A |
| Municipals | 1,372 | 0% | N/A |
| International | 251 | 0% | N/A |
| Swaps | 870 | 0% | N/A |
| <u>Total Fair Value</u> | <u>\$ 1,816,170</u> | <u>100%</u> | |
| Portfolio Duration | | | 5.14 |

This schedule reflects interest risk for OCERS' fixed income portfolio, which excludes \$120,600 of non-fixed income securities that are included in the Income Strategies category on the Statement of Fiduciary Net Position.

Foreign Currency Risk

The value of deposits or investments denominated in foreign currency may be adversely affected by changes in currency exchange rates. OCERS' investment policy permits investment in international securities that includes investments in international equity securities, global equity securities, emerging markets equity securities and debt, public real estate securities, and real return. Investment managers monitor currency exposures daily.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Foreign Currency Risk (Continued)

The following schedule represents OCERS' net exposure to foreign currency risk in U.S. dollars as of December 31, 2023:

| <u>Currency in U.S. Dollar</u> | <u>Cash</u> | <u>Equity</u> | <u>Fixed Income</u> | <u>Forward Contracts</u> | <u>Swaps</u> | <u>Total</u> |
|--|-----------------|-------------------|-------------------------|------------------------------|---------------|---------------------|
| Australian Dollar | \$ 241 | \$ 27,093 | \$ -- | \$ (376) | \$ 13 | \$ 26,971 |
| Brazilian Real | -- | 4,851 | 3,779 | 14 | 14 | 8,658 |
| Canadian Dollar | 1,545 | 28,780 | 142 | 712 | (167) | 31,012 |
| Danish Krone | 25 | 32,165 | -- | (9) | -- | 32,181 |
| Euro Currency | 4,403 | 457,752 | 1,433 | (369) | 91 | 463,310 |
| Hong Kong Dollar | 82 | 21,722 | -- | 1 | -- | 21,805 |
| Indonesian Rupiah | -- | 1,080 | -- | -- | -- | 1,080 |
| Japanese Yen | 141 | 175,525 | -- | 1,006 | 27 | 176,699 |
| Mexican Peso | 5 | -- | 226 | (7) | -- | 224 |
| New Israeli Shekel | -- | 1,175 | -- | 62 | -- | 1,237 |
| New Zealand Dollar | -- | 1,467 | -- | 19 | -- | 1,486 |
| Norwegian Krone | -- | 6,031 | -- | 1,934 | -- | 7,965 |
| Polish Zloty | -- | -- | -- | (123) | -- | (123) |
| Pound Sterling | 432 | 118,690 | 1,171 | (146) | 75 | 120,222 |
| Russian Ruble | -- | 4,770 | -- | -- | -- | 4,770 |
| Singapore Dollar | 102 | 8,281 | -- | 8 | -- | 8,391 |
| South African Rand | 5 | -- | -- | -- | -- | 5 |
| South Korean Won | -- | 10,301 | -- | -- | -- | 10,301 |
| Swedish Krona | 153 | 32,578 | -- | (243) | (42) | 32,446 |
| Swiss Franc | 5 | 56,675 | -- | (843) | (16) | 55,821 |
| Amount Exposed to Foreign Currency Risk | <u>\$ 7,139</u> | <u>\$ 988,936</u> | <u>\$ 6,751</u> | <u>\$ 1,640</u> | <u>\$ (5)</u> | <u>\$ 1,004,461</u> |

The foreign currency amounts are included within the cash and cash equivalents, global public equity, and income strategies categories on the Statement of Fiduciary Net Position as of December 31, 2023.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of OCERS' investment in a single issuer. By policy, OCERS did not hold investments in any one issuer that represented five percent (5%) or more of plan net position and net investments. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this policy requirement.

Concentration of Investments

As of December 31, 2023, OCERS did not hold investments in any one organization that represented five percent (5%) or more of the plan's fiduciary net position. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this requirement.

Derivative Instruments

As of December 31, 2023, all derivative instruments held by OCERS are considered investments and not hedges for accounting purposes. Any reference to the term hedging in these financial statements references an economic activity and not an accounting method. All gains and losses associated with these activities are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Derivative Instruments (Continued)

The table that follows presents the related net appreciation/(depreciation) in fair value, the fair value amounts and the notional amounts of derivative instruments outstanding as of December 31, 2023:

| Derivative Instruments | Changes in Fair Value | | Fair Value at December 31, 2023 | |
|-----------------------------------|---|----------------------------|---------------------------------|--------------|
| | Net Appreciation/ (Depreciation) (4) | | Classification | Notional (3) |
| | Amount (1) | | Amount (2) | |
| Commodity Futures Long | \$ (406) | Cash | \$ -- | \$ 465 |
| Commodity Futures Short | 115 | Cash | -- | -- |
| Credit Default Swaps Bought | - | Cash | -- | -- |
| Credit Default Swaps Written | 391 | Income Strategies | 592 | 28,380 |
| Fixed Income Futures Long | (4,155) | Cash/Income Strategies | -- | 69,761 |
| Fixed Income Futures Short | (1,291) | Income Strategies | -- | (38,883) |
| Fixed Income Options Bought | (153) | Income Strategies | -- | -- |
| Fixed Income Options Written | 1,967 | Income Strategies | (59) | (11,400) |
| Foreign Currency Futures Long | 35 | Cash | -- | -- |
| Foreign Currency Futures Short | (1) | Cash | -- | -- |
| Foreign Currency Options Written | 8 | Income Strategies | -- | -- |
| Futures Options Written | 19 | Income Strategies | -- | -- |
| FX Forwards | 2,438 | Foreign Currency Contracts | 1,640 | 363,330 |
| | | Receivables and Payables | -- | -- |
| Index Futures Long | 18,878 | Cash/Global Public Equity | -- | 1,964 |
| Index Futures Short | (5,447) | Global Public Equity | -- | (34) |
| Pay Fixed Interest Rate Swaps | 503 | Income Strategies | 1,880 | 32,864 |
| Receive Fixed Interest Rate Swaps | 530 | Income Strategies | (1,602) | 85,896 |
| Rights | (458) | Global Public Equity | -- | -- |
| Total Return Swaps Bond | (1,970) | Global Public Equity | (123) | 24,146 |
| Total Return Swaps Equity | 2,443 | Global Public Equity | 99 | (12,903) |
| Total | \$ 13,446 | | \$ 2,427 | |

(1) Negative values (in brackets) refer to losses.

(2) Negative values refer to liabilities and are reported net of investments.

(3) Notional may be a dollar amount or size of underlying for futures and options, negative values refer to short positions.

(4) Excludes futures margin payments.

Valuation of Derivative Instruments

Non-exchange traded instruments, such as swaps, are valued using similar methods as those described for debt securities.

Futures contracts are traded on exchanges and typically derive their value from underlying indices and are marked to market daily. All gains and losses associated with changes in the value of futures contracts also settle on a daily basis and result in the contracts themselves having no fair value at the end of any trading day, including December 31, 2023. Future variation margin accounts also settle daily and are recognized in the financial statements under net appreciation/(depreciation) in the fair value of the investments as incurred.

In general, option values are dependent upon a number of different factors, including the current market price of the underlying security, the strike price of the option, costs associated with holding a position in the underlying security including interest and dividends, the length of time until the option expires and an estimate of the future price volatility of the underlying security relative to the time period of the option.

Foreign currency forward contracts are agreements to buy or sell a currency at a specified exchange rate on a specified date. The fair value of a foreign currency forward is determined by the difference between the specified exchange rate and the closing exchange rate at December 31, 2023.

Custodial Credit Risk—Derivative Instruments

As of December 31, 2023, all investments in derivative instruments are held in OCERS' name and are not exposed to custodial credit risk as described in the previous discussion of custodial credit risk.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Counterparty Credit Risk—Derivative Instruments

A summary of counterparty credit ratings relating to non-exchange traded derivatives in asset positions as of December 31, 2023 is as follows:

| Counterparty Name | S&P Rating | Foreign Currency Forward Contracts | Swaps | Total Fair Value |
|--|------------|---------------------------------------|----------|---------------------|
| Bank of America, CME | A- | \$ -- | \$ 776 | \$ 776 |
| Bank of America, ICE | A- | -- | 424 | 424 |
| Bank of America Merrill Lynch Securities Inc. | A- | -- | 2,051 | 2,051 |
| Bank of America, N.A. | A+ | 81 | -- | 81 |
| BNP Paribas SA | A+ | 37 | -- | 37 |
| Citibank N.A. | A+ | 2,487 | -- | 2,487 |
| Credit Event | NR | -- | 156 | 156 |
| Goldman Sachs International | A+ | -- | 8 | 8 |
| JP Morgan Chase Bank, N.A. | A+ | 2,407 | 65 | 2,472 |
| Morgan Stanley and Co. International PLC | A- | 23 | -- | 23 |
| Morgan Stanley Co. Incorporated | A- | -- | 116 | 116 |
| Total Non-Exchange Traded Derivatives in Asset Position | | \$ 5,035 | \$ 3,596 | \$ 8,631 |

Interest Rate Risk—Derivatives

At December 31, 2023, OCERS is exposed to interest rate risk on its investments in various swap arrangements based on daily interest rates for BRCDI (Brazilian Interbank Deposit Rate), BBSW (Australia bank bill swap rate), CETIP (Latin America largest central depository), SOFR (Secured Overnight Financing Rate) and European reference rates.

The following table illustrates the maturity periods of these investments:

| Investment Type | Fair Value | Investment Maturities (In years) | | | |
|-----------------------------------|------------|----------------------------------|------------|--------|--------------|
| | | Less Than 1 | 1 - 5 | 6 - 10 | More than 10 |
| Credit Default Swaps Written | \$ 592 | \$ 10 | \$ 644 | \$ -- | \$ (62) |
| Fixed Income Options Bought | (59) | (59) | -- | -- | -- |
| Pay Fixed Interest Rate Swaps | 1,880 | -- | 107 | 175 | 1,598 |
| Receive Fixed Interest Rate Swaps | (1,602) | (126) | (1,777) | 104 | 197 |
| Total Return Swaps Bond | (123) | (123) | -- | -- | -- |
| Total Return Swaps Equity | 99 | 99 | -- | -- | -- |
| Total | \$ 787 | \$ (199) | \$ (1,026) | \$ 279 | \$ 1,733 |

The following table illustrates derivative instruments highly sensitive to interest rate changes:

| Investment Type | Receive Rate | Payable Rate | Fair Value | Notional |
|--|------------------------|------------------------|------------|----------|
| Pay Fixed Interest Swaps | Variable 3-month SOFR | Fixed 2.00%-2.06% | \$ 207 | \$ 720 |
| Pay Fixed Interest Swaps | Variable 12-month SOFR | Fixed 1.75%-4.25% | 1,840 | 28,200 |
| Pay Fixed Interest Swaps | Variable 3-month CAD | Fixed 3.50%-3.75% | (167) | 3,944 |
| Total Pay Fixed Interest Swaps | | | 1,880 | |
| Received Fixed Interest Rate Swaps | Fixed 4.75% | Variable 3-month BBSW | 90 | 9,007 |
| Received Fixed Interest Rate Swaps | Fixed 10.21%-11.84% | Variable 0-month BRCDI | 15 | 9,737 |
| Received Fixed Interest Rate Swaps | Fixed 10.21% | Variable 0-month CETIP | (1) | 21 |
| Received Fixed Interest Rate Swaps | Fixed 2.25% | Variable 3-month EURIB | (11) | 1,988 |
| Received Fixed Interest Rate Swaps | Fixed 0.65%-3.00% | Variable 6-month EURIB | 17 | 7,843 |
| Received Fixed Interest Rate Swaps | Fixed 2.00% | Variable 3-month SOFR | (281) | 3,500 |
| Received Fixed Interest Rate Swaps | Fixed 1.83%-4.75% | Variable 12-month SOFR | (1,431) | 53,800 |
| Total Received Fixed Interest Rate Swaps | | | (1,602) | |
| Total Interest Rate Swaps | | | \$ 278 | |

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Foreign Currency Risk—Derivatives

At December 31, 2023, OCERS is exposed to foreign currency risk on investments in swaps and forward currency contracts denominated in foreign currencies that may be adversely affected by changes in the currency exchange rates.

| Currency Name | Options | Currency Forward Contracts | | Swaps | Total Exposure |
|------------------------|---------|----------------------------|--------------|--------|----------------|
| | | Net Receivables | Net Payables | | |
| Australian Dollar | \$ -- | \$ 50 | \$ (426) | \$ 13 | \$ (363) |
| Brazilian Real | -- | 112 | (98) | 14 | 28 |
| Canadian Dollar | -- | 762 | (50) | (167) | 545 |
| Danish Krone | -- | 13 | (22) | -- | (9) |
| Euro Currency | -- | 488 | (857) | 91 | (278) |
| Hong Kong Dollar | -- | 1 | -- | -- | 1 |
| Japanese Yen | -- | 1,336 | (330) | 27 | 1,033 |
| Mexican Peso | -- | -- | (7) | -- | (7) |
| New Israeli Shekel | -- | 63 | (1) | -- | 62 |
| New Zealand Dollar | -- | 19 | -- | -- | 19 |
| Norwegian Krone | -- | 1,994 | (60) | -- | 1,934 |
| Polish Zloty | -- | -- | (123) | -- | (123) |
| Pound Sterling | -- | 138 | (284) | 75 | (71) |
| Singapore Dollar | -- | 9 | (1) | -- | 8 |
| Swedish Krona | -- | 38 | (281) | (42) | (285) |
| Swiss Franc | -- | 12 | (855) | (16) | (859) |
| Total Foreign Currency | \$ -- | \$ 5,035 | \$ (3,395) | \$ (5) | \$ 1,635 |
| U.S. Dollar | (59) | -- | -- | 851 | 792 |
| Total | \$ (59) | \$ 5,035 | \$ (3,395) | \$ 846 | \$ 2,427 |

Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on the assets of the plan, net of investment expense, was 11.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the timing of cash flows and the changing amounts actually invested.

Securities Lending

OCERS is authorized by investment policy and state law to lend its investment securities including global public equities, and income strategies to broker/dealers in exchange for collateral in the form of either cash or securities. Lent domestic and international securities are collateralized with an initial fair value of not less than 102% or 105% depending on the nature of the loaned securities and the collateral received, of fair value of the loaned securities. The lending agent receives cash and non-cash collateral for the securities on loan. There are no restrictions on the value of securities that can be lent at one time. State Street Bank serves, in accordance with a Securities Lending Authorization Agreement, as OCERS' agent to loan domestic and international securities. State Street Bank does not have the ability to pledge or sell collateral securities delivered absent a borrower default.

Cash collateral received on loaned securities is invested together with the cash collateral of other qualified tax-exempt investors in a collective investment fund managed by State Street. The collective investment fund is not rated and is comprised of one liquidity investment pool. As of December 31, 2023, the liquidity pool had an average duration of 109 days and a weighted average maturity of 25 days. Because loans are terminable at will, the duration of the loans did not generally match the duration of the investments made with the cash collateral. The Securities Lending Authorization Agreement requires State Street to indemnify OCERS if the broker/dealer fails to return any borrowed securities. During 2023, there were no failures to return loaned securities or to pay distributions by the borrowers. Furthermore, there were no losses due to borrower defaults. The fair value of securities on loan and the total held as of December 31, 2023 was \$316,046 and \$326,270, respectively.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Securities Lending (Continued)

The following table shows fair values of securities on loan and cash collateral received by asset class:

| <u>Securities Lent for Cash Collateral</u> | <u>Fair Value of OCERS' Securities Lent</u> | <u>Cash Collateral Received</u> | <u>Collateral Investment Value</u> |
|--|---|-------------------------------------|--|
| Global Public Equity | \$ 185,494 | \$ 192,598 | \$ 192,598 |
| Income Strategies | 130,552 | 133,672 | 133,672 |
| Total | <u>\$ 316,046</u> | <u>\$ 326,270</u> | <u>\$ 326,270</u> |

Investments—Fair Value Measurements

OCERS categorizes its fair value measurements of its investments based on the three level fair value hierarchy established by GAAP. The fair value hierarchy is based on the valuation inputs used to measure fair value of the asset or liability and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Unobservable inputs are developed using the best information available about the assumptions that market participants would use when pricing an investment. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices for identical instruments in active markets.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 - Valuations are derived from valuation techniques in which significant inputs are unobservable. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Investment–Fair Value Measurements (Continued)

The following table represents the fair value measurements as of December 31, 2023:

| | Fair Value Measurement | | | |
|--|------------------------|---|--|--|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments by Fair Value Level | | | | |
| Income Strategies: | | | | |
| U.S. Fixed Income: | | | | |
| Pooled | \$ 470,772 | \$ -- | \$ 470,772 | \$ -- |
| U.S. Treasury Notes | 306,294 | -- | 306,294 | -- |
| Corporate Bonds | 342,442 | -- | 342,442 | -- |
| Mortgage-Backed Securities | 451,271 | -- | 451,271 | -- |
| Asset-backed Securities | 63,130 | -- | 63,130 | -- |
| Municipal Bonds | 32,050 | -- | 32,050 | -- |
| Agencies | 3,031 | -- | 3,031 | -- |
| International | 146,310 | -- | 146,310 | -- |
| Total Income Strategies | <u>1,815,300</u> | <u>--</u> | <u>1,815,300</u> | <u>--</u> |
| Global Public Equity investments: | | | | |
| Domestic Equity | 6,615,303 | 586,841 | 6,028,462 | -- |
| International Equity | 2,330,138 | 820,524 | 1,509,614 | -- |
| Emerging Markets Equity | 359,003 | -- | 359,003 | -- |
| Total Global Public Equity | <u>9,304,444</u> | <u>1,407,365</u> | <u>7,897,079</u> | <u>--</u> |
| Real Assets: | | | | |
| Agriculture | 15,172 | -- | -- | 15,172 |
| Real Estate | 11,001 | -- | -- | 11,001 |
| Total Real Assets | <u>26,173</u> | <u>--</u> | <u>--</u> | <u>26,173</u> |
| Other Investments: | | | | |
| Risk Mitigation | 537,609 | -- | 537,609 | -- |
| Total Other Investments | <u>537,609</u> | <u>--</u> | <u>537,609</u> | <u>--</u> |
| Total Investments by Fair Value Level | <u>\$ 11,683,526</u> | <u>\$ 1,407,365</u> | <u>\$ 10,249,988</u> | <u>\$ 26,173</u> |

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Investment–Fair Value Measurements (Continued)

| | Fair Value | Fair Value Measurement | | |
|---|---------------|---|--|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments Measured at the NAV: | | | | |
| Global Public Equity: | | | | |
| International Equity | \$ 535,424 | | | |
| Emerging Markets Equity | 686,365 | | | |
| Total Global Public Equity | 1,221,789 | | | |
| Real Assets: | | | | |
| Energy | 772,562 | | | |
| Infrastructure | 699,990 | | | |
| Real Estate | 1,520,550 | | | |
| Total Real Assets | 2,993,102 | | | |
| Other Investments: | | | | |
| Income Strategies | 1,299,996 | | | |
| Private Equity | 3,588,711 | | | |
| Risk Mitigation | 1,276,213 | | | |
| Unique Strategies | 123,207 | | | |
| Total Other Investments | 6,288,127 | | | |
| Total investments measured at the NAV | \$ 10,503,018 | | | |
| <u>Investments Derivative Instruments:</u> | | | | |
| Swaps: | | | | |
| Interest Rate Swaps | \$ 278 | \$ -- | \$ 278 | \$ -- |
| Credit Default Swaps | 592 | -- | 592 | -- |
| Total Return Swaps | (24) | -- | (24) | -- |
| Options | (59) | -- | (59) | -- |
| Total Investment Derivative Instruments | \$ 787 | \$ -- | \$ 787 | \$ -- |
| Total Investments Measured at Fair Value | \$ 22,187,331 | | | |

Income Strategies in the above schedule excludes \$120,600 of non-fixed income securities and derivatives that are included in the Income Strategies category on the Statement of Fiduciary Net Position.

Income Strategies include actively traded debt instruments such as those securities issued by the United States government, federal agencies, municipal obligations, foreign governments, and both U.S. and foreign corporate issuers. These fixed income securities are reported at fair value as of the close of the trading date. Fair values for securities not traded on a regular basis are obtained from pricing vendors who employ modeling techniques, such as matrix pricing or discounted cash flow method, in determining security values. These inputs are observable, which supports the Level 2 fair value hierarchy.

Global public equity include U.S. and international equity securities, and emerging markets equity securities. Global public equity securities classified in Level 1 of the fair value hierarchy are primarily common and preferred stock or real estate investment trusts. Fair value for these exchange traded securities is determined as of the close of the trading date in the primary market or agreed upon exchange. The last known price is used for listed securities that did not trade on a particular date. Fair value is obtained from third-party pricing sources for securities traded over-the-counter. Global public equity securities classified in Level 2 of the fair value hierarchy consist of institutional funds that are valued based on the fair value of underlying investments using pricing models or other valuation methodologies that use pricing inputs that are either directly or indirectly observable on the valuation date for the securities or assets held in the fund.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Investment–Fair Value Measurements (Continued)

Real assets investments at fair value include a variety of real return investments in agriculture and, real estate, which are held directly. Real estate assets held directly are appraised by independent third-party appraisers in accordance with the Uniform Standards of Professional Appraisal Practice. Independent appraisals use professional judgment, which is unobservable input, to determine the fair value of the asset; therefore these real estate investments are classified as Level 3. Agriculture investments included in Level 3 are based on independent appraisals and/or the good faith estimates of management.

Other investments include one risk mitigation fund. These investments are classified in Level 2 of the fair value hierarchy and include primarily institutional mutual funds that are valued based on the fair value of underlying investments using pricing models or other valuation methodologies that use pricing inputs that are either directly or indirectly observable on the valuation date for the securities or assets held in the fund.

Derivative instruments classified as Level 2 are valued using a market approach with observable inputs from major indices as well as benchmark interest rates and foreign exchange rates.

OCERS uses the NAV to determine the fair value of the underlying investments, when an investment does not have a readily determinable fair value, provided that the NAV is calculated and used as a practical expedient to estimate fair value in accordance with GAAP requirements.

The following table represents the investments measured at NAV as of December 31, 2023:

| | <u>Fair Value Measured at NAV</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency (If Currently Eligible)*</u> | <u>Redemption Notice Period</u> |
|--|---|---------------------------------|--|-------------------------------------|
| <u>Investments measured at the NAV:</u> | | | | |
| Global Public Equity: | | | | |
| International Equity | \$ 535,424 | \$ -- | W | 7 days |
| Emerging Markets Equity | <u>686,365</u> | <u>--</u> | M | 30 days |
| Total Global Public Equity Investments | <u>1,221,789</u> | <u>--</u> | | |
| Real Assets: | | | | |
| Agriculture | -- | 22,451 | Q | 60 days |
| Energy | 772,562 | 507,101 | N/A | N/A |
| Infrastructure | 699,990 | 426,290 | N/A | N/A |
| Real Estate | <u>1,520,550</u> | <u>618,012</u> | Q, N/A | 7-90 days, N/A |
| Total Real Assets | <u>2,993,102</u> | <u>1,573,854</u> | | |
| Other Investments: | | | | |
| Income Strategies | 1,299,996 | 776,350 | M, Q, N/A | 5-90 days, N/A |
| Private Equity | 3,588,711 | 1,953,080 | N/A | N/A |
| Risk Mitigation | 1,276,213 | -- | D, W, M, Q | 1-75 days |
| Unique Strategies | <u>123,207</u> | <u>206,096</u> | Q, N/A | 60 days, N/A |
| Total Other Investments | <u>6,288,127</u> | <u>2,935,526</u> | | |
| Total Investments Measured at the NAV | <u>\$ 10,503,018</u> | <u>\$ 4,509,380</u> | | |

* D=Daily, W=Weekly, M=Monthly, Q=Quarterly, N/A=No redemption or frequency period

The investment types listed in the above table were measured at the NAV as explained below:

Global public equity includes five institutional funds. Two funds focus on international securities and three funds focus on emerging markets equities. The fair value of each fund has been determined using NAV per share or unit of the investments.

4. CASH AND INVESTMENTS (Continued)

D. OCERS Investments (Continued)

Investment–Fair Value Measurements (Continued)

Real assets: Agriculture includes one fund that invests in a diversified portfolio of vegetable and permanent crop farmland in select major agricultural states. The fund is an open-end, infinite life, private REIT (real estate investment trust) subject to the redemption terms in the above schedule.

Real assets: Energy consists of twenty-three limited partnerships that invest primarily in oil and gas related investments. There are no redemption terms for any of these partnerships. These investments are considered illiquid. During the life of the partnerships, distributions are received as underlying partnership investments are realized. The fair values of this investment type have been determined using estimates provided by the underlying partnerships and are at NAV.

Real assets: Infrastructure consists of eleven limited partnerships that invest primarily in digital, transportation and logistics, energy transition/renewables, power/utilities, and midstream infrastructure. There are no redemption terms for any of these partnerships. These investments are considered illiquid. During the life of the partnerships, distributions are received as underlying partnership investments are realized. The fair values of this investment type have been determined using estimates provided by the underlying partnerships and are at NAV.

Real assets: Real estate investments include twenty-five funds consisting of primarily trust funds and limited partnerships. The purpose of these funds is to acquire, own, invest in real estate and real estate related assets with the intention of achieving current income, capital appreciation or both. These investments are valued through independent appraisals and other unobservable methods. The majority of these funds are closed-end funds with structured investment periods, and considered illiquid investments. All other funds have no redemption restrictions other than the restrictions noted above.

Income Strategies includes investments in twenty-five limited partnership funds and one equity fund. Eighteen of these funds are considered private credit investments, which are closed-end funds and are considered illiquid investments. These investments represent approximately 66% of the value. The remaining seven funds allow for redemption based on the terms noted above. The fair value of these investments has been determined using NAV per share of the investments.

Private equity includes primarily investments in limited partnership funds, managed by various different investment managers. Generally, the partnership strategies are to maximize the return by participating in private equity and equity-related investments through a diversified portfolio of venture capital, growth equity, buyouts, special situation partnerships and other limited liability vehicles. Investments in these partnerships are typically for 10-12 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. The fair values of this investment type have been determined using NAV per share of the System's ownership interest in partners' capital.

Risk mitigation includes eight limited partnership funds, which allow redemption with proper notification. The funds assist in diversifying the portfolio and protecting in an economic downturn of growth assets. The strategies are uncorrelated or negatively correlated to economic growth assets. The fair value of these investments has been determined using NAV per share.

Unique strategies includes five limited partnership funds, one of the funds allows for redemptions and the other funds have no redemption terms and are considered illiquid investments. This asset class provides additional diversification which can be used to help mitigate risk and provide value to the OCERS portfolio. These investments are valued at NAV.

4. CASH AND INVESTMENTS (Continued)

E. CalOptima Health Cash and Investments

Cash and investments are reported in the statements of net position as follows:

| | <u>2024</u> |
|--|---------------------|
| Current Assets: | |
| Cash and Cash Equivalents | \$ 527,999 |
| Investments | 1,777,896 |
| Board-Designated Assets and Restricted Cash: | |
| Cash and Cash Equivalents | 22,818 |
| Investments | 1,114,945 |
| Restricted Deposit | 300 |
| Total | <u>\$ 3,443,958</u> |

Board-designated assets and restricted cash are available for the following purposes:

| | <u>2024</u> |
|--|---------------------|
| Board-Designated Assets and Restricted Cash: | |
| Contingency Reserve Fund | \$ 1,137,763 |
| Restricted Deposits with DMHC | 300 |
| Total | <u>\$ 1,138,063</u> |

Custodial Credit Risk Deposits

Custodial credit risk is the risk that, in the event of a bank failure, CalOptima Health may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. As of June 30, 2024, no deposits were exposed to custodial credit risk, as CalOptima Health has pledged collateral to cover the amounts.

Investments

CalOptima Health invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, money market funds, and mortgage or asset-backed securities.

Interest Rate Risk

In accordance with its annual investment policy (investment policy), CalOptima Health manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with CalOptima Health's expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. CalOptima Health maintains a low-duration strategy, targeting a portfolio duration of three years or less, with the intent of reducing interest rate risk. Portfolios with low duration are less volatile because they are less sensitive to interest rate changes.

4. CASH AND INVESTMENTS (Continued)

E. CalOptima Health Cash and Investments (Continued)

Interest Rate Risk (Continued)

As of June 30, 2024, CalOptima Health's investments, including cash equivalents, had the following modified duration:

| Investment Type | Fair Value | Investment Maturities (In Years) | |
|-----------------------------|---------------------|----------------------------------|---------------------|
| | | Less Than 1 | 1-5 |
| U.S. Treasury Notes | \$ 971,992 | \$ 314,637 | \$ 657,355 |
| U.S. Agency Notes | 262,741 | 8,392 | 254,349 |
| Corporate Bonds | 847,388 | 71,686 | 775,702 |
| Asset-Backed Securities | 282,067 | 3,052 | 279,015 |
| Mortgage-Backed Securities | 338,957 | 3,490 | 335,467 |
| Municipal Bonds | 34,518 | 1,999 | 32,519 |
| Government Related | 47,509 | -- | 47,509 |
| Commercial Paper | 11,839 | 11,839 | -- |
| Certificates of Deposit | 73,825 | 73,825 | -- |
| Cash Equivalents | 449,240 | 449,240 | -- |
| Cash | 17,236 | 17,236 | -- |
| Total | <u>3,337,312</u> | <u>\$ 955,396</u> | <u>\$ 2,381,916</u> |
| Accrued Interest Receivable | 22,012 | | |
| | <u>\$ 3,359,324</u> | | |

Investment with Fair Values Highly Sensitive to Interest Rate Fluctuations

When interest rates fall, debt is refinanced and paid off early. The reduced stream of future interest payments diminishes the fair value of the investment. The mortgage-backed and asset-backed securities in the CalOptima Health portfolios are of high credit quality, with relatively short average lives that represent limited prepayment and interest rate exposure risk. CalOptima Health's investments include the following investments that are highly sensitive to interest rate and prepayment fluctuations to a greater degree than already indicated in the information provided above:

| | June 30, 2024 |
|----------------------------|-------------------|
| Asset-Back Securities | \$ 282,067 |
| Mortgage-Backed Securities | 338,957 |
| | <u>\$ 621,024</u> |

Credit Risk

CalOptima Health's investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from the three nationally recognized rating services: S&P, Moody's, and Fitch Ratings (Fitch). For an issuer of short-term debt, the rating must be no less than A-1 (S&P), P-1 (Moody's), or F-1 (Fitch), while an issuer of long-term debt shall be rated no less than an "A."

As of June 30, 2024, the following are the credit ratings of investments and cash equivalents:

| Investment Type | Fair Value | Minimum Legal Rating | Exempt From Disclosure | Rating as of Year-End | | | | | | |
|----------------------------|---------------------|----------------------|------------------------|-----------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------|
| | | | | AAA | Aa & Aa+ | Aa- | A+ | A | A- | |
| U.S. Treasury Notes | \$ 1,083,584 | N/A | \$ 1,083,584 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| U.S. Agency Notes | 266,216 | N/A | 266,216 | -- | -- | -- | -- | -- | -- | -- |
| Corporate Bonds | 855,911 | A- | -- | 47,341 | 51,057 | 187,449 | 167,123 | 218,195 | 184,746 | -- |
| Asset-Backed Securities | 282,501 | AA- | -- | 273,772 | 8,729 | -- | -- | -- | -- | -- |
| Mortgage-Backed Securities | 339,645 | AA- | -- | 339,645 | -- | -- | -- | -- | -- | -- |
| Municipal Bonds | 83,091 | A | -- | 38,831 | 27,558 | 13,102 | 726 | 2,874 | -- | -- |
| Supranational | 47,839 | AA | -- | 47,839 | -- | -- | -- | -- | -- | -- |
| Repurchase Agreement | 37,016 | N/A | -- | -- | -- | -- | -- | 37,016 | -- | -- |
| Certificates of Deposit | 75,142 | A1/P1 | -- | 75,142 | -- | -- | -- | -- | -- | -- |
| Commercial Paper | 271,143 | A1 | -- | -- | -- | -- | -- | 271,143 | -- | -- |
| Money Market Mutual Funds | 17,236 | AAA | -- | 17,236 | -- | -- | -- | -- | -- | -- |
| Total | <u>\$ 3,359,324</u> | | <u>\$ 1,349,800</u> | <u>\$ 839,806</u> | <u>\$ 87,344</u> | <u>\$ 200,551</u> | <u>\$ 167,849</u> | <u>\$ 529,228</u> | <u>\$ 184,746</u> | |

4. CASH AND INVESTMENTS (Continued)

E. CalOptima Health Cash and Investments (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of CalOptima Health’s investment in a single issuer. CalOptima Health’s investment policy limits to no more than 5% of the total fair value of investments in the securities of any one issuer, except for obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises, and no more than 10% may be invested in one money market mutual. As of June 30, 2024, all holdings complied with the foregoing limitations.

Fair Value Measurements

CalOptima Health categorizes its fair value investments within the fair value hierarchy established by U.S. GAAP. The hierarchy for fair value measurements is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3: Significant unobservable inputs.

The following is a description of the valuation methodologies used for instruments at fair value on a recurring basis and recognized in CalOptima Health’s consolidated statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Marketable Securities: Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. These securities are classified within Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The following table presents the fair value measurements of assets recognized in CalOptima Health’s consolidated statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

| | Investment Assets at Fair Value as of June 30, 2024 | | | |
|----------------------------|--|---------------------|----------------|---------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| U.S. Treasury Notes | \$ 840,085 | \$ 131,907 | \$ -- | \$ 971,992 |
| U.S. Agency Notes | -- | 262,741 | -- | 262,741 |
| Corporate Bonds | -- | 847,388 | -- | 847,388 |
| Asset-Backed Securities | -- | 282,067 | -- | 282,067 |
| Mortgage-Backed Securities | -- | 338,957 | -- | 338,957 |
| Municipal Bonds | -- | 34,518 | -- | 34,518 |
| Government Related | -- | 47,509 | -- | 47,509 |
| Commercial Paper | -- | 11,839 | -- | 11,839 |
| Certificates of Deposits | -- | 73,825 | -- | 73,825 |
| | <u>\$ 840,085</u> | <u>\$ 2,030,751</u> | <u>\$ --</u> | <u>\$ 2,870,836</u> |

5. RECEIVABLES

GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*,” requires identification of receivable balances not expected to be collected within one year. The details of the receivables reported in the government-wide Statement of Net Position that are not expected to be collected within the next fiscal year are identified as follows:

5. RECEIVABLES (Continued)

Accounts Receivable

Accounts Receivable had a balance of \$58,380 as of June 30, 2024. Of this amount, \$14,810 is not expected to be collected within the next fiscal year. This primarily consists of \$2,709 for animal care delinquent invoices and \$11,812 of Opioid Settlement Funds that have not been received. Lastly, \$256 is for expected recoveries from the Airport's multi-year fixed-base operator lessee for pollution remediation costs.

Deposits Receivable

Deposits Receivable had a balance of \$1,313 as of June 30, 2024. Of this amount, \$946 is not expected to be collected within the next fiscal year. This primarily consists of \$546 in deposits with the U.S. Army Corps of Engineers for regulatory permitting process on various maintenance and a \$400 deposit required by the vendor per agreement with the Health Care Agency (HCA).

Leases Receivable

Leases Receivable had a balance of \$167,358 as of June 30, 2024. Of this amount, \$146,486 is not expected to be received within the next fiscal year. This represents multiple lease agreements, as described in Note 12, Leases.

PPP Receivable

PPP Receivable had a balance of \$142,739 as of June 30, 2024. Of this amount, \$140,789 is not expected to be received within the next fiscal year. This represents multiple lease agreements, as described in Note 7, Public-Private and Public-Public Partnerships.

Due from Other Governmental Agencies

Due from Other Governmental Agencies had a balance of \$671,388 as of June 30, 2024. Of this amount, \$104,114 is not expected to be received within the next fiscal year, which primarily consists of \$94,189 related to reimbursable Santa Ana River Subvention claims submitted to the State Department of Water Resources, \$729 for COVID-19 program reimbursements from the Federal Emergency Management Agency (FEMA) and \$9,196, net of an allowance of \$12,808, owed by the State to the County for various mandated cost reimbursements for programs and services the State requires the County to provide.

Notes Receivable

Notes Receivable had a balance of \$73,991 as of June 30, 2024. Of this amount, \$45,959 is not expected to be received within the next fiscal year. This primarily consists of \$34,820 for loans made to developers to build affordable, low to moderate income, and senior housing. In addition, \$8,868 is for housing loans for Mental Health Services Act (MHSA) programs and \$641 is for loans provided to first time home buyers.

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

6. CHANGES IN CAPITAL ASSETS

Increases and decreases in the County's capital assets for governmental and business-type activities during the fiscal year were as follows:

| | Primary Government | | | | Balance June 30, 2024 |
|---|-------------------------|------------|--------------|-------------|--------------------------|
| | Balance July 1, 2023 | Increases | Decreases | Adjustments | |
| Governmental Activities: | | | | | |
| Capital Assets Not Depreciable/Amortizable: | | | | | |
| Land | \$ 900,174 | \$ 2,155 | \$ (406) | \$ -- | \$ 901,923 |
| Land Use Rights (Permanent) | 16,682 | 42,031 | -- | -- | 58,713 |
| Construction in Progress | 555,576 | 164,951 | (131,102) | -- | 589,425 |
| Intangible in Progress | 3,416 | 4,381 | (2,219) | -- | 5,578 |
| Total Capital Assets Not Depreciable/Amortizable | 1,475,848 | 213,518 | (133,727) | -- | 1,555,639 |
| Capital Assets, Depreciable/Amortizable: | | | | | |
| Structures and Improvements | 1,882,363 | 48,415 | (7,180) | 11,868 | 1,935,466 |
| Land Improvements | 45,878 | 3,140 | -- | 8,608 | 57,626 |
| Equipment | 497,998 | 35,328 | (23,070) | -- | 510,256 |
| Software | 177,972 | 26,531 | (2,895) | -- | 201,608 |
| Land Use Rights (Amortizable) | -- | 178 | -- | -- | 178 |
| Infrastructure: | | | | | |
| Flood Channels | 1,466,832 | 72,228 | (3,323) | -- | 1,535,737 |
| Roads | 471,433 | 7,851 | -- | -- | 479,284 |
| Bridges | 160,992 | 686 | -- | 157 | 161,835 |
| Trails | 49,413 | 5,727 | -- | -- | 55,140 |
| Traffic Signals | 23,903 | 2,025 | -- | -- | 25,928 |
| Harbors and Beaches | 52,488 | 19,862 | (1,921) | 6,042 | 76,471 |
| Right-to-Use Assets: | | | | | |
| Lease Equipment | 3,598 | 4,078 | (355) | -- | 7,321 |
| Lease IT Equipment | 259 | 302 | -- | -- | 561 |
| Lease Structures and Improvements | 493,062 | 66,409 | (11,789) | -- | 547,682 |
| Lease Land | 2,996 | -- | -- | -- | 2,996 |
| SBITA | 68,282 | 50,812 | (467) | -- | 118,627 |
| Total Capital Assets, Depreciable/Amortizable | 5,397,469 | 343,572 | (51,000) | 26,675 | 5,716,716 |
| Less Accumulated Depreciation/Amortization For: | | | | | |
| Structures and Improvements | (881,635) | (53,224) | 4,117 | (11,868) | (942,610) |
| Land Improvements | (3,729) | (2,794) | -- | (8,608) | (15,131) |
| Equipment | (293,112) | (33,203) | 20,294 | -- | (306,021) |
| Software | (136,886) | (12,107) | 2,539 | -- | (146,454) |
| Land Use Rights (Amortizable) | -- | (40) | -- | -- | (40) |
| Infrastructure: | | | | | |
| Flood Channels | (442,852) | (22,736) | 3,323 | -- | (462,265) |
| Roads | (246,209) | (17,664) | -- | -- | (263,873) |
| Bridges | (58,503) | (2,524) | -- | (157) | (61,184) |
| Trails | (40,531) | (935) | -- | -- | (41,466) |
| Traffic Signals | (13,982) | (720) | -- | -- | (14,702) |
| Harbors and Beaches | (34,982) | (1,378) | 1,894 | (6,042) | (40,508) |
| Right-to-Use Assets: | | | | | |
| Lease Equipment | (2,363) | (1,361) | 91 | -- | (3,633) |
| Lease IT Equipment | (210) | (81) | -- | -- | (291) |
| Lease Structures and Improvements | (71,042) | (37,418) | 2,967 | -- | (105,493) |
| Lease Land | (464) | (232) | -- | -- | (696) |
| SBITA | (29,300) | (31,418) | 310 | -- | (60,408) |
| Total Accumulated Depreciation/Amortization | (2,255,800) | (217,835) | 35,535 | (26,675) | (2,464,775) |
| Total Capital Assets, Depreciable/Amortizable (Net) | 3,141,669 | 125,737 | (15,465) | -- | 3,251,941 |
| Governmental Activities Total Capital Assets, Net | \$ 4,617,517 | \$ 339,255 | \$ (149,192) | \$ -- | \$ 4,807,580 |

6. CHANGES IN CAPITAL ASSETS (Continued)

| | Primary Government | | | Balance June 30, 2024 |
|--|-------------------------|------------------|--------------------|--------------------------|
| | Balance July 1, 2023 | Increases | Decreases | |
| Business-Type Activities: | | | | |
| Capital Assets Not Depreciable/Amortizable: | | | | |
| Land | \$ 38,379 | \$ -- | \$ -- | \$ 38,379 |
| Construction in Progress | 94,786 | 76,803 | (47,012) | 124,577 |
| Intangible in Progress | -- | 95 | -- | 95 |
| Total Capital Assets Not Depreciable/Amortizable | 133,165 | 76,898 | (47,012) | 163,051 |
| Capital Assets, Depreciable/Amortizable: | | | | |
| Structures and Improvements | 964,802 | 3,794 | (663) | 967,933 |
| Land Improvements | 611 | -- | -- | 611 |
| Equipment | 127,514 | 24,757 | (6,653) | 145,618 |
| Software | 7,295 | 3 | (484) | 6,814 |
| Infrastructure | 729,803 | 45,216 | (1,745) | 773,274 |
| Right-to-Use Assets: | | | | |
| Lease Equipment | 62 | 62 | -- | 124 |
| Lease Structures and Improvements | -- | 143 | -- | 143 |
| SBITA | 874 | 77 | (246) | 705 |
| Total Capital Assets, Depreciable/Amortizable | 1,830,961 | 74,052 | (9,791) | 1,895,222 |
| Less Accumulated Depreciation/Amortization For: | | | | |
| Structures and Improvements | (470,896) | (27,702) | 665 | (497,933) |
| Land Improvements | (67) | (21) | -- | (88) |
| Equipment | (68,520) | (11,074) | 6,042 | (73,552) |
| Software | (4,938) | (516) | 425 | (5,029) |
| Infrastructure | (478,393) | (16,751) | 1,401 | (493,743) |
| Right-to-Use Assets: | | | | |
| Lease Equipment | (44) | (25) | -- | (69) |
| Lease Structures and Improvements | -- | (19) | -- | (19) |
| SBITA | (396) | (307) | 82 | (621) |
| Total Accumulated Depreciation/Amortization | (1,023,254) | (56,415) | 8,615 | (1,071,054) |
| Total Capital Assets, Depreciable/Amortizable (Net) | 807,707 | 17,637 | (1,176) | 824,168 |
| Business-Type Activities Total Capital Assets, Net | <u>\$ 940,872</u> | <u>\$ 94,535</u> | <u>\$ (48,188)</u> | <u>\$ 987,219</u> |

Depreciation/Amortization expense was allocated among functions of the primary government as follows:

| | |
|---|-------------------|
| Governmental Activities: | |
| General Government | \$ 28,820 |
| Public Protection | 72,682 |
| Public Ways and Facilities | 34,488 |
| Health and Sanitation | 26,004 |
| Public Assistance | 23,830 |
| Education | 2,433 |
| Recreation and Cultural Services | 10,958 |
| Internal Service Funds' Depreciation Expense Allocated to Various Functions | 18,620 |
| Total Governmental Activities Depreciation/Amortization Expense | <u>217,835</u> |
| Business-Type Activities: | |
| Airport | 32,998 |
| OC Waste & Recycling | 23,417 |
| Total Business-Type Activities Depreciation/Amortization Expense | <u>56,415</u> |
| Total Depreciation/Amortization Expense | <u>\$ 274,250</u> |

6. CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2024, includes an adjustment of \$11,868 in Structures and Improvements, \$8,608 in Land Improvement, and \$6,199 in Infrastructure with corresponding adjustments to the accumulated depreciation for the same amounts. This was due to assets built under public-private and public-public partnerships reported at their net book value rather than their historical cost in the prior fiscal year.

7. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (PPP)

GASB Statement No. 94, "*Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APAs)*" (GASB Statement No. 94), establishes standards of accounting and financial reporting for PPPs in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time in an exchange or exchange like transaction. The statement also provides guidance for accounting and financial reporting for APAs, in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating a nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement requires recognition of certain assets, receivables, deferred inflows of resources (transferor) and liabilities and deferred outflows of resources (operators) for PPP arrangements.

Some PPPs meet the definition of a service concession arrangement (SCA), GASB Statement No. 94 defines the required criteria for which a public-private or public-public partnership arrangement qualifies as a SCA:

- The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of an underlying asset in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility;
- The operator collects and is compensated by fees from third parties;
- The transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and
- The transferor is entitled to significant residual interest in the service utility of the underlying asset at the end of the arrangement.

The County determined that the following arrangements met the criteria of SCAs as set forth in GASB Statement No. 94, where the County is the transferor, and therefore included these arrangements in the County's financial statements.

Dana Point Harbor

On October 29, 2018, later amended, the County entered into 66-year term lease agreements with Dana Point Harbor Partners, LLC (DPHP), and Dana Point Harbor Partners Drystack, LLC (DPHPD) to conduct due diligence regarding master lease and development of the Dana Point Harbor. The County must ensure that DPHP and DPHPD, as the Lessees, adhere to the tidelands trust and all applicable laws. The agreements include the reconstruction of the commercial core, the east and west marinas, two new hotels, and the rebuilding of docks. DPHP and DPHPD will fund and build the improvements, and then operate those portions of the harbor on a 66-year lease. DPHP and DPHPD are required to assume full responsibility for operation and maintenance of their lease premises, and make minimum rent payments to the County, in accordance with their respective agreements. Additionally, the agreements provide for the County to receive a percentage of the gross receipts generated from sales, subleases, or any activity permitted under the DPHP and DPHPD arrangements. After the leases end, the assets and improvements will be returned to the County. In April 2020, DPHP, and DPHPD entered into tolling agreements with the County due to the County State of Emergency, declared March 3, 2020, in connection with the COVID-19 pandemic. Except for the lease terms and due dates for the monthly minimum and percentage rents, dates and deadlines under the Ground Leases were tolled. On March 9, 2022, the County approved the second amendment to the Master Ground Lease Agreement mainly to terminate the tolling amendment and to modify the schedule of the construction and redevelopment work. The leases terms, minimal rent payments and revenue share percentages prevailed. Under the terms of the agreement with DPHPD, the County is committed to reimburse the Lessee \$20,000 for applicable redevelopment costs as certain construction milestones are met. As of June 30, 2024, the County is not liable for any reimbursements.

7. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (PPP) (Continued)

Newport Dunes Aquatic Park

On February 16, 1989, and later amended, the County entered into a 50-year agreement with Newport Dunes Partnership for the improvement and operation of the Newport Dunes Aquatic Park, a 102-acre recreational facility owned by the County, which includes a 450-slip marina, a launch ramp, a dry boat storage facility, an RV park, a beach and swimming lagoon, and a restaurant. It also includes an underdeveloped 13-acre parcel. On August 1, 2002, the County consented to the assignment of the original lease from Newport Dunes Partnership to Waterfront Resort Properties, LP and Newport Dunes Marina. In addition, on August 25, 2009, the County agreed to grant the Newport Dunes Marina an option for a new 50-year lease to accommodate development of a 275-room Family Inn by a sublessee, Winsor Newport Dunes LP (Winsor), an affiliate of Winsor Capital Group.

The option is exercisable upon the completion of the hotel. In 2015, Winsor pulled out of the construction of the Family Inn, and on December 8, 2015, the Newport Dunes Marina obtained approval from the County for a sublease with Brighton Management, LLC (Brighton), for construction of the Family Inn. However, in 2019 Brighton filed for bankruptcy. Hence, Newport Dunes Marina is currently looking for a developer to build the Family Inn. In April 2020, Waterfront Resort Properties, LP, and Newport Dunes Marina entered into a tolling agreement with the County due to the County State of Emergency, declared March 3, 2020, in connection with the COVID-19 pandemic. All deadlines under the lease were tolled. The tolling period ended on February 28, 2023. After the lease ends, the assets and improvements will return to the County. Under the current agreement, the County receives minimum rent payments and a percentage of the gross receipts generated from the sales, subleases or any other activity permitted under the arrangement. Additionally, the County is required to make annual contributions to a dredging reserve fund in the amount of \$309.

Furthermore, the County entered into several PPPs with third parties or operators to maintain and operate a boat-berthing facility at Lower Newport Bay and various golf courses. The County receives minimal rent payments and a percentage of gross receipts generated from the sales, subleases or any other activity permitted under each arrangement. The County has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as liability for these PPPs.

A summary of the important details for each PPP over the term of their agreements are as follows:

| PPP | Date PPP Entered Into | Term of PPP | Expiration of PPP | Minimum Rent Payment Received in FY 2023-24 | Revenue Sharing |
|---------------------------------|-----------------------|----------------------------------|-------------------|---|---|
| Dana Point Harbor | 10/29/2018 | 66 yrs | 10/29/2084 | \$ 1,819 | Between 2% and 20% of the gross receipts from the operation of the different components of the Harbor |
| Newport Dunes Aquatic Park | 3/1/1989 | 53 yrs * | 2/9/2042 | 2,224 | Between 5% to 35% of the gross receipts from the operation of the different business areas of the Newport Dunes |
| Lower Newport Bay | 11/1/2015 | 50 yrs | 10/31/2065 | 76 | Agreement does not include revenue sharing |
| Mile Square Golf Course | 7/1/1999 | 43 yrs * | 6/10/2042 | 850 | 40% of gross receipts from Green Fees, Driving Range and golf equipment rentals; 15% of gross receipts from golf lessons and 6% from gross receipts from other sales or services performed at the golf course |
| Mason Regional Park Golf Course | 12/1/1996 | 45 yrs | 11/30/2041 | 409 | 25% of gross receipts from Green Fees, Driving Range and golf equipment rental; between 5% and 10% of gross receipts from other sales and services performed at the golf course |
| Green River Golf Club | 1/1/2022 | 20 yrs plus two 10 yr extensions | 12/31/2062 | 60 | 1.5% of the gross receipts from the operation of the golf course; 3% of gross receipts above \$10,000 |
| | | | | \$ 5,438 | |

* Term includes tolling amendment, which extended the term by 3 years

7. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (PPP) (Continued)

The capital assets that underlie each PPP over the term of the agreement and reported at year ended June 30, 2024, are as follows:

| | Land, Land Improvements, Structures & Improvements |
|---------------------------------|---|
| Dana Point Harbor | \$ 27,437 |
| Newport Dunes Aquatic Park | 17,392 |
| Lower Newport Bay | 3,433 |
| Mile Square Golf Course | 38,781 |
| Mason Regional Park Golf Course | 2,489 |
| Green River Golf Club | 20,979 |
| | <u>\$ 110,511</u> |

The deferred inflows of resources for each PPP for the year ended June 30, 2024, was as follows:

| | Balance July 1, 2023 | Additions | Amortization ⁽¹⁾ | Balance June 30, 2024 |
|---|---------------------------------|------------------|------------------------------------|----------------------------------|
| PPP Capital Assets ⁽¹⁾ | | | | |
| Dana Point Harbor | \$ 7,742 | \$ 19,862 | \$ (452) | \$ 27,152 |
| Newport Dunes Aquatic Park | 14,534 | - | (765) | 13,769 |
| Lower Newport Bay | 3,644 | - | (87) | 3,557 |
| Mile Square Golf Course | 5,865 | - | (308) | 5,557 |
| Mason Regional Park Golf Course | 204 | - | (11) | 193 |
| Green River Golf Club | - | 1,241 | (32) | 1,209 |
| | <u>\$ 31,989</u> | <u>\$ 21,103</u> | <u>\$ (1,655)</u> | <u>\$ 51,437</u> |
| Present Value of Installment Payments ⁽²⁾ | | | | |
| Dana Point Harbor | \$ 85,690 | \$ - | \$ (1,405) | \$ 84,285 |
| Newport Dunes Aquatic Park | 28,484 | - | (1,532) | 26,952 |
| Lower Newport Bay | 1,789 | - | (43) | 1,746 |
| Mile Square Golf Course | 11,072 | - | (585) | 10,487 |
| Mason Regional Park Golf Course | 5,699 | - | (309) | 5,390 |
| Green River Golf Club | 1,441 | - | (38) | 1,403 |
| | <u>134,175</u> | <u>-</u> | <u>(3,912)</u> | <u>130,263</u> |
| | <u>\$ 166,164</u> | <u>\$ 21,103</u> | <u>\$ (5,567)</u> | <u>\$ 181,700</u> |

(1) Amortization is calculated using the straight-line method for the term of the agreement for the PPP.

(2) Present value of installment payments is calculated using discount rates ranging from 2.5% to 4% for the term of each PPP.

8. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables may result from services rendered by one fund to another fund, or from interfund loans. "Due from" and "due to" balances are generally used to reflect short-term interfund receivables and payables whereas "advance from" and "advance to" balances are long-term.

8. INTERFUND RECEIVABLES AND PAYABLES (Continued)

The composition of interfund balances as of June 30, 2024, is as follows:

Due from/to other funds:

| Payable Funds | Receivable Funds | | | | | | | | Total |
|-----------------------------|-------------------|------------------------|-------------------------|--|--------------------------|----------------------|------------------------|-------------------|-------|
| | General Fund | Flood Control District | Other Public Protection | Countywide Capital Projects Non-General Fund | Other Governmental Funds | OC Waste & Recycling | Internal Service Funds | | |
| General Fund | \$ -- | \$ 1,248 | \$ 6,402 | \$ 9,441 | \$ 4,102 | \$ 3 | \$ 2,655 | \$ 23,851 | |
| Flood Control District | 7,104 | -- | -- | -- | 674 | 118 | 354 | 8,250 | |
| Other Public Protection | 17,873 | -- | -- | -- | 4 | -- | 4 | 17,881 | |
| Mental Health Services Act | 35,265 | -- | -- | -- | -- | -- | -- | 35,265 | |
| Countywide Capital Projects | | | | | | | | | |
| Non-General Fund | 1,474 | 1 | -- | -- | 10 | -- | 52 | 1,537 | |
| Other Governmental Funds | 51,637 | 1,248 | 1 | 169 | 1,284 | 20,500 | 471 | 75,310 | |
| Airport | 2,345 | 6 | 1 | -- | 21 | -- | 421 | 2,794 | |
| OC Waste & Recycling | 9,439 | 2 | -- | -- | 11 | -- | 151 | 9,603 | |
| Internal Service Funds | 905 | 13 | 2 | -- | 13 | 4 | 6 | 943 | |
| Total | \$ 126,042 | \$ 2,518 | \$ 6,406 | \$ 9,610 | \$ 6,119 | \$ 20,625 | \$ 4,114 | \$ 175,434 | |

Interfund transactions between the Primary Government and Component Unit:

| Receivable Entity | Payable Entity | Amount |
|--------------------------------------|--------------------------------------|--------|
| Primary Government-General Fund | Component Unit-First 5 Orange County | \$ 362 |
| Component Unit-First 5 Orange County | Primary Government-General Fund | 469 |

The majority of the interfund balances resulted from the time lag between the time that: (1) goods and services were provided, (2) transactions were recorded in the accounting system, and (3) payments between the funds were made.

9. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024, were as follows:

| Transfer Out Funds | Transfer In Funds | | | | | | | | Total |
|-----------------------------|-------------------|------------------------|-------------------------|--|--------------------------|--------------|----------------------|------------------------|---------------------|
| | General Fund | Flood Control District | Other Public Protection | Countywide Capital Projects Non-General Fund | Other Governmental Funds | Airport | OC Waste & Recycling | Internal Service Funds | |
| General Fund | \$ -- | \$ -- | \$ 1,639 | \$ 387,518 | \$ 324,582 | \$ -- | \$ -- | \$ 10,691 | \$ 724,430 |
| Flood Control District | 3,312 | -- | -- | -- | 404 | -- | -- | 799 | 4,515 |
| Other Public Protection | 46,585 | -- | -- | -- | 536 | -- | -- | -- | 47,121 |
| Mental Health Services Act | 302,968 | -- | -- | -- | -- | -- | -- | -- | 302,968 |
| Countywide Capital Projects | | | | | | | | | |
| Non-General Fund | 19,374 | -- | -- | -- | 15,137 | -- | -- | 168 | 34,679 |
| Other Governmental Funds | 263,001 | 25 | 1,700 | 102,765 | 1,373 | -- | 2,396 | 1,275 | 372,535 |
| OC Waste & Recycling | 9,360 | -- | -- | -- | -- | 41 | -- | -- | 9,401 |
| Internal Service Funds | 1,512 | 215 | 7 | -- | -- | -- | -- | -- | 1,734 |
| Total | \$ 646,112 | \$ 240 | \$ 3,346 | \$ 490,283 | \$ 342,032 | \$ 41 | \$ 2,396 | \$ 12,933 | \$ 1,497,383 |

Interfund transfers reflect a flow of assets between funds and blended component units of the primary government without an equivalent flow of assets in return. Recurring transfers were made in the current fiscal year to: (1) relay cash/resources from contributing County funds to various debt service funds for the retirement of long-term obligations, (2) transfer Measure H Tobacco Settlement revenues and Public Safety Sales Tax (PSST) excess revenue in compliance with the specific statutory requirements, (3) provide resources for services provided within the County's Wraparound Program, (4) contribute resources to comply with Prop 63 MHSA, (5) transfer waste importation revenue in accordance to the Waste Disposal Agreement, and (6) transfer excess unrestricted revenues to finance various County programs based on budgetary authorizations by the Board. Not all-inclusive, the summary below details some of the more significant transfers:

9. INTERFUND TRANSFERS (Continued)

Recurring Transfers

From General Fund

- \$359,471 was transferred to Countywide Capital Projects Non-General Fund for the construction of the Juvenile Corrections Campus, Youth Transition Center, Transition-Age Youth Housing, and future capital projects
- \$32,710 was transferred to Other Governmental Funds in connection with debt service payments for the Central Utility Facility (CUF), County Administration South (CAS), Sheriff, and County Administration North (CAN) facilities
- \$28,047 was transferred to Countywide Capital Projects Non-General Fund for Countywide IT projects
- \$9,416 was transferred to Internal Service Funds primarily for the purchase of Sheriff-Coroner vehicles
- \$9,319 was transferred to Other Governmental Funds to finance the County's 60% share of the Wraparound Program
- \$1,577 was transferred to Other Public Protection for the purchase, replacement, and maintenance of Sheriff-Coroner equipment

From Flood Control District

- \$2,249 was transferred to the General Fund for the Watershed Management Program
- \$1,063 was transferred to the General Fund in connection with debt service payments for the CAS facility

From Other Public Protection

- \$16,413 was transferred to the General Fund to support the DA's operations
- \$15,903 was transferred to the General Fund to support the Sheriff-Coroner Department's operations
- \$9,816 was transferred to the General Fund to cover the qualifying public protection expenditures incurred by the Clerk-Recorder's Office for specific activities mandated by state law that includes modernization of the County's record keeping system, health statistics, micrographics, and security measures
- \$3,566 was transferred to the General Fund to cover the shortfall of state and federal revenues over department expenditures in Child Support Services

From Mental Health Services Act

- \$302,968 was transferred to the General Fund to cover qualifying Prop 63 MHSA expenditures

From Countywide Capital Projects Non-General Fund

- \$15,137 was transferred to Other Governmental Funds for Sheriff-Coroner capital projects

From Other Governmental Funds

- \$60,363 was transferred to the General Fund to fund various County programs as follows:
 - \$27,828 for the County's Wraparound Program
 - \$17,280 for the Homeless Emergency Aid Program and Crisis Stabilization Program
 - \$6,889 for health disaster preparedness and the Center for Disease Control pandemic flu costs
 - \$6,177 for Emergency Medical Services
 - \$2,189 for Environmental Health program
- \$31,087 of tobacco settlement monies was transferred to the General Fund to finance HCA's various healthcare programs and Sheriff-Coroner Department's operational costs
- \$2,518 was transferred to the General Fund for the loan repayment for the construction of the new animal shelter

From Enterprise Funds

- \$8,377 was transferred to the General Fund for the County's portion of OC Waste & Recycling's net importation revenue

9. INTERFUND TRANSFERS (Continued)

In addition, the County had non-recurring transfers in the current fiscal year, which consisted of the following:

Non-Recurring Transfers

From General Fund

- \$229,993 was transferred to Other Governmental Funds to support the OC CARES Initiative
- \$39,761 was transferred to Other Governmental Funds for housing and community development programs
- \$6,074 was transferred to Other Governmental Funds for the OC CARES Coordination Fund to support the County's System of Care
- \$5,917 was transferred to Other Governmental Funds for the Orange County Housing Authority's Housing Choice Voucher Program to provide rental assistance to low-income families

From Countywide Capital Projects Non-General Fund

- \$19,374 was transferred to the General Fund to redirect interest back to the earning fund

From Other Governmental Funds

- \$150,938 was transferred to the General Fund to record the transfers from the OC CARES and County Strategic Planning and Board Incentives Special Revenue Funds to reimburse eligible activities incurred in the General Fund
- \$102,765 was transferred to Countywide Capital Projects Non-General Fund for construction of various OC CARES capital projects including the Juvenile Corrections Campus and Transitional Aged Youth Housing projects
- \$8,870 was transferred to the General Fund to redirect interest back to the earning fund
- \$5,115 was transferred to the General Fund to pay for eligible expenses under the National Opioid Settlement
- \$2,396 was transferred to OC Waste & Recycling for loan repayments for the James A. Musick Facility construction
- \$1,700 was transferred to Other Public Protection for Sheriff-Coroner's substance abuse prevention program and narcotics enforcement efforts

10. LONG-TERM OBLIGATIONS

Legal Debt Margin

The County's legal debt limit for the year was \$9,734,005. In order for the County to issue general obligation bonds secured by ad valorem taxes on real property, California Constitution Article XIII A, Section 1 requires the approval of 2/3 of the voters voting on the proposition.

Revenue Bonds Payable

Central Utility Facility Lease Revenue Bonds, Series 2016

On June 2, 2016, the South Orange County Public Financing Authority (SOCPFA) issued its \$56,565 Lease Revenue Bonds, Series 2016 at a premium of \$11,724 with an interest rate range of 3.00% to 5.00%. The Lease Revenue Bonds, payable through April 2036, were issued to finance the acquisition, construction and installation of certain capital improvements to be owned by the County and to pay costs relating to the issuance of the bonds. As of June 30, 2024, the outstanding principal amount, including the premium of the Series 2016 Bonds, and interest were \$49,073 and \$14,077 respectively.

The bonds are special obligations of the SOCPFA payable from and secured by the base rental payments to be made by the County pursuant to and as required under the lease agreement and the amounts held in all funds and accounts (other than the rebate fund) under the indenture. The Central Utility Facility is pledged as collateral for the debt. In the event of default, the SOCPFA or the trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease.

10. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds Payable (Continued)

Lease Revenue Bonds, Series 2017A

On June 22, 2017, the California Municipal Finance Authority (CMFA) issued its \$152,400 Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program-Phase I) at a premium of \$22,940, with an interest rate range from 4.00%-5.00%. As the debt was issued by CMFA, this does not constitute debt for the County. Pursuant to a loan agreement, CMFA loaned the bond proceeds totaling \$175,340 to the Capital Facilities Development Corporation (Corporation), a component unit of the County, to construct CAS located at 601 N. Ross Street. As of June 30, 2024, the outstanding principal amount, including the premium of the Series 2017 Bonds, and interest were \$160,995 and \$89,217, respectively.

The County's payment obligation commenced on November 12, 2019, when the building's Certificate of Substantial Completion was delivered to the trustee. County departments occupying CAS are responsible for making base rental payments. The County's base rental payments, under the Facility Lease, began in FY 2020-21 and will be used to repay the loan to the CMFA. Loan repayments are scheduled to conclude when the bonds mature, in June 2047. In the event of default, the trustee may exercise any remedies available under the Indenture, the Loan Agreement and the Facility Lease.

Lease Revenue Bonds, Series 2018A

On December 13, 2018, CMFA issued its \$185,705 Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Improvement Program-Phase II) at a premium of \$26,599, with an interest rate coupon of 5%. As the debt was issued by CMFA, this does not constitute debt for the County. Pursuant to a loan agreement, CMFA loaned the bond proceeds totaling \$212,304 to the Corporation, a component unit of the County, to construct CAN located at 400 W. Civic Center Drive. As of June 30, 2024, the outstanding principal amount, including the premium of the Series 2018 Bonds, and interest were \$203,759 and \$131,786, respectively.

The County's payment obligation commenced on August 5, 2022, when the building's Certificate of Substantial Completion was delivered to the trustee. County departments occupying CAN are responsible for making base rental payments. The County's base rental payments, under the Facility Lease, began in FY 2022-23 and will be used to repay the loan to the CMFA. Loan repayments are scheduled to end when the bonds mature, in June 2048. In the event of default, the trustee may exercise any remedies available under the Indenture, the Loan Agreement and the Facility Lease.

Lease Revenue Bonds, Series 2022

On July 26, 2022, the SOCPFA issued its \$83,375 Lease Revenue Bonds, Series 2022 (County of Orange Sheriff-Coroner Facility) at a premium of \$12,350, with an interest rate coupon of 5%. The Lease Revenue Bonds, payable through June 2052, were issued to finance the acquisition of and construction of certain improvements to a new facility for the County Sheriff-Coroner's department to be owned by the County and to pay costs relating to the issuance of the bonds. As of June 30, 2024, the outstanding principal amount, including the premium of the Series 2022 Bonds, and interest were \$94,306 and \$72,145, respectively.

The bonds are special obligations of the SOCPFA payable from and secured by the base rental payments to be made by the County pursuant to and as required under the lease agreement and the amounts held in all funds and accounts (other than the rebate fund) under the indenture. The property itself was pledged as collateral for the debt. In the event of default, the SOCPFA or the trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease.

Airport Revenue Refunding Bonds, Series 2019A and 2019B

On July 9, 2009, the Airport issued the Airport Revenue Bonds, Series 2009A and 2009B (2009A and 2009B Bonds) in the aggregate principal amount of \$233,115, with an original issue net premium of \$288. The 2009A and 2009B Bonds were issued to finance a portion of the Airport Improvement Program (AIP), fund the debt

10. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds Payable (Continued)

Airport Revenue Refunding Bonds, Series 2019A and 2019 (Continued)

service requirement for the bonds, fund capitalized interest on a portion of the bonds and pay costs relating to the issuance of the bonds. The AIP consist of numerous direct improvements to the Airport facilities such as construction of Terminal C, Parking Structure C and two commuter/regional holdrooms at the north and south ends of the extended Terminal.

On May 14, 2019, the Airport issued the Airport Revenue Refunding Bonds, Series 2019A and 2019B (2019A and 2019B Bonds) in the principal amount of \$85,030, with a premium of \$13,404. The 2019A and 2019B Bonds were issued to refund and defease the 2009A and 2009B Bonds, fund a debt service reserve subaccount for the bonds, and pay certain expenses in connection with the issuance of the bonds.

On February 16, 2023, the Airport executed the in-substance defeasance of the 2019A and 2019B Bonds, for the outstanding principal and interest balances of \$53,260 and \$7,662, respectively. The Airport defeased its bonds due to the availability of federal relief aid and available PFC collections eligible to fund the defeasance. The Airport deposited \$58,478 in an irrevocable escrow fund, and the amounts were invested in State and Local Government Series (SLGS) securities to be used solely for satisfying scheduled debt service payments of the defeased debt through and including July 1, 2027. As of June 30, 2024, the ending balance of the in-substance defeased debt outstanding was \$50,025.

Fiscal Year 2023-24 Debt Obligation Activity

During FY 2023-24, the following events concerning County debt obligations occurred.

Direct Placement Obligations

Teeter Plan Notes

Teeter Notes may be issued from time to time by the County provided that the total principal amount of Teeter Notes outstanding at any one time shall not exceed \$150,000.

On July 18, 2022, the County paid off its \$79,978 taxable Teeter Plan Obligation Notes, Series B utilizing \$45,810 in accumulated base taxes. On July 18, 2022, the Teeter Plan Notes were issued for \$82,308 in taxable Teeter Plan Obligations Notes, Series B, to refund the outstanding balance of \$34,168 and finance the purchase of \$48,140 in delinquent property tax receivables. The Teeter Notes issued on July 18, 2022, were issued pursuant to a First Amendment to Second Amended and Restated Note Purchase and Reimbursement Agreement, dated between the County and Wells Fargo Bank, National Association. The Teeter Notes matured on July 17, 2023, and bear interest at the rate of 3.46% per annum. As of June 30, 2023, the outstanding principal amount of the Teeter Plan Obligation Notes was \$82,308 and the authorized, unused available commitment under the First Amendment to Amended and Restated Note Purchase and Reimbursement Agreement was \$67,692.

On July 14, 2023, the County paid \$41,208 of its \$82,308 taxable Teeter Plan Obligation Notes, Series B utilizing accumulated base taxes. On July 17, 2023, the Teeter Plan Notes were issued for \$89,004 in taxable Teeter Plan Obligation Notes, Series B, to refund the outstanding balance of \$41,100 and to finance the purchase of \$47,904 in delinquent property tax receivables. The Teeter Plan Notes issued on July 17, 2023, were issued pursuant to a First Amendment to Second Amended and Restated Note Purchase and Reimbursement Agreement, dated between the County and Wells Fargo Bank, National Association. The County paid \$18,200 on September 15, 2023, \$15,017 on November 17, 2023, \$9,433 on March 22, 2024, and \$9,567 on May 16, 2024, of its \$89,004 Teeter Plan Notes utilizing accumulated base taxes. The Teeter Plan Notes mature on July 30, 2024, and bear a variable interest rate. As of June 30, 2024, the outstanding principal amount of the Teeter Plan Obligation Notes was \$36,787 and the authorized, unused available commitment under the First Amendment to Amended and Restated Note Purchase and Reimbursement Agreement was \$113,213. Refer to Note 22, Subsequent Events.

10. LONG-TERM OBLIGATIONS (Continued)

Schedule of Long-Term Debt Obligations, Fiscal Year 2023-24

The table below summarizes the revenue bonds and direct placement obligations outstanding and related activity for the year ended June 30, 2024.

| Description | Balance July 1, 2023 | Loans/Debt Issuances and Discount/ Premium Amortization | Retirements | Balance June 30, 2024 | Amounts Due within One Year |
|--|-------------------------|---|-----------------|--------------------------|-----------------------------------|
| <u>Governmental Activities:</u> | | | | | |
| <u>Revenue Bonds:</u> | | | | | |
| <u>South Orange County Public Financing Authority</u> | | | | | |
| <u>Central Utility Facility Lease Revenue Bonds,</u> | | | | | |
| <u>Series 2016</u> | | | | | |
| Date Issued: June 2, 2016 | | | | | |
| Interest Rate: 3.00% to 5.00% | | | | | |
| Original Amount: \$56,565 | | | | | |
| FY 2023-24 Principal and Interest: \$4,488 | | | | | |
| FY 2023-24 Total Pledged Revenues: \$4,488 | | | | | |
| Maturing in installments through April 1, 2036 | | | | | |
| | \$ 52,042 | \$ (589) | \$ (2,380) | \$ 49,073 | \$ 3,162 |
| <u>California Municipal Finance Authority</u> | | | | | |
| <u>Lease Revenue Bonds, Series 2017A</u> | | | | | |
| <u>(Orange County Civic Center Infrastructure</u> | | | | | |
| <u>Improvement Program-Phase I)</u> | | | | | |
| Date Issued: June 22, 2017 | | | | | |
| Interest Rate: 4.00% to 5.00% | | | | | |
| Original Amount: \$152,400; Plus Premium: \$22,940 | | | | | |
| FY 2023-24 Principal and Interest: \$9,979 | | | | | |
| Maturing in installments through June 1, 2047 | | | | | |
| | 164,962 | (722) | (3,245) | 160,995 | 4,220 |
| <u>California Municipal Finance Authority</u> | | | | | |
| <u>Lease Revenue Bonds, Series 2018A</u> | | | | | |
| <u>(Orange County Civic Center Infrastructure</u> | | | | | |
| <u>Improvement Program-Phase II)</u> | | | | | |
| Date Issued: December 13, 2018 | | | | | |
| Interest Rate: 5.00% | | | | | |
| Original Amount: \$185,705; Plus Premium: \$26,599 | | | | | |
| FY 2023-24 Principal and Interest: \$12,918 | | | | | |
| Maturing in installments through June 1, 2048 | | | | | |
| | 208,177 | (603) | (3,815) | 203,759 | 4,720 |
| <u>South Orange County Public Financing Authority</u> | | | | | |
| <u>Lease Revenue Bonds, Series 2022</u> | | | | | |
| <u>(County of Orange Sheriff-Coroner Facility)</u> | | | | | |
| Date issued: July 26, 2022 | | | | | |
| Interest Rate: 5.00% | | | | | |
| Original Amount: \$83,375 | | | | | |
| FY 2023-24 Principal and Interest: \$5,509 | | | | | |
| FY 2023-24 Total Pledged Revenues: \$5,384 | | | | | |
| Maturing in installments through June 1, 2052 | | | | | |
| | 95,725 | (79) | (1,340) | 94,306 | 1,527 |
| Subtotal-Revenue Bonds | <u>520,906</u> | <u>(1,993)</u> | <u>(10,780)</u> | <u>508,133</u> | <u>13,629</u> |

10. LONG-TERM OBLIGATIONS (Continued)

Schedule of Long-Term Debt Obligations, Fiscal Year 2023-24 (Continued)

| Description | Balance July 1, 2023 | Loans/Debt Issuances and Discount/ Premium Amortization | Retirements | Balance June 30, 2024 | Amounts Due within One Year |
|--|-------------------------|---|---------------------|--------------------------|-----------------------------------|
| <u>Governmental Activities:</u> | | | | | |
| <u>Direct Placement Obligations:</u> | | | | | |
| <u>County of Orange</u> | | | | | |
| <u>Teeter Plan Notes</u> | | | | | |
| Date of Issuance: July 18, 2022 | | | | | |
| Interest Rate: 3.46% Taxable Fixed Rate | | | | | |
| Original Amount: \$82,308 | | | | | |
| FY 2023-24 Principal and Interest: \$82,407 | \$ 82,308 | \$ -- | \$ (82,308) | \$ -- | \$ -- |
| Maturing on July 17, 2023 | | | | | |
| | | | | | |
| Date of Issuance: July 17, 2023 | | | | | |
| Interest Rate: Variable | | | | | |
| Original Amount: \$89,004 | | | | | |
| FY 2023-24 Principal and Interest: \$55,516 | | | | | |
| FY 2023-24 Total Pledged Revenues: \$21,611 | -- | 89,004 | (52,217) | 36,787 | 36,787 |
| Maturing on July 30, 2024 | | | | | |
| | | | | | |
| Subtotal-Direct Placement Obligations | <u>82,308</u> | <u>89,004</u> | <u>(134,525)</u> | <u>36,787</u> | <u>36,787</u> |
| Total | <u>\$ 603,214</u> | <u>\$ 87,011</u> | <u>\$ (145,305)</u> | <u>\$ 544,920</u> | <u>\$ 50,416</u> |

10. LONG-TERM OBLIGATIONS (Continued)

Schedule of Long-Term Debt Service Requirements to Maturity

The following is a schedule of all long-term debt service requirements to maturity by activity type on an annual basis.

| Fiscal Year(s) Ending June 30 | Governmental Activities | | | | Total |
|-------------------------------|-------------------------|-------------------|------------------------------|--------------|-------------------|
| | Revenue Bonds | | Direct Placement Obligations | | |
| | Principal | Interest | Principal | Interest | |
| 2025 | \$ 11,320 | \$ 21,576 | \$ 36,787 | \$ 64 | \$ 69,747 |
| 2026 | 11,885 | 21,009 | -- | -- | 32,894 |
| 2027 | 12,480 | 20,415 | -- | -- | 32,895 |
| 2028 | 13,100 | 19,791 | -- | -- | 32,891 |
| 2029 | 13,760 | 19,136 | -- | -- | 32,896 |
| 2030-2034 | 79,816 | 84,644 | -- | -- | 164,460 |
| 2035-2039 | 87,720 | 63,279 | -- | -- | 150,999 |
| 2040-2044 | 101,215 | 40,801 | -- | -- | 142,016 |
| 2045-2049 | 94,095 | 15,048 | -- | -- | 109,143 |
| 2050-2052 | 14,995 | 1,524 | -- | -- | 16,519 |
| Total | 440,386 | 307,223 | 36,787 | 64 | 784,460 |
| Add: Premium/(Discount) | 67,747 | -- | -- | -- | 67,747 |
| Total | \$ 508,133 | \$ 307,223 | \$ 36,787 | \$ 64 | \$ 852,207 |

Changes in Long-Term Liabilities

Long-term liability activities, for the year ended June 30, 2024, were as follows:

| | Balance | | | Balance June 30, 2024 | Due within One Year |
|---|---------------------|-------------------|-----------------------|--------------------------|------------------------|
| | July 1, 2023 | Additions | Reductions | | |
| Governmental Activities: | | | | | |
| Revenue Bonds | \$ 451,166 | \$ -- | \$ (10,780) | \$ 440,386 | \$ 11,320 |
| Teeter Plan Notes (Direct Placement) | 82,308 | 89,004 | (134,525) | 36,787 | 36,787 |
| Add: Premium/(Discount) on Bonds Payable | 69,740 | -- | (1,993) | 67,747 | 2,309 |
| Total, Net | 603,214 | 89,004 | (147,298) | 544,920 | 50,416 |
| Other Long-Term Liabilities:* | | | | | |
| Compensated Employee Absences Payable | 174,580 | 187,573 | (179,368) | 182,785 | 124,633 |
| Financed Purchase Liability | 20,954 | 1,050 | (11,245) | 10,759 | 8,581 |
| Insurance Claims Payable | 262,694 | 175,616 | (150,539) | 287,771 | 74,439 |
| Estimated Liability-Litigation and Claims | 855 | 950 | (803) | 1,002 | 11 |
| Intangible Assets Obligations Payable | 2,148 | 135 | (1,241) | 1,042 | 822 |
| Lease Liability | 448,982 | 70,685 | (37,042) | 482,625 | 27,304 |
| Subscription Liability | 32,793 | 49,744 | (27,900) | 54,637 | 20,539 |
| Net Pension Liability | 4,376,337 | 124,081 | (525,313) | 3,975,105 | -- |
| Net OPEB Liability | 266,338 | 10,072 | (70,537) | 205,873 | -- |
| Total Other Long-Term Liabilities | 5,585,681 | 619,906 | (1,003,988) | 5,201,599 | 256,329 |
| Total Long-Term Liabilities | | | | | |
| For Governmental Activities | \$ 6,188,895 | \$ 708,910 | \$ (1,151,286) | \$ 5,746,519 | \$ 306,745 |

* Includes amount of \$5,369 for Financed Purchase Liability, \$72 for Lease Liability, and \$4,331 for Subscription Liability from an Internal Service Fund.

10. LONG-TERM OBLIGATIONS (Continued)

Changes in Long-Term Liabilities (Continued)

| | Balance July 1, 2023 | Additions | Reductions | Balance June 30, 2024 | Due within One Year |
|--|-------------------------|------------------|--------------------|--------------------------|------------------------|
| Business-Type Activities: | | | | | |
| Other Long-Term Liabilities: | | | | | |
| Compensated Employee Absences Payable | \$ 3,511 | \$ 4,371 | \$ (4,129) | \$ 3,753 | \$ 2,669 |
| Financed Purchase Liability | 331 | -- | (331) | -- | -- |
| Landfill Site Closure/Postclosure Liabilities* | 203,805 | 9,335 | (4,188) | 208,952 | 4,188 |
| Pollution Remediation Obligation** | 9,149 | -- | (505) | 8,644 | 623 |
| Intangible Assets Obligations Payable | 178 | -- | (89) | 89 | 89 |
| Lease Liability | 27 | 163 | (43) | 147 | 32 |
| Subscription Liability | 520 | 77 | (498) | 99 | 99 |
| Net Pension Liability | 94,785 | 2,364 | (10,014) | 87,135 | -- |
| Net OPEB Liability | 5,079 | 192 | (1,345) | 3,926 | -- |
| Total Other Long-Term Liabilities | <u>317,385</u> | <u>16,502</u> | <u>(21,142)</u> | <u>312,745</u> | <u>7,700</u> |
| Total Long-Term Liabilities | | | | | |
| For Business-Type Activities | <u>\$ 317,385</u> | <u>\$ 16,502</u> | <u>\$ (21,142)</u> | <u>\$ 312,745</u> | <u>\$ 7,700</u> |

* Refer to Note 14 for additional information regarding the increase in Landfill Site Closure/Post Closure Liabilities.

** Refer to Note 17 for additional information regarding the decrease in Pollution Remediation Obligation.

For Governmental activities, typically the General Fund has been primarily used to liquidate the pension and OPEB liability.

Compensated Employee Absences

The estimated compensated employee absences payable recorded at June 30, 2024 is \$186,538. The County's Memorandums of Understanding (MOU) permit employees to accrue vacation, compensatory time, and sick/healthcare benefits. Employees are entitled to be paid compensated time, and in some cases annual leave, vacation and sick/healthcare leave time depending on job classification, length of service, and other factors. For the governmental funds, most of the compensated absences liability will ultimately be paid from the General Fund.

Special Assessment District Bonds

Special Assessment District Bonds consist of Assessment District Bonds and Community Facilities District Bonds.

Assessment District Bonds are issued pursuant to provisions of the Improvement Bond Act of 1915 (Division 10 of the California Streets and Highways Code). Proportionate shares of principal and interest installments sufficient in aggregate to meet annual bond debt service requirements are included on the regular County tax bills sent to owners of property against which there are unpaid assessments. Neither the faith and credit nor the taxing power of the County, the State, or any political subdivision thereof is pledged to the payment of the bonds. Assessment District Bonds represent limited obligations of the County payable solely from special assessments paid by property owners within each district. Accordingly, such obligations are not included in the accompanying basic financial statements.

Community Facilities District Bonds are issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, and are payable from a portion of certain special taxes to be levied on property within the boundaries of the Community Facilities District. Except for the special taxes, no other taxes are pledged to the payment of the bonds. The bonds are not general or special obligations of the County nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the special tax fund. Accordingly, such obligations are not included in the accompanying basic financial statements.

10. LONG-TERM OBLIGATIONS (Continued)

Special Assessment District Bonds (Continued)

The County is acting as an agent of the assessment and community facilities districts in collecting the assessments and special taxes, forwarding the collections to other paying agents or directly to bondholders, and initiating any necessary foreclosure proceedings. Because of the County's limited obligation in connection with special assessment district and community facilities district debt, related transactions are reflected in Custodial Departmental Funds. Major capital outlay expenditures relating to these bonds are accounted for in the "Service Areas, Lighting Maintenance and Assessment Districts" Special Revenue Fund. Special assessment district and community facilities district bonds outstanding as of June 30, 2024, amounted to \$615,037.

11. CONDUIT DEBT OBLIGATIONS AND SUCCESSOR AGENCY DEBT

Single and Multi-Family Housing Bonds

From 1980 through 2013, the County issued bonds under the authority of Chapter 7 of Part 5 of Division 3 of the Health and Safety Code of the State of California. The purpose of the bonds is to finance the purchase of single-family homes and the construction of multi-family units to benefit low and moderate income families.

The bonds are secured by the property financed and are payable solely from revenue of the projects and payments received on the underlying mortgage loans.

The bonds do not constitute a liability of the County. Neither the County, the State of California, nor any political subdivisions thereof are obligated in any manner for the repayment of the bonds. In no event shall the bonds be payable out of any funds or properties of the County. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2024, there were 11 series of bonds outstanding with an aggregate principal amount payable of \$52,426.

Orange County Development Agency (OCDA) Successor Agency Bond Debt

On December 29, 2011, the California Supreme Court issued an opinion in California Redevelopment Association (CRA) v. Matosantos, upholding the constitutionality of ABX1 26, eliminating RDA statewide effective February 1, 2012. Under ABX1 26, a successor agency was created for each dissolved RDA, including OCDA, and charged with winding down the dissolved RDA's operations and performing enforceable obligations (as defined in the law). The OCDA Successor Agency assumed the dissolved RDA's enforceable obligations, which include bond debt obligations. The Santa Ana Heights (SAH) Project Refunding Bonds debt service obligations for FY 2023-24 appeared on the OCDA Successor Agency Recognized Obligation Payment Schedule and were approved by the Successor Agency Oversight Board, the State Department of Finance, and were paid to bondholders according to the debt service schedule.

Effective with OCDA's dissolution on February 1, 2012, the assets and liabilities (including bond debt) were transferred to and reported in a Private-Purpose Trust Fund of the County. This transfer and reporting structure reflects the custodial role accepted by the successor agency. As of June 30, 2024, the SAH bonds were paid off.

12. LEASES

Lessee

The County is currently engaged in noncancelable leases with various vendors as a lessee for the intangible right-to-use lease equipment, IT equipment, structures and improvements, and land. The lease terms include the noncancelable period per the contract plus/minus any extension options or termination options the County is reasonably certain to exercise. As of June 30, 2024, the right-to-use asset balance is \$448,626, net of accumulated amortization of \$110,201.

12. LEASES

Lessee (Continued)

In FY 2023-24, the discount rate applied to new or modified leases is 5%. The County recognized \$27,560 and \$14,698 in principal and interest payments. The lease liability at June 30, 2024, is \$482,772.

During FY 2023-24, the County was engaged in a sublease transaction with Orange County Royale Convalescent Hospital, where a building was leased to HCA and HCA leased a portion of that building to 1030 Warner Ave Propco, LLC. The County recognized \$664 and \$414 in principal and interest payments related to this transaction.

| | Balance | | | Balance |
|--|---------------------|------------------|-------------------|----------------------|
| | July 1, 2023 | Increases | Decreases | June 30, 2024 |
| Governmental Activities | | | | |
| Right-to-Use Assets | | | | |
| Lease Equipment | \$ 3,598 | \$ 4,078 | \$ (355) | \$ 7,321 |
| Lease IT Equipment | 259 | 302 | -- | 561 |
| Lease Structures and Improvements | 493,062 | 66,409 | (11,789) | 547,682 |
| Lease Land | 2,996 | -- | -- | 2,996 |
| Total Right-to-Use Assets | <u>499,915</u> | <u>70,789</u> | <u>(12,144)</u> | <u>558,560</u> |
| Less Amortization | | | | |
| Lease Equipment | (2,363) | (1,361) | 91 | (3,633) |
| Lease IT Equipment | (210) | (81) | -- | (291) |
| Lease Structures and Improvements | (71,042) | (37,418) | 2,967 | (105,493) |
| Lease Land | (464) | (232) | -- | (696) |
| Total Amortization | <u>(74,079)</u> | <u>(39,092)</u> | <u>3,058</u> | <u>(110,113)</u> |
| Total Lease Assets, Net of Amortization | <u>\$ 425,836</u> | <u>\$ 31,697</u> | <u>\$ (9,086)</u> | <u>\$ 448,447</u> |
| | | | | |
| Business-Type Activities | | | | |
| Right-to-Use Assets | | | | |
| Lease Equipment | \$ 62 | \$ 62 | \$ -- | \$ 124 |
| Lease Structures and Improvements | -- | 143 | -- | 143 |
| Total Right-to-Use Assets | <u>62</u> | <u>205</u> | <u>--</u> | <u>267</u> |
| Less Amortization | | | | |
| Lease Equipment | (44) | (25) | -- | (69) |
| Lease Structures and Improvements | -- | (19) | -- | (19) |
| Total Amortization | <u>(44)</u> | <u>(44)</u> | <u>--</u> | <u>(88)</u> |
| Total Lease Assets, Net of Amortization | <u>\$ 18</u> | <u>\$ 161</u> | <u>\$ --</u> | <u>\$ 179</u> |
| | | | | |
| Governmental & Business-Type Activities | | | | |
| Total Lease Assets | \$ 499,977 | \$ 70,994 | \$ (12,144) | \$ 558,827 |
| Total Amortization | (74,123) | (39,136) | 3,058 | (110,201) |
| Total Net Right-to-Use Assets | <u>\$ 425,854</u> | <u>\$ 31,858</u> | <u>\$ (9,086)</u> | <u>\$ 448,626</u> |

12. LEASES (Continued)

Lessee (Continued)

The future principal and interest payments as of June 30, 2024, are as follows:

| <u>Fiscal Year Ended June 30</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|----------------------------------|--------------------------------|-------------------|---------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2025 | \$ 27,304 | \$ 16,593 | \$ 32 | \$ 7 |
| 2026 | 24,557 | 15,621 | 32 | 5 |
| 2027 | 28,075 | 14,743 | 33 | 3 |
| 2028 | 29,398 | 13,791 | 35 | 2 |
| 2029 | 29,392 | 12,820 | 15 | -- |
| 2030-2034 | 128,636 | 50,259 | -- | -- |
| 2035-2039 | 93,491 | 30,680 | -- | -- |
| 2040-2044 | 86,049 | 14,109 | -- | -- |
| 2045-2049 | 35,723 | 2,227 | -- | -- |
| Total | <u>\$ 482,625</u> | <u>\$ 170,843</u> | <u>\$ 147</u> | <u>\$ 17</u> |

Lessor

The County leases its real property, and structures and improvements to others for various commercial, recreational, retail, and restaurant purposes. The terms of these noncancelable leases include the noncancelable period per the contract plus/minus any extension options or termination options the County is reasonably certain to exercise. Governmental activities leases receivables are held primarily by the Other Governmental Funds, and business-type activities leases receivables are held by the John Wayne Airport and OC Waste and Recycling.

In FY 2023-24, the discount rate applied to new or modified leases is 5%. The County recognized \$19,975 and \$5,765 in principal and interest cash receipts. In addition, \$9,037 was recognized as lease variable revenue based on lessee performance and changes in consumer price index (CPI). The leases receivables ending balance is \$167,358 at June 30, 2024.

During FY 2023-24, the County subleased a portion of a building leased from Orange County Royale Convalescent Hospital to 1030 Warner Ave Propco, LLC. The County recognized \$652 and \$364 in principal and interest cash receipts related to this transaction.

| | <u>Balance</u> | | | <u>Balance</u> |
|---------------------------------|---------------------|------------------|--------------------|----------------------|
| Governmental Activities | <u>July 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2024</u> |
| Leases Receivable | | | | |
| Structures & Improvements | \$ 5,040 | \$ 4,650 | \$ (715) | \$ 8,975 |
| Land | 70,988 | 611 | (9,123) | 62,476 |
| Total Leases Receivable | <u>\$ 76,028</u> | <u>\$ 5,261</u> | <u>\$ (9,838)</u> | <u>\$ 71,451</u> |
| | | | | |
| Business-Type Activities | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> |
| Leases Receivable | | | | |
| Structures & Improvements | \$ 6,609 | \$ 7,100 | \$ (1,165) | \$ 12,544 |
| Land | 97,244 | -- | (13,881) | 83,363 |
| Total Leases Receivable | <u>\$ 103,853</u> | <u>\$ 7,100</u> | <u>\$ (15,046)</u> | <u>\$ 95,907</u> |

12. LEASES (Continued)

Lessor (Continued)

Governmental & Business-Type Activities

| | |
|---|-------------------|
| Total Leases Receivable | \$ 192,242 |
| Total FY 23-24 Payments | (19,975) |
| Total FY 23-24 Adjustments/Terminations | (4,909) |
| Leases Receivable Balance | <u>\$ 167,358</u> |

The following schedule presents by fiscal year the future minimum principal and interest revenue to be received for Governmental and Business-Type activities:

| Fiscal Year Ended June 30 | Governmental Activities | | Business-Type Activities | |
|---------------------------|-------------------------|------------------|--------------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2025 | \$ 5,440 | \$ 2,499 | \$ 15,402 | \$ 2,875 |
| 2026 | 5,327 | 2,254 | 15,898 | 2,394 |
| 2027 | 4,964 | 2,050 | 16,396 | 1,898 |
| 2028 | 3,873 | 1,886 | 16,191 | 1,391 |
| 2029 | 3,720 | 1,742 | 15,635 | 906 |
| 2030-2034 | 16,852 | 6,751 | 10,222 | 1,861 |
| 2035-2039 | 8,437 | 4,391 | 2,839 | 959 |
| 2040-2044 | 5,174 | 3,188 | 2,222 | 475 |
| 2045-2049 | 2,147 | 2,608 | 1,102 | 58 |
| 2050-2054 | 2,078 | 2,254 | -- | -- |
| 2055-2059 | 1,991 | 1,925 | -- | -- |
| 2060-2064 | 2,349 | 1,583 | -- | -- |
| 2065-2069 | 2,699 | 1,177 | -- | -- |
| 2070-2074 | 2,877 | 753 | -- | -- |
| 2075-2079 | 3,342 | 288 | -- | -- |
| 2080-2084 | 181 | 1 | -- | -- |
| Total | <u>\$ 71,451</u> | <u>\$ 35,350</u> | <u>\$ 95,907</u> | <u>\$ 12,817</u> |

Regulated Leases

In accordance with GASB Statement No. 87, certain lease agreements, between airports and aeronautical users are subject to regulations set forth by the Federal Aviation Administration and Department of Homeland Security. A lease receivable and a deferred inflow of resources is not recognized for these leases. The Airport identifies the following regulated leases:

Commercial and Commuter Airlines and Cargo Leases

The Airport entered into five-year lease agreements with various commercial and commuter airlines and cargo carriers that commenced on January 1, 2021 and expire on December 31, 2025, with no option to extend. Revenues from terminal rates, landing, operations, and remain over-night fees totaled \$78,919 for the year ended June 30, 2024, of which \$43,521, are considered variable rental payments.

Airline minimum rental revenues are based on rates adopted by the Board and are subject to change semi-annually in accordance with the related airlines' operating lease agreements. Due to the nature of the above revenues, expected future minimum payments are indeterminable.

12. LEASES (Continued)

Regulated Leases (Continued)

Fixed-Base Operation Leases

The Airport entered into multi-year lease agreements with full service and limited service fixed-base operators (FBO) that commenced on January 1, 2021. The full service agreements expire on December 31, 2055, with no option to extend. The limited service agreement expires on December 31, 2050, and with certain conditions, the lessee shall have the option to extend. Revenues from ground rent, building rent, and percentage rent of various gross receipts totaled \$10,689 for the year ended June 30, 2024, of which \$2,365, are considered variable rental payments. The future minimum payments are shown in the following table.

Limited Use General Aviation Facility Lease

The Airport entered into a two-year agreement with a limited use general aviation operator on September 1, 2006, which included an option for an 18 year lease extension. On October 21, 2008, the lease was extended to August 31, 2026, and on December 18, 2012, the lease was extended to August 31, 2036. Revenue from ground rent totaled \$516 for the year ended June 30, 2024, paid in twelve monthly installments. The future minimum payments are shown in the following table.

Hydrant Fueling Facilities Lease

The Airport entered into a 25-year hydrant fueling facilities lease agreement with a consortium of airline carriers on September 14, 1990. On September 14, 2010, the lease was extended to December 31, 2030. Revenue from rent totaled \$26 for the year ended June 30, 2024, paid in twelve monthly installments. The future minimum payments are shown in the following table.

Security Services Lease

The Airport entered into a five-year agreement with the Transportation Security Administration on October 1, 2018. On October 1, 2023, the lease was extended to September 30, 2033. Revenue from rent totaled \$327 for the year ended June 30, 2024, paid in twelve monthly installments.

Future minimum lease payments to be received as of June 30, 2024 are as follows:

| <u>Year Ending June 30</u> | <u>Fixed-Base Operation Lease</u> | <u>Limited Use General Aviation Facility Lease</u> | <u>Hydrant Fueling Facilities Lease</u> | <u>Security Services Lease</u> | <u>Total</u> |
|----------------------------|---------------------------------------|--|---|------------------------------------|-------------------|
| 2025 | \$ 8,463 | \$ 525 | \$ 28 | \$ 352 | \$ 9,368 |
| 2026 | 8,463 | 525 | 28 | 365 | 9,381 |
| 2027 | 7,703 | 525 | 28 | 379 | 8,635 |
| 2028 | 7,449 | 525 | 28 | 394 | 8,396 |
| 2029 | 7,449 | 525 | 28 | 409 | 8,411 |
| 2030-2034 | 37,246 | 2,627 | 42 | 1,927 | 41,842 |
| 2035-2039 | 37,246 | 1,145 | -- | -- | 38,391 |
| 2040-2044 | 37,246 | -- | -- | -- | 37,246 |
| 2045-2049 | 37,246 | -- | -- | -- | 37,246 |
| 2050-2054 | 35,552 | -- | -- | -- | 35,552 |
| 2055-2059 | 10,583 | -- | -- | -- | 10,583 |
| Total | <u>\$ 234,646</u> | <u>\$ 6,397</u> | <u>\$ 182</u> | <u>\$ 3,826</u> | <u>\$ 245,051</u> |

12. LEASES (Continued)

Regulated Leases (Continued)

Under the agreements with the airlines, they may have exclusive use of certain space and facilities of the terminals in the Airport as summarized below:

| <u>Terminal</u> | <u>Airlines Using the Terminal Area Exclusively</u> | <u>Exclusively Used Terminal Area (Sqft)</u> |
|-----------------|---|--|
| A | Air Canada | 613 |
| A | American | 11,201 |
| A | Breeze | 298 |
| A | Delta | 3,182 |
| A | WestJet | 474 |
| B | Alaska | 3,083 |
| B | United | 11,111 |
| C | Allegiant | 603 |
| C | Frontier | 605 |
| C | Southwest | 10,150 |
| C | Spirit | 810 |
| | Total | 42,130 |

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The County entered into noncancelable SBITAs with various vendors for the intangible right-to-use SBITA assets. The SBITA terms include the noncancelable period per the contract plus/minus any extension options or termination options the County is reasonably certain to exercise. As of June 30, 2024, the right-to-use SBITA asset is \$58,303, net of accumulated amortization of \$61,029.

In FY 2023-24, the discount rate applied to new or modified SBITAs is 5%. The County recognized \$27,846 and \$929 in principal and interest payments. The SBITA liability at June 30, 2024 is \$54,736.

| | <u>Balance July 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2024</u> |
|--|---------------------------------|------------------|------------------|----------------------------------|
| Governmental Activities | | | | |
| Right-to-Use SBITA Assets | \$ 68,282 | \$ 50,812 | \$ (467) | \$ 118,627 |
| Total Right-to-Use SBITA Assets | 68,282 | 50,812 | (467) | 118,627 |
| Less Amortization | (29,300) | (31,418) | 310 | (60,408) |
| Total Amortization | (29,300) | (31,418) | 310 | (60,408) |
| Total Right-to-Use SBITA Assets, net of amortization | <u>\$ 38,982</u> | <u>\$ 19,394</u> | <u>\$ (157)</u> | <u>\$ 58,219</u> |

| | <u>Balance July 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2024</u> |
|--|---------------------------------|------------------|------------------|----------------------------------|
| Business-Type Activities | | | | |
| Right-to-Use SBITA Assets | \$ 874 | \$ 77 | \$ (246) | \$ 705 |
| Total Right-to-Use SBITA Assets | 874 | 77 | (246) | 705 |
| Less Amortization | (396) | (307) | 82 | (621) |
| Total Amortization | (396) | (307) | 82 | (621) |
| Total Right-to-Use SBITA Assets, net of amortization | <u>\$ 478</u> | <u>\$ (230)</u> | <u>\$ (164)</u> | <u>\$ 84</u> |

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (Continued)

| | <u>Balance</u> <u>July 1, 2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2024</u> |
|--|---------------------------------------|------------------|------------------|--|
| Governmental & Business-Type Activities | | | | |
| Total Right-to-Use SBITA Assets | \$ 69,156 | \$ 50,889 | \$ (713) | \$ 119,332 |
| Total Amortization | (29,696) | (31,725) | 392 | (61,029) |
| Total Net Right-to-Use SBITA Assets | <u>\$ 39,460</u> | <u>\$ 19,164</u> | <u>\$ (321)</u> | <u>\$ 58,303</u> |

The future principal and interest payments as of June 30, 2024, are as follows:

| <u>Fiscal Year Ended June 30</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|----------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2025 | \$ 20,539 | \$ 2,517 | \$ 99 | \$ 3 |
| 2026 | 9,201 | 1,666 | -- | -- |
| 2027 | 4,459 | 1,221 | -- | -- |
| 2028 | 3,041 | 1,019 | -- | -- |
| 2029 | 2,854 | 870 | -- | -- |
| 2030-2034 | 14,543 | 1,902 | -- | -- |
| Total | <u>\$ 54,637</u> | <u>\$ 9,195</u> | <u>\$ 99</u> | <u>\$ 3</u> |

14. LANDFILL SITE CLOSURE AND POSTCLOSURE CARE COSTS

State laws and regulations require OC Waste & Recycling to place final covers on its landfill sites when the landfills stop accepting waste, and to perform certain postclosure maintenance and monitoring functions at the site for a minimum of 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date each respective landfill stops accepting waste, OC Waste & Recycling reports a portion of these closure and postclosure care costs as an operating expense in each period based on the landfill capacity used as of the Statement of Net Position date.

OC Waste & Recycling owns or operates the following waste disposal sites:

- Frank R. Bowerman (FRB) (Irvine-Active)
- Olinda Alpha (Brea-Active)
- Prima Deshecha (San Juan Capistrano-Active)
- Santiago Canyon (Orange-Ceased accepting waste in 1996, final closure certification in 2005)
- Coyote Canyon (Newport Beach-Ceased accepting waste in 1990, final closure certification in 1995)

The total landfill closure and postclosure care liability at June 30, 2024, was \$208,952. The total liability represents the cumulative amount accrued based on the percentage of the active landfill capacities that have been used to date (40.49% for FRB, 95.83% for Olinda Alpha and 24.88% for Prima Deshecha), less actual costs paid related to both closure, and postclosure of the Santiago and Coyote Canyon landfills. OC Waste & Recycling will recognize the remaining estimated cost of closure and postclosure care of \$185,474 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2023 dollars (using the 2023 inflation factor of 1.036). OC Waste & Recycling has enough landfill capacity to operate the system for a minimum of 25 years. However, OC Waste & Recycling estimates that it intends to operate the landfills well beyond this period as a result of approved and planned expansions.

In compliance with Title 27-Environmental Protection of California Code of Regulations, OC Waste & Recycling makes cash contributions as required to its escrow funds to provide financial assurance for estimated future landfill closure costs based on the GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", formula which is adjusted annually by the Cal Recycle-provided CPI factor. Also, in compliance with regulations, OC Waste & Recycling has executed pledge-of-revenue agreements to provide financial assurance for estimated future landfill postclosure maintenance costs. The

14. LANDFILL SITE CLOSURE AND POSTCLOSURE CARE COSTS (Continued)

agreements state that OC Waste & Recycling pledges revenue from future gate fees deposited to pay for estimated postclosure maintenance or shall obtain alternative coverage within sixty (60) days if OC Waste & Recycling ceases at any time to retain control of its ability to allocate pledged revenue to pay postclosure maintenance costs. OC Waste & Recycling has proactively pre-funded this cost based on the State mandated formula that computes landfill capacity as a percentage of the total landfill capacity times the total estimated cost for postclosure maintenance. The estimated costs for future closure and postclosure maintenance are annually adjusted based on State provided inflation factors. The State mandated formula under which contributions to both closure and postclosure funds are calculated would provide for the accumulation of sufficient cash to cover all estimated costs when each landfill site reaches maximum capacity. If additional costs for closure or postclosure maintenance are determined due to changes in technology or higher regulatory requirements, these costs may need to be covered by increasing the amount charged to landfill customers.

As of June 30, 2024, a total of \$116,132 has been set aside for estimated closure and postclosure costs and is included in the accompanying Statement of Net Position as Restricted Pooled Cash and Investments-Closure and Postclosure Care Costs.

Regulations governing solid waste management are promulgated by government agencies on the federal, state and local levels. These regulations address the design, construction, operation, maintenance, closure and postclosure maintenance of various types of facilities, acceptable and prohibited waste types, and inspection, permitting, environmental monitoring and solid waste recycling requirements. Regulations at both the state and federal levels could impose retroactive liability, particularly with respect to cleanup activities relating to any landfill site ever operated by the County, whether or not owned by the County. Refer to Note 17, Pollution Remediation, for additional discussion regarding pollution remediation liabilities.

15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Encumbrances

The County has established a procedure for encumbering appropriations for purchase orders, contracts, and other commitments authorizing delivery of merchandise or rendering of services. An encumbrance system reduces the possibility of commitments being made in excess of budgeted appropriations due to the lag time between issuance of purchase orders, contracts, and other obligations, and the actual provision of services or goods and subsequent receipt of invoices and billings from the vendors and contractors. Depending on the source(s) of funding, encumbrances are reported as part of restricted or assigned fund balance on the governmental funds balance sheet. In accordance with GASB Statement No. 54, the County's total significant encumbrances for governmental funds in the aggregate are reported at June 30, 2024, as follows:

| | | |
|--|----|----------------|
| General Fund | \$ | 53,937 |
| Flood Control District | | 34,668 |
| Other Public Protection | | 3,407 |
| Countywide Capital Projects Non-General Fund | | 82,085 |
| Other Governmental Funds | | 122,731 |
| Total Encumbrances for Governmental Funds | \$ | <u>296,828</u> |

15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments

At June 30, 2024, the County's total commitments for major contracts entered into for equipment, intangible assets, land and structures and improvements were as follows, listed by fund within governmental or business-type activities:

| Project Title | Significant Commitments |
|--|--------------------------------|
| Governmental Activities: | |
| General Fund | |
| Harbor Patrol Bureau-Purchase and Repair of Boats/Boat Equipment | \$ 2,072 |
| | <u>2,072</u> |
| Flood Control District | |
| East Garden Grove-Wintersburg Channel Bridges at Warner Ave, Springdale St, Edwards St | 6,432 |
| | <u>6,432</u> |
| Other Public Protection | |
| Purchase of Fireboat | 1,478 |
| | <u>1,478</u> |
| Countywide Capital Projects Non-General Fund | |
| El Toro Emergency Medical Facility | 40,553 |
| OC CARES Housing for Transitional Aged Youth (TAY) | 24,167 |
| OC CARES Juvenile Corrections Campus-Phase 1 | 5,618 |
| OC CARES Coordinated Re-entry Facility | 1,724 |
| Manchester Office Building-Replace Two 150 Ton Chillers | 1,713 |
| County Operations Center Bldg. A Registrar of Voters Vote Center Training Site | 1,415 |
| Gates-Building Generator Replacement | 1,134 |
| | <u>76,324</u> |
| Other Governmental Funds | |
| OC Loop Carbon Creek Channel Segment D Bikeway Gap Closure | 12,589 |
| Mile Square Regional Park-Golf Course to Park Conversion Phase 2 | 8,712 |
| Dana Point Library-Tenant Enhancements | 5,994 |
| Aliso Viejo Library-Tenant Enhancements | 4,205 |
| OC Loop Coyote Creek Channel Segment O Bikeway | 3,456 |
| Crawford Canyon Park Development | 3,129 |
| Jail Security Electronic Control Systems Upgrade | 2,373 |
| Trabuco Creek Road Stabilization | 2,325 |
| Trabuco Canyon Bridge 55C-008 Replacement | 1,921 |
| Loma Ridge Emergency Generators Replacement | 1,862 |
| Gilbert St Improvements Phase II, Katella | 1,821 |
| Crawford Canyon Road Sidewalk Extension | 1,609 |
| Los Alamitos/Rossmoor Library-Tenant Enhancements HVAC and Roof | 1,133 |
| Modjeska Grade Road, Road and Drainage Improvements | 1,047 |
| | <u>52,176</u> |
| Internal Service Funds | |
| Purchase of Various Vehicles | 21,350 |
| | <u>21,350</u> |

15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments (Continued)

| Project Title | Significant Commitments |
|--|----------------------------|
| Business-Type Activities: | |
| Airport | |
| Facility Accessibility Improvements for Terminal Phase II | \$ 22,291 |
| Airport Power Generation & Distribution Upgrades | 15,125 |
| Elevator/Escalator Modernization and Refurbishment | 13,892 |
| Rental Car Reconfiguration | 5,691 |
| Taxiways A-D-E Reconstruction | 2,761 |
| Methacrylate Road Protection Coating | 2,671 |
| JWA Facilities Security Improvements | 2,294 |
| Various Equipment and Vehicles | 1,233 |
| | 65,958 |
| OC Waste & Recycling | |
| Prima Zone 4 Phase A Mass Excavation and Liner Project | 58,787 |
| Frank R. Bowerman Phase VIII-A1 Groundwater Protection and Stockpile Project | 16,883 |
| Frank R. Bowerman Sewer Line and Water Treatment System | 8,306 |
| | 83,976 |
| Total Commitments | \$ 309,766 |

In addition, the County is involved in the Santa Ana River Mainstem Project (SARMP). The SARMP is a major flood control project implemented and funded by the Federal government and three local sponsors—the Orange County Flood Control District (OCFCD), San Bernardino County Flood Control District, and Riverside County Flood Control and Water Conservation District. A component of the initial project has been re-designated as the Prado Dam Project (Project), which is being implemented and funded by the Federal Government and the OCFCD through a separate Project Cooperation Agreement (PCA). The purpose of the SARMP is to prevent devastating damage caused by large-scale flooding of the Santa Ana River flood plain. When the SARMP was initiated in 1989, the U.S. Army Corps of Engineers (COE) considered this flood plain to constitute the worst flood threat west of the Mississippi River as to potential impacts to population and property. The Project involves a combination of flood channel improvements and constructing new channels in Orange, San Bernardino, and Riverside counties, construction of the Seven Oaks Dam in San Bernardino County, construction of improvements and protection at the Santiago retention basin and along the creek, raising the existing Prado Dam and increasing its flood flow outlet gates and reservoir capacity, along with several environmental mitigation-related studies, habitat restoration and protection activities, recreation amenities, and preservation of historical sites and records.

The Santa Ana River Mainstem Project has been authorized by the State Legislature for reimbursement of up to 70% of the Local Sponsors' expenses through the State Flood Control Subvention Fund, which is administered by the Department of Water Resources (DWR). As of June 30, 2024, OCFCD has submitted \$446,556 in claims, and received \$436,977 in reimbursements. An additional \$6,069 in claims to DWR and \$20,320 reimbursement to DWR are in the process of being prepared for submittal to the DWR. Of the total amount outstanding, \$6,069 was reported as deferred inflows of resources at the fund level and recognized as revenue and \$20,320 was reported as due to other governmental agencies and recognized as expense in the government-wide financial statements. Once a claim is reviewed and approved by DWR, 90% of the eligible expenditures can be paid, subject to available funding, with the remaining 10% paid after an audit by the State Controller's Office.

The Prado Dam Project, a separable element of the Santa Ana River Mainstem Project, has been authorized for reimbursement of up to 100% of the Non-Federal Sponsors' eligible expenses through the Bipartisan Budget Act of 2018, which is administered by the Department of the Army. Non-eligible expenses will continue to be claimed from the State Flood Control Subvention Fund. As of June 30, 2024, OCFCD has submitted \$92,896 in claims, and received \$42,817 in reimbursements. An additional \$39,349 in claims is in the process of being prepared for

15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments (Continued)

submittal to the Department of the Army. Of the total amount outstanding, \$89,255 was reported as deferred inflows of resources at the fund level and recognized as revenue in the government-wide financial statements.

Once a claim is reviewed and approved by the Department of the Army, 100% of the eligible expenditures can be paid, subject to available funding. The Bipartisan Budget Act funded projects include River Road Dike, Alcoa Dike Phase 2, Norco Bluffs Slope Stabilization and Prado Spillway. The construction contract for the River Road Dike, Alcoa Dike Phase 2, and the Norco Bluffs contract have been awarded and construction has commenced. These three projects will be completed and turned over in 2025. The Spillway design is ongoing and will be advertised for construction in October 2024.

16. SELF-INSURANCE

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; unemployment; salary continuance; and providing health benefits to employees, retirees and their dependents. The County has chosen to establish ISFs where assets are set aside for claim settlements and judgments associated with such losses.

The Workers' Compensation ISF addresses the risks related to employee injury through its Safety Program, which is responsible for injury and illness prevention. The Workers' Compensation program ensures that all benefits are properly provided and administers the contract for the third-party workers' compensation claims administration. Workers' compensation claims are self-funded up to \$20,000.

The Property and Casualty Risk ISF is responsible for managing losses related to torts; theft of, damage to and destruction of assets, errors and omissions, civil rights claims, and natural disasters. Tort liability is also self-funded, up to \$5,000. Commercial insurance is purchased for property and other risk exposures. Excess liability insurance provides up to an additional \$30,000 in liability coverage. There were no losses that impacted the County's excess insurance coverage for the last three fiscal years. For information regarding the Airport Fire, refer to Note 22, Subsequent Events.

Independent actuarial studies are prepared annually for the Workers' Compensation and Property and Casualty Risk ISFs. The reported unpaid claims liabilities are based on the results of those annual actuarial studies and include case reserves, development of known claims, incurred but not reported claims, allocated loss adjustment expenses and unallocated loss adjustment expenses. Unpaid claims liabilities are calculated considering inflation, claims cost trends, including frequency and payout of settlements and judgments, interest earnings, and changes in legal and economic factors. Unpaid claims liabilities have been discounted at a rate of 3.00% in the Workers' Compensation ISF and 2.00% in the Property and Casualty Risk ISF to reflect anticipated future investment earnings.

All County departments and other governmental agencies authorized by the Board to participate in the Workers' Compensation ISF are charged for their pro-rata share of costs based upon employee classification rates, claims experience, and funding for the Workers' Compensation program. All County departments participate in the Property and Casualty Risk self-insurance program and are charged for their pro-rata share based upon claims experience, productive hours, and funding for the Property and Casualty Risk program. The rate calculations for Workers' Compensation and Property and Casualty Risk ISFs are based upon guidelines established by the State Controller's Office for cost plan allocations.

The County has established the Unemployment Insurance ISF, which covers all employees and is paid through the State of California; the County self-insured PPO Health Plans ISF, which provides health plan benefits; and the Health and Other Self-Insured Benefits ISF, which provides dental and short-term disability benefits for a portion of the County's employees and accidental death and dismemberment (AD&D) benefit for Reserve Deputy Sheriffs.

16. SELF-INSURANCE (Continued)

The County's Wellwise Choice, Wellwise Retiree, Sharewell Choice, and Sharewell Retiree PPO plans have no lifetime coverage maximum limitations. The dental insurance coverage is up to \$2,000 (absolute dollars) annually for each covered employee or dependent. The short-term disability insurance coverage is up to 12 months or when the employee returns to work, whichever occurs first. The self-insured AD&D benefit is for Reserve Deputy Sheriffs only and has a maximum benefit of \$5,000 (absolute dollars).

Changes in the balances of claims liabilities during the past two fiscal years for these self-insurance funds are as follows:

| | Workers' Compensation | Property & Casualty Risk | Unemployment Insurance | Health & Other Self-Insured Employee Benefits | Total |
|--|--------------------------|--------------------------------|---------------------------|--|-------------------|
| Unpaid Claims, Beginning of FY 2022-23 | \$ 166,787 | \$ 72,437 | \$ 704 | \$ 10,095 | \$ 250,023 |
| Claims and Changes in Estimates | 47,145 | 34,009 | 1,322 | 74,195 | 156,671 |
| Claim Payments | (40,165) | (28,667) | (1,263) | (73,905) | (144,000) |
| Unpaid Claims, End of FY 2022-23 | 173,767 | 77,779 | 763 | 10,385 | 262,694 |
| Claims and Changes in Estimates | 57,005 | 40,166 | 950 | 77,495 | 175,616 |
| Claim Payments | (41,470) | (29,291) | (1,016) | (78,762) | (150,539) |
| Unpaid Claims, End of FY 2023-24 | <u>\$ 189,302</u> | <u>\$ 88,654</u> | <u>\$ 697</u> | <u>\$ 9,118</u> | <u>\$ 287,771</u> |

17. POLLUTION REMEDIATION

GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," requires state and local governments to disclose to the public information about the financial impact of environmental cleanup and identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation. The County has identified several environmental sites at the Airport and OC Waste & Recycling for which a pollution remediation liability has been recorded in the County's financial statements. The following describes the nature of the obligating events and the estimated liability as they relate to the Airport and OC Waste & Recycling.

John Wayne Airport (Airport)

In 1988, the Airport was named as a responsible party in a cleanup and abatement order (CAO) issued by the Regional Water Quality Control Board (RWQCB). The CAO identified four sites on Airport property as having chemical impacts to soil and groundwater. Site investigation and remedial action activities were completed, and in 2003, the RWQCB issued No Further Action letters to the Airport for the sites except the Old Fuel Farm site.

At the Old Fuel Farm, site investigation activities were completed, and on-going remedial activities include removal of residual free hydrocarbon product and monitored natural attenuation of groundwater. Annual groundwater sampling and reporting is currently conducted at the Old Fuel Farm, and the reports are prepared and submitted to the RWQCB.

In 1993, hydrocarbon-impacted soils were documented following removal of two 1,000-gallon underground storage tanks (USTs) at Former Fire Station #33. Following over-excavation and off-site disposal of hydrocarbon-impacted soils, the Orange County Health Care Agency issued a Completion of Corrective Action Letter to the Airport in 1994 related to the UST removal activities. During geotechnical assessment activities conducted at Former Fire Station #33 in 1999, soils appearing to be impacted with hydrocarbons were encountered and the soil boring logs were submitted to the RWQCB. In 2002, the RWQCB requested that the Airport assess the presence and distribution of chemical impacts to soil and groundwater. Site investigation activities were conducted between 2002 and 2006, and on-going remedial activities include monitored natural attenuation of groundwater. Currently, semi-annual groundwater sampling and reporting is conducted at Former Fire Station #33, and the reports prepared are submitted to the RWQCB.

17. POLLUTION REMEDIATION (Continued)

John Wayne Airport (Airport) (Continued)

In 2009, a new estimated pollution remediation liability was calculated based on a more active method of remediation for each of the Old Fuel Farm and Former Fire Station #33 sites. Active remediation has been delayed pending further guidance from the RWQCB, which could possibly affect the estimated pollution remediation liability, as well as cause changes to the remedial technologies used to remediate the sites. As of June 30, 2024, the Airport has a liability of \$994 based on management’s assessment and the results of the consultant’s evaluation of potential remediation costs. The liability is not expected to decrease until active remediation begins or a closure plan is accepted by the RWQCB.

In 1995, the Airport entered into a Memorandum of Understanding (MOU) with one of its fixed-base operators (FBO) lessees to address the remediation of the Old Fuel Farm. The FBO was identified as the operator of the site and the other responsible party. The lessee agreed to be obligated to pay 50% of the remediation costs associated with the Old Fuel Farm site. Reported in the Proprietary Funds Statement of Net Position as part of accounts receivable, the total expected recovery for the Old Fuel Farm site is \$256 as of June 30, 2024.

The estimated pollution remediation obligation as of June 30, 2024, is:

| | | |
|--|-----------|------------|
| Old Fuel Farm Site | \$ | 785 |
| Former Fire Station #33 Site | | 692 |
| Less: Remediation Activity | | (483) |
| Airport Pollution Remediation Obligation | <u>\$</u> | <u>994</u> |

OC Waste & Recycling

Six closed sites were identified and the remediation costs and time periods were calculated for each of these sites based upon the type of remediation needed and historical trend data for closed landfill sites. The combined pollution remediation obligation as of June 30, 2024, after deducting actual pollution remediation expenses incurred during fiscal year 2024 is \$7,650.

Cannery Former Refuse Disposal Station A park owned by the City of Huntington Beach (Huntington Beach), California and an elementary school playground are located on a site that was formerly used as a refuse disposal station operated by the County from 1957 to 1969. Levels of methane gas that exceed regulatory limits were detected on the property.

The Local Enforcement Agency (LEA) issued a Notice and Order to Huntington Beach, requiring Huntington Beach to remedy the landfill gas exceedances and to control potential offsite migration of landfill gases. In response to the LEA’s Notice and Order, Huntington Beach and the Huntington Beach City School District (Huntington Beach School District) issued the Notices of Intent to Sue under the Resource and Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation, and Liability Act to the County in 2004. Under an agreement with the County, Huntington Beach, and Huntington Beach School District claims were tolled until June 2006.

The County, Huntington Beach, and Huntington Beach School District entered into a Settlement Agreement in 2007 whereby Huntington Beach would be responsible for maintaining the cover of the former disposal site and the County would assume responsibility for the collection and control of landfill gas.

Based on engineering estimates and existing contracts for the operation and maintenance of other disposal sites of a similar size, the age of the site, the length of time waste has been buried and other factors, the County anticipates that the landfill gas collection system will operate fully for 15 years from beginning of the obligation date. The cost to operate and maintain the landfill gas collection system at the site for the next fiscal year of operation is \$50. The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is \$61.

Lane Road Former Refuse Disposal Station The site, located in the City of Irvine, California and owned by NGP Realty Sub, L.P. and others, was leased and operated by the County as a refuse disposal facility from 1961 until

17. POLLUTION REMEDIATION (Continued)

OC Waste & Recycling (Continued)

Lane Road Former Refuse Disposal Station (Continued)

its closure in 1964. An investigation revealed that landfill gas was present above regulatory limits in close proximity to residential housing units. The LEA issued a Notice and Order to the property owner requiring them to remedy the landfill gas exceedances, and to control potential offsite migration of landfill gases. In response to the LEA's Notice and Order, a claim was filed with CEO Risk Management. The County entered into a Settlement Agreement with the property owner in 2005. Per terms of that Settlement Agreement, the County funded the construction of a landfill gas collection and control system, including a carbon treatment element, for the eastern portion of the site. After verification that the system was operating as planned, the County assumed ownership of the system and responsibility for its operation, maintenance and monitoring in 2008. Also in 2008, it was discovered that landfill gas was elevated in the northern portion of the site. Pursuant to the Settlement Agreement, the County designed and constructed an upgrade and enhancement to the existing landfill gas system to control landfill gas migration on the northern portion of the site.

Based on engineering estimates and existing contracts for the operation and maintenance of other similar disposal sites, the County anticipates that the landfill gas collection system will operate fully for 25 years from beginning of the obligation date, then will most likely either no longer be required or will be converted to a passive system. The cost for the operation, maintenance and monitoring of the system was highest in the first full year of operation when the carbon canisters needed more regular replacement. For each subsequent year of operation, the cost will be reduced due to less frequent carbon swapping and due to anticipated alternative monitoring requirements. The cost to operate and maintain the landfill gas collection system at the site for the next fiscal year of operation is \$248. The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is \$595.

San Joaquin Former Refuse Disposal Station The site, owned by the University of California at Irvine (UC Irvine), was leased and operated by the County as a refuse disposal facility from 1954 to 1961. In 1996, a portion of the site was sold to the U.S. Food and Drug Administration. Levels of methane gas that exceed regulatory limits were detected on the property. As both parties expressed an interest in avoiding costly litigation, the County entered into negotiations to cooperatively address site concerns, resulting in a Cooperative Agreement with UC Irvine that was approved by the Board in May 2008. Pursuant to the Cooperative Agreement, the County constructed a landfill gas collection and control system, including a carbon treatment element.

The County retains responsibility for the operation, maintenance, and monitoring of that system. Based on engineering estimates and existing contracts for the operation and maintenance of similar disposal sites, the County anticipates that the landfill gas collection system will operate fully for 15 years from beginning of the obligation date. The cost to operate and maintain the landfill gas collection system at the site for the next fiscal year of operation is \$140. The remaining obligation for landfill gas remediation at the San Joaquin site over the anticipated operational period is \$140.

Forster Former Refuse Disposal Station The site, located in the City of San Juan Capistrano (San Juan Capistrano), California, was formerly leased and operated as a refuse disposal station by the County from 1958 to 1976. The current owner, Advanced Group 99-SJ, is proposing a change in land use for the property and has notified the County of its position that the County is responsible for re-closure of the site to meet current commercial and redevelopment requirements. The County disputes responsibility for site development related costs. In early 2010, San Juan Capistrano approved the proposed project and certified the Environmental Impact Report (EIR). The EIR was a subject of a citizen's referendum that ultimately resulted in affirmation of the proposed project. Subsequent to San Juan Capistrano approval of the proposed development plan, Advanced Group 99-SJ and the County entered into negotiations to resolve issues related to environmental responsibility at the site. These negotiations resulted in a settlement agreement and release of claims, brought about by a threat of litigation over the CEQA approvals. The settlement and release will permit the development of the site, with monies paid by the County for environmental controls to be installed at the site, an operation and maintenance fund and for environmental insurance, subject to conditions such as obtaining grading permits for

17. POLLUTION REMEDIATION (Continued)

OC Waste & Recycling (Continued)

Forster Former Refuse Disposal Station (Continued)

the site for its actual development. In exchange, indemnification and environmental releases were provided by the developer to the County.

The obligation by the County for environmental infrastructure and controls at the site as agreed upon in the Settlement Agreement is \$7,500. The entire sum is anticipated to be released within five years from the approval of the project grading permits, but is dependent upon actions by the owner and regulatory approvals for the project. The County will continue to incur additional costs for work related to the County's current obligation to monitor the groundwater underlying the site. This responsibility will be transferred to the site owner upon completion of one of the settlement agreement milestones, but due to the uncertainty of specific timing, the County is unable to fully estimate the remaining ground water obligations as of June 30, 2024.

The remaining balance for landfill gas remediation at the Forster site is \$3,000 as of June 30, 2024. Distribution of these funds will occur over time, based on specific milestones in the development of the site.

Yorba Refuse Disposal Station The site, located in Orange, California (Orange), was owned and operated as a solid waste disposal site by the County. After disposal operations ceased, the site was sold to Orange for use as a city park. Park deed restrictions were later lifted from the property at the request of the city, which then began investigation into some form of commercial application or development at the site. In 2010, the Orange Redevelopment Agency filed suit against the City of Orange. The Complaint alleged various causes of action, including those for private nuisance, public nuisance, dangerous condition of property and statutory contributions for hazardous substances, and a Porter-Cologne contribution and for Polanco Redevelopment Act cost recovery. The relief sought is for unknown costs and damages. In turn, Orange filed a cross-complaint against the County. The causes of action alleged include indemnity and/or contribution, declaratory relief, hazardous substance account act indemnity and remedies under the Porter-Cologne Act.

The County and Orange entered into negotiations to resolve the issues brought forth by Orange. The negotiations resulted in a settlement agreement and release of claims executed on November 5, 2015. This settlement agreement and release of claims provides a remedy for the differential settlement or subsidence, to replace the irrigation system, and for costs associated with site maintenance with monies paid for by the County. In addition, effective on the date of the agreement, the County assumed responsibility and ownership of the landfill gas control system at the site. In exchange, indemnification has been provided by Orange to the County. Based on engineering estimates and existing contracts for the operation and maintenance of other similar disposal sites, the County anticipates that the landfill gas collection system will operate fully for 30 years from beginning of the obligation date, then will most likely either no longer be required or will be converted to a passive system. The cost for the operation, maintenance and monitoring of the system was highest in the first full year of operation when the system needed upgrades and relocation of critical equipment. For each subsequent year of operation, the cost will be reduced due to less frequent carbon swapping and due to anticipated alternative monitoring requirements. The cost to operate and maintain the landfill gas collection system at the site for the next fiscal year of operation will be \$184. The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is \$3,854 as of June 30, 2024.

The estimated pollution remediation obligation as of June 30, 2024, is:

| | | |
|---|-----------|--------------|
| Cannery Former Refuse Disposal Station | \$ | 61 |
| Lane Road Former Refuse Disposal Station | | 595 |
| San Joaquin Former Refuse Disposal Station | | 140 |
| Forster Former Refuse Disposal Station | | 3,000 |
| Yorba Refuse Disposal Station | | 3,854 |
| OC Waste & Recycling Pollution Remediation Obligation | <u>\$</u> | <u>7,650</u> |

18. RETIREMENT PLANS

The County participates in a number of pension plans. The OCERS plan and Extra-Help Defined Benefit plan are cost-sharing multiple-employer defined benefit pension plans. The County of Orange 401(a) and County of Orange 1.62% at 65 Retirement 401(a) plans are defined contribution plans. A summary of pension amounts for the County's defined benefit plans at June 30, 2024, is presented below:

| | OCERS | Extra-Help Defined Benefit Plan | Total |
|---|--------------|---------------------------------------|--------------|
| Deferred Outflows of Resources Related to Pension | \$ 1,044,428 | \$ 62 | \$ 1,044,490 |
| Net Pension Liability/(Asset) | 4,062,273 | (33) | 4,062,240 |
| Deferred Inflows of Resources Related to Pension | 83,462 | - | 83,462 |
| Pension Expense/(Credit) | 379,591 | (871) | 378,720 |

For further information on the deferred outflows and inflows of resources related to pension refer to Note 20, Deferred Outflows and Inflows of Resources.

Orange County Employees Retirement System (OCERS)

Plan Description: Substantially all County employees participate in OCERS, a cost-sharing multiple-employer public employee retirement system established by the voters of Orange County in 1945 pursuant to the County Employees Retirement Law of 1937, CGC Section 31451 et. seq. (the Retirement Law). OCERS is an independent defined benefit retirement plan in which employees of the County, Orange County Superior Court, and employees of certain cities and special districts within the County participate. OCERS is governed by the Board of Retirement (the OCERS Board). Certain attributes of independence of OCERS are guaranteed under the California Constitution. The OCERS Board consists of nine regular members and one alternate. Four OCERS Board members are appointed by the Board, three members plus one alternate are elected from active County employees, one member is elected from retirees, and the elected County Treasurer-Tax Collector serves as an Ex-Officio member.

The OCERS Board supervises the investment of OCERS assets and the distribution of benefits to retired employees. The OCERS Board also determines the annual contributions required of the County and other participating local governmental entities to fund OCERS.

The Retirement Law requires an actuarial valuation to be performed at least once every three years. OCERS' practice has been to conduct an actuarial valuation annually as of December 31, which is OCERS' year end.

OCERS operates as a cost-sharing multi-employer defined benefit pension plan for the County, Orange County Superior Court of California, City of San Juan Capistrano, and ten special districts: Orange County Cemetery District, First 5 Orange County, Orange County Department of Education, Orange County Employees Retirement System, Orange County Fire Authority, Orange County In-Home Supportive Services Public Authority, Orange County Local Agency Formation Commission (LAFCO), Orange County Public Law Library, Orange County Sanitation District, Orange County Transportation Authority, Transportation Corridor Agencies and the University of California, Irvine Medical Center and Campus. The Orange County Department of Education and the University of California, Irvine Medical Center and Campus are closed to new member participation. Capistrano Beach, Cypress Recreation & Parks District, Orange County Mosquito and Vector Control and City of Rancho Santa Margarita are no longer active plan sponsors, but retired members and their beneficiaries, as well as deferred members, remain in the System. OCERS is legally and fiscally independent of the County. However, it is presented as a fiduciary component unit of the County based on GASB Statement No. 84 guidelines.

Benefits Provided: OCERS provides for retirement, death, disability, and cost-of-living benefits. Under OCERS, each County employee receives a defined-benefit pension at retirement, that is, a specific amount per month determined in accordance with the Retirement Law, which amount is not dependent upon the amount of money credited to the employee's account at the time of retirement. An OCERS member may be eligible for a Disability

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Benefits Provided (Continued)

Retirement allowance. The member will be asked to designate a beneficiary or beneficiaries, who may be entitled to receive lifetime and/or lump sum benefits that may be payable upon a member's death. OCERS also provides two types of disability benefits, a nonservice-connected disability retirement or service-connected disability retirement. Under each type, the eligibility requirements are different. More information can be found on www.ocers.org. The OCERS Board does not set the benefit amounts. OCERS administers benefits that are set by the County Board through the collective bargaining process with County employees in accordance with the Retirement Law.

Effective June 28, 2002, Safety members, including Probation Services employees, became eligible for an annual annuity equal to a retirement benefit formula of 3% of the member's "final compensation" for each year of service rendered at age 50. Law enforcement management, which includes executives in the Sheriff-Coroner and District Attorney departments, and employees represented by the Association of Orange County Deputy Sheriffs hired after April 9, 2010, receive an annual annuity equal to a retirement benefit formula of 3% of the member's "final compensation" for each year of service rendered at age 55.

Effective July 1, 2005, as part of collective bargaining agreements with County employees, most General members who work for the County (approximately 14,000) became eligible for an enhanced annual annuity equal to a retirement benefit formula of 2.7% of the member's "final compensation" for each year of service rendered at age 55. In collective bargaining agreements with General members, the employee associations agreed to pay the increased retirement costs related to the difference between the prior retirement benefit formulas and the new 2.7% at age 55 enhanced formula, as well as the annual amortization of the unfunded liability created by the retroactive application of the increased benefit. Members of the American Federation of State, County and Municipal Employees (AFSCME) did not elect the 2.7% at age 55 retirement formula and remain at the previous benefit formulas. The benefit formulas for AFSCME are an annual annuity equal to 2% of the member's "final compensation" for each year of service rendered at age 57.5 for Tier II General members. Due to the passage of the Public Employees' Pension Reform Act (PEPRA) of 2013, most new employees hired on or after January 1, 2013, except for Safety members and members represented by AFSCME and the Orange County Attorneys Association (OCAA), will receive an annual annuity equal to a retirement benefit formula of 1.62% of the member's "final compensation" for each year of service rendered at age 65. The 1.62% at age 65 retirement formula includes a voluntary defined contribution component with an employer match.

Non-vested Supplemental Targeted Additional Retiree Cost of Living Adjustment (STAR COLA) benefits are also paid by OCERS to eligible retirees and survivors. Pursuant to CGC Section 31874.3 of the Retirement Law, the OCERS Board has the sole authority to grant STAR COLA each year. The OCERS Board understands that granting STAR COLA may increase the Unfunded Actuarial Accrued Liability (UAAL); and therefore, asks for comments from plan sponsors prior to voting on approval of the annual benefit.

Retirees who have lost more than 20% of their purchasing power since retirement are eligible for this benefit, and currently, approximately 141 retirees (of which 129 are County retirees) who retired on or before April 1, 1981, and their survivors receive the STAR COLA. The STAR COLA benefits are excluded from the actuarial valuation and are funded annually through current employer contributions. Benefits are considered immaterial to the plan.

Contributions: In accordance with various Board resolutions, the County's funding policy is to make periodic contributions to OCERS in amounts such that, when combined with employee contributions and investment income, will fully provide for member benefits by the time they retire. Covered employees are required to contribute a percentage of their annual compensation to OCERS as a condition of employment. Base employee contributions are calculated using a formula defined in the Retirement Law. The California Supreme Court's 1997 Ventura decision stated that, for the purpose of calculating pension benefits, "final compensation" means not only base salaries, but also other components. The County employee contributions under current contracts are calculated on base salary, eligible premium pay, and some categories of overtime as defined in the 1997 Ventura decision.

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Contributions (Continued)

Employer contributions are based on what is needed to properly fund the system. The law, however, does allow employers and employees to negotiate some variation in who pays the contributions. OCERS' responsibility is to make certain the total required contribution is paid, regardless of how the employers and employees share the cost. For FY 2023-24, employer's contributions for funding purpose, as a percentage of covered payrolls, were 37.69% for General members, 58.70% for Safety-Law Enforcement members and 52.95% for Safety-Probation members, as determined by the December 31, 2021, actuarial valuation. The County's total contribution to OCERS for the year ended June 30, 2024 was \$596,348.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension: At June 30, 2024, the County reported a liability of \$4,062,273 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined using actuarial valuation results. At December 31, 2023, the County's proportion was 83.81%, which was an increase of 0.89% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the County recognized pension expense of \$379,591. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Governmental Activities | Airport | OC Waste & Recycling | Total |
|---|----------------------------|------------------------|-------------------------|----------------------------|
| Deferred Outflows of Resources Related to Pension per Actuarial Studies | | | | |
| Net Difference Between Projected and Actual Investment Earnings | | | | |
| on Pension Plan Investments | \$ 293,696 | \$ 3,202 | \$ 3,565 | \$ 300,463 |
| Difference Between Expected and Actual Experience | 239,962 | 2,080 | 2,497 | 244,539 |
| Changes of Assumptions | 151,748 | 1,286 | 1,869 | 154,903 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 10,199 | 87 | 121 | 10,407 |
| Deferred Outflows of Resources Related to Pension - Employer Contributions after Measurement date | <u>327,825</u> | <u>2,236</u> | <u>4,055</u> | <u>334,116</u> |
| Total Deferred Outflows of Resources Related to Pension | <u>\$ 1,023,430</u> | <u>\$ 8,891</u> | <u>\$ 12,107</u> | <u>\$ 1,044,428</u> |
| Deferred Inflows of Resources Related to Pension per Actuarial Studies | | | | |
| Difference Between Expected and Actual Experience | \$ 27,944 | \$ 508 | \$ 835 | \$ 29,287 |
| Changes of Assumptions | 37,480 | 507 | 631 | 38,618 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 15,268 | 131 | 158 | 15,557 |
| Total Deferred Inflows of Resources Related to Pension | <u>\$ 80,692</u> | <u>\$ 1,146</u> | <u>\$ 1,624</u> | <u>\$ 83,462</u> |

\$334,116 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. For further information on the deferred outflows and inflows of resources related to pension refer to Note 20, Deferred Outflows and Inflows of Resources.

In September 1994, the County issued \$320,000 of pension obligation bonds, of which \$318,000 in proceeds were paid to OCERS. OCERS maintains the proceeds in a County Investment Account. Amounts in the County Investment Account have been used to fund a portion of the County's contributions over time, pursuant to agreements between OCERS and the County, which allows the County significant discretion in applying the credit. As of June 30, 2024, \$150,393 of such proceeds remains in the County Investment Account available for future credits to the County's pension obligations. For the year ended June 30, 2024, the County utilized \$10,000 in funds available in the County Investment Account to pay a portion of the contributions.

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Amounts provided by OCERS' actuarial study reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

| | | |
|----------------------|----|----------------|
| Year ending June 30: | | |
| 2025 | \$ | 43,621 |
| 2026 | | 187,532 |
| 2027 | | 445,194 |
| 2028 | | (71,795) |
| 2029 | | 22,298 |
| Total | \$ | <u>626,850</u> |

Actuarial Assumptions: The actuarial assumptions included a 2.50% inflation rate, 3.90% to 8.00% projected salary increases to general members and 4.50% to 15.00% to safety members, and a 7.00% investment rate of return, net of investment expense. The mortality assumptions used were based on the results of the actuarial experience study for the period of January 1, 2020, through December 31, 2022, using the Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional mortality improvement scale MP-2021.

Discount Rate: The discount rate used to measure the total pension liability was 7.00%, the long-term expected rate of return on pension plan investments. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the actuarially determined contribution rates.

According to paragraph 30 of GASB Statement No. 68, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expenses. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 13 basis points. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. The difference is not material to the County's financial statements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage adding expected inflation and deducting expected investment expenses and a risk margin.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Discount Rate (Continued)

| <u>Asset class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Global Equity | 45.00% | 7.05% |
| Investment Grade Bonds | 9.00% | 1.97% |
| High Yield Bonds | 0.50% | 4.63% |
| TIPS | 2.00% | 1.77% |
| Emerging Market Debt | 0.50% | 4.72% |
| Long-Term Government Bonds | 3.30% | 2.82% |
| Real Estate | 3.00% | 3.86% |
| Private Equity | 15.00% | 9.84% |
| Private Credit | 3.50% | 6.47% |
| Value Added Real Estate | 3.00% | 7.38% |
| Opportunistic Real Estate | 1.00% | 9.74% |
| Energy | 2.00% | 10.89% |
| Infrastructure (Core Private) | 1.00% | 5.98% |
| Infrastructure (Non-Core Private) | 3.00% | 8.88% |
| Global Macro | 1.70% | 3.17% |
| CTA - Trend Following | 3.30% | 3.15% |
| Alternative Risk Premia | 1.70% | 3.24% |
| Special Situations Lending | 1.50% | 8.96% |
| Total | 100.00% | |

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | <u>1% Decrease (6.00%)</u> | <u>Current Discount Rate (7.00%)</u> | <u>1% Increase (8.00%)</u> |
|---|------------------------------------|--|------------------------------------|
| County's proportionate share of the net pension liability | \$ 6,780,264 | \$ 4,062,273 | \$ 1,840,387 |

Pension Plan Fiduciary Net Position: OCERS issues an audited stand-alone annual financial report for each year ending December 31. Detailed information about the pension plan's fiduciary net position is available and can be obtained online at www.ocers.org, in writing to the Orange County Employees Retirement System, P.O. Box 1229, Santa Ana, CA 92702, or by calling (714) 558-6200.

County Administered Plans

Extra-Help Defined Benefit Plan

Plan Description: The plan is a cost-sharing multiple-employer defined benefit retirement plan for employees working less than half-time or as extra-help for the County and six (6) other cost-sharing agencies. Eligible employees of this plan are not covered by OCERS or Social Security. Initially, the normal retirement benefits for a participant who retired on or after the normal retirement date was a monthly amount equal to one-twelfth of 2% of the participant's career earnings during the final 30 years of service credited under the Plan. There are no automatic cost-of-living adjustment (COLA) increases and no ad hoc COLAs have ever been granted. The current benefit for a participant who terminates or retires after November 20, 2008, is a lump sum payment, which is the greater of the actuarial equivalent of the participant's frozen accrued monthly benefit or the

18. RETIREMENT PLANS (Continued)

County Administered Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Plan Description (Continued)

participant's contribution plus interest earnings. The normal retirement date is the first day of the month coinciding with or immediately preceding a participant's 65th birthday.

The plan was adopted to comply with the Omnibus Budget Reconciliation Act of 1990. The Board has full authority to amend or establish plan or benefit provisions at any time in accordance with the plan. The County is the named fiduciary and has the duty and full power to administer the plan. The Chief Financial Officer of the County is the trustee of the plan and has authority over the management and investment of plan assets.

The plan was adopted in January 1992 and was closed to new participants as of February 28, 2002. This plan subsequently froze benefit accruals and stopped collecting employee contributions effective November 21, 2008. As of that date, the normal retirement benefit was changed to a single lump sum distribution equal to the greater of the participant's account balance or the present value of their normal retirement benefit. As of June 30, 2024, the plan consists of 11 active plan participants, 149 terminated plan participants entitled to but not yet receiving benefits, and 33 retirees receiving benefits.

The plan financial statements are prepared using the accrual basis of accounting. County contributions are recognized in the period in which contributions are due, pursuant to the plan documentation and as may be required by statutory requirements. The benefits paid to participants and refunds of prior contributions are recognized when due and payable, in accordance with the terms of the plan.

The County charges a benefits administration fee to County agencies, which funds the cost of administering all of the County benefit programs, including the Extra-Help Defined Benefit Retirement Plan. The Empower Retirement Investment management fee is an annual asset-based fee of 8.5 basis points (each basis point is one hundredth of a percent).

Contributions: The County has the authority to determine plan contributions. GASB Statement No. 67, "*Financial Reporting for Pension Plans*," requires the County to have an actuarial valuation performed at least biennially to determine the plan's total pension liability. This valuation is currently performed biennially. The plan's total pension liability was calculated using the data as of July 1, 2023, rolled forward to June 30, 2024, using actual benefit payments for FY 2023-24. In both the 2023 valuation and the 2024 roll forward calculations the actuarial assets are valued at fair value. Because plan benefits are frozen, the actuary has determined the County's actuarially determined contribution using the projected unit credit method and a 5-year rolling amortization of the Unfunded Actuarial Accrued Liability. Based on the plan actuary's advice, the County determines the amount necessary for contribution to the plan. Since the plan's inception, the County and six (6) cost-sharing agencies have contributed \$8,290. For the year ended June 30, 2024, the County and six (6) cost-sharing agencies contributed \$160. The County's proportionate share of the contribution was \$157.

Plan participants do not contribute to the fund effective November 21, 2008, (the date of the freeze). Note that effective November 21, 2008, there is no normal cost due to the plan freeze.

Investment policy: The County has sole authority for establishing and amending the plan's investment policy and allocation of the invested assets. The plan's policy in regard to the allocation of invested assets may be established and amended by the plan's Trustee. The plan may invest in bonds, mortgages, notes, common or preferred stock, mutual funds, or other securities, policies of life insurance, annuity contracts, or property (real, bank deposits, or retain in cash or other property). The allocation policy with the target asset class and allocation is set forth in the investment policy.

Concentrations: Empower is the record keeper for the investments. The plan has stated its assets at fair value based on information provided by Empower Retirement.

18. RETIREMENT PLANS (Continued)

County Administered Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Discount Rate: For the year ended June 30, 2024, the annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was 9.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the total pension liability was 4.75%, the same as the long-term expected rate of return on plan assets.

In accordance with paragraph 30 of GASB Statement No. 68, the long-term discount rate was determined without reduction for pension plan administrative expense.

The long-term expected rate of return on plan investments was determined using a building-block method equal to the expected future real rate of return on the investment with Empower Retirement plus expected inflation, rounded to the nearest 0.25%. The target investment allocation is 33% equities and 67% fixed income. The best estimate of the long-term expected geometric real rate of return for the equities and fixed income (net of investment expense and inflation) are 4.29% U.S. equity, 4.55% U.S. small cap equity, 4.49% non-U.S. equity, 0.78% U.S. fixed income, and 0.46% global fixed income.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions: The components of the collective net pension liability of the County and the six (6) cost-sharing agencies at June 30, 2024 were as follows:

| | | | |
|---|--|----|---------|
| Total Pension Liability | | \$ | 4,189 |
| Plan's Fiduciary Net Position | | | (4,227) |
| Plan's Net Pension Liability/(Asset) | | | (38) |
| | | | |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | | | 100.91% |

The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of July 1, 2023, and rolled forward to the measurement date of June 30, 2024. The County's proportionate share of the June 30, 2024, net pension liability/(asset) is (\$33). The County's proportion of 98.12% is based on an employer contribution allocation and has not changed since June 30, 2015.

For the year ended June 30, 2024, the County recognized pension expense/(credit) of (\$871). At June 30, 2024, the County reported deferred outflows of resources of \$62, which represents the aggregated net difference between projected and actual earnings on plan investments.

| | Governmental Activities | Airport | OC Waste & Recycling | Total |
|--|----------------------------|-------------|-------------------------|--------------|
| Deferred Outflows of Resources Related to Pension per Actuarial Studies | | | | |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | \$ 61 | \$ - | \$ 1 | \$ 62 |
| Total Deferred Outflows of Resources Related to Pension | \$ 61 | \$ - | \$ 1 | \$ 62 |

18. RETIREMENT PLANS (Continued)

County Administered Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions (Continued)

The deferred outflows and inflows of resources related to this pension plan will be recognized as pension expense/(credit) for the County as follows:

| | | |
|----------------------|----|-----------|
| Year ending June 30: | | |
| 2025 | \$ | 17 |
| 2026 | | 117 |
| 2027 | | (41) |
| 2028 | | (31) |
| Total | \$ | <u>62</u> |

Actuarial Assumptions: The total pension liability based on the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement: (a) 2.50% inflation, (b) 4.75% investment return, (c) the 417(e) lump sum mortality table used for ERISA-governed plans and the 30-year Treasury rate with a look-back month of November grading into the long-term assumption of 4.50%, and (d) PubG-2010 Healthy Retiree Mortality Table (Amount -Weighted, Above Median) x 105% for females projected generationally with mortality improvement Scale MP-2021. This plan does not have a salary increase assumption or post-retirement benefit increase assumption as these factors do not impact the benefits of this frozen plan.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the collective plan and the County’s proportionate share, calculated using the discount rate of 4.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.75%) or 1-percentage-point higher (5.75%) than the current rate:

| | 1% Decrease (3.75%) | Current Discount Rate (4.75%) | 1% Increase (5.75%) |
|------------------------------|---------------------------|-------------------------------------|---------------------------|
| Collective plan | \$ 102 | \$ (38) | \$ (150) |
| County’s proportionate share | \$ 100 | \$ (33) | \$ (147) |

Extra-Help Defined Contribution Plan

Plan Description: Effective March 1, 2002, as amended and restated on February 10, 2015, the Board established the Extra-Help Defined Contribution Plan to replace the Extra-Help Defined Benefit Retirement Plan for (a) new employees hired on or after March 1, 2002, and supplements the benefits of the Extra-Help Defined Benefit Retirement Plan for employees hired prior to March 1, 2002, and (b) effective February 10, 2015, employees hired on or after such date (i) who attained age 60 by such hire date, (ii) who waive membership in the OCERS, do not have funds on deposit with OCERS and otherwise meet the requirements under OCERS’ regulations and state law to waive membership in OCERS, (iii) whose employer has signed the OCERS Employer’s Concurrence-Waiver of Membership form or any other documents that may be required by OCERS, and (iv) who sign the OCERS Employees’ Waiver of Membership form and provide any other documents required by OCERS to waive membership. Eligible employees of this plan are not covered by OCERS or Social Security. This plan is a tax-deferred retirement plan, established in accordance with IRC Sections 457 and 3121 and is intended to comply with the Omnibus Budget Reconciliation Act of 1990 and meet the requirements to be a Social Security replacement plan. The Board has the authority to amend the plan. As of June 30, 2024, there were 8,257 participants with a balance in the plan, with 3,110 participants actively contributing to the plan as of the end of June payroll.

18. RETIREMENT PLANS (Continued)

County Administered Plans (Continued)

Extra-Help Defined Contribution Plan (Continued)

Plan Description (Continued)

The plan is intended for retirement and funds may not be withdrawn until participants have separated from the County. The plan benefits for a participant who separates from service with the County or retires on or after the normal retirement date will be dependent upon the accumulated value of individual contributions and investment return.

If a participant's employment status changes from a part-time or extra-help employee to a permanent full-time employee or a part-time employee working 20 hours or more per week, those participants may elect to transfer the balance to the County's Section 457 Defined Contribution Plan or leave the balance in the plan until they are no longer employed with the County.

Funding Policy: Participants in the plan are required to contribute 7.5% of compensation each pay period. The contributions are invested in the County's Stable Value Fund offered through Empower Retirement, which is designed to protect principal and maximize earnings. Empower Retirement serves on behalf of the County as the third party administrator of the plan. The County established a trust to hold the plan assets, and Empower Retirement administers the plan at the will and approval of the County. In the current fiscal year, there was no additional contribution made by the County and total employee contributions were \$1,149. As of June 30, 2024, total plan assets were \$11,290.

Administrative Cost: There is an annual administrative fee of 0.16% charged to participants (at a monthly rate of 0.013%), which is capped for account balances at \$125. Each month participant fees are based on the average daily balance of their account(s) over a 30-day period, and are reflected on participants' quarterly statements. No employer-level fees are charged for the plan.

County of Orange 401(a) Defined Contribution Plan

Plan Description: Effective January 1, 1999, as amended and restated on March 24, 2015, the Board established the County 401(a) Plan for the benefit of eligible employees, elected officials, which includes members of the Board, certain executive managers, certain administrative managers once classified as confidential and grandfathered into the plan, attorneys represented by the Orange County Attorney's Association, and certain other employee classifications as defined in the plan document. The Board also has the authority to amend the plan. The plan was closed to the attorneys effective June 24, 2005. The plan was closed to new administrative managers and all grandfathered administrative managers effective June 23, 2016, and December 28, 2012, respectively. The plan is intended for retirement and funds may not be withdrawn until participants have separated from the County. The plan benefits for a participant who separates from service with the County or retires on or after the normal retirement date will be dependent upon the accumulated value of individual contributions and investment return. As of June 30, 2024, the plan had 586 participants with a balance in the plan, with 281 participants actively contributing to the plan as of the end of June payroll.

Funding Policy: This plan is a defined contribution plan funded entirely by employer contributions. County contributions to the plan vary according to employee classification and range from 4% to 8% of bi-weekly compensation. An additional 1.5% is contributed on behalf of Elected Officials who choose not to participate in OCERS. Total contributions for the fiscal year ended June 30, 2024, were \$1,423 by the County and zero by the employees.

As previously described, Empower Retirement serves on behalf of the County as the third party administrator of the plan. The plan is reported as a fiduciary activity as the County has control of the assets. Contribution to the plan defaults to the County's Stable Value Fund upon initial enrollment, which is offered through Empower Retirement and designed to generate a stable yield while preserving the investor's principal. Once enrolled, plan participants may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the plan. A small percentage of participants self-direct. As of June 30, 2024, total plan assets were \$24,556.

18. RETIREMENT PLANS (Continued)

County Administered Plans (Continued)

County of Orange 401(a) Defined Contribution Plan (Continued)

Administrative Cost: There is an annual administrative fee of 0.16% charged to participants (at a monthly rate of 0.013%) which is capped for account balances at \$125. There is an additional \$9 (absolute dollars) flat fee per year, which is a monthly fee \$0.75 (absolute dollars) charged to each participant. Each month participant fees are based on the average daily balance of their account(s) over a 30-day period and are reflected on participants' quarterly statements. No employer-level fees are charged for the plan.

County of Orange - 1.62% at 65 Retirement, 401(a) Defined Contribution Plan

Plan Description: On April 20, 2010, the Board approved and adopted the resolution implementing the "1.62% at 65" OCERS retirement formula for certain eligible employees. Effective May 7, 2010, as amended and restated on July 1, 2011, the Board approved the County 1.62% Defined Contribution Plan for the benefit of employees in the "1.62% at 65" OCERS retirement formula. The 1.62% Defined Contribution Plan is a combination governmental 457(b) and 401(a) retirement plan. Employee contributions are deposited into a 457(b) plan and employer-matching contributions are deposited into a 401(a) plan. Participation in the 1.62% Defined Contribution Plan is strictly voluntary. Employees are auto enrolled into the Plan and are given the option to opt out. It is designed to supplement the "1.62% at 65" OCERS retirement formula. Only employees in the "1.62% at 65" OCERS retirement formula are eligible to participate in the 1.62% Defined Contribution Plan.

On September 12, 2012, the Governor signed the PEPRA of 2013. PEPRA created a new pension retirement formula, commonly referred to as 2% at 62 retirement formula, for all new non-safety public employees hired on or after January 1, 2013. PEPRA also allowed a public employer to continue to offer another retirement formula, if offered before December 31, 2012, to new public employees if the retirement formula has a lower benefit factor at normal retirement age and results in a lower normal cost than the 2% at 62 PEPRA retirement formula. On December 18, 2012, the Board approved and adopted the "1.62% at 65" OCERS retirement formula for certain general (non-safety) public employees hired on or after January 1, 2013.

The Board has the authority to amend the plan. The plan is intended to comply with the requirements of IRC Section 401(a) and is intended for retirement. Matching employer contributions are determined by the County and approved by the Board, as stipulated in the Participants' bargaining units Memorandum of Understanding (MOU) or Personnel and Salary Resolution, as applicable. Employer contributions vest on employees' behalf after five years of continuous service with the County. For the purposes of eligibility and vesting, year of service means a 12-consecutive-month period during which the employee completes at least 2,080 hours of service, exclusive of overtime. If the employee leaves employment with the County prior to the vesting period, the employee will only be entitled to the employee contributions to the plan.

Funds may not be withdrawn until participants have separated from the County. The plan benefits for a participant who separates from service with the County or retires on or after the early or normal retirement date will be dependent upon the accumulated value of individual contributions and investment return. As of June 30, 2024, the plan had 7,739 participants with a balance in the plan, with 6,051 participants actively contributing to the plan as of the end of June payroll.

Funding Policy: This plan is a defined contribution plan funded entirely by employer contributions. As of July 1, 2020, the County provides up to a 2% match per pay period of the employee's voluntary contribution to the IRC Section 457 element of the 1.62% Defined Contribution Plan. Employer contributions are deposited into the 401(a) Plan. Total contributions for the fiscal year ended June 30, 2024, were \$7,352 by the County and zero by the employees.

As previously described, Empower Retirement serves on behalf of the County as the third party administrator of the plan. The plan is reported as a fiduciary activity as the County has control of the assets. Contribution to the plan defaults to the age-appropriate target-date fund upon initial enrollment. Once enrolled, plan participants

18. RETIREMENT PLANS (Continued)

County Administered Plans (Continued)

County of Orange - 1.62% at 65 Retirement, 401(a) Defined Contribution Plan (Continued)

Funding Policy (Continued)

may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the plan. A small percentage of participants self-direct. As of June 30, 2024, total plan assets were \$41,273.

Administrative Cost: There is an annual administrative fee of 0.16% charged to participants (at a monthly rate of 0.013%), which is capped for account balances at \$125. Each month participant fees are based on the average daily balance of their account(s) over a 30-day period and are reflected on participants' quarterly statements. No employer-level fees are charged for the plan.

18. RETIREMENT PLANS (Continued)

Condensed Financial Statements

In lieu of separately issued financial statements for the County administered retirement funds, condensed financial statements are presented below as of and for the fiscal year ended June 30, 2024:

Statement of Fiduciary Net Position

| | Total | Extra-Help Defined Benefit Plan | Extra-Help Defined Contribution Plan | 401(a) Defined Contribution Plan | 1.62% at 65 Retirement, 401(a) Defined Contribution Plan |
|--------------------------------------|------------------|---------------------------------------|---|--|---|
| Assets | | | | | |
| Pooled Cash/Investments | \$ 746 | \$ 744 | \$ 1 | \$ -- | \$ 1 |
| Restricted Cash and Investments | | | | | |
| Restricted Investments with Trustee | 80,148 | 3,473 | 11,256 | 24,494 | 40,925 |
| Receivables: | | | | | |
| Interest Receivable | 10 | 10 | -- | -- | -- |
| Due from Other Governmental Agencies | 442 | -- | 33 | 62 | 347 |
| Total Assets | <u>81,346</u> | <u>4,227</u> | <u>11,290</u> | <u>24,556</u> | <u>41,273</u> |
| Net Position | | | | | |
| Restricted for Pension | 81,346 | 4,227 | 11,290 | 24,556 | 41,273 |
| Total Net Position | <u>\$ 81,346</u> | <u>\$ 4,227</u> | <u>\$ 11,290</u> | <u>\$ 24,556</u> | <u>\$ 41,273</u> |

Statement of Changes in Fiduciary Net Position

| | Total | Extra-Help Defined Benefit Plan | Extra-Help Defined Contribution Plan | 401(a) Defined Contribution Plan | 1.62% at 65 Retirement, 401(a) Defined Contribution Plan |
|---|------------------|---------------------------------------|---|--|---|
| Additions: | | | | | |
| Contributions to Pension Trust: | | | | | |
| Employer | \$ 8,935 | \$ 160 | \$ -- | \$ 1,423 | \$ 7,352 |
| Employee | 1,149 | -- | 1,149 | -- | -- |
| Interest and Investment Income | 142 | 38 | -- | 104 | -- |
| Net Increase in the Fair Value of Investments | 8,309 | 315 | 272 | 2,736 | 4,986 |
| Less: Investment Expense | (108) | (4) | (9) | (25) | (70) |
| Total Additions | <u>18,427</u> | <u>509</u> | <u>1,412</u> | <u>4,238</u> | <u>12,268</u> |
| Deductions: | | | | | |
| Benefits Paid to Participants | 3,356 | 244 | 974 | 1,861 | 277 |
| Total Deductions | <u>3,356</u> | <u>244</u> | <u>974</u> | <u>1,861</u> | <u>277</u> |
| Change in Net Position | 15,071 | 265 | 438 | 2,377 | 11,991 |
| Net Position-Beginning of Year | 66,275 | 3,962 | 10,852 | 22,179 | 29,282 |
| Net Position-End of Year | <u>\$ 81,346</u> | <u>\$ 4,227</u> | <u>\$ 11,290</u> | <u>\$ 24,556</u> | <u>\$ 41,273</u> |

19. OTHER POSTEMPLOYMENT BENEFITS

County of Orange Retiree Medical Plan

Plan Description: The County of Orange Fifth Amended Retiree Medical Plan (the Retiree Medical Plan) is a cost-sharing multiple-employer defined benefit OPEB plan, intended to assist career employees in maintaining health insurance coverage following retirement from County and participating employers' service. The Retiree Medical Plan was established by the Board. The Board is also the authority for amending the Retiree Medical Plan. The Retiree Medical Plan is not required by the County Employees Retirement Law of 1937 ("CERL")—the statute governing County employee retirement benefits. Eligible retired County employees receive a monthly grant (the Grant), which helps offset the cost of monthly County-offered health plans and/or Medicare A and/or B premiums. The Retiree Medical Plan specifically states that it does not create any vested right to the benefits. The Plan is reported in the County's financial statements since it administers the Plan. The Plan is reported as of December 31, 2023.

Plan Membership: As of June 30, 2024, seven employers, the County, Orange County Public Law Library, Orange County Superior Court of California, Orange County Local Agency Formation Commission, Orange County Employees Retirement System, First 5 Orange County, and Orange County Cemetery District have elected to participate in the plan. As of June 30, 2023, the membership consisted of the following:

| | |
|--|----------------------|
| Inactive plan members currently receiving benefit payments | 9,995 |
| Inactive plan members entitled to but not yet receiving benefit payments | 71 |
| Active plan members | <u>14,257</u> |
| | <u><u>24,323</u></u> |

Benefits Provided: Prior to June 16, 2023, in order to be eligible to receive the Grant upon retirement, the employee must have completed at least 10 years of continuous County and/or participating employers' service (although exceptions for disability retirements exist), be enrolled in a County sponsored health plan and/or Medicare, qualify as a retiree as defined by the Retiree Medical Plan and be able to receive a monthly benefit payment from OCERS. To qualify as a retiree as defined by the Retiree Medical Plan, the employee upon retirement must be at least 50 years of age or have at least 20 years of service for a safety member of OCERS or at least 30 years of service for a general member of OCERS.

The monthly Grant amount is determined by a formula that multiplies a base number by the number of years of qualifying County employment up to a maximum of 25 years. The base number for the Grant is adjusted annually based on a formula defined in the Retiree Medical Plan document with a maximum increase/decrease of 3% (i.e. COLA). Retirees who retired after June 15, 2023, are no longer eligible for a COLA to their Grant. Surviving dependents of a deceased employee or retiree eligible for the Grant are entitled to receive 50% of the Grant that the employee/retiree was eligible to receive.

As of June 16, 2023, the Grant was frozen for existing employees and they stopped accruing additional service hours towards eligibility for the Grant. All employees with one or more years of credited service as of June 15, 2023, were eligible for the frozen Grant. The annual COLA and age adjustment (+/- 7.5%) were eliminated. New employees as of June 16, 2023, are not eligible for the Grant.

In addition to the Grant, the Retiree Medical Plan provides a frozen lump sum payment to terminated employees not eligible for the Grant. The qualifying hours of service for calculation of the lump sum payment is frozen and the effective date varies by labor agreement. The frozen lump sum payment is equal to 1% of the employee's final average hourly pay (as defined in the Retiree Medical Plan) multiplied by the employee's qualifying hours of service (as defined) since the Retiree Medical Plan's effective date.

The plan was amended in 2007. Certain plan provisions were changed as of effective dates that varied by labor group. The Grant is reduced by 50% once the retiree becomes Medicare Parts A and B eligible. Retirees who were age 65 and/or Medicare Parts A and B eligible on the effective date are not subject to the Medicare reduction. For employees retiring after the effective date, the Grant is reduced or increased by 7.5% based on the employee's age at retirement, such that the Grant is reduced 7.5% for each year under age 60 and

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Benefits Provided (Continued)

increased by 7.5% for each year of age worked after age 60 up to age 70. Safety employees and disability retirements are exempt from the age adjustment. The annual maximum increase/decrease (COLA) to the base number for the Grant was changed to 3%.

Employees represented by AFSCME who retired before September 30, 2005, are not subject to the Medicare reduction or age adjustment to the Grant. The base number for these retirees is adjusted annually with a maximum increase/decrease of 5%. AFSCME employees who were employed on or after September 30, 2005, are not eligible for the Grant or the lump sum payment. They may participate in the County-offered health plans at their own cost.

Employees represented by the Association of Orange County Deputy Sheriffs (AOCDS) who were hired on or after October 12, 2007, are not eligible for the Grant or lump sum payment. Service hour accruals for the Grant and lump sum calculations for employees represented by AOCDS who were hired before October 12, 2007, were frozen. A Defined Contribution Plan Health Reimbursement Arrangement (HRA) was established to replace the Grant for new employees, and to supplement the frozen grants for current employees.

Association of County Law Enforcement Management (ACLEM) employees who were hired on or after June 19, 2009, are not eligible for the Grant or lump sum payment. Service hour accruals for the Grant calculations for ACLEM employees who were hired before June 19, 2009, were frozen. The qualifying hours of service for calculation of the lump sum payment for law enforcement management employees were frozen as of June 23, 2006. A Defined Contribution Plan HRA was established to replace the Grant for new employees, and to supplement the frozen grants for current employees.

Effective January 1, 2008, health insurance premium rates were separately pooled for the active and retired employees, except for employees represented by the AOCDS. Effective January 1, 2024, health insurance rates were no longer separately pooled for active and retired employees, provided the health insurance premium rates for retired employees will be 20% higher than active employees. Effective July 1, 2008, retiree health insurance premium rates for retired AOCDS and ACLEM employees enrolled in the AOCDS health plans must be 10% higher than active employees.

Because retirees as a group have higher medical costs than active employees, the pooling of active and pre-Medicare retiree premiums in the health plans results in "blended rates". Blending the premium rates provides the pre-Medicare retirees the benefit of lower rates, while increasing the rates for active employees. The blended rates benefit for pre-Medicare retirees reflects the difference between the true cost of retiree benefits and the blended premium charged. GASB requires the cost of this blended rates benefit be included in the total OPEB liability.

Effective July 8, 2016, all active OCAA employees are no longer eligible for the Retiree Medical Grant or Lump Sum. A Defined Contribution Plan HRA was established to replace the Grant or Lump Sum for all active employees.

Effective July 3, 2020, the Retiree Medical Grant was frozen for all employees of the AOCDS Public Safety General and Public Safety Supervisory Unit. Service hour accruals for the Grant calculations are frozen. Only employees with ten or more credited service years as of the effective date are eligible for a Grant. Cost of living and age adjustments ceased in the calculation of the Grant. A Defined Contribution Plan HRA was established to replace the Grant or Lump Sum for all active employees with less than ten years of credited service as of the effective date, and to supplement the frozen grants for current employees with at least ten years of credited service as of the effective date.

All AOCDS Public Safety employees who retired on or after January 4, 2019, were enrolled in AOCDS retiree health plans. Employees who retired before this date remained in County retiree health plans.

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Benefits Provided (Continued)

Effective July 15, 2020, through October 8, 2020, the County implemented the Voluntary Incentive Program (VIP). Retirees who were eligible for the Grant and retired during the effective period could choose one of the following options rather than activating their Grant:

Option 1: Opt out of the Retiree Medical Plan at retirement with the option to opt back in at any open enrollment or within 30 days of a qualifying life event subject to the terms and conditions of the applicable insurance plans at the time the retiree opts back into health coverage. The retiree will be ineligible to receive their Grant during the period the retiree has opted out of the Retiree Medical Plan but their Grant will be effective the first day of the month following the date the retiree elects to opt back into the Retiree Medical Plan. When the Grant is received, the Grant will be calculated based on retiree medical years of service and age at original date of retirement, including any other adjustments required by Retiree Medical Plan provisions. While not participating in the Retiree Medical Plan and the Grant is suspended, retiree must maintain minimum essential coverage under California state law, Federal law and Medicare (if applicable), and provide proof of coverage upon County request, to be eligible to enroll in the County Retiree Medical Plan and receive the Grant. This option does not apply to retirees participating in AOCDS health plans.

Option 2: Permanently waive the right to participate in the Retiree Medical Plan and the right to receive the Grant, including a Medicare Part B reimbursement once Medicare eligible. A retiree who chose this option received a contribution to an HRA in lieu of participation in the Retiree Medical Plan.

On July 13, 2021, the Board approved a one-time voluntary opt out of the Retiree Medical Plan at retirement with the same terms and conditions as option 1 of VIP. The voluntary opt out was effective January 1, 2022.

On December 20, 2022, the Board approved restructuring of the Retiree Medical Plan for the following labor groups: Orange County Employees Association (OCEA), Orange County Managers Association (OCMA) International Union of Operating Engineers (IUOE), Teamsters, and unrepresented employees effective June 16, 2023. The Orange County Superior Court of California, Orange County Public Law Library, OCERS, First 5 Orange County, Orange County Cemetery District, and the Orange County Local Agency Formation Commission also approved participation in the restructured Retiree Medical Plan.

The restructuring effective June 16, 2023, eliminates the Grant for new employees, freezes the Grant for existing employees, and transitions new and existing employees to the County Health Reimbursement Arrangement (HRA) Plan with the option for existing employees as of June 15, 2023, to place the value of their Grant in the County HRA Plan in lieu of receiving the Grant at retirement.

The base number for calendar year 2023 was \$25.37 (absolute dollars) per year of County service, and the maximum base monthly Grant was \$634.25 (absolute dollars). For retirees whose Grant is frozen and not eligible for a COLA the maximum base monthly Grant for calendar year 2024 remained \$25.37 (absolute) per year of County Service and the maximum monthly Grant is \$634.25 (absolute dollars). For retirees who are eligible for a COLA the base number for calendar year 2024 is \$24.61 (absolute dollars) per year of County service, and the maximum monthly Grant is \$615.25 (absolute dollars). The amount of the Grant is netted against the monthly health plan premium and/or reimburses Medicare premiums paid by the retiree for retiree and dependent coverage with the retiree obligated to pay the remaining balance. In no case shall the Grant exceed the actual cost to a retiree for the Qualified Health Plan and Medicare premiums.

Existing employees as of June 15, 2023, who had accrued at least one full year of qualified credited service under the Plan Document could choose not to receive the frozen Grant and instead have \$855 (absolute value) for each full year of credited qualified service deposited into the employee's HRA account. Any employee who elected to receive the frozen Grant was subject to the 25 year cap; however, they were credited \$855 (absolute value) per each full year of eligible service beyond the 25 year cap in their HRA account (e.g., a 30 year

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Benefits Provided (Continued)

employee would have \$855 (absolute value) for each of the 5 years over the 25 year cap deposited into their HRA account, and at retirement receive a frozen Grant based on 25 years of service).

Contributions: The County implemented a policy to make annual employer contributions in an amount equal to the Actuarially Determined Contribution (ADC) for the affected labor groups except ACLEM. In FY 2019-20, to ensure adequate funding of the Grant, the ADC included normal cost and amortization of liabilities for the Grant, Lump Sum and blended rates. In addition to contributing the ADC for the blended rates of retired employees enrolled in the AOCDS health plans, the County funded the blended rates benefit on a pay-as-you-go basis. Beginning in 2021, the employer contribution includes only the Grant and Lump Sum benefit. The blended rates benefit is funded on a pay-as-you-go basis.

In order to more adequately fund benefits under the Retiree Medical Plan, on June 19, 2007, the Board adopted the County of Orange Retiree Medical Trust (Trust) effective July 2, 2007. The Trust is an IRC Section 115 trust for which the County Chief Financial Officer is the Trustee. In addition, OCERS has established an IRC Section 401(h) account to invest monies and acts as Trustee for the 401(h) account which is used to pay the Grant. The combined Trust and 401(h) represent the fiduciary net position of the Plan and are reported in the County's ACFR.

During the current fiscal year, the County's ADC was calculated at \$36,902, and the County set aside contributions of \$23,780. Additionally, ACLEM employees covered under the "3%@50" safety retirement formula contributed 1.6% of base pay. On December 20, 2022, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA. Existing employees as of June 15, 2023, who had accrued at least one full year of qualified credited service under the Retiree Medical Plan Document, with the exception of AFSCME and OCAA, could choose not to receive the frozen Grant and instead have \$855 (absolute value) for each full year of credited qualified service deposited into the employee's HRA account. In September 2023, the County transferred \$30,039 from the IRC Section 115 Trust, combined with \$32,000 of internal borrowing to fund the deposits into the employee HRA accounts. The internal borrowing was repaid by June 30, 2024. For additional information, please see County of Orange HRA herein.

For the Plan year ended December 31, 2023, the total Plan contributions were \$43,963. The County's contribution was \$39,970 (90.92%), Superior Court was \$3,496 (7.95%), OCERS was \$347 (0.79%), First 5 Orange County was \$47 (0.11%), Law Library was \$35 (0.08%), Cemetery District was \$52 (0.12%), and LAFCO was \$16 (0.04%). The County's contribution for the fiscal year ended June 30, 2024 was \$23,780.

Funds were initially deposited into the Trust in December 2007, with subsequent deposits made throughout each fiscal year. The administrative expenses for the Trust are paid from the Trust.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: The components of the collective net OPEB liability of the participating employers as of June 30, 2024 were as follows:

| | | |
|--|-----------|----------------|
| Collective OPEB Liability | \$ | 673,633 |
| Collective Plan's Fiduciary Net Position | | (442,870) |
| Collective Net OPEB Liability | <u>\$</u> | <u>230,763</u> |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | | 65.74% |

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The Collective OPEB Liability of \$673,633 includes \$512,551 for the Grant and Lump Sum benefits and \$161,082 for the blended rates benefit. GASB requires the blended rates benefit be included in the Net OPEB liability, but the County's funding policy of only contributing towards the Grant and Lump Sum benefits means the County intends to use the Trust assets only to pay for Grant and Lump Sum benefits. If the funded percent were calculated reflecting the County's funding policy rather than GASB requirements, it would be larger than that shown above. Excluding the OPEB liability for the blended rates benefit, which are funded on a pay-as-you-go basis, from the Collective OPEB Liability, the Plan Fiduciary Net Position as a percentage of the OPEB liability for the Grant and Lump Sum benefit is 86.41%.

The Collective Plan Fiduciary Net Position at the beginning of the fiscal year reflected a reduction for an amount payable (\$59,975) for the assets expected to be moved to the HRA for eligible General employees who chose not to receive the frozen Grant in the Plan restructure effective June 16, 2023, or for those who chose to receive the frozen Grant and have greater than 25 years of service. The amount of assets payable were adjusted for the timing difference between the prior measurement date and the expected date the assets were to be moved to the HRA. The actual assets (\$30,039 from the IRC Section 115 Trust and \$32,000 from internal borrowing) were moved to the HRA in September 2023. The internal borrowing was repaid by June 30, 2024. Next year's Collective Plan Fiduciary Net Position will reflect the impact of the actual amount and timing of the assets moved from the Trust to the HRA.

At June 30, 2024, the County reported a liability of \$209,799 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The County's proportion of the collective net OPEB liability was based on the 2023 share of employer contributions to the OPEB plan relative to the projected contributions of all participating employers. At December 31, 2023, the County's proportion was 90.92%, which was a decrease of 0.02% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the County recognized OPEB expense of \$10,264. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Governmental Activities | Airport | OC Waste & Recycling | Total |
|---|----------------------------|---------------|-------------------------|------------------|
| Deferred Outflows of Resources Related to OPEB per Actuarial Studies | | | | |
| Net Difference Between Projected and Actual Investment Earnings | | | | |
| on OPEB Plan Investments | \$ 6,627 | \$ 57 | \$ 69 | \$ 6,753 |
| Changes of Assumptions | 13,235 | 115 | 138 | 13,488 |
| Changes in Proportion and Differences Between Employer | | | | |
| Contributions and Proportionate Share of Contributions | 1,925 | 17 | 19 | 1,961 |
| Employer Contributions after Measurement Date | 6,207 | 47 | 72 | 6,326 |
| Total Deferred Outflows of Resources Related to OPEB | \$ 27,994 | \$ 236 | \$ 298 | \$ 28,528 |
| Deferred Inflows of Resources Related to OPEB per Actuarial Studies | | | | |
| Difference Between Expected and Actual Experience | \$ 57,461 | \$ 494 | \$ 602 | \$ 58,557 |
| Changes of Assumptions | 6,106 | 54 | 63 | 6,223 |
| Changes in Proportion and Differences Between Employer | | | | |
| Contributions and Proportionate Share of Contributions | 2,877 | 25 | 29 | 2,931 |
| Total Deferred Inflows of Resources Related to OPEB | \$ 66,444 | \$ 573 | \$ 694 | \$ 67,711 |

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Deferred outflow of resources of \$6,326 related to OPEB resulting from County's contributions subsequent to the measurement date will be included as a reduction of the collective net OPEB liability in the following fiscal year. For further information on the deferred outflows and inflows of resources related to OPEB refer to Note 20, Deferred Outflows and Inflows of Resources. Other deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the County's OPEB expense as follows:

| | |
|----------------------|--------------------|
| Year ending June 30: | |
| 2025 | \$ (11,730) |
| 2026 | (8,960) |
| 2027 | (2,344) |
| 2028 | (13,337) |
| 2029 | (6,258) |
| Thereafter | (2,880) |
| Total | <u>\$ (45,509)</u> |

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial valuations involve estimates of the values of reported amounts and assumptions about the probability of events far into the future and will be subject to continual revision as they reflect a long-term perspective.

Actuarial Methods and Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2023. The County contracts with an outside actuarial consultant to prepare a biennial actuarial valuation in conformance with GASB requirements and is based on established pattern of practice. The actuarial methods and significant actuarial assumptions used in the June 30, 2023, actuarial valuation are:

- The entry age normal actuarial cost method
- 7.00% long-term expected rate of return, net of investment expenses, on funds held in the Trusts
- 3.00% per annum payroll increase assumption
- 2.50% per annum general inflation rate assumption
- Assumed annual increases in the monthly grant of 3% for non-AFSCME employees and 5% for AFSCME employees, if eligible for a COLA. The healthcare trend was assumed to be greater than or equal to the annual increase to the Grant in almost all future years. Therefore, it is the Grant annual increase rather than the healthcare trend that has the largest impact on the projected benefits and the net OPEB liability.
- Grant participation rate was 50% to 100%, determined by employee group and Grant service at retirement, based on the April 2019 participation study and individual Grant elections of the applicable General employees from the plan restructure effective June 16, 2023.

Medical trend used for pre-Medicare members was 8.50% for 2025, decreasing to 3.45% for 2076 and later. For Medicare eligible members, 6.25% was used for 2025 decreasing to 3.45% for 2076 and later (Kaiser) and 7.50% was used for 2025, decreasing to 3.45% for 2076 and later (Non-Kaiser). Mortality rates were based on the Pub-2010 Benefit-Weighted Mortality Tables with separate tables for males and females. Mortality improvement was projected fully generational with Society of Actuaries mortality improvement Scale MP-2019.

Discount Rate: The discount rate used to measure the total OPEB liability was 7.00%, the long-term expected rate of return on plan assets, net of investment expenses. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current negotiated contribution rate and

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Discount Rate (Continued)

that the employer contributions will be made at rates equal to the actuarially determined contribution rates for the Grant and lump sum benefits (with blended rates benefit paid on a pay-as-you-go basis). Based on actuarial assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The target allocation and long-term expected real rate of return for each asset class are summarized in the following table:

| <u>Asset class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Arithmetic Real Rate of Return</u> |
|---------------------------------------|--------------------------|--|
| Global Equity | 45.00% | 7.05% |
| Investment Grade Bonds | 9.00% | 1.97% |
| High Yield Bonds | 0.50% | 4.63% |
| TIPS | 2.00% | 1.77% |
| Emerging Market Debt | 0.50% | 4.72% |
| Long-Term Government Bonds | 3.30% | 2.82% |
| Real Estate | 3.00% | 3.86% |
| Private Equity | 15.00% | 9.84% |
| Private Credit | 3.50% | 6.47% |
| Value Added Real Estate | 3.00% | 7.38% |
| Opportunistic Real Estate | 1.00% | 9.74% |
| Energy | 2.00% | 10.89% |
| Infrastructure (Core Private) | 1.00% | 5.98% |
| Infrastructure (Non-Core Private) | 3.00% | 8.88% |
| Global Macro | 1.70% | 3.17% |
| CTA (Trend Following) | 3.30% | 3.15% |
| Alternative Risk Premia | 1.70% | 3.24% |
| Special Solutions Lending | 1.50% | 8.96% |
| Total | 100.00% | |
| Assumed Long Term Rate of Inflation | | 2.50% |
| Expected Long Term Net Rate of Return | | 7.00% |

Rate of Return: For the year ended December 31, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 11.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For further information on the investment policy of OCERS refer to Note 4, Cash and Investments.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate: The following presents the Net OPEB liability of the collective plan and the County's proportionate share, calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|------------------------------|---------------------------|-------------------------------------|---------------------------|
| Collective plan | \$ 291,068 | \$ 230,763 | \$ 178,234 |
| County's proportionate share | \$ 264,627 | \$ 209,799 | \$ 162,043 |

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the Net OPEB liability of the collective plan and the County's proportionate share, as well as what they would be calculated using healthcare cost trend rates that are 1-percentage-point lower (7.50%/6.50%/5.25% decreasing to 2.45%) or 1-percentage-point higher (9.50%/8.50%/7.25% decreasing to 4.45%) than the current healthcare cost trend rates:

| | 1% Decrease (7.50%/6.50%/5.25% decreasing to 2.45%) | Current Healthcare Cost Trend Rates (8.50%/7.50%/6.25% decreasing to 3.45%) | 1% Increase (9.50%/8.50%/7.25% decreasing to 4.45%) |
|------------------------------|---|--|---|
| Collective plan | \$ 214,947 | \$ 230,763 | \$ 249,814 |
| County's proportionate share | \$ 195,421 | \$ 209,799 | \$ 227,121 |

OPEB Plan Fiduciary Net Position: As previously described, the 401(h) assets are held with OCERS. The underlying investments are presented in the Combining Statement of Fiduciary Net Position. OCERS issues an ACFR for each year ending on December 31, which includes the 401(h) assets. This report can be obtained online at www.ocers.org by request, or in writing, to the Orange County Employees Retirement System, P.O. Box 1229, Santa Ana, CA 92702, or by calling (714) 558-6200.

County of Orange Health Reimbursement Arrangement (HRA)

Plan Description: On October 23, 2007, the Board approved and adopted a MOU agreement with the AOCDS. The MOU restructured the Retiree Medical Plan and established a Defined Contribution Plan Health Reimbursement Arrangement to replace the Retiree Medical Plan for new employees, and to supplement the current employees' frozen service hour accruals for the Grant.

The HRA is intended to comply with the requirements of IRC Sections 105 and 106 and meets the requirements of a health reimbursement arrangement as defined under IRS Notice 2002-45. The contributions made to reimbursement accounts, any investment gains and qualified medical expenses reimbursed under this plan are intended to be eligible for exclusion from the gross income of eligible employees, participants, and retired participants (including the spouses and dependents of each) under IRC Section 105(b). The HRA may be amended by the Board or the plan administrator to comply with federal, state, or local laws, statutes, regulations, or guidance from regulatory agencies.

On June 24, 2008, the Board approved the County of Orange Health Reimbursement Arrangement (HRA) Plan Document. The HRA Plan is not required by the Retirement Law; it is intended to fund the reimbursement accounts of eligible employees on a pre-tax basis and reimburse the eligible unreimbursed and substantiated qualified medical expenses of retired participants.

On March 10, 2009, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for employees represented by ACLEM effective June 19, 2009. The HRA replaces the Retiree Medical Plan for new employees and supplements the current ACLEM employees' frozen service hour accruals for the Grant.

Administration of the HRA by the third-party administrator began in August 2009. The Plan Document was amended and restated on January 1, 2011, to reflect changes to the definition of a "dependent" due to healthcare reform legislation.

On May 12, 2015, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for employees represented by OCAA effective July 8, 2016. The HRA replaces the Retiree Medical Plan for all active attorney employees.

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Health Reimbursement Arrangement (HRA) (Continued)

Plan Description (Continued)

The Plan Document was amended and restated on June 1, 2016, to provide for the transition of the OCAA to the HRA Plan in July 2016. Prior employee contributions for employees represented by OCAA to the Retiree Medical program and the interest earnings thereon through July 5, 2016, were transferred as a lump sum deposit for eligible employees to their HRA accounts.

On January 4, 2019, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for employees of Public Safety General Unit and Public Safety Supervisory Unit effective July 3, 2020. The HRA replaces the Retiree Medical Plan for all active employees of Public Safety units.

On July 14, 2020, the Board approved and enacted the VIP, which offered the incentives to eligible employees who volunteered to separate by resignation or retirement between July 15, 2020, through October 8, 2020. Employees who were eligible for a Service Retirement Allowance pursuant to OCERS under the Retirement Law received the employer contribution to the HRA at retirement. A one-time County contribution, in the amount equal to the pre-tax amount approved by the Board, or contribution equal to the Board approved percentage of base annual salary (whichever was greater), was contributed to the County's HRA. In addition, employees eligible for a Grant in the Retiree Medical Insurance Program were offered an HRA contribution in lieu of a Grant. The value contributed to the HRA was \$655 (absolute dollars) multiplied by an employee's total years of County service.

On December 20, 2022, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for employees represented by OCEA, OCMA, IUOE, Teamsters, ASCME and unrepresented employees effective June 16, 2023. The Orange County Superior Court of California, Orange County Public Law Library, OCERS, First 5 Orange County, Orange County Cemetery District, and the Orange County Local Agency Formation Commission also approved participation in the restructured Retiree Medical Plan. The HRA replaces the Retiree Medical Plan for new employees and supplements the current employees' frozen service hour accruals for the Grant. There were no frozen Grants for ASCME.

Existing employees as of June 15, 2023, who have accrued at least one full year of qualified credited service under the Retiree Medical Plan Document with the exception of ASCME may choose not to receive the frozen Grant and instead have \$855 (absolute value) for each full year of credited qualified service deposited into the employee's HRA account. The HRA assets for this group of employees were transferred in September 2023.

As of June 30, 2024, the plan had 18,860 active and 3,531 inactive participants.

Funding Policy: Employer and mandatory employee contributions were effective October 12, 2007, for employees represented by AOCDS, effective June 19, 2009, for employees represented by ACLEM, and effective July 8, 2016, for OCAA represented employees. All contributions made to the HRA are deemed to be employer contributions. Employee contributions for employees represented by each of the bargaining units are mandatory pursuant to their bargaining unit MOU and mandatory pursuant to Board action.

For employees represented by AOCDS, the County contributes 5.0% of base salary each pay period. For employees represented by ACLEM, the County contributes 4.0% of base salary each pay period. For employees represented by OCAA, the County contributes 1.0% of base salary each pay period and employees are also required to contribute 1.0% of base salary each pay period. For employees represented by AOCDS Public Safety, the County contributed 4.5% of base salary each pay period starting on July 1, 2022, and increased to 5% starting on January 13, 2023.

As of pay period beginning June 16, 2023, for employees represented by OCEA, OCMA, IUOE, Teamsters, unrepresented employees and employees of Orange County Superior Court of California, Orange County Public Law Library, OCERS, First 5 Orange County, Orange County Cemetery District, and the Orange County Local Agency Formation Commission, the employer contributed \$60 (absolute value) per pay period.

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

County of Orange Health Reimbursement Arrangement (HRA) (Continued)

Funding Policy (Continued)

Contributions from employees who elected the HRA rather than the Frozen Grant were defaulted to the MissionSquare PLUS fund. Once contributed, employees may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the HRA. A small percentage of participants self-direct. These contributions were made in September 2023.

Contributions to the HRA Plan default to the age-appropriate target-date fund upon initial enrollment. Once enrolled, HRA participants may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the HRA. Total contributions for the fiscal year ended June 30, 2024, were \$102,734 by the County. As of June 30, 2024, the value of the HRA assets was \$353,430.

Administrative Cost: The administrative fee included a plan asset fee of 0.195% with no annual account fee. Beginning in October 2023, the administrative fee was reduced by 0.19%. Each quarter, 25% of the fees are assessed to participant accounts and are reflected on participants' quarterly statements. No employer-level fees are charged for the Plan.

19. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Condensed Financial Statements

In lieu of separately issued financial statements for the County administered postemployment healthcare benefit trust funds, condensed financial statements are presented below as of and for the year ended June 30, 2024:

| <u>Statement of Fiduciary Net Position</u> | Orange County | | | |
|--|-------------------|--|--|---|
| | Total | Employees Retirement System- 401(h)* | Retiree Medical Plan 115 Trust * | Health Reimbursement Arrangement Plan |
| <u>Assets</u> | | | | |
| Pooled Cash/Investments | \$ 24,492 | \$ -- | \$ 24,385 | \$ 107 |
| Cash/Cash Equivalents | 7,945 | 7,945 | -- | -- |
| Securities Lending Collateral | 6,833 | 6,833 | -- | -- |
| Restricted Cash and Investments | | | | |
| Restricted Investments with Trustee | 815,784 | 464,275 | -- | 351,509 |
| Investments Receivable | 3,236 | 3,236 | -- | -- |
| Interest/Dividends Receivable | 25 | -- | 25 | -- |
| Other Receivables | 189 | 189 | -- | -- |
| Due from Other Governmental Agencies | 1,814 | -- | -- | 1,814 |
| Total Assets | <u>860,318</u> | <u>482,478</u> | <u>24,410</u> | <u>353,430</u> |
| <u>Liabilities</u> | | | | |
| Accounts Payable | 5,120 | 5,120 | -- | -- |
| Salaries and Employee Benefits Payable | 52,065 | 5,687 | 46,378 | -- |
| Investment Obligations | 6,833 | 6,833 | -- | -- |
| Total Liabilities | <u>64,018</u> | <u>17,640</u> | <u>46,378</u> | <u>--</u> |
| <u>Net Position</u> | | | | |
| Restricted for OPEB Benefits | 796,300 | 464,838 | (21,968) | 353,430 |
| Total Net Position | <u>\$ 796,300</u> | <u>\$ 464,838</u> | <u>\$ (21,968)</u> | <u>\$ 353,430</u> |
| | | | | |
| <u>Statement of Changes in Fiduciary Net Position</u> | Orange County | | | |
| | Total | Employees Retirement System- 401(h)* | Retiree Medical Plan 115 Trust * | Health Reimbursement Arrangement Plan |
| Additions: | | | | |
| Employer Contributions | \$ 146,697 | \$ -- | \$ 43,963 | \$ 102,734 |
| Employee Contributions | 250 | -- | 250 | -- |
| Interest and Investment Income | 11,231 | 6,121 | 494 | 4,616 |
| Net Increase in the Fair Value of Investments | 81,087 | 46,225 | -- | 34,862 |
| Securities Lending Income Gross Earnings | 262 | 262 | -- | -- |
| Less: Investment Expense | (4,184) | (3,629) | (5) | (550) |
| Total Additions | <u>235,343</u> | <u>48,979</u> | <u>44,702</u> | <u>141,662</u> |
| Deductions: | | | | |
| Benefits Paid to Participants | 51,434 | 36,837 | 5,428 | 9,169 |
| Administrative Expense | 24 | 24 | -- | -- |
| Total Deductions | <u>51,458</u> | <u>36,861</u> | <u>5,428</u> | <u>9,169</u> |
| Change in Net Position | 183,885 | 12,118 | 39,274 | 132,493 |
| Net Position-Beginning of Year | 612,415 | 452,720 | (61,242) | 220,937 |
| Net Position-End of Year | <u>\$ 796,300</u> | <u>\$ 464,838</u> | <u>\$ (21,968)</u> | <u>\$ 353,430</u> |

* The Plan assets are a combination of the assets held by OCERS-401(h) and the County's Retiree Medical Plan 115. These are presented as of 12/31/23 in accordance with the plan year.

20. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The deferred outflows/inflows of resources amounts included on the government-wide Statement of Net Position and the Proprietary Funds Statement of Net Position are comprised of deferred outflows/inflows of resources related to pension, deferred outflows/inflows of resources related to OPEB, deferred inflows of resources for leases and PPP. The deferral of resources related to leases and PPPs is the difference between the guaranteed installment payments and contractual commitments. For PPPs, there is an additional deferred inflows of resources recorded in relation to the capital assets built or improved by the operator that will revert to the County at the end of the agreement. Deferred resources related to pension and OPEB result from the net difference between projected and actual investment earnings on the plan investments, changes of assumptions and changes in proportion and differences between employer contributions and the proportionate share of contributions calculated by the actuarial study and differences between expected and actual experience. The deferred outflows of resources related to pension and OPEB also include employer contributions made after the measurement date. Deferred outflows/inflows of resources included in the statement of net position, governmental activities and business-type activities as of June 30, 2024, are described as follows:

**Government-wide
Statement of Net Position**

| | Governmental Activities | Business- Type Activities | Total | First 5 OC | CalOptima Health |
|---|----------------------------|---------------------------------|---------------------|-----------------|---------------------|
| Deferred Outflows of Resources: | | | | | |
| Pension | \$ 1,023,491 | \$ 20,999 | \$ 1,044,490 | \$ 1,442 | \$ 74,549 |
| OPEB | 27,994 | 534 | 28,528 | 121 | 1,350 |
| Total Government-Wide Deferred Outflows of Resources | \$ 1,051,485 | \$ 21,533 | \$ 1,073,018 | \$ 1,563 | \$ 75,899 |
| Deferred Inflows of Resources: | | | | | |
| Pension | \$ 80,692 | \$ 2,770 | \$ 83,462 | \$ 359 | \$ 2,248 |
| OPEB | 66,444 | 1,267 | 67,711 | 76 | 6,398 |
| PPP | 181,700 | -- | 181,700 | -- | -- |
| Leases | 68,083 | 91,989 | 160,072 | -- | -- |
| Total Government-Wide Deferred Inflows of Resources | \$ 396,919 | \$ 96,026 | \$ 492,945 | \$ 435 | \$ 8,646 |

**Proprietary Funds
Statement of Net Position**

| | Airport | OC Waste & Recycling | Total | Governmental Activities-Internal Service Funds |
|---|------------------|-------------------------|------------------|--|
| Deferred Outflows of Resources: | | | | |
| Pension | \$ 8,891 | \$ 12,108 | \$ 20,999 | \$ 11,055 |
| OPEB | 236 | 298 | 534 | 365 |
| Total Proprietary Funds Deferred Outflows of Resources | \$ 9,127 | \$ 12,406 | \$ 21,533 | \$ 11,420 |
| Deferred Inflows of Resources: | | | | |
| Pension | \$ 1,146 | \$ 1,624 | \$ 2,770 | \$ 1,888 |
| OPEB | 573 | 694 | 1,267 | 877 |
| Leases | 85,739 | 6,250 | 91,989 | 69 |
| Total Proprietary Funds Deferred Inflows of Resources | \$ 87,458 | \$ 8,568 | \$ 96,026 | \$ 2,834 |

20. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

On the Balance Sheet for Governmental funds, the General Fund, Flood Control District, Other Public Protection, and several nonmajor Special Revenue funds reported deferred inflows of resources related to future reporting periods. The following provides the unavailable revenue expected to be collected after August 31, 2024, as well as the portion of the lease and PPP receivable expected payments related to future periods.

**Governmental Funds
Balance Sheet**

| | General Fund | Flood Control District | Other Public Protection | Other Governmental Funds | Total |
|---|-------------------|------------------------------|----------------------------|--------------------------------|-------------------|
| Deferred Inflows of Resources: | | | | | |
| Unavailable Revenue | | | | | |
| Intergovernmental Revenues | \$ 165,069 | \$ 96,485 | \$ 2,253 | \$ 993 | \$ 264,800 |
| Senate Bill 90 Mandated Claims, Net | 9,196 | -- | -- | -- | 9,196 |
| Property Taxes | 6,655 | 1,241 | -- | 1,423 | 9,319 |
| Other | 9,508 | 75 | -- | 11,812 | 21,395 |
| Total Unavailable Revenue | 190,428 | 97,801 | 2,253 | 14,228 | 304,710 |
| Leases | 8,502 | 22,593 | -- | 36,919 | 68,014 |
| PPP | -- | 1,403 | -- | 128,860 | 130,263 |
| Total Governmental Funds Deferred Inflows of Resources | \$ 198,930 | \$ 121,797 | \$ 2,253 | \$ 180,007 | \$ 502,987 |

21. CONTINGENCIES

Estimated Liability for Litigation and Claims

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, a liability has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued and at this time an estimate cannot be made. For information regarding claim payments and unpaid claims balance for self-insurance claims, refer to Note 16, Self-Insurance.

22. SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2024:

Teeter Plan Notes: On July 12, 2024, the Teeter Plan Notes were issued for \$91,913 in taxable Teeter Plan Obligation Notes, Series B, to refund the outstanding balance of \$36,787 and to finance the purchase of \$55,126 in delinquent property tax receivables. The Teeter Plan Notes issued on July 12, 2024, were issued pursuant to a Third Amended and Restated Note Purchase and Reimbursement Agreement, dated July 1, 2024, between the County and Wells Fargo Bank, National Association. Teeter Plan Notes may be issued from time to time by the County provided that the total principal amount of Teeter Plan Notes outstanding at any one time shall not exceed \$150,000.

The County paid \$16,787 on August 12, 2024, and \$37,711 on September 25, 2024, and \$23,304 on January 22, 2025, of its \$91,913 Teeter Plan Notes utilizing accumulated base taxes. The Teeter Plan Notes mature on July 30, 2027, and bear a variable interest rate.

County of Orange Credit Rating: On July 15, 2024, S&P Global Ratings raised its issuer credit rating (ICR) for the County of Orange from 'AA+' to 'AAA,' representing the highest credit quality and lowest risk of default

22. SUBSEQUENT EVENTS (Continued)

County of Orange Credit Rating (Continued)

in the industry. The rating upgrade was based on the County's strong budgetary performance during the last two years and substantial increases in general fund reserves. At the same time, S&P Global Ratings raised its long-term rating from 'AA' to 'AA+' on the County's outstanding appropriation obligations, including those issued by the South Orange County Public Financing Authority.

Orange County Successor Agency: On July 25, 2024, the Orange County Oversight Board notified the Department of Finance (DOF) of a final resolution to formally dissolve the County of Orange Successor Agency. On August 22, 2024, the Oversight Board verified that all of the Successor Agency's obligation had been paid off, all outstanding litigation had been resolved, and all remaining assets were disposed with any proceeds remitted to the Auditor-Controller. The DOF acknowledged the end of the Orange County Successor Agency's existence.

Orange County Treasurer's Pool: On August 1, 2024, the OCTP rating was affirmed at AAAf/S1 by Fitch Ratings, Inc. 'AAAf' is the top rating possible for a local government investment pool and indicates the Pool's portfolio contains securities of the highest underlying credit quality. The 'S1' volatility rating signifies the OCTP possesses very low sensitivity to market risk, given its conservative investment policies.

Pending Litigation: On August 15, 2024, August 20, 2024 and January 16, 2025, the County initiated litigation proceedings against a former member of the Board of Supervisors and several nonprofit entities contracted to provide meal services to elderly and disabled Orange County residents. It was discovered that the nonprofit entities failed to perform their obligation under these contracts and based upon the lack of documentation provided from the nonprofits, the County was unable to verify the funds were utilized for their intended purposes. Some of the nonprofits' stakeholders have familial relations with the member of the Board of Supervisors, who subsequently resigned as part of a separate settlement process. Although the aggregate amount asserted in these lawsuits is significant and the outcome of these lawsuits still pending, the resolution of these matters will not have a material effect on the financial condition or changes in financial condition of the County. All required disclosures have been filed with the appropriate entities.

Airport Fire: On September 9, 2024, a wildfire known as the Airport Fire began in the Trabuco Canyon area which eventually burned over 23,000 acres and destroyed 160 structures with an additional 34 structures damaged in both Orange and Riverside Counties. The cause of the fire was determined to be unintentional but related to work being completed by OC Public Works employees. While accidentally started, the County is currently reviewing for potential liability and overall impacts, which cannot be fully assessed at this time. It is also unknown if the potential liability would be mitigated by recoveries through insurance or relief from other revenue sources.

OC Public Libraries (OCPL): On February 28, 2023, the Irvine City Council held a public hearing and voted in favor of withdrawing from the OCPL system to operate its own municipal library system. The County and City of Irvine (City) engaged in an extensive process to negotiate the terms of the City's withdrawal with the transition anticipated to begin in April 2025 and expected to be completed by the end of FY 2024-25. The City's withdrawal from the OCPL system will not have a negative impact on the County or on the remaining member cities.

Annual Delegation of Investment Authority: As of December 31, 2024, the Board, as authorized per GCS 53607, 27000.1, 27000.3 (a)(b)(c), and 53646(a)(1), allowed the one-year delegation of authority for 2024 provided to the Treasurer to invest or reinvest funds for the County and the funds of the other depositors in the county treasury to the county treasurer to expire. On January 1, 2025, the Board became the agent of the County who serves as the fiduciary and that is subject to the prudent investor standard (GCS 27000.3(b)) except for funds deposited in the county treasury at the discretion of the local agency (county treasurer still serves as the local agency's fiduciary subject to the prudent investor standard (GCS 27000.3(b))).



**JOHN WAYNE
ORANGE COUNTY
(SNA)**





**Required Supplementary Information
(Dollar Amounts in Thousands)**

Orange County Employees Retirement System (OCERS)

Schedule of County's Proportionate Share of the Net Pension Liability ⁽¹⁾

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| County's proportion of the net pension liability | 83.81% | 82.92% | 99.86% | 84.21% | 81.27% |
| County's proportionate share of the net pension liability | \$ 4,062,273 | \$ 4,469,948 | \$ 2,047,343 | \$ 3,547,851 | \$ 4,124,932 |
| Covered payroll ⁽²⁾ | \$ 1,499,400 | \$ 1,420,176 | \$ 1,375,892 | \$ 1,404,516 | \$ 1,313,952 |
| County's proportionate share of the net pension liability as a percentage of its covered payroll ⁽²⁾ | <u>270.93%</u> | <u>314.75%</u> | <u>148.80%</u> | <u>252.60%</u> | <u>313.93%</u> |
| Plan fiduciary net position as a percentage of the total pension liability ⁽⁴⁾ | 81.81% | 78.51% | 91.45% | 81.69% | 76.67% |

Schedule of County Contributions ⁽³⁾

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$ 571,271 | \$ 539,755 | \$ 511,496 | \$ 481,791 | \$ 440,042 |
| Contributions in relation to the actuarially determined contribution | 596,348 | 591,307 | 557,225 | 513,799 | 475,676 |
| Contribution excess | <u>\$ (25,077)</u> | <u>\$ (51,552)</u> | <u>\$ (45,729)</u> | <u>\$ (32,009)</u> | <u>\$ (35,634)</u> |
| Covered payroll ^{(2) (5)} | \$ 1,408,205 | \$ 1,459,788 | \$ 1,398,034 | \$ 1,390,204 | \$ 1,359,234 |
| Contributions as a percentage of covered payroll | 42.35% | 40.51% | 39.86% | 36.96% | 35.00% |

- (1) Information is from OCERS' actuary report for OCERS' fiscal year ended December 31.
- (2) The numbers for 2014-2015 were for covered-employee payroll, prior to GASB Statement No. 82 implementation.
- (3) For the 12-month period ending on June 30, fiscal year end.
- (4) In FY 2019-20, the presentation of the percentages was changed from the Employer percentage to the Plan percentage.
- (5) Current year is estimated based on an average of the preceding years. The actual number will be updated in the subsequent year when data is available.

Required Supplemental Information
(Dollar Amounts in Thousands)

| <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | |
|----------------|----------------|----------------|----------------|----------------|---|
| 79.39% | 80.46% | 77.91% | 76.83% | 76.68% | County's proportion of the net pension liability |
| \$ 4,919,675 | \$ 3,984,401 | \$ 4,044,638 | \$ 4,391,967 | \$ 3,897,223 | County's proportionate share of the net pension liability |
| \$ 1,272,895 | \$ 1,247,616 | \$ 1,200,243 | \$ 1,118,395 | \$ 1,198,458 | Covered payroll ⁽²⁾ |
| <u>386.49%</u> | <u>319.36%</u> | <u>336.98%</u> | <u>392.70%</u> | <u>325.19%</u> | County's proportionate share of the net pension liability as a percentage of its covered payroll ⁽²⁾ |
| 70.03% | 74.93% | 71.16% | 67.10% | 69.42% | Plan fiduciary net position as a percentage of the total pension liability ⁽⁴⁾ |

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | |
|--------------------|--------------------|--------------------|--------------------|--------------------|--|
| \$ 419,159 | \$ 401,323 | \$ 386,138 | \$ 358,103 | \$ 340,626 | Actuarially determined contribution |
| 440,634 | 433,098 | 405,494 | 411,426 | 397,044 | Contributions in relation to the actuarially determined contribution |
| <u>\$ (21,475)</u> | <u>\$ (31,775)</u> | <u>\$ (19,356)</u> | <u>\$ (53,323)</u> | <u>\$ (56,418)</u> | Contribution excess |
| \$ 1,293,424 | \$ 1,260,255 | \$ 1,223,930 | \$ 1,159,319 | \$ 1,158,427 | Covered payroll ^{(2) (5)} |
| 34.07% | 34.37% | 33.13% | 35.49% | 34.27% | Contributions as a percentage of covered payroll |

Orange County Extra-Help Defined Benefit Plan

Schedule of County's Proportionate Share of the Net Pension Liability/(Asset)

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|----------------|---------------|---------------|----------------|---------------|
| County's proportion of the net pension liability | 98.12% | 98.12% | 98.12% | 98.12% | 98.12% |
| County's proportionate share of the net pension liability (asset) | \$ (33) | \$ 1,174 | \$ 1,337 | \$ (149) | \$ 440 |
| Covered payroll ⁽¹⁾ | \$ 2,877 | \$ 2,806 | \$ 2,938 | \$ 3,169 | \$ 3,613 |
| County's proportionate share of the net pension liability as a percentage of its covered payroll ⁽¹⁾ | <u>(1.15%)</u> | <u>41.82%</u> | <u>45.51%</u> | <u>(4.71%)</u> | <u>12.18%</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 100.91% | 76.73% | 74.30% | 103.06% | 92.18% |

Schedule of Collective Plan Contributions

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|----------------|-------------|-------------|-------------|-------------|
| Actuarially determined contribution | \$ 62 | \$ 160 | \$ 160 | \$ 114 | \$ 114 |
| Contributions in relation to the actuarially determined contribution | 160 | 160 | 160 | 114 | 114 |
| Contribution deficiency (excess) | <u>\$ (98)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll ⁽¹⁾ | \$ 2,877 | \$ 2,806 | \$ 2,938 | \$ 3,169 | \$ 3,613 |
| Contributions as a percentage of covered payroll | 5.56% | 5.70% | 5.45% | 3.60% | 3.16% |

Schedule of County Contributions

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|----------------|-------------|-------------|-------------|-------------|
| Actuarially determined contribution | \$ 61 | \$ 157 | \$ 157 | \$ 112 | \$ 112 |
| Contributions in relation to the actuarially determined contribution | 157 | 157 | 157 | 112 | 112 |
| Contribution deficiency (excess) | <u>\$ (96)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll ⁽¹⁾ | \$ 2,877 | \$ 2,806 | \$ 2,938 | \$ 3,169 | \$ 3,613 |
| Contributions as a percentage of covered payroll | 5.46% | 5.59% | 5.34% | 3.53% | 3.10% |

(1) The numbers for 2015 were for covered-employee payroll, prior to GASB Statement No. 82 implementation.

Required Supplemental Information
(Dollar Amounts in Thousands)

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | |
|---------------|---------------|---------------|----------------|----------------|---|
| 98.12% | 98.12% | 98.12% | 98.12% | 98.12% | County's proportion of the net pension liability |
| \$ 1,382 | \$ 1,962 | \$ 1,995 | \$ 2,845 | \$ 3,163 | County's proportionate share of the net pension liability (asset) |
| \$ 3,906 | \$ 4,298 | \$ 4,725 | \$ 1,747 | \$ 1,829 | Covered payroll ⁽¹⁾ |
| <u>35.38%</u> | <u>45.65%</u> | <u>42.22%</u> | <u>162.85%</u> | <u>172.94%</u> | County's proportionate share of the net pension liability as a percentage of its covered payroll ⁽¹⁾ |
| 81.06% | 76.76% | 76.24% | 65.89% | 61.35% | Plan fiduciary net position as a percentage of the total pension liability |

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | |
|----------------|--------------|--------------|--------------|--------------|--|
| \$ 555 | \$ 555 | \$ 784 | \$ 784 | \$ 421 | Actuarially determined contribution |
| 565 | 545 | 784 | 784 | 421 | Contributions in relation to the actuarially determined contribution |
| <u>\$ (10)</u> | <u>\$ 10</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | Contribution deficiency (excess) |
| \$ 3,906 | \$ 4,298 | \$ 4,725 | \$ 1,747 | \$ 1,829 | Covered payroll ⁽¹⁾ |
| 14.46% | 12.68% | 16.59% | 44.88% | 23.02% | Contributions as a percentage of covered payroll |

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | |
|----------------|--------------|--------------|--------------|--------------|--|
| \$ 544 | \$ 545 | \$ 769 | \$ 769 | \$ 413 | Actuarially determined contribution |
| 554 | 535 | 769 | 769 | 413 | Contributions in relation to the actuarially determined contribution |
| <u>\$ (10)</u> | <u>\$ 10</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | Contribution deficiency (excess) |
| \$ 3,906 | \$ 4,298 | \$ 4,725 | \$ 1,747 | \$ 1,829 | Covered payroll ⁽¹⁾ |
| 14.19% | 12.45% | 16.28% | 44.02% | 22.58% | Contributions as a percentage of covered payroll |

Orange County Extra-Help Defined Benefit Plan (Continued)

**Schedule of Changes in the Collective Plan Net Pension Liability/(Asset)
and Related Ratios**

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Pension Liability | | | | | |
| Service cost | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| Interest | 239 | 243 | 241 | 274 | 362 |
| Changes of benefit terms | -- | -- | -- | -- | -- |
| Difference between expected and actual experience | (321) | -- | 154 | -- | (879) |
| Changes of assumptions | (650) | -- | 714 | -- | (90) |
| Benefit payments, including refunds of member contributions | (244) | (404) | (749) | (1,040) | (1,101) |
| Net change in total pension liability | (976) | (161) | 360 | (766) | (1,708) |
| Total Pension Liability-beginning | 5,165 | 5,326 | 4,966 | 5,732 | 7,440 |
| Total Pension Liability-ending (a) | <u>\$ 4,189</u> | <u>\$ 5,165</u> | <u>\$ 5,326</u> | <u>\$ 4,966</u> | <u>\$ 5,732</u> |
| Plan Fiduciary Net Position | | | | | |
| Contributions-employer | \$ 160 | \$ 160 | \$ 160 | \$ 114 | \$ 114 |
| Contributions-member | -- | -- | -- | -- | -- |
| Net investment income (loss) | 349 | 249 | (572) | 760 | 239 |
| Investment Expense | -- | -- | -- | -- | -- |
| Benefit payments, including refunds of member contributions | (244) | (404) | (749) | (1,040) | (1,101) |
| Administrative expense ⁽¹⁾ | -- | -- | -- | -- | -- |
| Other | -- | -- | -- | -- | 1 |
| Net change in Plan Fiduciary Net Position | 265 | 5 | (1,161) | (166) | (747) |
| Plan Fiduciary Net Position-beginning | 3,962 | 3,957 | 5,118 | 5,284 | 6,031 |
| Plan Fiduciary Net Position-ending (b) | <u>\$ 4,227</u> | <u>\$ 3,962</u> | <u>\$ 3,957</u> | <u>\$ 5,118</u> | <u>\$ 5,284</u> |
| Plan Net Pension Liability/(Asset)-ending (a)-(b) | <u>\$ (38)</u> | <u>\$ 1,203</u> | <u>\$ 1,369</u> | <u>\$ (152)</u> | <u>\$ 448</u> |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 100.91% | 76.73% | 74.30% | 103.06% | 92.18% |
| Covered payroll ⁽²⁾ | \$ 2,877 | \$ 2,806 | \$ 2,938 | \$ 3,169 | \$ 3,613 |
| Plan Net Pension Liability as a percentage of covered ⁽²⁾ payroll | (1.32%) | 42.87% | 46.60% | (4.80%) | 12.40% |

Schedule of Investment Returns

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Actual money-weighted rate of return, net of investment expense | 9.43% | 7.04% | 12.89% | 16.38% | 4.56% |

(1) Administrative expense does not round up to \$1 in thousands.

(2) The numbers for 2015 were for covered-employee payroll, prior to GASB Statement No. 82 implementation.

Required Supplemental Information
(Dollar Amounts in Thousands)

| <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | |
|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | Total Pension Liability |
| 411 | 448 | 436 | 435 | 271 | Service cost |
| -- | -- | -- | -- | -- | Interest |
| -- | (127) | -- | 73 | -- | Changes of benefit terms |
| -- | 480 | -- | 73 | -- | Difference between expected and actual experience |
| (1,572) | (762) | (372) | (424) | (522) | Changes of assumptions |
| (1,161) | 39 | 64 | 157 | (251) | Benefit payments, including refunds of member contributions |
| 8,601 | 8,562 | 8,498 | 8,341 | 8,592 | Net change in total pension liability |
| <u>\$ 7,440</u> | <u>\$ 8,601</u> | <u>\$ 8,562</u> | <u>\$ 8,498</u> | <u>\$ 8,341</u> | Total Pension Liability-beginning |
| | | | | | Total Pension Liability-ending (a) |
| \$ 565 | \$ 545 | \$ 784 | \$ 784 | \$ 421 | Plan Fiduciary Net Position |
| -- | -- | -- | -- | -- | Contributions-employer |
| 436 | 295 | 527 | 123 | 17 | Contributions-member |
| (7) | (7) | (5) | (4) | -- | Net investment income (loss) |
| (1,572) | (762) | (372) | (428) | (522) | Investment Expense |
| -- | -- | -- | -- | -- | Benefit payments, including refunds of member contributions |
| 7 | 3 | (5) | 7 | -- | Administrative expense ⁽¹⁾ |
| (571) | 74 | 929 | 482 | (84) | Other |
| 6,602 | 6,528 | 5,599 | 5,117 | 5,201 | Net change in Plan Fiduciary Net Position |
| <u>\$ 6,031</u> | <u>\$ 6,602</u> | <u>\$ 6,528</u> | <u>\$ 5,599</u> | <u>\$ 5,117</u> | Plan Fiduciary Net Position-beginning |
| | | | | | Plan Fiduciary Net Position-ending (b) |
| <u>\$ 1,409</u> | <u>\$ 1,999</u> | <u>\$ 2,034</u> | <u>\$ 2,899</u> | <u>\$ 3,224</u> | Plan Net Pension Liability/(Asset)-ending (a)-(b) |
| 81.06% | 76.76% | 76.24% | 65.89% | 61.35% | Plan Fiduciary Net Position as a percentage of the Total Pension Liability |
| \$ 3,906 | \$ 4,298 | \$ 4,725 | \$ 1,747 | \$ 1,829 | Covered payroll ⁽²⁾ |
| 36.07% | 46.51% | 43.05% | 165.94% | 176.27% | Plan Net Pension Liability as a percentage of covered ⁽²⁾ payroll |
| 2019 | 2018 | 2017 | 2016 | 2015 | |
| 6.90% | 4.53% | 8.51% | 2.22% | 0.35% | Actual money-weighted rate of return, net of investment expense |

Orange County Extra-Help Defined Benefit Plan (Continued)

Notes to Schedule

Methods and assumptions used to determine actuarially determined contribution:

| | |
|------------------------|--|
| Valuation date | July 1, 2023 |
| Actuarial cost method | Projected Unit Credit Same as Entry Age Cost Method since all benefits are frozen |
| Amortization method | Level dollar |
| Amortization period | 5 years rolling (open) |
| Asset valuation method | Market Value of Assets |
| Discount rate | 4.75% |
| General Inflation | 2.50% |
| Mortality | PubG-2010 Healthy Retiree (Amount-Weighted, Above Median) x 105% for females |
| Mortality Improvement | Mortality projected fully generational with Scale MP-21 |
| All Other | Same as used in determining total pension liability |



Orange County Retiree Medical Plan

**Schedule of Changes in the Collective Plan Net OPEB Liability
and Related Ratios**

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Total OPEB Liability | | | | |
| Service cost | \$ 8,825 | \$ 14,426 | \$ 15,397 | \$ 14,912 |
| Interest | 47,434 | 51,443 | 52,018 | 50,385 |
| Changes of benefit terms | -- | (75,495) | -- | -- |
| Difference between expected and actual experience | (41,865) | -- | (41,074) | -- |
| Changes of assumptions | 11,569 | -- | 8,321 | -- |
| Benefit payments, including refunds of member contributions | (42,265) | (41,808) | (42,002) | (42,911) |
| Net change in Total OPEB Liability | <u>(16,302)</u> | <u>(51,434)</u> | <u>(7,340)</u> | <u>22,386</u> |
| Total OPEB Liability-beginning | 689,935 | 741,369 | 748,709 | 726,322 |
| Total OPEB Liability-ending (a) | <u><u>\$ 673,633</u></u> | <u><u>\$ 689,935</u></u> | <u><u>\$ 741,369</u></u> | <u><u>\$ 748,708</u></u> |
| Plan Fiduciary Net Position | | | | |
| Changes of benefit terms | \$ -- | \$ (59,975) | \$ -- | \$ -- |
| Contributions-employer | 43,963 | 46,389 | 45,402 | 45,989 |
| Contributions-employee | 250 | 237 | 235 | 208 |
| Net investment income (loss) | 49,468 | (38,387) | 66,778 | 40,847 |
| Benefit payments, including refunds of member contributions | (42,265) | (41,808) | (42,002) | (42,911) |
| Administrative expense | (24) | (23) | (24) | (22) |
| Net change in Plan Fiduciary Net Position | <u>51,392</u> | <u>(93,567)</u> | <u>70,389</u> | <u>44,111</u> |
| Plan Fiduciary Net Position-beginning | 391,478 | 485,045 | 414,656 | 370,545 |
| Plan Fiduciary Net Position-ending (b) | <u><u>\$ 442,870</u></u> | <u><u>\$ 391,478</u></u> | <u><u>\$ 485,045</u></u> | <u><u>\$ 414,656</u></u> |
| Plan Net OPEB Liability-ending (a)-(b) | <u><u>\$ 230,763</u></u> | <u><u>\$ 298,457</u></u> | <u><u>\$ 256,324</u></u> | <u><u>\$ 334,052</u></u> |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 65.74% | 56.74% | 65.43% | 55.38% |
| Covered payroll ⁽¹⁾ | \$ 1,590,114 | \$ 1,499,572 | \$ 1,453,302 | \$ 1,426,003 |
| Plan Net OPEB Liability as a percentage of covered payroll | 14.51% | 19.90% | 17.64% | 23.43% |

Schedule of Investment Returns

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|-------------|-------------|
| Actual money-weighted rate of return, net of investment expense | 11.44% | (7.88%) | 16.67% | 11.22% |

(1) For the 12 month period ending on December 31 (measurement date and plan year).

The schedule is presented to show information for 10 years. However, a full 10-year trend is currently not available; the County will be adding years in the future.

| <u>2019</u> | <u>2018</u> | <u>2017</u> | |
|-------------------|-------------------|-------------------|--|
| | | | Total OPEB Liability |
| \$ 16,501 | \$ 15,982 | \$ 15,479 | Service cost |
| 50,298 | 48,442 | 46,589 | Interest |
| 5,508 | -- | -- | Changes of benefit terms |
| (10,635) | -- | -- | Difference between expected and actual experience |
| (17,535) | -- | -- | Changes of assumptions |
| (39,719) | (37,118) | (35,111) | Benefit payments, including refunds of member contributions |
| 4,418 | 27,306 | 26,957 | Net change in Total OPEB Liability |
| 721,904 | 694,598 | 667,641 | Total OPEB Liability-beginning |
| <u>\$ 726,322</u> | <u>\$ 721,904</u> | <u>\$ 694,598</u> | Total OPEB Liability-ending (a) |
| | | | Plan Fiduciary Net Position |
| \$ -- | \$ -- | \$ -- | Changes of benefit terms |
| 58,807 | 54,229 | 60,721 | Contributions-employer |
| 505 | 2,103 | 2,193 | Contributions-employee |
| 43,720 | (5,746) | 34,217 | Net investment income |
| (39,719) | (37,118) | (35,111) | Benefit payments, including refunds of member contributions |
| (20) | (21) | (22) | Administrative expense |
| 63,293 | 13,447 | 61,998 | Net change in Plan Fiduciary Net Position |
| 307,252 | 293,805 | 231,807 | Plan Fiduciary Net Position-beginning |
| <u>\$ 370,545</u> | <u>\$ 307,252</u> | <u>\$ 293,805</u> | Plan Fiduciary Net Position-ending (b) |
| <u>\$ 355,777</u> | <u>\$ 414,652</u> | <u>\$ 400,793</u> | Plan Net OPEB Liability-ending (a)-(b) |
| | | | Plan Fiduciary Net Position as a percentage of the Total OPEB Liability |
| 51.02% | 42.56% | 42.30% | |
| \$ 1,368,521 | \$ 1,346,440 | \$ 1,313,217 | Covered payroll ⁽¹⁾ |
| 26.00% | 30.80% | 30.52% | Plan Net OPEB Liability as a percentage of covered payroll |

| <u>2019</u> | <u>2018</u> | <u>2017</u> | |
|-------------|-------------|-------------|---|
| 14.81% | (1.31%) | 14.74% | Actual money-weighted rate of return, net of investment expense |

Orange County Retiree Medical Plan (Continued)

Schedule of County's Proportionate Share of the Net OPEB Liability

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|---------------|---------------|---------------|---------------|
| County's proportion of the net OPEB liability | 90.92% | 90.94% | 90.92% | 91.43% |
| County's proportionate share of the net OPEB liability | \$ 209,799 | \$ 271,417 | \$ 233,049 | \$ 305,411 |
| Covered payroll ⁽¹⁾ | \$ 1,450,738 | \$ 1,373,815 | \$ 1,331,656 | \$ 1,306,964 |
| County's proportionate share of the net OPEB liability as a percentage of its covered payroll | <u>14.46%</u> | <u>19.76%</u> | <u>17.50%</u> | <u>23.37%</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 65.74% | 56.74% | 65.43% | 55.38% |

Schedule of Collective Plan Contributions

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------------|---------------|-----------------|-----------------|
| Actuarially determined contribution | \$ 40,589 | \$ 46,906 | \$ 50,102 | \$ 48,525 |
| Contributions in relation to the actuarially determined contribution | 43,963 | 46,389 | 45,402 | 45,989 |
| Contribution deficiency (excess) | <u>\$ (3,374)</u> | <u>\$ 517</u> | <u>\$ 4,700</u> | <u>\$ 2,536</u> |
| Covered payroll ⁽¹⁾ | \$ 1,590,114 | \$ 1,499,572 | \$ 1,453,302 | \$ 1,426,003 |
| Contributions as a percentage of covered payroll | 2.76% | 3.09% | 3.12% | 3.23% |

Schedule of County Contributions

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|--|------------------|-----------------|-----------------|-----------------|
| Actuarially determined contribution | \$ 36,902 | \$ 42,425 | \$ 45,930 | \$ 44,577 |
| Contributions in relation to the actuarially determined contribution | 23,780 | 43,336 | 42,373 | 39,393 |
| Contribution deficiency (excess) | <u>\$ 13,122</u> | <u>\$ (911)</u> | <u>\$ 3,557</u> | <u>\$ 5,184</u> |
| Covered payroll ⁽²⁾ | \$ 1,523,377 | \$ 1,404,551 | \$ 1,353,522 | \$ 1,310,629 |
| Contributions as a percentage of covered payroll | 1.56% | 3.09% | 3.13% | 3.01% |

(1) For the 12 month period ending on December 31 (measurement date and plan year).

(2) For the 12 month period ending on June 30, fiscal year end.

The schedule is presented to show information for 10 years. However, a full 10-year trend is currently not available; the County will be adding years in the future.

| <u>2019</u> | <u>2018</u> | <u>2017</u> | |
|---------------|---------------|---------------|--|
| 92.31% | 91.78% | 90.84% | County's proportion of the net OPEB liability |
| \$ 328,412 | \$ 380,581 | \$ 364,071 | County's proportionate share of the net OPEB liability |
| \$ 1,254,780 | \$ 1,234,558 | \$ 1,203,106 | Covered payroll ⁽¹⁾ |
| <u>26.17%</u> | <u>30.83%</u> | <u>30.26%</u> | County's proportionate share of the net OPEB liability as a percentage of its covered payroll |
| 51.02% | 42.56% | 42.30% | Plan fiduciary net position as a percentage of the total OPEB liability |

| <u>2019</u> | <u>2018</u> | <u>2017</u> | |
|-------------------|-------------------|--------------------|--|
| \$ 50,037 | \$ 52,554 | \$ 47,006 | Actuarially determined contribution |
| 58,807 | 54,229 | 60,721 | Contributions in relation to the actuarially determined contribution |
| <u>\$ (8,770)</u> | <u>\$ (1,675)</u> | <u>\$ (13,715)</u> | Contribution deficiency (excess) |
| \$ 1,368,521 | \$ 1,346,440 | \$ 1,313,217 | Covered payroll ⁽¹⁾ |
| 4.30% | 4.03% | 4.62% | Contributions as a percentage of covered payroll |

| <u>2020</u> | <u>2019</u> | <u>2018</u> | |
|-------------------|-------------------|-------------------|--|
| \$ 45,698 | \$ 48,101 | \$ 42,716 | Actuarially determined contribution |
| 50,466 | 52,349 | 46,005 | Contributions in relation to the actuarially determined contribution |
| <u>\$ (4,768)</u> | <u>\$ (4,248)</u> | <u>\$ (3,289)</u> | Contribution deficiency (excess) |
| \$ 1,293,186 | \$ 1,254,706 | \$ 1,220,638 | Covered payroll ⁽²⁾ |
| 3.90% | 4.17% | 3.77% | Contributions as a percentage of covered payroll |

Orange County Retiree Medical Plan (Continued)

Notes to Schedule

Methods and assumptions used to determine actuarially determined contributions:

| | |
|------------------------|--|
| Valuation date | June 30, 2023 |
| Actuarial cost method | Entry age normal, level percent of pay |
| Amortization method | Level dollar |
| Amortization period | 11-year average fixed period for 2023/24 |
| Asset valuation method | Investment gains/losses spread over 5-year period |
| Discount rate | 7.00% |
| General inflation | 2.50% |
| Grant increases | AFSCME: lesser of 5% and Medical Trend Non-AFSCME: 0% or lesser of 3% and Medical Trend depending on employee group |
| Medical Trend | Non-medicare-8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser)-7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser)-6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076 |
| Mortality | OCERS 2017-19 Experience Study |
| Mortality improvement | Mortality projected fully generational with Society of Actuaries Scale MP-2019 |



**JOHN WAYNE
ORANGE COUNTY
(SNA)**





County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS-COUNTYWIDE CAPITAL PROJECTS NON-GENERAL FUND

| | *Original Budget | *Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|-------------------|------------------|------------------------------|------------------------------------|
| Revenues and Other Financing Sources | | | | |
| Intergovernmental | \$ 9,697 | \$ 15,614 | \$ 708 | \$ (14,906) |
| Other | -- | 396 | 478 | 82 |
| Transfers In | 125,777 | 239,260 | 235,102 | (4,158) |
| Total Revenues and Other Financing Sources | <u>135,474</u> | <u>255,270</u> | <u>236,288</u> | <u>(18,982)</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| Countywide IT Projects Non-General Fund | 17,025 | 56,501 | 5,436 | 51,065 |
| Public Protection: | | | | |
| Countywide Capital Projects Non-General Fund | 301,602 | 596,166 | 101,872 | 494,294 |
| Total Expenditures and Other Financing Uses | <u>318,627</u> | <u>652,667</u> | <u>107,308</u> | <u>545,359</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (183,153) | (397,397) | 128,980 | <u>\$ 526,377</u> |
| Fund Balances-Beginning of Year | 474,399 | 474,399 | 474,399 | |
| Fund Balances-End of Year | <u>\$ 291,246</u> | <u>\$ 77,002</u> | <u>\$ 603,379</u> | |

* Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.



NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources (other than the Permanent Fund or for major capital projects) that have either legal or operational requirements to restrict expenditures for specified purposes.

Parking Facilities

This fund is used to account for revenues and expenditures related to parking facilities. This includes costs to lease parking spaces for County staff, costs and revenue from the Manchester lot, interest revenue, and the County's operating and maintenance costs.

Service Areas, Lighting, Maintenance and Assessment Districts

This group of funds is used to account for the construction of public facilities from the proceeds of various Mello-Roos districts (also known as Community Facilities Districts) bond issues, special assessment district bond issues, and interfund transfers from County Service Area operating funds. Upon completion of construction, the public facilities are transferred to the Special Assessment and Community Facilities Districts. It is also used to account for local park and recreation facilities, highway lighting, and street sweeping services within unincorporated areas of the County. Revenues consist primarily of property taxes and State grants.

Other Environmental Management

This group of funds is used to account for Local Redevelopment Authority activities, fees from violations of fish and game laws, usage of various State tidelands held in trust by the County, registration of off-highway vehicles, and motor vehicle fees levied by the South Coast Air Quality Management District.

Tobacco Settlement

This fund accounts for Tobacco Settlement monies allocated to the County from the State of California, pursuant to the Master Settlement Agreement concluded on November 23, 1998, between the major tobacco companies and 46 States (including California), the District of Columbia and four U.S. Territories. On November 7, 2000, Orange County voters passed Measure H. This measure requires the County to utilize its share of the national tobacco litigation settlement revenues in the following percentages:

- 80% for specified healthcare services
- 20% for public safety

Community and Welfare Services

This group of funds is used to account for the Orange County Workforce Innovation and Opportunity Act, Welfare-to-Work, Shelter Care Facilities, In-Home Supportive Services, Housing and Community Development, Substance Abuse Treatment, and Other Community and Welfare Social Programs. Revenues consist primarily of Federal grants passed through the State, as well as State grants.

OC Parks

This fund accounts for the development and maintenance of County tidelands and related aquatic recreational facilities, as well as the acquisition, operation and maintenance of County beaches, inland, regional park facilities and community park sites in the unincorporated areas. Revenues consist primarily of property taxes, State aid, lease and concession revenues, and park and recreation fees.

OC Dana Point Harbor

This fund accounts for monies received primarily through rent and concession revenues which are restricted to providing public coastal access, environmental stewardship, and a diverse regional recreational facility so users and visitors may experience the Dana Point Harbor resource in a safe and enjoyable way. The Board approved a lease agreement with Dana Point Harbor Partners to renovate and operate the Dana Point Harbor. For additional information regarding Dana Point Harbor, refer to Note 7, Public-Private and Public-Public Partnerships.

Housing Asset

The Orange County Development Agency (OCDA) was dissolved effective February 1, 2012, in accordance with Health and Safety Code 34172. The Orange County Housing Authority assumed the housing functions previously performed by OCDA. The Housing Asset Fund was established and the housing assets from the OCDA Low and Moderate Income Housing Fund were transferred into the Fund.

OC Public Libraries

This fund accounts for library services for the unincorporated areas as well as some of the incorporated areas within the County. Property taxes, restricted for the Library, provide most of the Fund's revenue. Licenses, permits, Federal and State aid, and charges for services make up the remaining revenue.

Health Care Programs

This group of funds is used to account for Board-approved Realignment Reserves for Healthcare, Medi-Cal Mental Health Managed Care programs, Medi-Cal Administrative Activities and Targeted Case Management, Bioterrorism Preparedness grant funds, Emergency Medical Services allocations, and other purpose-restricted revenues related to healthcare programs. Revenues consist primarily of State grants and allocations, and Federal grants passed through the State.

Roads

This fund accounts for proceeds restricted for the maintenance and construction of roadways, and for specialized engineering services to other governmental units and the public. Revenues consist primarily of the County's share of State highway users' taxes, and SB1 related transportation taxes and fees, Federal funds, and charges for engineering services provided.

Orange County Housing Authority

This fund is used to account for revenues received from the Federal Government for Section 8 Rental Assistance Program expenditures. This program assists low-income families to obtain decent, safe, and sanitary housing through a system of rental subsidies.

Other Governmental Resources

This group of funds is used to account for fees charged for property characteristics information that are purpose-restricted for technological and capital acquisitions and/or improvements.

Opioid Settlement

This fund is used to administer the allocation and use of the County's participation in the National Opioid Settlements. The money received in this fund consists of allocations received from current and future judgements and settlements for opioid remediation activity to combat the effects of the opioid epidemic.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS

These funds are used to account for the accumulation and disbursement of taxes and other revenues for the periodic payment of principal and interest on general long-term debt that includes general obligation, revenue, and demand bond issues.

Teeter Plan Notes

This fund accounts for the financing of the County's purchase of delinquent taxes receivable pursuant to the Teeter Plan. The Teeter Plan is an alternate secured property tax distribution plan, whereby, the County distributes 100% of the local secured levy to the taxing agencies participating in the Teeter Plan and in exchange receives the right to keep the delinquent taxes, penalties and interest.

Capital Facilities Development Corporation

This non-budgeted fund was established to account for the Civic Center Facilities Master Plan project and will facilitate financings, acquisitions of property, and other property related transactions for the benefit of Orange County, California.

South Orange County Public Financing Authority

This non-budgeted fund was established to account for the debt service expenditures for the South Orange County Public Financing Authority (SOCPFA). On June 2, 2016, SOCPFA issued the Central Utility Facility Lease Revenue Bonds, Series 2016 to finance the acquisition, construction and installation of certain capital improvements. On July 26, 2022, SOCPFA issued the Lease Revenue Bonds, Series 2022 (County of Orange Sheriff-Coroner Facility) to finance the acquisition and construction of certain improvements to a new facility for the Sheriff-Coroner department.

CAPITAL PROJECTS FUNDS

These funds are used to account for the acquisition and construction of major capital facilities (other than those financed by the Proprietary Funds).

Criminal Justice Facilities

This group of funds is used to account for monies received from surcharges and penalty assessments on offenses used for capital improvements to court and other criminal justice facilities.

Capital Facilities Development Corporation Construction

This non-budgeted fund was established for the Civic Center Facilities Master Plan project and to account for the related construction.

PERMANENT FUND

A Permanent fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Regional Park Endowment

This fund is used to account for costs associated with the repair and maintenance of a mitigation area in Limestone Regional Park.

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

| | Special Revenue | | | |
|--|---|-----------------------|--|--------------------------------------|
| | Total Nonmajor Governmental Funds | Parking Facilities | Service Areas, Lighting, Maintenance, & Assessment Districts | Other Environmental Management |
| ASSETS | | | | |
| Pooled Cash/Investments | \$ 1,211,771 | \$ 11,423 | \$ 7,499 | \$ 27,594 |
| Imprest Cash Funds | 45 | -- | -- | -- |
| Restricted Cash and Investments with Trustee | 73,256 | -- | 50,379 | -- |
| Deposits In-Lieu of Cash | 2,404 | -- | -- | 2,027 |
| Receivables | | | | |
| Accounts | 16,436 | -- | -- | -- |
| Taxes | 33,429 | -- | 19 | -- |
| Interest/Dividends | 11,614 | 140 | 90 | 322 |
| Deposits | 213 | -- | -- | -- |
| Leases | 38,777 | -- | -- | 8,215 |
| PPP | 141,263 | -- | -- | -- |
| Allowance for Uncollectible Receivables | (232) | (3) | -- | -- |
| Due from Other Funds | 6,119 | 657 | -- | -- |
| Due from Other Governmental Agencies | 38,401 | 438 | -- | 49 |
| Notes Receivable, Net | 73,991 | -- | -- | -- |
| Total Assets | \$ 1,647,487 | \$ 12,655 | \$ 57,987 | \$ 38,207 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 22,278 | \$ 593 | \$ 4,975 | \$ -- |
| Retainage Payable | 1,238 | -- | 2 | -- |
| Salaries and Employee Benefits Payable | 4,519 | 18 | -- | -- |
| Interest Payable | 162 | -- | -- | -- |
| Deposits from Others | 42,595 | -- | 546 | 97 |
| Due to Other Funds | 75,310 | 173 | 155 | 61 |
| Due to Other Governmental Agencies | 35,516 | 92 | 31 | -- |
| Unearned Revenue | 46,758 | -- | -- | 1,992 |
| Total Liabilities | 228,376 | 876 | 5,709 | 2,150 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue-Intergovernmental Revenues | 993 | -- | -- | -- |
| Unavailable Revenue-Property Taxes | 1,423 | -- | 8 | -- |
| Unavailable Revenue-Other | 11,812 | -- | -- | -- |
| Related to PPP | 128,860 | -- | -- | -- |
| Related to Leases | 36,919 | -- | -- | 7,412 |
| Total Deferred Inflows of Resources | 180,007 | -- | 8 | 7,412 |
| FUND BALANCES | | | | |
| Nonspendable | 200 | -- | -- | -- |
| Restricted | 1,107,846 | 4,753 | 52,270 | 15,372 |
| Assigned | 135,080 | 7,026 | -- | 13,273 |
| Unassigned | (4,022) | -- | -- | -- |
| Total Fund Balances | 1,239,104 | 11,779 | 52,270 | 28,645 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 1,647,487 | \$ 12,655 | \$ 57,987 | \$ 38,207 |

| Special Revenue | | | | |
|-----------------------|------------------------------------|-------------------|----------------------------|--|
| Tobacco Settlement | Community & Welfare Services | OC Parks | OC Dana Point Harbor | |
| \$ 25,034 | \$ 233,098 | \$ 175,241 | \$ 51,090 | ASSETS |
| -- | 45 | -- | -- | Pooled Cash/Investments |
| -- | -- | -- | -- | Imprest Cash Funds |
| -- | -- | 359 | 18 | Restricted Cash and Investments with Trustee |
| -- | -- | -- | -- | Deposits In-Lieu of Cash |
| -- | 1,111 | 1,470 | 237 | Receivables |
| -- | -- | 1,671 | -- | Accounts |
| 176 | 272 | 2,137 | 642 | Taxes |
| -- | -- | -- | -- | Interest/Dividends |
| -- | -- | 30,562 | -- | Deposits |
| -- | -- | 46,099 | 95,164 | Leases |
| -- | -- | -- | -- | PPP |
| -- | 2,553 | 1,122 | -- | Allowance for Uncollectible Receivables |
| -- | 5,329 | 23 | -- | Due from Other Funds |
| -- | 46,818 | -- | -- | Due from Other Governmental Agencies |
| <u>\$ 25,210</u> | <u>\$ 289,226</u> | <u>\$ 258,684</u> | <u>\$ 147,151</u> | Notes Receivable, Net |
| | | | | Total Assets |
| | | | | LIABILITIES |
| \$ -- | \$ 740 | \$ 4,016 | \$ 48 | Accounts Payable |
| -- | -- | 504 | 1 | Retainage Payable |
| -- | 78 | 1,637 | -- | Salaries and Employee Benefits Payable |
| -- | -- | -- | -- | Interest Payable |
| -- | 2 | 3,567 | 385 | Deposits from Others |
| 5,119 | 33,170 | 2,718 | 1,659 | Due to Other Funds |
| -- | 33,282 | 8 | -- | Due to Other Governmental Agencies |
| -- | 37,298 | 688 | -- | Unearned Revenue |
| <u>5,119</u> | <u>104,570</u> | <u>13,138</u> | <u>2,093</u> | Total Liabilities |
| | | | | DEFERRED INFLOWS OF RESOURCES |
| -- | 720 | -- | -- | Unavailable Revenue-Intergovernmental Revenues |
| -- | -- | 879 | -- | Unavailable Revenue-Property Taxes |
| -- | -- | -- | -- | Unavailable Revenue-Other |
| -- | -- | 44,575 | 84,285 | Related to PPP |
| -- | -- | 29,507 | -- | Related to Leases |
| <u>--</u> | <u>720</u> | <u>74,961</u> | <u>84,285</u> | Total Deferred Inflows of Resources |
| | | | | FUND BALANCES |
| -- | -- | -- | -- | Nonspendable |
| 20,091 | 168,365 | 170,585 | 60,773 | Restricted |
| -- | 15,571 | -- | -- | Assigned |
| -- | -- | -- | -- | Unassigned |
| <u>20,091</u> | <u>183,936</u> | <u>170,585</u> | <u>60,773</u> | Total Fund Balances |
| <u>\$ 25,210</u> | <u>\$ 289,226</u> | <u>\$ 258,684</u> | <u>\$ 147,151</u> | Total Liabilities, Deferred Inflows of Resources, and Fund Balances |

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

| | Special Revenue | | |
|--|------------------|------------------------|-------------------------|
| | Housing Asset | OC Public Libraries | Health Care Programs |
| <u>ASSETS</u> | | | |
| Pooled Cash/Investments | \$ 2,794 | \$ 142,761 | \$ 42,988 |
| Imprest Cash Funds | -- | -- | -- |
| Restricted Cash and Investments with Trustee | -- | -- | -- |
| Deposits In-Lieu of Cash | -- | -- | -- |
| Receivables | | | |
| Accounts | -- | 66 | -- |
| Taxes | -- | 1,047 | -- |
| Interest/Dividends | 32 | 1,762 | 286 |
| Deposits | -- | -- | -- |
| Leases | -- | -- | -- |
| PPP | -- | -- | -- |
| Allowance for Uncollectible Receivables | -- | -- | -- |
| Due from Other Funds | -- | 315 | 583 |
| Due from Other Governmental Agencies | -- | -- | 1,811 |
| Notes Receivable, Net | 26,447 | -- | -- |
| Total Assets | <u>\$ 29,273</u> | <u>\$ 145,951</u> | <u>\$ 45,668</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ -- | \$ 2,408 | \$ -- |
| Retainage Payable | -- | 10 | -- |
| Salaries and Employee Benefits Payable | -- | 1,333 | -- |
| Interest Payable | -- | -- | -- |
| Deposits from Others | 12 | -- | -- |
| Due to Other Funds | 35 | 941 | 6,423 |
| Due to Other Governmental Agencies | 56 | 1 | 1,992 |
| Unearned Revenue | -- | 5,017 | 1,300 |
| Total Liabilities | <u>103</u> | <u>9,710</u> | <u>9,715</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Unavailable Revenue-Intergovernmental Revenues | -- | -- | -- |
| Unavailable Revenue-Property Taxes | -- | 536 | -- |
| Unavailable Revenue-Other | -- | -- | -- |
| Related to PPP | -- | -- | -- |
| Related to Leases | -- | -- | -- |
| Total Deferred Inflows of Resources | <u>--</u> | <u>536</u> | <u>--</u> |
| <u>FUND BALANCES</u> | | | |
| Nonspendable | -- | -- | -- |
| Restricted | 29,170 | 135,705 | 22,365 |
| Assigned | -- | -- | 13,588 |
| Unassigned | -- | -- | -- |
| Total Fund Balances | <u>29,170</u> | <u>135,705</u> | <u>35,953</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 29,273</u> | <u>\$ 145,951</u> | <u>\$ 45,668</u> |

| Special Revenue | | | |
|-------------------|---------------------------------------|------------------------------------|--|
| Roads | Orange County Housing Authority | Other Governmental Resources | |
| \$ 368,252 | \$ 14,826 | \$ 2,026 | ASSETS |
| -- | -- | -- | Pooled Cash/Investments |
| -- | 22,636 | -- | Imprest Cash Funds |
| -- | -- | -- | Restricted Cash and Investments with Trustee |
| 73 | 299 | -- | Deposits In-Lieu of Cash |
| -- | -- | -- | Receivables |
| 4,275 | 169 | 7 | Accounts |
| 213 | -- | -- | Taxes |
| -- | -- | -- | Interest/Dividends |
| -- | -- | -- | Deposits |
| (94) | (135) | -- | Leases |
| 882 | 6 | -- | PPP |
| 17,190 | 1,834 | -- | Allowance for Uncollectible Receivables |
| -- | 726 | -- | Due from Other Funds |
| <u>\$ 390,791</u> | <u>\$ 40,361</u> | <u>\$ 2,033</u> | Due from Other Governmental Agencies |
| | | | Notes Receivable, Net |
| | | | Total Assets |
| | | | LIABILITIES |
| \$ 4,882 | \$ 1,079 | \$ -- | Accounts Payable |
| 99 | -- | -- | Retainage Payable |
| 998 | 455 | -- | Salaries and Employee Benefits Payable |
| -- | -- | -- | Interest Payable |
| 37,986 | -- | -- | Deposits from Others |
| 2,966 | 375 | -- | Due to Other Funds |
| 41 | 1 | -- | Due to Other Governmental Agencies |
| 463 | -- | -- | Unearned Revenue |
| <u>47,435</u> | <u>1,910</u> | <u>--</u> | Total Liabilities |
| | | | DEFERRED INFLOWS OF RESOURCES |
| 245 | -- | -- | Unavailable Revenue-Intergovernmental Revenues |
| -- | -- | -- | Unavailable Revenue-Property Taxes |
| -- | -- | -- | Unavailable Revenue-Other |
| -- | -- | -- | Related to PPP |
| -- | -- | -- | Related to Leases |
| <u>245</u> | <u>--</u> | <u>--</u> | Total Deferred Inflows of Resources |
| | | | FUND BALANCES |
| -- | -- | -- | Nonspendable |
| 343,111 | 38,451 | 2,033 | Restricted |
| -- | -- | -- | Assigned |
| -- | -- | -- | Unassigned |
| <u>343,111</u> | <u>38,451</u> | <u>2,033</u> | Total Fund Balances |
| <u>\$ 390,791</u> | <u>\$ 40,361</u> | <u>\$ 2,033</u> | Total Liabilities, Deferred Inflows of Resources, and Fund Balances |

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

| | Special Revenue | Debt Service | |
|--|----------------------|----------------------|--|
| | Opioid Settlement | Teeter Plan Notes | Capital Facilities Development Corporation |
| <u>ASSETS</u> | | | |
| Pooled Cash/Investments | \$ 13,346 | \$ 73,192 | \$ -- |
| Imprest Cash Funds | -- | -- | -- |
| Restricted Cash and Investments with Trustee | -- | 210 | 20 |
| Deposits In-Lieu of Cash | -- | -- | -- |
| Receivables | | | |
| Accounts | 13,180 | -- | -- |
| Taxes | -- | 30,692 | -- |
| Interest/Dividends | 176 | 878 | -- |
| Deposits | -- | -- | -- |
| Leases | -- | -- | -- |
| PPP | -- | -- | -- |
| Allowance for Uncollectible Receivables | -- | -- | -- |
| Due from Other Funds | -- | -- | -- |
| Due from Other Governmental Agencies | -- | 11,573 | -- |
| Notes Receivable, Net | -- | -- | -- |
| Total Assets | \$ 26,702 | \$ 116,545 | \$ 20 |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ -- | \$ 69 | \$ -- |
| Retainage Payable | -- | -- | -- |
| Salaries and Employee Benefits Payable | -- | -- | -- |
| Interest Payable | -- | 162 | -- |
| Deposits from Others | -- | -- | -- |
| Due to Other Funds | 1,007 | -- | -- |
| Due to Other Governmental Agencies | -- | -- | -- |
| Unearned Revenue | -- | -- | -- |
| Total Liabilities | 1,007 | 231 | -- |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Unavailable Revenue-Intergovernmental Revenues | -- | -- | -- |
| Unavailable Revenue-Property Taxes | -- | -- | -- |
| Unavailable Revenue-Other | 11,812 | -- | -- |
| Related to PPP | -- | -- | -- |
| Related to Leases | -- | -- | -- |
| Total Deferred Inflows of Resources | 11,812 | -- | -- |
| <u>FUND BALANCES</u> | | | |
| Nonspendable | -- | -- | -- |
| Restricted | 13,883 | 30,692 | 20 |
| Assigned | -- | 85,622 | -- |
| Unassigned | -- | -- | -- |
| Total Fund Balances | 13,883 | 116,314 | 20 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 26,702 | \$ 116,545 | \$ 20 |

| Debt Service | Capital Projects | Permanent | |
|---|--------------------------------|----------------------------|--|
| South OC Public Financing Authority | Criminal Justice Facilities | Regional Park Endowment | |
| | | | ASSETS |
| \$ -- | \$ 20,216 | \$ 391 | Pooled Cash/Investments |
| -- | -- | -- | Imprest Cash Funds |
| 11 | -- | -- | Restricted Cash and Investments with Trustee |
| -- | -- | -- | Deposits In-Lieu of Cash |
| -- | -- | -- | Receivables |
| -- | -- | -- | Accounts |
| -- | -- | -- | Taxes |
| -- | 245 | 5 | Interest/Dividends |
| -- | -- | -- | Deposits |
| -- | -- | -- | Leases |
| -- | -- | -- | PPP |
| -- | -- | -- | Allowance for Uncollectible Receivables |
| -- | 1 | -- | Due from Other Funds |
| -- | 154 | -- | Due from Other Governmental Agencies |
| -- | -- | -- | Notes Receivable, Net |
| \$ 11 | \$ 20,616 | \$ 396 | Total Assets |
| | | | LIABILITIES |
| \$ -- | \$ 3,468 | \$ -- | Accounts Payable |
| -- | 622 | -- | Retainage Payable |
| -- | -- | -- | Salaries and Employee Benefits Payable |
| -- | -- | -- | Interest Payable |
| -- | -- | -- | Deposits from Others |
| -- | 20,508 | -- | Due to Other Funds |
| -- | 12 | -- | Due to Other Governmental Agencies |
| -- | -- | -- | Unearned Revenue |
| -- | 24,610 | -- | Total Liabilities |
| | | | DEFERRED INFLOWS OF RESOURCES |
| -- | 28 | -- | Unavailable Revenue-Intergovernmental Revenues |
| -- | -- | -- | Unavailable Revenue-Property Taxes |
| -- | -- | -- | Unavailable Revenue-Other |
| -- | -- | -- | Related to PPP |
| -- | -- | -- | Related to Leases |
| -- | 28 | -- | Total Deferred Inflows of Resources |
| | | | FUND BALANCES |
| -- | -- | 200 | Nonspendable |
| 11 | -- | 196 | Restricted |
| -- | -- | -- | Assigned |
| -- | (4,022) | -- | Unassigned |
| 11 | (4,022) | 396 | Total Fund Balances |
| \$ 11 | \$ 20,616 | \$ 396 | Total Liabilities, Deferred Inflows of Resources, and Fund Balances |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

| | Total Nonmajor Governmental Funds | Special Revenue | | |
|---|--|-----------------------|---|--------------------------------------|
| | | Parking Facilities | Service Area, Lighting, Maintenance, & Assessment Districts | Other Environmental Management |
| Revenues | | | | |
| Taxes | \$ 200,618 | \$ -- | \$ 897 | \$ -- |
| Licenses, Permits, and Franchises | 956 | -- | -- | -- |
| Fines, Forfeitures, and Penalties | 24,781 | -- | -- | -- |
| Use of Money and Property | 113,377 | 13,933 | 3,259 | 4,770 |
| Intergovernmental | 585,922 | 599 | 57,044 | 5,618 |
| Charges for Services | 48,429 | 81 | 11 | 556 |
| Other | 36,404 | 2 | 1 | 818 |
| Total Revenues | 1,010,487 | 14,615 | 61,212 | 11,762 |
| Expenditures | | | | |
| Current | | | | |
| General Government | 52,225 | -- | 39,480 | 844 |
| Public Protection | 372 | -- | -- | -- |
| Public Ways and Facilities | 94,643 | 10,984 | 581 | 1,397 |
| Health and Sanitation | 839 | -- | -- | 45 |
| Public Assistance | 299,250 | -- | -- | -- |
| Education | 59,737 | -- | -- | -- |
| Recreation and Cultural Services | 126,825 | -- | -- | -- |
| Capital Outlay | 72,638 | 8 | 494 | 597 |
| Debt Service | | | | |
| Principal Retirement | 146,107 | -- | -- | -- |
| Interest | 25,566 | -- | -- | -- |
| Total Expenditures | 878,202 | 10,992 | 40,555 | 2,883 |
| Excess (Deficit) of Revenues Over Expenditures | 132,285 | 3,623 | 20,657 | 8,879 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 342,032 | -- | 100 | 404 |
| Transfers Out | (372,535) | (63) | (5) | -- |
| Debt Issued | 89,004 | -- | -- | -- |
| Leases Issued | 439 | -- | -- | -- |
| Subscriptions Issued | 73 | -- | -- | -- |
| Total Other Financing Sources (Uses) | 59,013 | (63) | 95 | 404 |
| Net Change in Fund Balances | 191,298 | 3,560 | 20,752 | 9,283 |
| Fund Balances-Beginning of Year, as Previously Reported | 1,262,192 | 8,219 | 31,518 | 19,362 |
| Change Within Financial Reporting Entity | (214,386) | -- | -- | -- |
| Fund Balances - Beginning of Year, as restated | 1,047,806 | 8,219 | 31,518 | 19,362 |
| Fund Balances-End of Year | \$ 1,239,104 | \$ 11,779 | \$ 52,270 | \$ 28,645 |

| Special Revenue | | | |
|-----------------------|------------------------------------|-------------|----------------------------|
| Tobacco Settlement | Community & Welfare Services | OC Parks | OC Dana Point Harbor |
| \$ -- | \$ -- | \$ 123,169 | \$ -- |
| -- | 677 | 254 | -- |
| -- | -- | 1,037 | -- |
| 1,213 | 20,524 | 24,454 | 8,109 |
| -- | 79,892 | 5,978 | 229 |
| -- | 3,335 | 14,008 | 111 |
| 27,727 | 1,762 | 449 | 5 |
| 28,940 | 106,190 | 169,349 | 8,454 |
| 8 | 11,590 | -- | -- |
| -- | 372 | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | 29,460 | -- | -- |
| -- | -- | -- | -- |
| -- | -- | 115,545 | 11,280 |
| -- | 644 | 7,641 | 49 |
| -- | 19 | 167 | -- |
| -- | 1 | 19 | -- |
| 8 | 42,086 | 123,372 | 11,329 |
| 28,932 | 64,104 | 45,977 | (2,875) |
| 8 | 285,349 | 629 | -- |
| (32,121) | (313,260) | (1,364) | -- |
| -- | -- | -- | -- |
| -- | -- | 194 | -- |
| -- | 20 | 24 | -- |
| (32,113) | (27,891) | (517) | -- |
| (3,181) | 36,213 | 45,460 | (2,875) |
| 23,272 | 147,723 | 125,125 | 63,648 |
| -- | -- | -- | -- |
| 23,272 | 147,723 | 125,125 | 63,648 |
| \$ 20,091 | \$ 183,936 | \$ 170,585 | \$ 60,773 |

Revenues

| |
|-----------------------------------|
| Taxes |
| Licenses, Permits, and Franchises |
| Fines, Forfeitures, and Penalties |
| Use of Money and Property |
| Intergovernmental |
| Charges for Services |
| Other |
| Total Revenues |

Expenditures

| |
|----------------------------------|
| Current |
| General Government |
| Public Protection |
| Public Ways and Facilities |
| Health and Sanitation |
| Public Assistance |
| Education |
| Recreation and Cultural Services |
| Capital Outlay |
| Debt Service |
| Principal Retirement |
| Interest |
| Total Expenditures |
| Excess (Deficit) of Revenues |
| Over Expenditures |

Other Financing Sources (Uses)

| |
|--------------------------------------|
| Transfers In |
| Transfers Out |
| Debt Issued |
| Leases Issued |
| Subscriptions Issued |
| Total Other Financing Sources (Uses) |

Net Change in Fund Balances

| |
|---|
| Fund Balances-Beginning of Year, as Previously Reported |
| Change Within Financial Reporting Entity |
| Fund Balances - Beginning of Year, as restated |
| Fund Balances-End of Year |

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS**

| | Special Revenue | | |
|---|------------------|------------------------|-------------------------|
| | Housing Asset | OC Public Libraries | Health Care Programs |
| Revenues | | | |
| Taxes | \$ -- | \$ 76,552 | \$ -- |
| Licenses, Permits, and Franchises | -- | -- | -- |
| Fines, Forfeitures, and Penalties | -- | 18 | 6,296 |
| Use of Money and Property | 302 | 7,336 | 2,281 |
| Intergovernmental | -- | 487 | 7,376 |
| Charges for Services | -- | 860 | 999 |
| Other | -- | 1,123 | 3 |
| Total Revenues | <u>302</u> | <u>86,376</u> | <u>16,955</u> |
| Expenditures | | | |
| Current | | | |
| General Government | -- | -- | -- |
| Public Protection | -- | -- | -- |
| Public Ways and Facilities | -- | -- | -- |
| Health and Sanitation | -- | -- | 409 |
| Public Assistance | 660 | -- | -- |
| Education | -- | 59,737 | -- |
| Recreation and Cultural Services | -- | -- | -- |
| Capital Outlay | -- | 5,909 | -- |
| Debt Service | | | |
| Principal Retirement | -- | 322 | -- |
| Interest | -- | 19 | -- |
| Total Expenditures | <u>660</u> | <u>65,987</u> | <u>409</u> |
| Excess (Deficit) of Revenues Over Expenditures | (358) | 20,389 | 16,546 |
| Other Financing Sources (Uses) | | | |
| Transfers In | -- | 466 | 850 |
| Transfers Out | -- | (239) | (16,124) |
| Debt Issued | -- | -- | -- |
| Leases Issued | -- | 99 | -- |
| Subscriptions Issued | -- | 16 | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>342</u> | <u>(15,274)</u> |
| Net Change in Fund Balances | (358) | 20,731 | 1,272 |
| Fund Balances-Beginning of Year, as Previously Reported | 29,528 | 114,974 | 34,681 |
| Change Within Financial Reporting Entity | -- | -- | -- |
| Fund Balances - Beginning of Year, as restated | <u>29,528</u> | <u>114,974</u> | <u>34,681</u> |
| Fund Balances-End of Year | <u>\$ 29,170</u> | <u>\$ 135,705</u> | <u>\$ 35,953</u> |

| Special Revenue | | | |
|-------------------|---------------------------------------|------------------------------------|---|
| Roads | Orange County Housing Authority | Other Governmental Resources | |
| \$ -- | \$ -- | \$ -- | Revenues |
| 25 | -- | -- | Taxes |
| 2 | -- | -- | Licenses, Permits, and Franchises |
| 17,659 | 844 | 120 | Fines, Forfeitures, and Penalties |
| 127,429 | 273,613 | -- | Use of Money and Property |
| 25,707 | -- | 128 | Intergovernmental |
| 81 | 430 | -- | Charges for Services |
| <u>170,903</u> | <u>274,887</u> | <u>248</u> | Other |
| | | | Total Revenues |
| | | | Expenditures |
| | | | Current |
| -- | -- | 1 | General Government |
| -- | -- | -- | Public Protection |
| 81,681 | -- | -- | Public Ways and Facilities |
| -- | -- | -- | Health and Sanitation |
| -- | 269,130 | -- | Public Assistance |
| -- | -- | -- | Education |
| -- | -- | -- | Recreation and Cultural Services |
| 6,389 | 134 | -- | Capital Outlay |
| 94 | 200 | -- | Debt Service |
| 6 | 9 | -- | Principal Retirement |
| <u>88,170</u> | <u>269,473</u> | <u>1</u> | Interest |
| | | | Total Expenditures |
| 82,733 | 5,414 | 247 | Excess (Deficit) of Revenues Over Expenditures |
| | | | Other Financing Sources (Uses) |
| 5 | 5,917 | 1 | Transfers In |
| (1,142) | -- | (85) | Transfers Out |
| -- | -- | -- | Debt Issued |
| 12 | 134 | -- | Leases Issued |
| 13 | -- | -- | Subscriptions Issued |
| <u>(1,112)</u> | <u>6,051</u> | <u>(84)</u> | Total Other Financing Sources (Uses) |
| 81,621 | 11,465 | 163 | Net Change in Fund Balances |
| 261,490 | 26,986 | 1,870 | Fund Balances-Beginning of Year, as Previously Reported |
| -- | -- | -- | Change Within Financial Reporting Entity |
| <u>261,490</u> | <u>26,986</u> | <u>1,870</u> | Fund Balances - Beginning of Year, as restated |
| <u>\$ 343,111</u> | <u>\$ 38,451</u> | <u>\$ 2,033</u> | Fund Balances-End of Year |

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS**

| | Special Revenue | Debt Service | |
|---|----------------------|----------------------|--|
| | Opioid Settlement | Teeter Plan Notes | Capital Facilities Development Corporation |
| Revenues | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Licenses, Permits, and Franchises | -- | -- | -- |
| Fines, Forfeitures, and Penalties | -- | 16,280 | -- |
| Use of Money and Property | 1,307 | 5,623 | 37 |
| Intergovernmental | 11,392 | -- | -- |
| Charges for Services | 2,633 | -- | -- |
| Other | 3,993 | 10 | -- |
| Total Revenues | <u>19,325</u> | <u>21,913</u> | <u>37</u> |
| Expenditures | | | |
| Current | | | |
| General Government | -- | 302 | -- |
| Public Protection | -- | -- | -- |
| Public Ways and Facilities | -- | -- | -- |
| Health and Sanitation | 385 | -- | -- |
| Public Assistance | -- | -- | -- |
| Education | -- | -- | -- |
| Recreation and Cultural Services | -- | -- | -- |
| Capital Outlay | -- | -- | -- |
| Debt Service | | | |
| Principal Retirement | -- | 134,525 | 7,060 |
| Interest | -- | 3,398 | 15,837 |
| Total Expenditures | <u>385</u> | <u>138,225</u> | <u>22,897</u> |
| Excess (Deficit) of Revenues Over Expenditures | 18,940 | (116,312) | (22,860) |
| Other Financing Sources (Uses) | | | |
| Transfers In | 5 | -- | 22,857 |
| Transfers Out | (5,736) | -- | -- |
| Debt Issued | -- | 89,004 | -- |
| Leases Issued | -- | -- | -- |
| Subscriptions Issued | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>(5,731)</u> | <u>89,004</u> | <u>22,857</u> |
| Net Change in Fund Balances | 13,209 | (27,308) | (3) |
| Fund Balances-Beginning of Year, as Previously Reported | 674 | 143,622 | 23 |
| Change Within Financial Reporting Entity | -- | -- | -- |
| Fund Balances - Beginning of Year, as restated | <u>674</u> | <u>143,622</u> | <u>23</u> |
| Fund Balances-End of Year | <u>\$ 13,883</u> | <u>\$ 116,314</u> | <u>\$ 20</u> |

Supplemental Information
(Dollar Amounts in Thousands)

| Debt Service | Capital Projects | | Permanent | |
|---|--|--------------------------------|----------------------------|---|
| South OC Public Financing Authority | Formerly Non- major Fund Countywide Capital Projects Non- General Fund | Criminal Justice Facilities | Regional Park Endowment | |
| \$ -- | \$ -- | \$ -- | \$ -- | Revenues |
| -- | -- | -- | -- | Taxes |
| -- | -- | 1,148 | -- | Licenses, Permits, and Franchises |
| 20 | -- | 1,564 | 22 | Fines, Forfeitures, and Penalties |
| -- | -- | 16,265 | -- | Use of Money and Property |
| -- | -- | -- | -- | Intergovernmental |
| -- | -- | -- | -- | Charges for Services |
| -- | -- | -- | -- | Other |
| <u>20</u> | <u>--</u> | <u>18,977</u> | <u>22</u> | Total Revenues |
| -- | -- | -- | -- | Expenditures |
| -- | -- | -- | -- | Current |
| -- | -- | -- | -- | General Government |
| -- | -- | -- | -- | Public Protection |
| -- | -- | -- | -- | Public Ways and Facilities |
| -- | -- | -- | -- | Health and Sanitation |
| -- | -- | -- | -- | Public Assistance |
| -- | -- | -- | -- | Education |
| -- | -- | -- | -- | Recreation and Cultural Services |
| -- | -- | 50,773 | -- | Capital Outlay |
| 3,720 | -- | -- | -- | Debt Service |
| 6,277 | -- | -- | -- | Principal Retirement |
| <u>9,997</u> | <u>--</u> | <u>50,773</u> | <u>--</u> | Interest |
| (9,977) | -- | (31,796) | 22 | Total Expenditures |
| | | | | Excess (Deficit) of Revenues Over Expenditures |
| 9,852 | -- | 15,589 | -- | Other Financing Sources (Uses) |
| -- | -- | (2,396) | -- | Transfers In |
| -- | -- | -- | -- | Transfers Out |
| -- | -- | -- | -- | Debt Issued |
| -- | -- | -- | -- | Leases Issued |
| -- | -- | -- | -- | Subscriptions Issued |
| <u>9,852</u> | <u>--</u> | <u>13,193</u> | <u>--</u> | Total Other Financing Sources (Uses) |
| (125) | -- | (18,603) | 22 | Net Change in Fund Balances |
| 136 | 214,386 | 14,581 | 374 | Fund Balances-Beginning of Year, as Previously Reported |
| -- | (214,386) | -- | -- | Change Within Financial Reporting Entity |
| <u>136</u> | <u>--</u> | <u>14,581</u> | <u>374</u> | Fund Balances - Beginning of Year, as restated |
| <u>\$ 11</u> | <u>\$ --</u> | <u>\$ (4,022)</u> | <u>\$ 396</u> | Fund Balances-End of Year |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE

| | * Original Budget | * Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|--------------------|------------------|------------------------------|------------------------------------|
| Parking Facilities | | | | |
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ 6,200 | \$ 6,200 | \$ 7,776 | \$ 1,576 |
| Intergovernmental | -- | -- | (7) | (7) |
| Charges for Services | 74 | 74 | 81 | 7 |
| Other | 3 | 3 | -- | (3) |
| Total Revenues and Other Financing Sources | <u>6,277</u> | <u>6,277</u> | <u>7,850</u> | <u>1,573</u> |
| Expenditures and Other Financing Uses | | | | |
| Public Ways and Facilities: | | | | |
| Parking Facilities | 6,526 | 6,526 | 5,300 | 1,226 |
| Total Expenditures and Other Financing Uses | <u>6,526</u> | <u>6,526</u> | <u>5,300</u> | <u>1,226</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (249) | (249) | 2,550 | <u>\$ 2,799</u> |
| Fund Balances-Beginning of Year | 4,422 | 4,422 | 4,422 | |
| Fund Balances-End of Year | <u>\$ 4,173</u> | <u>\$ 4,173</u> | <u>\$ 6,972</u> | |
| Service Area, Lighting, Maintenance, and Assessment Districts | | | | |
| Revenues and Other Financing Sources | | | | |
| Taxes | \$ 845 | \$ 845 | \$ 897 | \$ 52 |
| Use of Money and Property | 767 | 767 | 3,166 | 2,399 |
| Intergovernmental | 3 | 3 | 3 | -- |
| Charges for Services | 11 | 11 | 11 | -- |
| Other | -- | -- | 1 | 1 |
| Transfers In | 125 | 61,125 | 57,141 | (3,984) |
| Total Revenues and Other Financing Sources | <u>1,751</u> | <u>62,751</u> | <u>61,219</u> | <u>(1,532)</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| CFD 2021-1 RMV (Rienda) Construction Fund | 76,729 | 26,096 | 12,432 | 13,664 |
| CFD 2023-1 RMV (RIENDA PH 2B) Construction Fund | -- | 61,000 | 27,040 | 33,960 |
| Special Assessment-Top of the World Improvement | 15 | 13 | 8 | 5 |
| Public Ways and Facilities: | | | | |
| County Service Area No. 13-La Mirada | 24 | 24 | 13 | 11 |
| County Service Area No. 22-East Yorba Linda | 162 | 162 | 105 | 57 |
| North Tustin Landscaping and Lighting Assessment District | 4,165 | 5,265 | 1,269 | 3,996 |
| Total Expenditures and Other Financing Uses | <u>81,095</u> | <u>92,560</u> | <u>40,867</u> | <u>51,693</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (79,344) | (29,809) | 20,352 | <u>\$ 50,161</u> |
| Fund Balances-Beginning of Year | 31,591 | 31,591 | 31,591 | |
| Fund Balances-End of Year | <u>\$ (47,753)</u> | <u>\$ 1,782</u> | <u>\$ 51,943</u> | |
| Other Environmental Management | | | | |
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ 2,972 | \$ 2,987 | \$ 4,313 | \$ 1,326 |
| Intergovernmental | 5,164 | 5,164 | 5,618 | 454 |
| Charges for Services | 175 | 175 | 556 | 381 |
| Other | -- | -- | 818 | 818 |
| Transfers In | 360 | 404 | 404 | -- |
| Total Revenues and Other Financing Sources | <u>8,671</u> | <u>8,730</u> | <u>11,709</u> | <u>2,979</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| Survey Monument Preservation | 132 | 132 | 91 | 41 |
| Real Estate Development Program | 4,061 | 4,120 | 2,427 | 1,693 |
| Public Ways and Facilities: | | | | |
| El Toro Improvement Fund | 6,987 | 6,987 | 1,889 | 5,098 |
| Health and Sanitation | | | | |
| Air Quality Improvement | 334 | 334 | 150 | 184 |
| Total Expenditures and Other Financing Uses | <u>11,514</u> | <u>11,573</u> | <u>4,557</u> | <u>7,016</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (2,843) | (2,843) | 7,152 | <u>\$ 9,995</u> |
| Fund Balances-Beginning of Year | 18,946 | 18,946 | 18,946 | |
| Fund Balances-End of Year | <u>\$ 16,103</u> | <u>\$ 16,103</u> | <u>\$ 26,098</u> | |

* Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

Supplemental Information
(Dollar Amounts in Thousands)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE (Continued)

| | * Original Budget | * Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|---|-------------------|-------------------|------------------------------|------------------------------------|
| <u>Tobacco Settlement</u> | | | | |
| Revenues and Other Financing Sources | | | | |
| Other | \$ 30,346 | \$ 30,346 | \$ 27,727 | \$ (2,619) |
| Total Revenues and Other Financing Sources | <u>30,346</u> | <u>30,346</u> | <u>27,727</u> | <u>(2,619)</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| Orange County Tobacco Settlement Fund | 50,339 | 53,499 | 31,087 | 22,412 |
| Total Expenditures and Other Financing Uses | <u>50,339</u> | <u>53,499</u> | <u>31,087</u> | <u>22,412</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (19,993) | (23,153) | (3,360) | <u>\$ 19,793</u> |
| Fund Balances-Beginning of Year | 23,153 | 23,153 | 23,153 | |
| Fund Balances-End of Year | <u>\$ 3,160</u> | <u>\$ --</u> | <u>\$ 19,793</u> | |
| <u>Community and Welfare Services</u> | | | | |
| Revenues and Other Financing Sources | | | | |
| Licenses, Permits, and Franchises | \$ 895 | \$ 895 | \$ 677 | \$ (218) |
| Use of Money and Property | 3,138 | 3,232 | 8,374 | 5,142 |
| Intergovernmental | 59,220 | 50,596 | 81,491 | 30,895 |
| Charges for Services | 4,167 | 4,167 | 3,520 | (647) |
| Other | 149 | 1,671 | 1,762 | 91 |
| Transfers In | 47,314 | 152,996 | 131,623 | (21,373) |
| Total Revenues and Other Financing Sources | <u>114,883</u> | <u>213,557</u> | <u>227,447</u> | <u>13,890</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| County Strategic Planning and Board Initiatives | -- | 32,725 | 16,451 | 16,274 |
| Public Protection: | | | | |
| OC Animal Care Center Donations | 229 | 329 | 223 | 106 |
| OC Animal Shelter Construction Fund | 2,732 | 2,799 | 2,799 | -- |
| Public Assistance: | | | | |
| CalHome Program Reuse Fund | 70 | 70 | 5 | 65 |
| Care Coordination Fund | 19,305 | 28,305 | 16,267 | 12,038 |
| County Executive Office-Single Family Housing | 1,520 | 1,520 | 1,001 | 519 |
| Dispute Resolution Program | 788 | 788 | 587 | 201 |
| Domestic Violence Program | 917 | 917 | 822 | 95 |
| Facilities Development and Maintenance | 13,509 | 13,509 | 7,531 | 5,978 |
| In-Home Support Services Public Authority | 3,463 | 3,463 | 2,496 | 967 |
| MHSA Housing Fund | 6,568 | 14,568 | 14,059 | 509 |
| OC CARES Fund | 107,343 | 300,114 | 145,015 | 155,099 |
| OC Housing | 40,418 | 40,418 | 10,723 | 29,695 |
| SSA Donations and Fees | 1,138 | 1,138 | 1,012 | 126 |
| SSA Leased Facilities | 1,671 | 1,672 | 1,613 | 59 |
| SSA Wraparound | 25,706 | 25,706 | 17,822 | 7,884 |
| Strategic Priority Affordable Housing | 215 | 215 | -- | 215 |
| Workforce Innovation and Opportunity Act | 13,784 | -- | -- | -- |
| Total Expenditures and Other Financing Uses | <u>239,376</u> | <u>468,256</u> | <u>238,426</u> | <u>229,830</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (124,493) | (254,699) | (10,979) | <u>\$ 243,720</u> |
| Fund Balances-Beginning of Year | 413,861 | 413,861 | 413,861 | |
| Fund Balances-End of Year | <u>\$ 289,368</u> | <u>\$ 159,162</u> | <u>\$ 402,882</u> | |
| <u>OC Parks</u> | | | | |
| Revenues and Other Financing Sources | | | | |
| Taxes | \$ 118,456 | \$ 118,456 | \$ 123,105 | \$ 4,649 |
| Licenses, Permits, and Franchises | 234 | 234 | 254 | 20 |
| Fines, Forfeitures, and Penalties | 39 | 39 | 1,037 | 998 |
| Use of Money and Property | 12,586 | 12,586 | 21,282 | 8,696 |
| Intergovernmental | 434 | 434 | 5,982 | 5,548 |
| Charges for Services | 11,773 | 11,773 | 14,008 | 2,235 |
| Other | 400 | 400 | 449 | 49 |
| Transfers In | 20,697 | 21,325 | 11,929 | (9,396) |
| Total Revenues and Other Financing Sources | <u>164,619</u> | <u>165,247</u> | <u>178,046</u> | <u>12,799</u> |
| Expenditures and Other Financing Uses | | | | |
| Recreation and Cultural Services: | | | | |
| County Tidelands-Newport Bay | 8,715 | 8,845 | 5,913 | 2,932 |
| OC Parks | 168,479 | 169,790 | 121,686 | 48,104 |
| OC Parks Capital | 28,412 | 32,215 | 7,915 | 24,300 |
| Total Expenditures and Other Financing Uses | <u>205,606</u> | <u>210,850</u> | <u>135,514</u> | <u>75,336</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (40,987) | (45,603) | 42,532 | <u>\$ 88,135</u> |
| Fund Balances-Beginning of Year | 125,103 | 125,103 | 125,103 | |
| Fund Balances-End of Year | <u>\$ 84,116</u> | <u>\$ 79,500</u> | <u>\$ 167,635</u> | |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE (Continued)

| | * Original Budget | * Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|---|-------------------|----------------|------------------------------|------------------------------------|
| OC Dana Point Harbor | | | | |
| Revenues and Other Financing Sources | | | | |
| Fines, Forfeitures and Penalties | \$ 2 | \$ 2 | \$ -- | \$ (2) |
| Use of Money and Property | 3,935 | 3,935 | 5,273 | 1,338 |
| Intergovernmental | -- | -- | 229 | 229 |
| Charges for Services | 71 | 71 | 111 | 40 |
| Other | 22 | 22 | 5 | (17) |
| Total Revenues and Other Financing Sources | 4,030 | 4,030 | 5,618 | 1,588 |
| Expenditures and Other Financing Uses | | | | |
| Recreation and Cultural Services: | | | | |
| OC Dana Point Harbor | 17,256 | 17,695 | 11,329 | 6,366 |
| Total Expenditures and Other Financing Uses | 17,256 | 17,695 | 11,329 | 6,366 |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (13,226) | (13,665) | (5,711) | \$ 7,954 |
| Fund Balances-Beginning of Year | 55,456 | 55,456 | 55,456 | |
| Fund Balances-End of Year | \$ 42,230 | \$ 41,791 | \$ 49,745 | |
| Housing Asset | | | | |
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ 94 | \$ 94 | \$ 266 | \$ 172 |
| Other | -- | -- | (114) | (114) |
| Total Revenues and Other Financing Sources | 94 | 94 | 152 | 58 |
| Expenditures and Other Financing Uses | | | | |
| Public Assistance: | | | | |
| Orange County Development Agency Housing Asset | 600 | 600 | 546 | 54 |
| Total Expenditures and Other Financing Uses | 600 | 600 | 546 | 54 |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (506) | (506) | (394) | \$ 112 |
| Fund Balances-Beginning of Year | 29,558 | 29,558 | 29,558 | |
| Fund Balances-End of Year | \$ 29,052 | \$ 29,052 | \$ 29,164 | |
| OC Public Libraries | | | | |
| Revenues and Other Financing Sources | | | | |
| Taxes | \$ 70,858 | \$ 70,858 | \$ 76,512 | \$ 5,654 |
| Fines, Forfeitures, and Penalties | 12 | 12 | 18 | 6 |
| Use of Money and Property | 775 | 775 | 5,669 | 4,894 |
| Intergovernmental | 627 | 627 | 493 | (134) |
| Charges for Services | 333 | 333 | 860 | 527 |
| Other | 510 | 510 | 1,123 | 613 |
| Transfers In | 11,925 | 12,404 | 12,391 | (13) |
| Total Revenues and Other Financing Sources | 85,040 | 85,519 | 97,066 | 11,547 |
| Expenditures and Other Financing Uses | | | | |
| Education: | | | | |
| OC Public Libraries | 92,092 | 92,597 | 71,054 | 21,543 |
| OC Public Libraries-Capital | 22,451 | 19,701 | 4,626 | 15,075 |
| Total Expenditures and Other Financing Uses | 114,543 | 112,298 | 75,680 | 36,618 |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (29,503) | (26,779) | 21,386 | \$ 48,165 |
| Fund Balances-Beginning of Year | 116,070 | 116,070 | 116,070 | |
| Fund Balances-End of Year | \$ 86,567 | \$ 89,291 | \$ 137,456 | |

* Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

Supplemental Information
(Dollar Amounts in Thousands)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE (Continued)

| | * Original Budget | * Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|-------------------|-------------------|------------------------------|------------------------------------|
| Health Care Programs | | | | |
| Revenues and Other Financing Sources | | | | |
| Fines, Forfeitures, and Penalties | \$ 7,482 | \$ 7,482 | \$ 6,296 | \$ (1,186) |
| Use of Money and Property | 208 | 261 | 689 | 428 |
| Intergovernmental | 5,511 | 8,211 | 7,354 | (857) |
| Charges for Services | 1,105 | 1,105 | 999 | (106) |
| Other | 250 | 250 | 3 | (247) |
| Transfers In | 892 | 1,142 | 839 | (303) |
| Total Revenues and Other Financing Sources | <u>15,448</u> | <u>18,451</u> | <u>16,180</u> | <u>(2,271)</u> |
| Expenditures and Other Financing Uses | | | | |
| Health and Sanitation: | | | | |
| Bioterrorism Center for Disease Control | 5,057 | 7,757 | 6,889 | 868 |
| Emergency Medical Services | 7,260 | 7,260 | 6,178 | 1,082 |
| HCA Interest Bearing Purpose Restricted Revenues | 282 | 933 | 3 | 930 |
| HCA Purpose Restricted Revenues | 5,724 | 5,324 | 1,818 | 3,506 |
| Medi-Cal Administrative Activities Targeted Case Management | 515 | 568 | 474 | 94 |
| Total Expenditures and Other Financing Uses | <u>18,838</u> | <u>21,842</u> | <u>15,362</u> | <u>6,480</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (3,390) | (3,391) | 818 | <u>\$ 4,209</u> |
| Fund Balances-Beginning of Year | <u>34,873</u> | <u>34,873</u> | <u>34,873</u> | |
| Fund Balances-End of Year | <u>\$ 31,483</u> | <u>\$ 31,482</u> | <u>\$ 35,691</u> | |
| Roads | | | | |
| Revenues and Other Financing Sources | | | | |
| Licenses, Permits, and Franchises | \$ -- | \$ -- | \$ 25 | \$ 25 |
| Fines, Forfeitures, and Penalties | 2 | 2 | 2 | -- |
| Use of Money and Property | 1,906 | 1,906 | 13,471 | 11,565 |
| Intergovernmental | 138,132 | 138,132 | 126,929 | (11,203) |
| Charges for Services | 19,641 | 19,641 | 26,246 | 6,605 |
| Other | 34,660 | 34,663 | 97 | (34,566) |
| Transfers In | 15,435 | 15,435 | 15,339 | (96) |
| Total Revenues and Other Financing Sources | <u>209,776</u> | <u>209,779</u> | <u>182,109</u> | <u>(27,670)</u> |
| Expenditures and Other Financing Uses | | | | |
| Public Ways and Facilities: | | | | |
| Foothill Circulation Phasing Plan | 575 | 575 | 82 | 493 |
| Major Thoroughfare & Bridge Fee Program | 1,301 | 1,301 | 1,204 | 97 |
| OC Road | 95,771 | 95,771 | 70,234 | 25,537 |
| OC Road-Capital Improvement Projects | 120,290 | 141,188 | 34,212 | 106,976 |
| South County Roadway Improve Prog (SCRIP) | 600 | 600 | -- | 600 |
| Total Expenditures and Other Financing Uses | <u>218,537</u> | <u>239,435</u> | <u>105,732</u> | <u>133,703</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (8,761) | (29,656) | 76,377 | <u>\$ 106,033</u> |
| Fund Balances-Beginning of Year | <u>266,651</u> | <u>266,651</u> | <u>266,651</u> | |
| Fund Balances-End of Year | <u>\$ 257,890</u> | <u>\$ 236,995</u> | <u>\$ 343,028</u> | |

County of Orange
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BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS-SPECIAL REVENUE (Continued)

| | * Original Budget | * Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|---|-------------------|------------------|------------------------------|------------------------------------|
| Orange County Housing Authority | | | | |
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ 199 | \$ 199 | \$ 644 | \$ 445 |
| Intergovernmental | 278,598 | 278,598 | 274,002 | (4,596) |
| Charges for Services | 4 | 4 | -- | (4) |
| Other | 116 | 116 | 430 | 314 |
| Total Revenues and Other Financing Sources | <u>278,917</u> | <u>278,917</u> | <u>275,076</u> | <u>(3,841)</u> |
| Expenditures and Other Financing Uses | | | | |
| Public Assistance: | | | | |
| Orange County Housing Authority | 296,416 | 296,416 | 268,175 | 28,241 |
| Orange County Housing Authority-Operating Reserve | 8,935 | 8,935 | 1,164 | 7,771 |
| Total Expenditures and Other Financing Uses | <u>305,351</u> | <u>305,351</u> | <u>269,339</u> | <u>36,012</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (26,434) | (26,434) | 5,737 | \$ <u>32,171</u> |
| Fund Balances-Beginning of Year | 33,066 | 33,066 | 33,066 | |
| Fund Balances-End of Year | <u>\$ 6,632</u> | <u>\$ 6,632</u> | <u>\$ 38,803</u> | |
| Other Governmental Resources | | | | |
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ 11 | \$ 11 | \$ 14 | \$ 3 |
| Charges for Services | 130 | 130 | 128 | (2) |
| Total Revenues and Other Financing Sources | <u>141</u> | <u>141</u> | <u>142</u> | <u>1</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| Assessor Property Characteristic | -- | 130 | -- | 130 |
| Remittance Processing Equipment Replacement | 11 | 11 | -- | 11 |
| Total Expenditures and Other Financing Uses | <u>11</u> | <u>141</u> | <u>--</u> | <u>141</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | 130 | -- | 142 | \$ <u>142</u> |
| Fund Balances-Beginning of Year | 1,875 | 1,875 | 1,875 | |
| Fund Balances-End of Year | <u>\$ 2,005</u> | <u>\$ 1,875</u> | <u>\$ 2,017</u> | |
| Opioid Settlement Funds | | | | |
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ -- | \$ 330 | \$ 677 | \$ 347 |
| Intergovernmental | -- | 280 | (3,649) | (3,929) |
| Charges for Services | -- | -- | 1,265 | 1,265 |
| Other | 3,659 | 9,753 | -- | (9,753) |
| Total Revenues and Other Financing Sources | <u>3,659</u> | <u>10,363</u> | <u>(1,707)</u> | <u>(12,070)</u> |
| Expenditures and Other Financing Uses | | | | |
| Health and Sanitation: | | | | |
| Orange County Opioid Settlement Fund | 3,659 | 10,363 | 5,495 | 4,868 |
| Total Expenditures and Other Financing Uses | <u>3,659</u> | <u>10,363</u> | <u>5,495</u> | <u>4,868</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | -- | -- | (7,202) | \$ <u>(7,202)</u> |
| Fund Balances-Beginning of Year | 10,191 | 10,191 | 10,191 | |
| Fund Balances-End of Year | <u>\$ 10,191</u> | <u>\$ 10,191</u> | <u>\$ 2,989</u> | |

* Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS-DEBT SERVICE**

| | Original Budget | Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|-------------------|-------------------|------------------------------|------------------------------------|
| Teeter Plan Notes | | | | |
| Revenues and Other Financing Sources | | | | |
| Fines, Forfeitures, and Penalties | \$ 8,000 | \$ 10,750 | \$ 10,718 | \$ (32) |
| Use of Money and Property | 700 | 3,200 | 4,284 | 1,084 |
| Other | -- | -- | 10 | 10 |
| Bond Issuance Proceeds | 125,000 | 125,000 | 89,004 | (35,996) |
| Total Revenues and Other Financing Sources | <u>133,700</u> | <u>138,950</u> | <u>104,016</u> | <u>(34,934)</u> |
| Expenditures and Other Financing Uses | | | | |
| General Government: | | | | |
| Teeter Series A Debt Service | 133,700 | 138,950 | 138,225 | 725 |
| Total Expenditures and Other Financing Uses | <u>133,700</u> | <u>138,950</u> | <u>138,225</u> | <u>725</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | -- | -- | (34,209) | <u>\$ (34,209)</u> |
| Fund Balances-Beginning of Year | 145,268 | 145,268 | 145,268 | |
| Fund Balances-End of Year | <u>\$ 145,268</u> | <u>\$ 145,268</u> | <u>\$ 111,059</u> | |

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS-CAPITAL PROJECTS**

| | * Original Budget | * Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|-------------------|----------------|------------------------------|------------------------------------|
| <u>Criminal Justice Facilities</u> | | | | |
| Revenues and Other Financing Sources | | | | |
| Fines, Forfeitures, and Penalties | \$ 837 | \$ 837 | \$ 1,123 | \$ 286 |
| Use of Money and Property | 150 | 150 | 1,142 | 992 |
| Intergovernmental | 9,875 | 17,141 | 16,266 | (875) |
| Other | -- | -- | (1) | (1) |
| Transfers In | 34,063 | 35,933 | 31,395 | (4,538) |
| Total Revenues and Other Financing Sources | <u>44,925</u> | <u>54,061</u> | <u>49,925</u> | <u>(4,136)</u> |
| Expenditures and Other Financing Uses | | | | |
| Public Protection: | | | | |
| Criminal Justice Facilities Accumulated Capital Outlay | 5,147 | 5,899 | 1,398 | 4,501 |
| Sheriff-Coroner Construction and Facility Development | 54,799 | 83,207 | 71,545 | 11,662 |
| Total Expenditures and Other Financing Uses | <u>59,946</u> | <u>89,106</u> | <u>72,943</u> | <u>16,163</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | (15,021) | (35,045) | (23,018) | <u>\$ 12,027</u> |
| Fund Balances-Beginning of Year | 35,326 | 35,326 | 35,326 | |
| Fund Balances-End of Year | <u>\$ 20,305</u> | <u>\$ 281</u> | <u>\$ 12,308</u> | |

* Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

**BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS-PERMANENT FUND**

| | * Original Budget | * Final Budget | Actual on Budgetary Basis | Variance Positive (Negative) |
|--|-------------------|----------------|------------------------------|------------------------------------|
| Regional Park Endowment | | | | |
| Revenues and Other Financing Sources | | | | |
| Use of Money and Property | \$ 6 | \$ 6 | \$ 16 | \$ 10 |
| Total Revenues and Other Financing Sources | <u>6</u> | <u>6</u> | <u>16</u> | <u>10</u> |
| Expenditures and Other Financing Uses | | | | |
| Recreation and Cultural Services: | | | | |
| Limestone Regional Park Mitigation Maintenance Endowment | 6 | 6 | -- | 6 |
| Total Expenditures and Other Financing Uses | <u>6</u> | <u>6</u> | <u>--</u> | <u>6</u> |
| Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | -- | -- | 16 | <u>\$ 16</u> |
| Fund Balances-Beginning of Year | 221 | 221 | 221 | |
| Fund Balances-End of Year | <u>\$ 221</u> | <u>\$ 221</u> | <u>\$ 237</u> | |

* Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.



INTERNAL SERVICE FUNDS

These funds are used to account for the financing of goods or services provided by one County department or agency to other County departments or agencies, on a cost-reimbursement basis.

Health and Other Self-Insured Employee Benefits

These funds are used to account for the County's self-funded health insurance programs, group salary continuance plan, group dental insurance programs, wellness program, and flexible spending accounts.

Insured Health Plans

This fund is used to account for the fully insured health plans for the County employees and retirees.

Life Insurance

This fund is used to account for the County's life insurance and accidental death and dismemberment insurance for employees.

Workers' Compensation

This fund is used to account for the County's self-insured workers' compensation program.

Unemployment Insurance

This fund is used to account for the County's self-insured unemployment insurance program.

Property and Casualty Risk

This fund is used to account for the County's self-insured property and casualty risk program.

Transportation

This fund is used to account for motor pool repair and maintenance, and for other transportation services, which are provided to departments and agencies on a cost-reimbursement basis.

Reprographics

This fund is used to account for printing and graphic services, which are provided to departments and agencies on a cost-reimbursement basis.

Information and Technology

This fund is used to account for enterprise-wide IT services, including application development, data center management, network and voice infrastructure, and cybersecurity, provided to departments and agencies on a cost-reimbursement basis.

County of Orange
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COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

| | Total | Health and Other Self-Insured Employee Benefits | Insured Health Plans | Life Insurance | Workers' Compensation |
|---|-------------------|---|-------------------------|-------------------|--------------------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Pooled Cash/Investments | \$ 362,210 | \$ 25,579 | \$ 6,119 | \$ 93 | \$ 189,362 |
| Cash/Cash Equivalents | 1,982 | 404 | -- | -- | 1,578 |
| Imprest Cash Funds | 8 | -- | -- | -- | -- |
| Receivables | | | | | |
| Accounts | 165 | 69 | 14 | -- | -- |
| Interest/Dividends | 3,896 | 349 | 47 | -- | 2,047 |
| Leases | 39 | -- | -- | -- | -- |
| Allowance for Uncollectible Receivables | (99) | -- | -- | -- | -- |
| Due from Other Funds | 4,114 | -- | 1 | 1 | 37 |
| Due from Component Unit | 1 | -- | -- | -- | -- |
| Due from Other Governmental Agencies | 277 | -- | -- | -- | -- |
| Inventory of Materials and Supplies | 207 | -- | -- | -- | -- |
| Total Current Assets | <u>372,800</u> | <u>26,401</u> | <u>6,181</u> | <u>94</u> | <u>193,024</u> |
| Noncurrent Assets | | | | | |
| Leases Receivable | 29 | -- | -- | -- | -- |
| Capital Assets | | | | | |
| Not Depreciable/Amortizable | 5,303 | -- | -- | -- | -- |
| Depreciable/Amortizable, Net | 75,595 | 7 | -- | -- | 22 |
| Total Capital Assets | <u>80,898</u> | <u>7</u> | <u>--</u> | <u>--</u> | <u>22</u> |
| Total Noncurrent Assets | <u>80,927</u> | <u>7</u> | <u>--</u> | <u>--</u> | <u>22</u> |
| Total Assets | <u>453,727</u> | <u>26,408</u> | <u>6,181</u> | <u>94</u> | <u>193,046</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Outflows of Resources Related to Pension | 11,057 | -- | -- | -- | 2,586 |
| Deferred Outflows of Resources Related to OPEB | 363 | -- | -- | -- | 133 |
| Total Deferred Outflows of Resources | <u>11,420</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>2,719</u> |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | 9,858 | 235 | -- | -- | 754 |
| Retainage Payable | 2 | -- | -- | -- | -- |
| Salaries and Employee Benefits Payable | 1,296 | -- | -- | -- | 165 |
| Due to Other Funds | 943 | 11 | 2 | -- | 13 |
| Due to Component Unit | 1 | -- | -- | -- | -- |
| Due to Other Governmental Agencies | 272 | -- | -- | -- | -- |
| Insurance Claims Payable | 74,439 | 9,118 | -- | -- | 38,617 |
| Compensated Employee Absences Payable | 1,563 | -- | -- | -- | 194 |
| Financed Purchase Liability | 4,139 | -- | -- | -- | -- |
| Lease Liability | 19 | -- | -- | -- | -- |
| Subscription Liability | 2,956 | -- | -- | -- | 10 |
| Total Current Liabilities | <u>95,488</u> | <u>9,364</u> | <u>2</u> | <u>--</u> | <u>39,753</u> |
| Noncurrent Liabilities | | | | | |
| Insurance Claims Payable | 213,332 | -- | -- | -- | 150,685 |
| Compensated Employee Absences Payable | 845 | -- | -- | -- | 59 |
| Financed Purchase Liability | 1,230 | -- | -- | -- | -- |
| Lease Liability | 53 | -- | -- | -- | -- |
| Subscription Liability | 1,375 | -- | -- | -- | 11 |
| Net Pension Liability | 35,174 | -- | -- | -- | 6,007 |
| Net OPEB Liability | 2,517 | -- | -- | -- | 897 |
| Total Noncurrent Liabilities | <u>254,526</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>157,659</u> |
| Total Liabilities | <u>350,014</u> | <u>9,364</u> | <u>2</u> | <u>--</u> | <u>197,412</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred Inflows of Resources Related to Pension | 1,888 | -- | -- | -- | 355 |
| Deferred Inflows of Resources Related to OPEB | 877 | -- | -- | -- | 323 |
| Deferred Inflows of Resources Related to Leases | 69 | -- | -- | -- | -- |
| Total Deferred Inflows of Resources | <u>2,834</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>678</u> |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 71,121 | 7 | -- | -- | 1 |
| Unrestricted | 41,178 | 17,037 | 6,179 | 94 | (2,326) |
| Total Net Position (Deficit) | <u>\$ 112,299</u> | <u>\$ 17,044</u> | <u>\$ 6,179</u> | <u>\$ 94</u> | <u>\$ (2,325)</u> |

Supplemental Information
(Dollar Amounts in Thousands)

| Unemployment Insurance | Property & Casualty Risk | Transportation | Reprographics | Information & Technology | |
|---------------------------|-----------------------------|------------------|-----------------|-----------------------------|---|
| | | | | | ASSETS |
| | | | | | Current Assets |
| \$ 3,560 | \$ 32,725 | \$ 65,160 | \$ 1,922 | \$ 37,690 | Pooled Cash/Investments |
| -- | -- | -- | -- | -- | Cash/Cash Equivalents |
| -- | 5 | -- | -- | 3 | Imprest Cash Funds |
| | | | | | Receivables |
| -- | 4 | 55 | 3 | 20 | Accounts |
| 44 | 459 | 622 | 20 | 308 | Interest/Dividends |
| -- | -- | -- | -- | 39 | Leases |
| -- | -- | (56) | -- | (43) | Allowance for Uncollectible Receivables |
| -- | 317 | 2,006 | -- | 1,752 | Due from Other Funds |
| -- | -- | -- | -- | 1 | Due from Component Unit |
| -- | 50 | 5 | 133 | 89 | Due from Other Governmental Agencies |
| -- | -- | 207 | -- | -- | Inventory of Materials and Supplies |
| <u>3,604</u> | <u>33,560</u> | <u>67,999</u> | <u>2,078</u> | <u>39,859</u> | Total Current Assets |
| | | | | | Noncurrent Assets |
| -- | -- | -- | -- | 29 | Leases Receivable |
| | | | | | Capital Assets |
| -- | -- | -- | 1,991 | 3,312 | Not Depreciable/Amortizable |
| -- | 155 | 38,647 | 2,768 | 33,996 | Depreciable/Amortizable, Net |
| <u>--</u> | <u>155</u> | <u>38,647</u> | <u>4,759</u> | <u>37,308</u> | Total Capital Assets |
| <u>--</u> | <u>155</u> | <u>38,647</u> | <u>4,759</u> | <u>37,337</u> | Total Noncurrent Assets |
| <u>3,604</u> | <u>33,715</u> | <u>106,646</u> | <u>6,837</u> | <u>77,196</u> | Total Assets |
| | | | | | DEFERRED OUTFLOWS OF RESOURCES |
| -- | 755 | 3,335 | 645 | 3,736 | Deferred Outflows of Resources Related to Pension |
| -- | 18 | 89 | 15 | 108 | Deferred Outflows of Resources Related to OPEB |
| <u>--</u> | <u>773</u> | <u>3,424</u> | <u>660</u> | <u>3,844</u> | Total Deferred Outflows of Resources |
| | | | | | LIABILITIES |
| | | | | | Current Liabilities |
| 13 | 1,081 | 390 | 107 | 7,278 | Accounts Payable |
| -- | -- | -- | 1 | 1 | Retainage Payable |
| -- | 90 | 396 | 83 | 562 | Salaries and Employee Benefits Payable |
| -- | 107 | 489 | 28 | 293 | Due to Other Funds |
| -- | -- | -- | -- | 1 | Due to Component Unit |
| 271 | -- | -- | 1 | -- | Due to Other Governmental Agencies |
| 697 | 26,007 | -- | -- | -- | Insurance Claims Payable |
| -- | 132 | 418 | 90 | 729 | Compensated Employee Absences Payable |
| -- | -- | -- | -- | 4,139 | Financed Purchase Liability |
| -- | 2 | 11 | -- | 6 | Lease Liability |
| -- | 71 | 38 | -- | 2,837 | Subscription Liability |
| <u>981</u> | <u>27,490</u> | <u>1,742</u> | <u>310</u> | <u>15,846</u> | Total Current Liabilities |
| | | | | | Noncurrent Liabilities |
| -- | 62,647 | -- | -- | -- | Insurance Claims Payable |
| -- | 82 | 262 | 39 | 403 | Compensated Employee Absences Payable |
| -- | -- | -- | -- | 1,230 | Financed Purchase Liability |
| -- | 8 | 23 | -- | 22 | Lease Liability |
| -- | 74 | -- | -- | 1,290 | Subscription Liability |
| -- | 2,890 | 12,639 | 2,477 | 11,161 | Net Pension Liability |
| -- | 142 | 654 | 101 | 723 | Net OPEB Liability |
| <u>--</u> | <u>65,843</u> | <u>13,578</u> | <u>2,617</u> | <u>14,829</u> | Total Noncurrent Liabilities |
| <u>981</u> | <u>93,333</u> | <u>15,320</u> | <u>2,927</u> | <u>30,675</u> | Total Liabilities |
| | | | | | DEFERRED INFLOWS OF RESOURCES |
| -- | 97 | 238 | 62 | 1,136 | Deferred Inflows of Resources Related to Pension |
| -- | 43 | 212 | 36 | 263 | Deferred Inflows of Resources Related to OPEB |
| -- | -- | -- | -- | 69 | Deferred Inflows of Resources Related to Leases |
| <u>--</u> | <u>140</u> | <u>450</u> | <u>98</u> | <u>1,468</u> | Total Deferred Inflows of Resources |
| | | | | | NET POSITION |
| -- | -- | 38,575 | 4,754 | 27,784 | Net Investment in Capital Assets |
| 2,623 | (58,985) | 55,725 | (282) | 21,113 | Unrestricted |
| <u>\$ 2,623</u> | <u>\$ (58,985)</u> | <u>\$ 94,300</u> | <u>\$ 4,472</u> | <u>\$ 48,897</u> | Total Net Position (Deficit) |

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**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**

| | Total | Health and Other Self-Insured Employee Benefits | Insured Health Plans | Life Insurance | Workers' Compensation |
|--|-------------------|---|-------------------------|-------------------|--------------------------|
| Operating Revenues | | | | | |
| Use of Money and Property | \$ 1,107 | \$ -- | \$ -- | \$ -- | \$ -- |
| Charges for Services | 129,664 | -- | -- | -- | -- |
| Insurance Premiums | 371,799 | 76,681 | 196,872 | 885 | 60,560 |
| Total Operating Revenues | <u>502,570</u> | <u>76,681</u> | <u>196,872</u> | <u>885</u> | <u>60,560</u> |
| Operating Expenses | | | | | |
| Salaries and Employee Benefits | 28,462 | -- | -- | -- | 2,921 |
| Services and Supplies | 57,246 | 1,582 | -- | -- | 688 |
| Professional Services | 65,736 | 5,073 | 2 | -- | 6,884 |
| Insurance Claims and Premiums | 374,491 | 78,203 | 197,284 | 883 | 57,005 |
| Other Charges | 367 | 367 | -- | -- | -- |
| Taxes and Other Fees | 11 | 2 | -- | -- | 2 |
| Depreciation/Amortization | 18,620 | 12 | -- | -- | 11 |
| Total Operating Expenses | <u>544,933</u> | <u>85,239</u> | <u>197,286</u> | <u>883</u> | <u>67,511</u> |
| Operating Income (Loss) | <u>(42,363)</u> | <u>(8,558)</u> | <u>(414)</u> | <u>2</u> | <u>(6,951)</u> |
| Nonoperating Revenues (Expenses) | | | | | |
| Intergovernmental Revenues | 267 | 28 | -- | -- | -- |
| Interest and Investment Income | 20,336 | 1,692 | 486 | 6 | 10,236 |
| Net Decrease in the Fair Value of Investments | (1,572) | (113) | (10) | -- | (823) |
| Interest Expense | (204) | -- | -- | -- | (1) |
| Gain (Loss) on Disposition of Capital Assets | (305) | -- | -- | -- | 25 |
| Other Taxes | 12 | -- | -- | -- | -- |
| Other Revenue | 10,730 | 8,555 | -- | 2 | 516 |
| Total Nonoperating Revenue | <u>29,264</u> | <u>10,162</u> | <u>476</u> | <u>8</u> | <u>9,953</u> |
| Income (Loss) Before Contributions and Transfers | (13,099) | 1,604 | 62 | 10 | 3,002 |
| Capital Contributions | 106 | -- | -- | -- | -- |
| Transfers In | 12,933 | 754 | 3 | -- | 59 |
| Transfers Out | (1,734) | (292) | (421) | (5) | (260) |
| Change in Net Position | <u>(1,794)</u> | <u>2,066</u> | <u>(356)</u> | <u>5</u> | <u>2,801</u> |
| Net Position (Deficit)-Beginning of Year | 114,093 | 14,978 | 6,535 | 89 | (5,126) |
| Net Position (Deficit)-End of Year | <u>\$ 112,299</u> | <u>\$ 17,044</u> | <u>\$ 6,179</u> | <u>\$ 94</u> | <u>\$ (2,325)</u> |

Supplemental Information
(Dollar Amounts in Thousands)

| Unemployment Insurance | Property & Casualty Risk | Transportation | Reprographics | Information & Technology | |
|---------------------------|-----------------------------|------------------|-----------------|-----------------------------|--|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ 1,107 | Operating Revenues |
| -- | -- | 33,708 | 5,107 | 90,849 | Use of Money and Property |
| -- | 36,801 | -- | -- | -- | Charges for Services |
| -- | 36,801 | 33,708 | 5,107 | 91,956 | Insurance Premiums |
| | | | | | Total Operating Revenues |
| | | | | | Operating Expenses |
| -- | 2,065 | 9,506 | 1,987 | 11,983 | Salaries and Employee Benefits |
| -- | 27,705 | 12,094 | 2,200 | 12,977 | Services and Supplies |
| 123 | 1,088 | 2,780 | 239 | 49,547 | Professional Services |
| 950 | 40,166 | -- | -- | -- | Insurance Claims and Premiums |
| -- | -- | -- | -- | -- | Other Charges |
| -- | 1 | 2 | 2 | 2 | Taxes and Other Fees |
| -- | 73 | 9,255 | 374 | 8,895 | Depreciation/Amortization |
| 1,073 | 71,098 | 33,637 | 4,802 | 83,404 | Total Operating Expenses |
| (1,073) | (34,297) | 71 | 305 | 8,552 | Operating Income (Loss) |
| | | | | | Nonoperating Revenues (Expenses) |
| -- | -- | -- | -- | 239 | Intergovernmental Revenues |
| 249 | 2,547 | 3,290 | 76 | 1,754 | Interest and Investment Income |
| (16) | (145) | (289) | (9) | (167) | Net Decrease in the Fair Value of Investments |
| -- | (9) | -- | (2) | (192) | Interest Expense |
| -- | -- | (286) | -- | (44) | Gain (Loss) on Disposition of Capital Assets |
| -- | -- | 12 | -- | -- | Other Taxes |
| -- | 1,473 | 52 | 92 | 40 | Other Revenue |
| 233 | 3,866 | 2,779 | 157 | 1,630 | Total Nonoperating Revenue |
| (840) | (30,431) | 2,850 | 462 | 10,182 | Income (Loss) Before Contributions and Transfers |
| -- | -- | 106 | -- | -- | Capital Contributions |
| -- | -- | 11,490 | -- | 627 | Transfers In |
| -- | (173) | (222) | -- | (361) | Transfers Out |
| (840) | (30,604) | 14,224 | 462 | 10,448 | Change in Net Position |
| 3,463 | (28,381) | 80,076 | 4,010 | 38,449 | Net Position (Deficit)-Beginning of Year |
| <u>\$ 2,623</u> | <u>\$ (58,985)</u> | <u>\$ 94,300</u> | <u>\$ 4,472</u> | <u>\$ 48,897</u> | Net Position (Deficit)-End of Year |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

| | Total | Health and Other Self-Insured Employee Benefits | Insured Health Plans | Life Insurance | Workers' Compensation |
|---|-------------------|---|-------------------------|-------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Customers | \$ 40,388 | \$ 256 | \$ 254 | \$ 1 | \$ -- |
| Cash Received for Premiums Within the County's Entity | 371,799 | 76,681 | 196,872 | 885 | 60,560 |
| Payments to Suppliers for Goods and Services | (475,026) | (86,344) | (197,286) | (883) | (49,349) |
| Payments to Employees for Services | (30,909) | -- | -- | -- | (3,832) |
| Receipts from Interfund Services | 90,404 | 374 | 1 | -- | 168 |
| Payments for Interfund Services Provided | (4) | -- | -- | -- | -- |
| Payments for Taxes and Other Fees | (11) | (2) | -- | -- | (2) |
| Other Operating Receipts | 10,719 | 8,555 | -- | 2 | 516 |
| Other Operating Payments | (417) | (367) | -- | -- | -- |
| Net Cash Provided (Used) by Operating Activities | <u>6,943</u> | <u>(847)</u> | <u>(159)</u> | <u>5</u> | <u>8,061</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers In | 12,933 | 754 | 3 | -- | 59 |
| Transfers Out | (1,734) | (292) | (421) | (5) | (260) |
| Intergovernmental Revenues | 267 | 28 | -- | -- | -- |
| Other Taxes | 12 | -- | -- | -- | -- |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>11,478</u> | <u>490</u> | <u>(418)</u> | <u>(5)</u> | <u>(201)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of Capital Assets | (13,397) | -- | -- | -- | (1) |
| Principal Paid on Financed Purchase Liability | (4,560) | -- | -- | -- | -- |
| Principal Paid on Leases | (170) | -- | -- | -- | -- |
| Interest Paid on Leases | (3) | -- | -- | -- | -- |
| Principal Paid on Subscriptions | (3,509) | -- | -- | -- | (85) |
| Interest Paid on Subscriptions | (200) | -- | -- | -- | (1) |
| Receipts for Leases Receivables | 53 | -- | -- | -- | -- |
| Interest Received on Leases Receivables | 5 | -- | -- | -- | -- |
| Proceeds from Sale of Capital Assets | 474 | -- | -- | -- | -- |
| Net Cash Used by Capital and Related Financing Activities | <u>(21,307)</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>(87)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Interest on Investments | 18,215 | 1,489 | 439 | 6 | 9,088 |
| Net Change in the Fair Value of Investments | (1,572) | (113) | (10) | -- | (823) |
| Net Cash Provided by Investing Activities | <u>16,643</u> | <u>1,376</u> | <u>429</u> | <u>6</u> | <u>8,265</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 13,757 | 1,019 | (148) | 6 | 16,038 |
| Cash and Cash Equivalents-Beginning of Year | 350,443 | 24,964 | 6,267 | 87 | 174,902 |
| Cash and Cash Equivalents-End of Year | <u>\$ 364,200</u> | <u>\$ 25,983</u> | <u>\$ 6,119</u> | <u>\$ 93</u> | <u>\$ 190,940</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities | | | | | |
| Operating Income (Loss) | \$ (42,363) | \$ (8,558) | \$ (414) | \$ 2 | \$ (6,951) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Depreciation/Amortization | 18,620 | 12 | -- | -- | 11 |
| Recognition of Lease Income | (58) | -- | -- | -- | -- |
| Other Revenue | 10,730 | 8,555 | -- | 2 | 516 |
| (Increases) Decreases In: | | | | | |
| Receivables, Net | 405 | 206 | 254 | 1 | -- |
| Due from Other Funds | (662) | 370 | (1) | -- | 166 |
| Due from Component Unit | (1) | -- | -- | -- | -- |
| Due from Other Governmental Agencies | 11 | 50 | -- | -- | -- |
| Inventory of Materials and Supplies | (8) | -- | -- | -- | -- |
| Deferred Outflows of Resources Related to Pension | 3,243 | -- | -- | -- | 1,213 |
| Deferred Outflows of Resources Related to OPEB | 317 | -- | -- | -- | 116 |
| Increases (Decreases) In: | | | | | |
| Accounts Payable | (2,209) | (219) | -- | -- | (307) |
| Retainage Payable | (78) | -- | -- | -- | -- |
| Salaries and Employee Benefits Payable | 157 | -- | -- | -- | 37 |
| Due to Other Funds | 213 | 4 | 2 | -- | 2 |
| Due to Component Unit | 1 | -- | -- | -- | -- |
| Due to Other Governmental Agencies | (335) | -- | -- | -- | -- |
| Insurance Claims Payable | 25,077 | (1,267) | -- | -- | 15,535 |
| Compensated Employee Absences Payable | 86 | -- | -- | -- | 26 |
| Net Pension Liability | (5,278) | -- | -- | -- | (1,945) |
| Net OPEB Liability | (797) | -- | -- | -- | (294) |
| Deferred Inflows of Resources Related to Pension | (482) | -- | -- | -- | (177) |
| Deferred Inflows of Resources Related to OPEB | 307 | -- | -- | -- | 113 |
| Deferred Inflows of Resources Related to Leases | 47 | -- | -- | -- | -- |
| Total Adjustments | <u>49,306</u> | <u>7,711</u> | <u>255</u> | <u>3</u> | <u>15,012</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 6,943</u> | <u>\$ (847)</u> | <u>\$ (159)</u> | <u>\$ 5</u> | <u>\$ 8,061</u> |
| Reconciliation of Cash and Cash Equivalents to Statement of Net Position | | | | | |
| Pooled Cash/Investments | \$ 362,210 | \$ 25,579 | \$ 6,119 | \$ 93 | \$ 189,362 |
| Cash/Cash Equivalents | 1,982 | 404 | -- | -- | 1,578 |
| Imprest Cash Funds | 8 | -- | -- | -- | -- |
| Total Cash and Cash Equivalents | <u>\$ 364,200</u> | <u>\$ 25,983</u> | <u>\$ 6,119</u> | <u>\$ 93</u> | <u>\$ 190,940</u> |

Supplemental Information
(Dollar Amounts in Thousands)

| Unemployment Insurance | Property & Casualty Risk | Transportation | Reprographics | Information & Technology | |
|---------------------------|-----------------------------|------------------|-----------------|-----------------------------|--|
| \$ -- | \$ -- | \$ 33,706 | \$ 5,066 | \$ 1,105 | CASH FLOWS FROM OPERATING ACTIVITIES |
| (1,214) | 36,801 | -- | -- | -- | Receipts from Customers |
| -- | (59,789) | (15,000) | (2,513) | (62,648) | Cash Received for Premiums Within the County's Entity |
| -- | (2,174) | (10,136) | (2,060) | (12,707) | Payments to Suppliers for Goods and Services |
| -- | -- | 114 | 16 | 89,731 | Payments to Employees for Services |
| -- | (4) | -- | -- | -- | Receipts from Interfund Services |
| -- | (1) | (2) | (2) | (2) | Payments for Interfund Services Provided |
| -- | 1,473 | 52 | 92 | 29 | Payments for Taxes and Other Fees |
| -- | (50) | -- | -- | -- | Other Operating Receipts |
| <u>(1,214)</u> | <u>(23,744)</u> | <u>8,734</u> | <u>599</u> | <u>15,508</u> | Other Operating Payments |
| | | | | | Net Cash Provided (Used) by Operating Activities |
| -- | -- | 11,490 | -- | 627 | CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES |
| -- | (173) | (222) | -- | (361) | Transfers In |
| -- | -- | -- | -- | 239 | Transfers Out |
| -- | -- | 12 | -- | -- | Intergovernmental Revenues |
| -- | (173) | 11,280 | -- | 505 | Other Taxes |
| | | | | | Net Cash Provided (Used) by Noncapital Financing Activities |
| -- | -- | (8,933) | (36) | (4,427) | CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES |
| -- | -- | -- | -- | (4,560) | Acquisition of Capital Assets |
| -- | -- | -- | (97) | (73) | Principal Paid on Financed Purchase Liability |
| -- | -- | -- | (2) | (1) | Principal Paid on Leases |
| -- | (68) | -- | -- | (3,356) | Interest Paid on Leases |
| -- | (9) | -- | -- | (190) | Principal Paid on Subscriptions |
| -- | -- | -- | -- | 53 | Interest Paid on Subscriptions |
| -- | -- | -- | -- | 5 | Receipts for Leases Receivables |
| -- | -- | 470 | -- | 4 | Interest Received on Leases Receivables |
| -- | (77) | (8,463) | (135) | (12,545) | Proceeds from Sale of Capital Assets |
| | | | | | Net Cash Used by Capital and Related Financing Activities |
| 232 | 2,389 | 2,914 | 63 | 1,595 | CASH FLOW FROM INVESTING ACTIVITIES |
| (16) | (145) | (289) | (9) | (167) | Interest on Investments |
| 216 | 2,244 | 2,625 | 54 | 1,428 | Net Change in the Fair Value of Investments |
| | | | | | Net Cash Provided by Investing Activities |
| (998) | (21,750) | 14,176 | 518 | 4,896 | Net Increase (Decrease) in Cash and Cash Equivalents |
| 4,558 | 54,480 | 50,984 | 1,404 | 32,797 | Cash and Cash Equivalents-Beginning of Year |
| <u>\$ 3,560</u> | <u>\$ 32,730</u> | <u>\$ 65,160</u> | <u>\$ 1,922</u> | <u>\$ 37,693</u> | Cash and Cash Equivalents-End of Year |
| | | | | | Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities |
| \$ (1,073) | \$ (34,297) | \$ 71 | \$ 305 | \$ 8,552 | Operating Income (Loss) |
| -- | 73 | 9,255 | 374 | 8,895 | Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |
| -- | -- | -- | -- | (58) | Depreciation/Amortization |
| -- | 1,473 | 52 | 92 | 40 | Recognition of Lease Income |
| -- | -- | 1 | (3) | (54) | Other Revenue |
| -- | (99) | (30) | 4 | (1,072) | (Increases) Decreases In: |
| -- | -- | -- | -- | (1) | Receivables, Net |
| -- | (50) | (3) | (38) | 52 | Due from Other Funds |
| -- | -- | (8) | -- | -- | Due from Component Unit |
| -- | 152 | 782 | 151 | 945 | Due from Other Governmental Agencies |
| -- | 16 | 77 | 13 | 95 | Inventory of Materials and Supplies |
| -- | -- | -- | -- | -- | Deferred Outflows of Resources Related to Pension |
| (346) | (1,099) | (117) | 3 | (124) | Deferred Outflows of Resources Related to OPEB |
| -- | -- | -- | (78) | -- | Increases (Decreases) In: |
| -- | 7 | 15 | 1 | 97 | Accounts Payable |
| -- | 95 | 144 | 12 | (46) | Retainage Payable |
| 271 | (606) | (1) | 1 | 1 | Salaries and Employee Benefits Payable |
| (66) | 10,875 | -- | -- | -- | Due to Other Funds |
| -- | 20 | 5 | 17 | 18 | Due to Component Unit |
| -- | (257) | (1,274) | (215) | (1,587) | Due to Other Governmental Agencies |
| -- | (39) | (192) | (33) | (239) | Insurance Claims Payable |
| -- | (23) | (117) | (20) | (145) | Compensated Employee Absences Payable |
| -- | 15 | 74 | 13 | 92 | Net Pension Liability |
| -- | -- | -- | -- | 47 | Net OPEB Liability |
| (141) | 10,553 | 8,663 | 294 | 6,956 | Deferred Inflows of Resources Related to Pension |
| <u>\$ (1,214)</u> | <u>\$ (23,744)</u> | <u>\$ 8,734</u> | <u>\$ 599</u> | <u>\$ 15,508</u> | Deferred Inflows of Resources Related to OPEB |
| | | | | | Deferred Inflows of Resources Related to Leases |
| | | | | | Total Adjustments |
| | | | | | Net Cash Provided (Used) by Operating Activities |
| | | | | | Reconciliation of Cash and Cash Equivalents to Statement of Net Position |
| \$ 3,560 | \$ 32,725 | \$ 65,160 | \$ 1,922 | \$ 37,690 | Pooled Cash/Investments |
| -- | -- | -- | -- | -- | Cash/Cash Equivalents |
| -- | 5 | -- | -- | 3 | Imprest Cash Funds |
| <u>\$ 3,560</u> | <u>\$ 32,730</u> | <u>\$ 65,160</u> | <u>\$ 1,922</u> | <u>\$ 37,693</u> | Total Cash and Cash Equivalents |

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the County in a trustee or custodial capacity on behalf of outside parties, including individuals, private organizations, or other governments. Under GASB Statement No. 84, a fiduciary fund must meet the following criteria: (1) assets are controlled or directed by the government, (2) assets are not derived from the government's own source revenue or government-mandated nonexchange transactions, and (3) assets have one or more of the following criteria:

- a. Assets are administered through a trust, and the government is not a beneficiary. The trust must be dedicated to providing benefits to the recipients and legally protected from creditors of the government.
- b. Assets are for the benefit of organizations or other governments that are not part of the financial reporting entity.
- c. Assets are for the benefit of individuals and are not administered in any way by the government.

PRIVATE-PURPOSE TRUST FUNDS

Public Administration Trust Funds

These funds are used to account for trust arrangements where the principal and income benefits individuals, private organizations, or other governments. Examples of private-purpose trusts include child support collections, decedents' property held for escheatment, and various funding services to finance permanent supportive & affordable housing.

Orange County Redevelopment Successor Agency (Successor Agency)

The Orange County Development Agency (OCDA) was dissolved effective February 1, 2012, in accordance with ABx1 26. A successor agency was designated as the successor entity to the former redevelopment agency in accordance with Health and Safety Code 34173. The Orange County Redevelopment Successor Agency holds the assets of the dissolved OCDA pending liquidation and distribution.

INVESTMENT TRUST FUNDS

Orange County Investment Pool

These funds are used to account for assets, consisting primarily of cash and investments, of separate legal entities, other than school and community college districts, which participate in the County Treasurer's Investment Pool, and includes debt reserves for school and community college districts.

Orange County Educational Investment Pool

These funds are used to account for assets, consisting primarily of cash and investments, of school and community college districts that participate in the County Treasurer's External Educational Investment Pool.

PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) TRUST FUNDS

Extra-Help Defined Benefit Plan

This fund is used to account for the retirement plan for employees working less than half-time or as extra-help. This retirement plan was closed to new participants as of February 28, 2002. The eligible employees of these plans are not covered by OCERS.

Extra-Help Defined Contribution Plan

This fund is used to account for the defined contribution retirement plan for extra-help and part-time employees. This plan replaced the Extra-Help Defined Benefit Retirement Plan and was effective for new employees on March 1, 2002. Effective February 10, 2015, the plan also includes new employees who have attained age 60 at

date of hire, who waive membership in OCERS, and do not have funds on deposit with OCERS and otherwise meet the requirements under OCERS' regulations and state law to waive membership in OCERS. The eligible employees of these plans are not covered by OCERS.

401(a) Defined Contribution Plan

This fund accounts for the 401(a) defined contribution plan, which was established in January 1999 for eligible employees, including the members of the Board, certain executive managers, certain administrative managers once classified as confidential and grandfathered in the plan, attorneys represented by the Orange County Attorney's Association and certain other employee classifications as defined in the plan document. The plan was closed to the attorneys effective June 24, 2005. The plan was closed to grandfathered administrative managers and to all new administrative managers, effective December 28, 2012, and June 23, 2016, respectively.

1.62% at 65 Retirement, 401(a) Defined Contribution Plan

This fund is used to account for the matching 401(a) employer contributions for eligible employees in the "1.62% at 65" Retirement (OCERS) formula who voluntarily contribute to the "1.62% at 65" Retirement, 457(b) defined contribution plan. The Plan was established on May 7, 2010.

Health Reimbursement Arrangement (HRA) Plan

This fund is used to account for the employer contributions to the HRA, a defined contribution plan, which became effective on June 24, 2008, for eligible employees, including employees represented by the Association of Orange County Deputy Sheriffs and Law Enforcement Management employees as defined in the plan document. The HRA now also includes employees represented by the OCAA, the AOCDS Public Safety Unit, OCEA, OCMA, Teamsters, IUOE, unrepresented employees, and the Voluntary Retirement Incentive Program.

Retiree Medical Plan 115 Trust

This fund is used to account for the annual required contributions, benefit payments, and investment losses and gains in the Retiree Medical Trust (Trust) which was established effective July 2, 2007. The Trust was established exclusively for the Retiree Medical Plan (Plan) which is a cost-sharing multiple-employer defined benefit other OPEB plan that was established on August 1, 1993, for eligible employees as defined in the plan document. The Trust and the 401(h) fiduciary component unit below represents the Plan. The Plan is reported as of December 31, 2023.

Orange County Employees Retirement System-401(h)

This fund is used to account for annual required contributions, benefit payments, and investment losses and gains in the Trust. The 115 trust described above and the 401(h) account with OCERS represents the total Plan. In accordance with GASB Statement No. 84, this fund is presented as a fiduciary component unit of the County and OCERS' separate stand-alone financial report as of December 31, 2023, can be obtained on their website at <https://www.ocers.org/financial-reports>.

Orange County Employees Retirement System-Pension Trust Fund

This fund is used to account for the cost-sharing multiple-employer defined-benefit pension plan operated by OCERS. In accordance with GASB Statement No. 84, this fund is presented as a fiduciary component unit of the County and OCERS' separate stand-alone financial report as of December 31, 2023, can be obtained on their website at <https://www.ocers.org/financial-reports>.

Orange County Employees Retirement System-Health Care Fund-OCFA

This fund is used to account for the Orange County Fire Authority (OCFA) Postemployment Health Care Plan established under IRC Section 401(h). OCERS serves as trustee of the Plan. In accordance with GASB

Statement No. 84, this fund is presented as a fiduciary component unit of the County and OCERS' separate stand-alone financial report as of December 31, 2023, can be obtained on their website at <https://www.ocers.org/financial-reports>.

CUSTODIAL FUNDS

Unapportioned Tax and Interest Funds

This group of funds is used to account for the collection of property taxes, and later distribution of such taxes, as well as the interest earned on them. Included are taxes collected by the County for other governmental units using the County treasury, as well as governmental units not using the County treasury, such as cities.

Departmental Funds

This group of funds is used by certain County officers to hold various types of cash receipts and deposits in a custodial capacity. Disbursements are made from these funds.

Orange County Employees Retirement System-OCTA

This fund is used to account for the Orange County Transportation Authority (OCTA) Health Care Plan established in accordance with Internal Revenue Code section 115. OCERS serves as trustee of the plan. In accordance with GASB Statement No. 84, this fund is presented as a fiduciary component unit of the County and OCERS' separate stand-alone financial report as of December 31, 2023, can be obtained on their website at <https://www.ocers.org/financial-reports>.



**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS**

| | Total | Public Administration Trust Funds | Orange County Redevelopment Successor Agency |
|---|------------|---|--|
| <u>ASSETS</u> | | | |
| Pooled Cash/Investments | \$ 90,377 | \$ 90,377 | \$ -- |
| Receivables | | | |
| Interest/Dividends | 958 | 958 | -- |
| Notes Receivable | 22,059 | 22,059 | -- |
| Total Assets | 113,394 | 113,394 | -- |
| <u>LIABILITIES</u> | | | |
| Due to Other Governmental Agencies | 549 | 549 | -- |
| Total Liabilities | 549 | 549 | -- |
| <u>NET POSITION</u> | | | |
| Restricted for: | | | |
| Individuals, Organizations, and Other Governments | 112,845 | 112,845 | -- |
| Net Position | \$ 112,845 | \$ 112,845 | \$ -- |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

| | Total | Public Administration Trust Funds | Orange County Redevelopment Successor Agency |
|---|------------|---|--|
| Additions: | | | |
| Contributions to Private-Purpose Trust | \$ 41,000 | \$ 40,946 | \$ 54 |
| Intergovernmental Revenues | 2,664 | 2,556 | 108 |
| Charges for Services | 14 | 14 | -- |
| Other Revenues | 15,419 | 15,419 | -- |
| Interest and Investment Income | 3,118 | 3,075 | 43 |
| Net Decrease in the Fair Value of Investments | (267) | (267) | -- |
| Less: Investment Expense | (14) | (13) | (1) |
| Total Additions | 61,934 | 61,730 | 204 |
| Deductions: | | | |
| Distributions from Private-Purpose Trust | 38,390 | 36,990 | 1,400 |
| Professional Services | 628 | 566 | 62 |
| Tax Pass-Throughs | 147 | -- | 147 |
| Interest Expense, Net | (84) | -- | (84) |
| Total Deductions | 39,081 | 37,556 | 1,525 |
| Change in Net Position | 22,853 | 24,174 | (1,321) |
| Net Position-Beginning of Year | 89,992 | 88,671 | 1,321 |
| Net Position-End of Year | \$ 112,845 | \$ 112,845 | \$ -- |

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS**

| | Total | County Investment Pool | Educational Investment Pool |
|------------------------------------|--------------|---------------------------|--------------------------------|
| <u>ASSETS</u> | | | |
| Pooled Cash/Investments | \$ 9,351,654 | \$ 493,396 | \$ 8,858,258 |
| Receivables | | | |
| Interest/Dividends | 67,049 | 5,517 | 61,532 |
| Total Assets | 9,418,703 | 498,913 | 8,919,790 |
| <u>LIABILITIES</u> | | | |
| Due to Other Governmental Agencies | 33 | 33 | -- |
| Total Liabilities | 33 | 33 | -- |
| <u>NET POSITION</u> | | | |
| Restricted for: | | | |
| Pool Participants | 9,418,670 | 498,880 | 8,919,790 |
| Net Position | \$ 9,418,670 | \$ 498,880 | \$ 8,919,790 |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

| | Total | County Investment Pool | Educational Investment Pool |
|---|---------------|---------------------------|--------------------------------|
| Additions: | | | |
| Contributions to Pooled Investments | \$ 12,213,208 | \$ 713,838 | \$ 11,499,370 |
| Other Revenues | 511 | -- | 511 |
| Interest and Investment Income | 479,172 | 25,104 | 454,068 |
| Net Decrease in the Fair Value of Investments | (17,972) | (2,184) | (15,788) |
| Less: Investment Expense | (3,068) | (108) | (2,960) |
| Total Additions | 12,671,851 | 736,650 | 11,935,201 |
| Deductions: | | | |
| Distributions from Pooled Investments | 12,461,165 | 726,612 | 11,734,553 |
| Total Deductions | 12,461,165 | 726,612 | 11,734,553 |
| Change in Net Position | 210,686 | 10,038 | 200,648 |
| Net Position-Beginning of Year | 9,207,984 | 488,842 | 8,719,142 |
| Net Position-End of Year | \$ 9,418,670 | \$ 498,880 | \$ 8,919,790 |

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OPEB TRUST FUNDS**

| | Total | Extra-Help Defined Benefit Plan | Extra-Help Defined Contribution Plan | 401(a) Defined Contribution Plan | 1.62% at 65 Retirement, 401(a) Defined Contribution Plan |
|--|----------------------|---------------------------------------|---|---|---|
| ASSETS | | | | | |
| Pooled Cash/Investments | \$ 25,238 | \$ 744 | \$ 1 | \$ -- | \$ 1 |
| Cash/Cash Equivalents | 379,382 | -- | -- | -- | -- |
| Securities Lending Collateral | 326,270 | -- | -- | -- | -- |
| Restricted Cash and Investments | | | | | |
| Restricted Investments with Trustee | | | | | |
| Global Public Equity | 10,391,372 | -- | -- | -- | -- |
| Private Equity | 3,597,888 | -- | -- | -- | -- |
| Core Fixed Income | 3,230,359 | -- | -- | -- | -- |
| Real Assets | 3,011,847 | -- | -- | -- | -- |
| Risk Mitigation | 1,813,822 | -- | -- | -- | -- |
| Unique Strategies | 123,207 | -- | -- | -- | -- |
| Bond Mutual Funds | 3,342 | -- | -- | 471 | -- |
| Cash Equivalent | 1,752 | -- | 63 | 816 | 630 |
| Mutual Funds | 23,773 | -- | -- | 1,813 | 21,960 |
| Equity Mutual Funds | 101,144 | 572 | -- | 2,792 | -- |
| Variable Annuities | 2,901 | 2,901 | -- | -- | -- |
| Combined Mutual Fund | 179,606 | -- | -- | 326 | -- |
| Collective Trust Funds | 98,377 | -- | -- | 9,907 | 17,135 |
| Stable Value Funds | 20,762 | -- | 11,193 | 8,369 | 1,200 |
| Receivables | | | | | |
| Investments | 21,268 | -- | -- | -- | -- |
| Securities Sales | 131,586 | -- | -- | -- | -- |
| Contributions | 41,072 | -- | -- | -- | -- |
| Foreign Currency Forward Contracts | 1,655 | -- | -- | -- | -- |
| Interest/Dividends | 35 | 10 | -- | -- | -- |
| Other Receivables | 9,003 | -- | -- | -- | -- |
| Due from Other Governmental Agencies | 2,256 | -- | 33 | 62 | 347 |
| Capital Assets, Net | 6,927 | -- | -- | -- | -- |
| Total Assets | <u>23,544,844</u> | <u>4,227</u> | <u>11,290</u> | <u>24,556</u> | <u>41,273</u> |
| LIABILITIES | | | | | |
| Accounts Payable | 244,475 | -- | -- | -- | -- |
| Salaries and Employee Benefits Payable | 183,126 | -- | -- | -- | -- |
| Unearned Contributions | 38,502 | -- | -- | -- | -- |
| Investment Obligations | 326,287 | -- | -- | -- | -- |
| Total Liabilities | <u>792,390</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| NET POSITION | | | | | |
| Restricted for OPEB Benefits | 873,679 | -- | -- | -- | -- |
| Restricted for Pension | 21,878,775 | 4,227 | 11,290 | 24,556 | 41,273 |
| Net Position | <u>\$ 22,752,454</u> | <u>\$ 4,227</u> | <u>\$ 11,290</u> | <u>\$ 24,556</u> | <u>\$ 41,273</u> |

Supplemental Information
(Dollar Amounts in Thousands)

| Fiduciary Component Unit | | | | | | |
|---|--|--|--|--|--|--|
| Health Reimbursement Arrangement Plan | Retiree Medical Plan 115 Trust * | Orange County Employees Retirement System-401(h)* | Orange County Employees Retirement System- Pension Trust Fund* | Orange County Employees Retirement System-Health Care Fund-OCFA* | | |
| \$ 107 | \$ 24,385 | \$ -- | \$ -- | \$ -- | | ASSETS |
| -- | -- | 7,945 | 370,116 | 1,321 | | Pooled Cash/Investments |
| -- | -- | 6,833 | 318,301 | 1,136 | | Cash/Cash Equivalents |
| | | | | | | Securities Lending Collateral |
| | | | | | | Restricted Cash and Investments |
| | | | | | | Restricted Investments with Trustee |
| -- | -- | 217,627 | 10,137,573 | 36,172 | | Global Public Equity |
| -- | -- | 75,351 | 3,510,013 | 12,524 | | Private Equity |
| -- | -- | 67,653 | 3,151,461 | 11,245 | | Core Fixed Income |
| -- | -- | 63,077 | 2,938,286 | 10,484 | | Real Assets |
| -- | -- | 37,987 | 1,769,521 | 6,314 | | Risk Mitigation |
| -- | -- | 2,580 | 120,198 | 429 | | Unique Strategies |
| 2,871 | -- | -- | -- | -- | | Bond Mutual Funds |
| 243 | -- | -- | -- | -- | | Cash Equivalent |
| -- | -- | -- | -- | -- | | Mutual Funds |
| 97,780 | -- | -- | -- | -- | | Equity Mutual Funds |
| -- | -- | -- | -- | -- | | Variable Annuities |
| 179,280 | -- | -- | -- | -- | | Combined Mutual Fund |
| 71,335 | -- | -- | -- | -- | | Collective Trust Funds |
| -- | -- | -- | -- | -- | | Stable Value Funds |
| | | | | | | Receivables |
| -- | -- | 445 | 20,749 | 74 | | Investments |
| -- | -- | 2,756 | 128,372 | 458 | | Securities Sales |
| -- | -- | -- | 41,072 | -- | | Contributions |
| -- | -- | 35 | 1,614 | 6 | | Foreign Currency Forward Contracts |
| -- | 25 | -- | -- | -- | | Interest/Dividends |
| -- | -- | 189 | 8,783 | 31 | | Other Receivables |
| 1,814 | -- | -- | -- | -- | | Due from Other Governmental Agencies |
| -- | -- | -- | 6,927 | -- | | Capital Assets, Net |
| <u>353,430</u> | <u>24,410</u> | <u>482,478</u> | <u>22,522,986</u> | <u>80,194</u> | | Total Assets |
| | | | | | | LIABILITIES |
| -- | -- | 5,120 | 238,504 | 851 | | Accounts Payable |
| -- | 46,378 | 5,687 | 130,233 | 828 | | Salaries and Employee Benefits Payable |
| -- | -- | -- | 38,502 | -- | | Unearned Contributions |
| -- | -- | 6,833 | 318,318 | 1,136 | | Investment Obligations |
| -- | <u>46,378</u> | <u>17,640</u> | <u>725,557</u> | <u>2,815</u> | | Total Liabilities |
| | | | | | | NET POSITION |
| 353,430 | (21,968) | 464,838 | -- | 77,379 | | Restricted for OPEB Benefits |
| -- | -- | -- | 21,797,429 | -- | | Restricted for Pension |
| <u>\$ 353,430</u> | <u>\$ (21,968)</u> | <u>\$ 464,838</u> | <u>\$ 21,797,429</u> | <u>\$ 77,379</u> | | Net Position |

* This is presented as 12/31/23

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OPEB TRUST FUNDS

| | Total | Extra-Help Defined Benefit Plan | Extra-Help Defined Contribution Plan | 401(a) Defined Contribution Plan | 1.62% at 65 Retirement, 401(a) Defined Contribution Plan |
|-----------------------------------|----------------------|---------------------------------------|---|--|---|
| Additions: | | | | | |
| Contributions to Pension and OPEB | | | | | |
| Employer | \$ 931,653 | \$ 160 | \$ -- | \$ 1,423 | \$ 7,352 |
| Employee | 278,854 | -- | 1,149 | -- | -- |
| Investment Earnings | | | | | |
| Interest and Investment Income | 297,528 | 38 | -- | 104 | -- |
| Net Increase in the | | | | | |
| Fair Value of Investments | 2,293,437 | 315 | 272 | 2,736 | 4,986 |
| Securities Lending Income | | | | | |
| Gross Earnings | 12,526 | -- | -- | -- | -- |
| Less: Investment Expense | (173,962) | (4) | (9) | (25) | (70) |
| Total Additions | <u>3,640,036</u> | <u>509</u> | <u>1,412</u> | <u>4,238</u> | <u>12,268</u> |
| Deductions: | | | | | |
| Benefits Paid to Participants | 1,278,195 | 244 | 974 | 1,861 | 277 |
| Administrative Expense | 29,103 | -- | -- | -- | -- |
| Total Deductions | <u>1,307,298</u> | <u>244</u> | <u>974</u> | <u>1,861</u> | <u>277</u> |
| Change in Net Position | 2,332,738 | 265 | 438 | 2,377 | 11,991 |
| Net Position-Beginning of Year | 20,419,716 | 3,962 | 10,852 | 22,179 | 29,282 |
| Net Position-End of Year | <u>\$ 22,752,454</u> | <u>\$ 4,227</u> | <u>\$ 11,290</u> | <u>\$ 24,556</u> | <u>\$ 41,273</u> |

Supplemental Information
(Dollar Amounts in Thousands)

| | | Fiduciary Component Unit | | | |
|--|-------------------------------------|--|---|--|--|
| Health Reimbursement Arrangement Plan | Retiree Medical Plan 115 Trust * | Orange County Employees Retirement System-401(h)* | Orange County Employees Retirement System-Pension Trust Fund* | Orange County Employees Retirement System-Health Care Fund- OCFA* | |
| | | | | | Additions: |
| \$ 102,734 | \$ 43,963 | \$ -- | \$ 749,776 | \$ 26,245 | Contributions to Pension and OPEB |
| -- | 250 | -- | 277,455 | -- | Employer |
| | | | | | Employee |
| 4,616 | 494 | 6,121 | 285,137 | 1,018 | Investment Earnings |
| | | | | | Interest and Investment Income |
| 34,862 | -- | 46,225 | 2,197,191 | 6,850 | Net Increase in the Fair Value of Investments |
| | | | | | Securities Lending Income |
| -- | -- | 262 | 12,220 | 44 | Gross Earnings |
| (550) | (5) | (3,629) | (169,067) | (603) | Less: Investment Expense |
| <u>141,662</u> | <u>44,702</u> | <u>48,979</u> | <u>3,352,712</u> | <u>33,554</u> | Total Additions |
| | | | | | Deductions: |
| 9,169 | 5,428 | 36,837 | 1,216,248 | 7,157 | Benefits Paid to Participants |
| -- | -- | 24 | 29,056 | 23 | Administrative Expense |
| <u>9,169</u> | <u>5,428</u> | <u>36,861</u> | <u>1,245,304</u> | <u>7,180</u> | Total Deductions |
| | | | | | Change in Net Position |
| 132,493 | 39,274 | 12,118 | 2,107,408 | 26,374 | |
| 220,937 | (61,242) | 452,720 | 19,690,021 | 51,005 | Net Position-Beginning of Year |
| <u>\$ 353,430</u> | <u>\$ (21,968)</u> | <u>\$ 464,838</u> | <u>\$ 21,797,429</u> | <u>\$ 77,379</u> | Net Position-End of Year |

* This is presented as 12/31/23

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS**

| | Total | Unapportioned Tax and Interest Funds | Departmental Funds | Fiduciary Component Unit |
|---|-------------------|--|-----------------------|---|
| | | | | Orange County Employees Retirement System-OCTA* |
| ASSETS | | | | |
| Pooled Cash/Investments | \$ 305,745 | \$ 219,948 | \$ 85,797 | \$ -- |
| Cash/Cash Equivalents | 670 | -- | 42 | 628 |
| Restricted Cash and Investments | | | | |
| Restricted Investments with Trustee | 57,140 | -- | 57,140 | -- |
| Global Public Equity | 13,293 | -- | -- | 13,293 |
| Core Fixed Income | 5,543 | -- | -- | 5,543 |
| Receivables | | | | |
| Accounts | 340 | -- | 340 | -- |
| Taxes | 281,845 | 281,845 | -- | -- |
| Interest/Dividends | 18,238 | 16,679 | 1,559 | -- |
| Allowance for Uncollectible Receivables | (77,783) | (77,782) | (1) | -- |
| Due from Other Governmental Agencies | 9,269 | 207 | 9,062 | -- |
| Total Assets | <u>614,300</u> | <u>440,897</u> | <u>153,939</u> | <u>19,464</u> |
| LIABILITIES | | | | |
| Accounts Payable | 10,408 | 457 | 9,951 | -- |
| Due to Other Governmental Agencies | 25,725 | 21,746 | 3,979 | -- |
| Unapportioned Taxes | 209,269 | 209,269 | -- | -- |
| Total Liabilities | <u>245,402</u> | <u>231,472</u> | <u>13,930</u> | <u>--</u> |
| NET POSITION | | | | |
| Restricted for: | | | | |
| Restricted for OPEB Benefits | 19,464 | -- | -- | 19,464 |
| Individuals, Organizations, and Other Governments | 349,434 | 209,425 | 140,009 | -- |
| Net Position | <u>\$ 368,898</u> | <u>\$ 209,425</u> | <u>\$ 140,009</u> | <u>\$ 19,464</u> |

* This is presented as 12/31/23

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

| | Total | Unapportioned Tax and Interest Funds | Departmental Funds | Fiduciary Component Unit Orange County Employees Retirement System-OCTA* |
|--|-------------------|--|-----------------------|--|
| Additions: | | | | |
| Contributions to OPEB Benefit Trust Funds: | | | | |
| Employer | \$ 794 | \$ -- | \$ -- | \$ 794 |
| Contributions to Pooled Investments | 974,710 | 1,426 | 973,284 | -- |
| Taxes | 11,883,640 | 11,817,773 | 65,867 | -- |
| Interest and Investment Income | 74,324 | 67,887 | 6,413 | 24 |
| Net Increase (Decrease) in the Fair Value of Investments | 1,924 | (569) | (489) | 2,982 |
| Less: Investment Expense | (86) | (70) | (13) | (3) |
| Total Additions | <u>12,935,306</u> | <u>11,886,447</u> | <u>1,045,062</u> | <u>3,797</u> |
| Deductions: | | | | |
| Benefits Paid to Participants | 1,531 | -- | -- | 1,531 |
| Distributions from Pooled Investments | 962,031 | 54 | 961,977 | -- |
| Professional Services | 6,733 | 5,203 | 1,507 | 23 |
| Other Expenses | 77,782 | 77,782 | -- | -- |
| Apportioned Taxes | 11,986,851 | 11,923,531 | 63,320 | -- |
| Total Deductions | <u>13,034,928</u> | <u>12,006,570</u> | <u>1,026,804</u> | <u>1,554</u> |
| Change in Net Position | (99,622) | (120,123) | 18,258 | 2,243 |
| Net Position-Beginning of Year | 468,520 | 329,548 | 121,751 | 17,221 |
| Net Position-End of Year | <u>\$ 368,898</u> | <u>\$ 209,425</u> | <u>\$ 140,009</u> | <u>\$ 19,464</u> |

* This is presented as 12/31/23





**JOHN WAYNE
ORANGE COUNTY
(SNA)**



STATISTICAL SECTION
(UNAUDITED)

The information in this section is not covered by the Independent Auditor's Report but is presented as supplemental data for the benefit of the readers of the Annual Comprehensive Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the basic financial statements, notes to the basic financial statements, and required supplementary information to understand and assess a government's economic condition.

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| <u>Financial Trends</u> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. | 222 |
| <u>Revenue Capacity</u> These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax. | 232 |
| <u>Debt Capacity</u> These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place. | 237 |
| <u>Economic and Demographic Information</u> These schedules offer economic and demographic indicators to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. | 242 |
| <u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. | 244 |

Source: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

| | Fiscal Year | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Governmental Activities | | | | | |
| Net Investment in Capital Assets | \$ 3,730,032 | \$ 3,558,179 | \$ 3,423,823 | \$ 3,533,978 | \$ 3,319,173 |
| Restricted for: | | | | | |
| Expendable | | | | | |
| Pension Benefits | 150,393 | 144,682 | 135,745 | 148,764 | 135,342 |
| Capital Projects | 2,064 | 30,210 | 43,354 | 98,252 | 162,614 |
| Debt Service | 30,692 | 26,462 | 25,617 | 38,248 | 33,179 |
| Legally Segregated for Grants and Other Purposes | 1,979,437 | 1,739,190 | 1,538,419 | 1,377,939 | 1,212,985 |
| Regional Park Endowment | 196 | 174 | 163 | 168 | 167 |
| Nonexpendable | | | | | |
| Regional Park Endowment | 200 | 200 | 200 | 200 | 200 |
| Unrestricted | (1,122,428) | (1,385,230) | (1,718,846) | (3,046,351) | (3,480,608) |
| Total Governmental Activities Net Position | \$ 4,770,586 | \$ 4,113,867 | \$ 3,448,475 | \$ 2,151,198 | \$ 1,383,052 |
| Business-Type Activities | | | | | |
| Net Investment in Capital Assets | \$ 973,466 | \$ 927,705 | \$ 863,392 | \$ 865,175 | \$ 856,250 |
| Restricted for: | | | | | |
| Expendable | | | | | |
| Debt Service | -- | -- | 8,362 | 12,698 | 11,591 |
| Passenger Facility Charges | | | | | |
| Approved Capital Projects | 51,334 | 30,663 | 24,473 | 8,093 | 8,158 |
| Replacements and Renewals | -- | -- | 1,000 | 1,000 | 1,000 |
| Landfill Closure/Postclosure | 26,272 | 18,401 | 18,566 | 25,053 | 27,730 |
| Landfill Corrective Action | 14,346 | 13,671 | 11,827 | 10,472 | 8,820 |
| Wetland | 879 | 879 | 879 | 879 | 879 |
| Prima Deshecha/La Pata Closure | -- | -- | -- | -- | 104 |
| Unrestricted | 831,159 | 746,833 | 669,953 | 588,699 | 546,804 |
| Total Business-Type Activities Net Position | \$ 1,897,456 | \$ 1,738,152 | \$ 1,598,452 | \$ 1,512,069 | \$ 1,461,336 |
| Primary Government | | | | | |
| Net Investment in Capital Assets | \$ 4,703,498 | \$ 4,485,884 | \$ 4,287,215 | \$ 4,399,153 | \$ 4,175,423 |
| Restricted for: | | | | | |
| Expendable | | | | | |
| Pension Benefits | 150,393 | 144,682 | 135,745 | 148,764 | 135,342 |
| Capital Projects | 2,064 | 30,210 | 43,354 | 98,252 | 162,614 |
| Debt Service | 30,692 | 26,462 | 33,979 | 50,946 | 44,770 |
| Legally Segregated for Grants and Other Purposes | 1,979,437 | 1,739,190 | 1,538,419 | 1,377,939 | 1,212,985 |
| Regional Park Endowment | 196 | 174 | 163 | 168 | 167 |
| Passenger Facility Charges | | | | | |
| Approved Capital Projects | 51,334 | 30,663 | 24,473 | 8,093 | 8,158 |
| Replacements and Renewals | -- | -- | 1,000 | 1,000 | 1,000 |
| Landfill Closure/Postclosure | 26,272 | 18,401 | 18,566 | 25,053 | 27,730 |
| Landfill Corrective Action | 14,346 | 13,671 | 11,827 | 10,472 | 8,820 |
| Wetland | 879 | 879 | 879 | 879 | 879 |
| Prima Deshecha/La Pata Closure | -- | -- | -- | -- | 104 |
| Nonexpendable | | | | | |
| Regional Park Endowment | 200 | 200 | 200 | 200 | 200 |
| Unrestricted | (291,269) | (638,397) | (1,048,893) | (2,457,652) | (2,933,804) |
| Total Primary Government Net Position | \$ 6,668,042 | \$ 5,852,019 | \$ 5,046,927 | \$ 3,663,267 | \$ 2,844,388 |

Note: (1) The balances shown have not been restated to include the prior period adjustments.

| Fiscal Year | | | | | |
|---------------------|---------------------|------------------------|---------------------|---------------------|--|
| 2018-19 | 2017-18 | 2016-17 ⁽¹⁾ | 2015-16 | 2014-15 | |
| \$ 3,127,371 | \$ 3,031,574 | \$ 2,813,296 | \$ 2,707,493 | \$ 2,670,577 | Governmental Activities |
| | | | | | Net Investment in Capital Assets |
| | | | | | Restricted for: |
| | | | | | Expendable |
| 143,647 | 135,485 | 125,876 | 111,639 | 112,544 | Pension Benefits |
| 212,897 | 123,245 | 164,400 | 10,836 | 6,154 | Capital Projects |
| 28,370 | 25,792 | 33,409 | 36,380 | 37,734 | Debt Service |
| | | | | | Legally Segregated for Grants and Other Purposes |
| 1,202,317 | 1,148,735 | 1,192,827 | 1,103,257 | 1,045,897 | Regional Park Endowment |
| 159 | 148 | 145 | 144 | 141 | Nonexpendable |
| | | | | | Regional Park Endowment |
| 200 | 200 | 196 | 193 | 188 | Unrestricted |
| (3,582,580) | (3,312,306) | (3,074,958) | (2,979,945) | (2,991,814) | Total Governmental Activities Net Position |
| <u>\$ 1,132,381</u> | <u>\$ 1,152,873</u> | <u>\$ 1,255,191</u> | <u>\$ 989,997</u> | <u>\$ 881,421</u> | |
| | | | | | Business-Type Activities |
| \$ 858,924 | \$ 799,668 | \$ 708,286 | \$ 663,280 | \$ 642,427 | Net Investment in Capital Assets |
| | | | | | Restricted for: |
| | | | | | Expendable |
| | | | | | Debt Service |
| 2,029 | 8,672 | 36,181 | 8,499 | 7,324 | Passenger Facility Charges |
| | | | | | Approved Capital Projects |
| 3,282 | 12,044 | 2,775 | 14,705 | 70,538 | Replacements and Renewals |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | Landfill Closure/Postclosure |
| 28,531 | 26,655 | 28,962 | 33,997 | 33,337 | Landfill Corrective Action |
| 8,619 | 8,358 | 8,278 | 8,245 | 8,174 | Wetland |
| 879 | 879 | 879 | 879 | 879 | Prima Deshecha/La Pata Closure |
| 104 | 104 | 104 | 104 | 104 | Unrestricted |
| 491,359 | 454,482 | 463,495 | 465,003 | 362,546 | Total Business-Type Activities Net Position |
| <u>\$ 1,394,727</u> | <u>\$ 1,311,862</u> | <u>\$ 1,249,960</u> | <u>\$ 1,195,712</u> | <u>\$ 1,126,329</u> | |
| | | | | | Primary Government |
| \$ 3,986,295 | \$ 3,831,242 | \$ 3,521,582 | \$ 3,370,773 | \$ 3,313,004 | Net Investment in Capital Assets |
| | | | | | Restricted for: |
| | | | | | Expendable |
| | | | | | Pension Benefits |
| 143,647 | 135,485 | 125,876 | 111,639 | 112,544 | Capital Projects |
| 212,897 | 123,245 | 164,400 | 10,836 | 6,154 | Debt Service |
| 30,399 | 34,464 | 69,590 | 44,879 | 45,058 | Legally Segregated for Grants and Other Purposes |
| | | | | | Regional Park Endowment |
| 1,202,317 | 1,148,735 | 1,192,827 | 1,103,257 | 1,045,897 | Passenger Facility Charges |
| 159 | 148 | 145 | 144 | 141 | Approved Capital Projects |
| | | | | | Replacements and Renewals |
| 3,282 | 12,044 | 2,775 | 14,705 | 70,538 | Landfill Closure/Postclosure |
| 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | Landfill Corrective Action |
| 28,531 | 26,655 | 28,962 | 33,997 | 33,337 | Wetland |
| 8,619 | 8,358 | 8,278 | 8,245 | 8,174 | Prima Deshecha/La Pata Closure |
| 879 | 879 | 879 | 879 | 879 | Nonexpendable |
| 104 | 104 | 104 | 104 | 104 | Regional Park Endowment |
| | | | | | Unrestricted |
| 200 | 200 | 196 | 193 | 188 | Total Primary Government Net Position |
| (3,091,221) | (2,857,824) | (2,611,463) | (2,514,942) | (2,629,268) | |
| <u>\$ 2,527,108</u> | <u>\$ 2,464,735</u> | <u>\$ 2,505,151</u> | <u>\$ 2,185,709</u> | <u>\$ 2,007,750</u> | |

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

| | Fiscal Year | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$ 272,288 | \$ 363,314 | \$ 189,650 | \$ 188,668 | \$ 313,583 |
| Public Protection | 1,783,109 | 1,824,133 | 1,377,502 | 1,513,781 | 1,571,137 |
| Public Ways and Facilities | 173,202 | 167,921 | 149,290 | 138,670 | 158,356 |
| Health and Sanitation | 1,021,899 | 906,593 | 830,673 | 1,106,989 | 752,996 |
| Public Assistance | 1,528,806 | 1,395,469 | 1,224,045 | 1,358,723 | 1,219,816 |
| Education | 64,272 | 61,221 | 57,060 | 52,579 | 48,845 |
| Recreation and Cultural Services | 136,248 | 155,460 | 129,380 | 128,747 | 122,694 |
| Interest on Long-Term Debt | 39,741 | 40,843 | 35,148 | 27,232 | 33,617 |
| Subtotal Governmental Activities | <u>5,019,565</u> | <u>4,914,954</u> | <u>3,992,748</u> | <u>4,515,389</u> | <u>4,221,044</u> |
| Business-Type Activities: | | | | | |
| Airport | 155,488 | 159,451 | 133,555 | 128,160 | 132,804 |
| OC Waste & Recycling | 161,859 | 162,221 | 134,620 | 134,202 | 130,853 |
| Compressed Natural Gas | - | 3 | 13 | 11 | 11 |
| Subtotal Business-Type Activities | <u>317,347</u> | <u>321,675</u> | <u>268,188</u> | <u>262,373</u> | <u>263,668</u> |
| Total Primary Government Expenses | <u>\$ 5,336,912</u> | <u>\$ 5,236,629</u> | <u>\$ 4,260,936</u> | <u>\$ 4,777,762</u> | <u>\$ 4,484,712</u> |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services | | | | | |
| General Government | \$ 58,977 | \$ 63,337 | \$ 56,627 | \$ 57,828 | \$ 45,713 |
| Public Protection | 330,208 | 325,800 | 312,588 | 326,011 | 299,121 |
| Public Ways and Facilities | 70,291 | 64,912 | 74,360 | 49,063 | 54,762 |
| Health and Sanitation | 215,762 | 153,271 | 153,074 | 143,981 | 140,631 |
| Public Assistance | 21,245 | 26,627 | 26,097 | 18,347 | 38,431 |
| Education | 927 | 671 | 505 | 441 | 575 |
| Recreation and Cultural Services | 37,839 | 41,381 | 30,444 | 29,409 | 26,143 |
| Operating Grants and Contributions | 3,178,163 | 3,208,589 | 3,166,816 | 3,199,181 | 2,500,368 |
| Capital Grants and Contributions | 119,432 | 200,108 | 130,593 | 141,883 | 141,118 |
| Subtotal Governmental Activities Program Revenues | <u>4,032,844</u> | <u>4,084,696</u> | <u>3,951,104</u> | <u>3,966,144</u> | <u>3,246,862</u> |
| Business-Type Activities: | | | | | |
| Charges for Services | | | | | |
| Airport | 196,548 | 185,369 | 162,025 | 109,168 | 135,273 |
| OC Waste & Recycling | 214,702 | 201,179 | 186,790 | 179,974 | 179,542 |
| Compressed Natural Gas | 288 | 307 | 165 | 183 | 95 |
| Operating Grants and Contributions | 3,450 | 52,105 | 20,571 | 22,371 | 5,285 |
| Capital Grants and Contributions | 1,614 | 225 | 660 | 5,387 | - |
| Subtotal Business-Type Activities Program Revenues | <u>416,602</u> | <u>439,185</u> | <u>370,211</u> | <u>317,083</u> | <u>320,195</u> |
| Total Primary Government Program Revenues | <u>\$ 4,449,446</u> | <u>\$ 4,523,881</u> | <u>\$ 4,321,315</u> | <u>\$ 4,283,227</u> | <u>\$ 3,567,057</u> |

Note: (1) The balances shown have not been restated to include prior period adjustments.

| Fiscal Year | | | | |
|---------------------|---------------------|------------------------|---------------------|---------------------|
| 2018-19 | 2017-18 | 2016-17 ⁽¹⁾ | 2015-16 | 2014-15 |
| \$ 221,830 | \$ 196,233 | \$ 186,340 | \$ 203,394 | \$ 191,793 |
| 1,650,165 | 1,475,626 | 1,485,137 | 1,433,421 | 1,326,028 |
| 172,970 | 151,779 | 97,928 | 142,071 | 114,398 |
| 715,343 | 656,234 | 593,617 | 554,872 | 537,580 |
| 1,193,705 | 1,102,747 | 1,097,327 | 1,097,129 | 1,049,665 |
| 52,323 | 48,412 | 44,510 | 46,170 | 43,314 |
| 139,183 | 123,798 | 112,749 | 115,136 | 102,069 |
| 30,910 | 25,741 | 17,544 | 20,112 | 23,560 |
| <u>4,176,429</u> | <u>3,780,570</u> | <u>3,635,152</u> | <u>3,612,305</u> | <u>3,388,407</u> |
| 136,075 | 124,466 | 125,522 | 120,921 | 124,778 |
| 128,354 | 125,472 | 105,149 | 96,301 | 69,307 |
| 160 | 299 | 367 | 283 | 331 |
| <u>264,589</u> | <u>250,237</u> | <u>231,038</u> | <u>217,505</u> | <u>194,416</u> |
| <u>\$ 4,441,018</u> | <u>\$ 4,030,807</u> | <u>\$ 3,866,190</u> | <u>\$ 3,829,810</u> | <u>\$ 3,582,823</u> |

Expenses

Governmental Activities:

- General Government
- Public Protection
- Public Ways and Facilities
- Health and Sanitation
- Public Assistance
- Education
- Recreation and Cultural Services
- Interest on Long-Term Debt
- Subtotal Governmental Activities

Business-Type Activities:

- Airport
- OC Waste & Recycling
- Compressed Natural Gas
- Subtotal Business-Type Activities

Total Primary Government Expenses

| | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 47,508 | \$ 43,104 | \$ 41,988 | \$ 34,048 | \$ 36,924 |
| 319,248 | 355,850 | 307,630 | 288,185 | 286,644 |
| 52,334 | 55,544 | 67,796 | 63,487 | 53,834 |
| 132,172 | 112,715 | 117,170 | 85,392 | 102,599 |
| 40,158 | 38,741 | 40,589 | 37,975 | 37,650 |
| 1,100 | 1,237 | 1,274 | 1,426 | 1,480 |
| 34,506 | 49,892 | 47,763 | 46,937 | 43,882 |
| 2,289,265 | 2,175,087 | 2,067,777 | 2,037,311 | 1,996,861 |
| 63,429 | 123,575 | 113,481 | 105,776 | 33,241 |
| <u>2,979,720</u> | <u>2,955,745</u> | <u>2,805,468</u> | <u>2,700,537</u> | <u>2,593,115</u> |
| 157,785 | 152,551 | 150,260 | 149,894 | 141,563 |
| 171,741 | 162,273 | 153,842 | 147,130 | 139,493 |
| 108 | 266 | 248 | 269 | 312 |
| 193 | 272 | 69 | 171 | 255 |
| 1,424 | 4,829 | 1,828 | 2,174 | 9,215 |
| <u>331,251</u> | <u>320,191</u> | <u>306,247</u> | <u>299,638</u> | <u>290,838</u> |
| <u>\$ 3,310,971</u> | <u>\$ 3,275,936</u> | <u>\$ 3,111,715</u> | <u>\$ 3,000,175</u> | <u>\$ 2,883,953</u> |

Program Revenues

Governmental Activities:

- Charges for Services
- General Government
- Public Protection
- Public Ways and Facilities
- Health and Sanitation
- Public Assistance
- Education
- Recreation and Cultural Services
- Operating Grants and Contributions
- Capital Grants and Contributions
- Subtotal Governmental Activities Program Revenues

Business-Type Activities:

- Charges for Services
- Airport
- OC Waste & Recycling
- Compressed Natural Gas
- Operating Grants and Contributions
- Capital Grants and Contributions
- Subtotal Business-Type Activities Program Revenues

Total Primary Government Program Revenues

**Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting) (Continued)**

| | Fiscal Year | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | \$ (986,721) | \$ (830,258) | \$ (41,644) | \$ (549,245) | \$ (974,182) |
| Business-Type Activities | 99,255 | 117,510 | 102,023 | 54,710 | 56,527 |
| Total Primary Government Net (Expense)/Revenue | <u>\$ (887,466)</u> | <u>\$ (712,748)</u> | <u>\$ 60,379</u> | <u>\$ (494,535)</u> | <u>\$ (917,655)</u> |
| General Revenue and Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Taxes | | | | | |
| Property Taxes, Levied for General Fund | \$ 409,474 | \$ 398,794 | \$ 367,918 | \$ 351,951 | \$ 332,635 |
| Property Taxes, Levied for Flood Control District | 141,785 | 135,749 | 126,365 | 119,476 | 115,908 |
| Property Taxes, Levied for OC Parks | 109,832 | 105,157 | 97,889 | 93,792 | 89,804 |
| Property Taxes, Levied for OC Public Libraries | 69,336 | 66,286 | 61,721 | 59,333 | 56,767 |
| Property Taxes in-Lieu of Motor Vehicle License Fees | 514,941 | 484,543 | 455,578 | 438,321 | 418,370 |
| Other Taxes | 156,940 | 134,123 | 149,568 | 127,777 | 104,863 |
| Grants and Contributions Not Restricted to Specific Programs | 3,986 | 4,675 | 4,631 | 15,547 | 11,673 |
| State Allocation of Motor Vehicle License Fees | 3,738 | 2,931 | 3,863 | 3,528 | 838 |
| Unrestricted Investment Earnings | 162,321 | 64,350 | (4,364) | 35,393 | 30,538 |
| Miscellaneous | 64,123 | 90,488 | 67,756 | 64,764 | 53,631 |
| Transfers | 6,964 | 8,554 | 7,996 | 7,509 | 9,826 |
| Subtotal Governmental Activities | <u>1,643,440</u> | <u>1,495,650</u> | <u>1,338,921</u> | <u>1,317,391</u> | <u>1,224,853</u> |
| Business-Type Activities: | | | | | |
| Other Taxes | 44 | -- | -- | 14 | 50 |
| Unrestricted Investment Earnings | 66,661 | 29,291 | (11,274) | 1,269 | 19,771 |
| Miscellaneous Revenues | 308 | 1,453 | 3,630 | 2,249 | 87 |
| Transfers | (6,964) | (8,554) | (7,996) | (7,509) | (9,826) |
| Subtotal Business-Type Activities | <u>60,049</u> | <u>22,190</u> | <u>(15,640)</u> | <u>(3,977)</u> | <u>10,082</u> |
| Total Primary Government General Revenue and Other Charges | <u>\$ 1,703,489</u> | <u>\$ 1,517,840</u> | <u>\$ 1,323,281</u> | <u>\$ 1,313,414</u> | <u>\$ 1,234,935</u> |
| Change in Net Position | | | | | |
| Governmental Activities | \$ 656,719 | \$ 665,392 | \$ 1,297,277 | \$ 768,146 | \$ 250,671 |
| Business-Type Activities | 159,304 | 139,700 | 86,383 | 50,733 | 66,609 |
| Total Primary Government | <u>\$ 816,023</u> | <u>\$ 805,092</u> | <u>\$ 1,383,660</u> | <u>\$ 818,879</u> | <u>\$ 317,280</u> |

Note: (1) The balances shown have not been restated to include prior period adjustments.

| Fiscal Year | | | | |
|-----------------------|---------------------|------------------------|---------------------|---------------------|
| 2018-19 | 2017-18 | 2016-17 ⁽¹⁾ | 2015-16 | 2014-15 |
| \$ (1,196,709) | \$ (824,825) | \$ (829,684) | \$ (911,768) | \$ (795,292) |
| 66,662 | 69,954 | 75,209 | 82,133 | 96,422 |
| <u>\$ (1,130,047)</u> | <u>\$ (754,871)</u> | <u>\$ (754,475)</u> | <u>\$ (829,635)</u> | <u>\$ (698,870)</u> |
| \$ 320,395 | \$ 305,296 | \$ 287,212 | \$ 311,902 | \$ 328,500 |
| 110,529 | 104,798 | 98,563 | 82,193 | 77,090 |
| 85,640 | 81,206 | 76,493 | 61,048 | 57,266 |
| 54,074 | 51,166 | 47,804 | 45,364 | 42,333 |
| 395,809 | 372,728 | 351,011 | 333,595 | 314,957 |
| 99,965 | 99,889 | 98,216 | 78,184 | 71,613 |
| 2,720 | 10,757 | 8,434 | 4,583 | 49,476 |
| 1,180 | 1,615 | 1,234 | 1,100 | 764 |
| 44,170 | 19,389 | 19,760 | 17,032 | 6,796 |
| 52,813 | 71,164 | 80,229 | 63,825 | 69,789 |
| 8,922 | 10,767 | 25,922 | 21,518 | 19,959 |
| <u>1,176,217</u> | <u>1,128,775</u> | <u>1,094,878</u> | <u>1,020,344</u> | <u>1,038,543</u> |
| 10 | 82 | 78 | 72 | 109 |
| 24,941 | 7,695 | 3,497 | 6,526 | 3,042 |
| 174 | 1,830 | 1,386 | 2,170 | 1,597 |
| (8,922) | (10,767) | (25,922) | (21,518) | (19,959) |
| <u>16,203</u> | <u>(1,160)</u> | <u>(20,961)</u> | <u>(12,750)</u> | <u>(15,211)</u> |
| <u>\$ 1,192,420</u> | <u>\$ 1,127,615</u> | <u>\$ 1,073,917</u> | <u>\$ 1,007,594</u> | <u>\$ 1,023,332</u> |
| \$ (20,492) | \$ 303,950 | \$ 265,194 | \$ 108,576 | \$ 243,251 |
| 82,865 | 68,794 | 54,248 | 69,383 | 81,211 |
| <u>\$ 62,373</u> | <u>\$ 372,744</u> | <u>\$ 319,442</u> | <u>\$ 177,959</u> | <u>\$ 324,462</u> |

Net (Expense)/Revenue

Governmental Activities
Business-Type Activities
Total Primary Government Net
(Expense)/Revenue

**General Revenue and Other
Changes in Net Position**

Governmental Activities:
Taxes
Property Taxes, Levied for General Fund
Property Taxes, Levied for
Flood Control District
Property Taxes, Levied for OC Parks
Property Taxes, Levied for
OC Public Libraries
Property Taxes in-Lieu of
Motor Vehicle License Fees
Other Taxes
Grants and Contributions Not Restricted
to Specific Programs
State Allocation of Motor
Vehicle License Fees
Unrestricted Investment Earnings
Miscellaneous
Transfers
Subtotal Governmental Activities

Business-Type Activities:
Other Taxes
Unrestricted Investment Earnings
Miscellaneous Revenues
Transfers
Subtotal Business-Type Activities
Total Primary Government General
Revenue and Other Charges

Change in Net Position

Governmental Activities
Business-Type Activities
Total Primary Government

**Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| General Fund | | | | | |
| Nonspendable | \$ 4,529 | \$ 2,175 | \$ 517,721 | \$ 515,879 | \$ 460,074 |
| Restricted | 217,922 | 284,714 | 164,954 | 97,998 | 78,982 |
| Assigned | 160,213 | 653,241 | 316,809 | 108,268 | 106,929 |
| Unassigned | 905,908 | 772,383 | 127,721 | 13,582 | 217,317 |
| Total General Fund | \$ 1,288,572 | \$ 1,712,513 | \$ 1,127,205 | \$ 735,727 | \$ 863,302 |
| All Other Governmental Funds | | | | | |
| Nonspendable | \$ 1,343 | \$ 1,027 | \$ 32,171 | \$ 29,779 | \$ 25,866 |
| Restricted | 1,973,812 | 1,639,674 | 1,572,185 | 1,611,739 | 1,588,765 |
| Assigned | 760,532 | 380,752 | 443,370 | 377,228 | 214,144 |
| Unassigned | (4,022) | -- | -- | -- | -- |
| Total All Other Governmental Funds | \$ 2,731,665 | \$ 2,021,453 | \$ 2,047,726 | \$ 2,018,746 | \$ 1,828,775 |

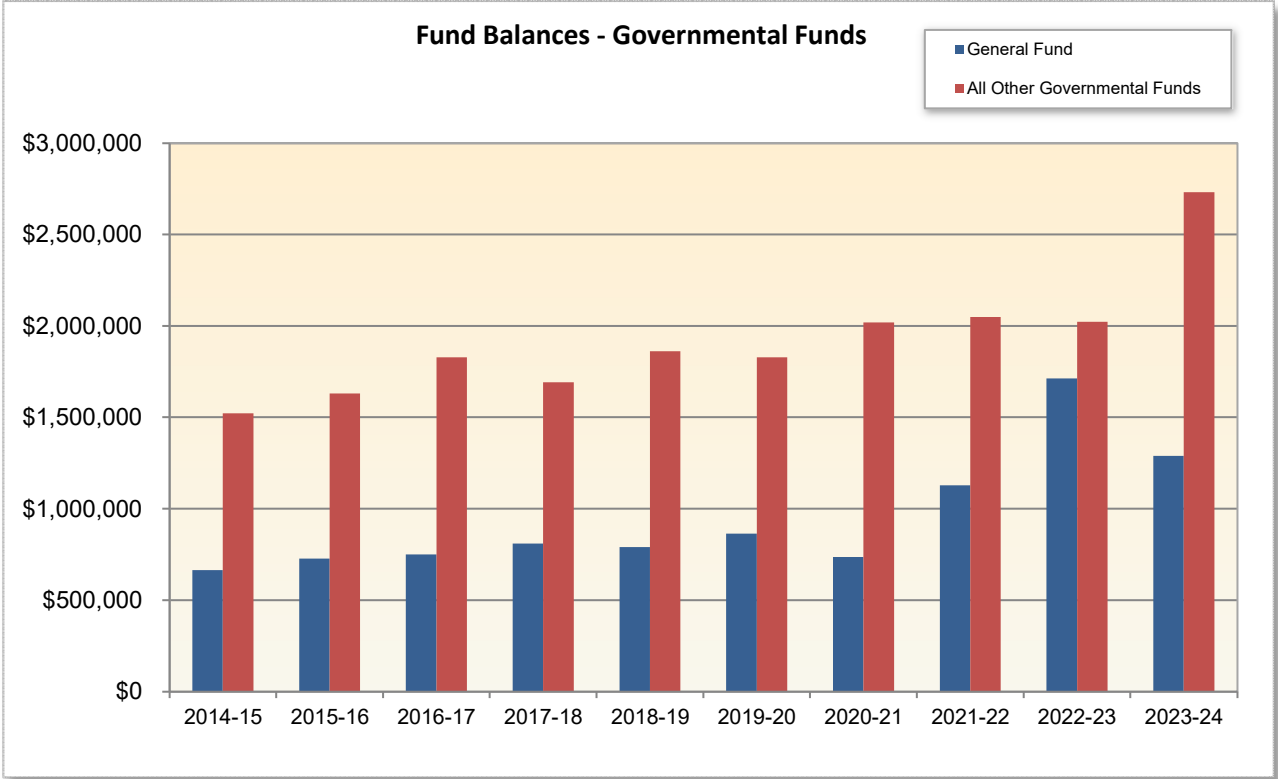
Note: (1) The balances shown have not been restated to include prior period adjustments.

| Fiscal Year | | | | |
|-------------------|-------------------|------------------------|-------------------|-------------------|
| 2018-19 | 2017-18 | 2016-17 ⁽¹⁾ | 2015-16 | 2014-15 |
| \$ 396,541 | \$ 378,418 | \$ 372,572 | \$ 331,889 | \$ 336,606 |
| 49,989 | 31,815 | 39,581 | 49,230 | 31,486 |
| 147,686 | 179,119 | 265,293 | 321,064 | 269,529 |
| 196,517 | 219,426 | 73,446 | 25,655 | 26,887 |
| \$ 790,733 | \$ 808,778 | \$ 750,892 | \$ 727,838 | \$ 664,508 |

General Fund
 Nonspendable
 Restricted
 Assigned
 Unassigned
Total General Fund

| | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 23,368 | \$ 21,505 | \$ 21,697 | \$ 20,501 | \$ 21,296 |
| 1,657,781 | 1,492,269 | 1,635,408 | 1,479,405 | 1,417,122 |
| 180,139 | 176,953 | 170,472 | 129,782 | 83,765 |
| -- | -- | -- | -- | -- |
| \$ 1,861,288 | \$ 1,690,727 | \$ 1,827,577 | \$ 1,629,688 | \$ 1,522,183 |

All Other Governmental Funds
 Nonspendable
 Restricted
 Assigned
 Unassigned
Total All Other Governmental Funds



**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Basis of Accounting)**

| | Fiscal Year | | | | |
|---|-------------------|-------------------|-------------------|------------------|------------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| Revenues | | | | | |
| Taxes | \$ 1,353,672 | \$ 1,279,769 | \$ 1,209,689 | \$ 1,152,471 | \$ 1,087,160 |
| Licenses, Permits, and Franchises | 30,305 | 30,813 | 26,795 | 27,819 | 26,193 |
| Fines, Forfeitures, and Penalties | 69,303 | 59,388 | 62,384 | 57,845 | 54,731 |
| Use of Money and Property | 286,099 | 152,652 | 46,377 | 43,339 | 99,619 |
| Intergovernmental | 3,231,126 | 3,405,271 | 3,140,286 | 3,142,386 | 2,506,018 |
| Charges for Services | 616,227 | 618,893 | 615,036 | 571,132 | 553,644 |
| Other | 60,365 | 85,582 | 103,284 | 70,549 | 60,389 |
| Total Revenues | 5,647,097 | 5,632,368 | 5,203,851 | 5,065,541 | 4,387,754 |
| Expenditures | | | | | |
| General Government | 301,362 | 416,545 | 237,547 | 227,528 | 346,701 |
| Public Protection | 1,798,194 | 1,682,705 | 1,606,763 | 1,559,227 | 1,492,539 |
| Public Ways and Facilities | 149,194 | 139,046 | 138,921 | 130,831 | 138,760 |
| Health and Sanitation | 1,034,393 | 878,567 | 877,075 | 1,131,047 | 747,178 |
| Public Assistance | 1,524,175 | 1,362,702 | 1,286,464 | 1,383,768 | 1,210,986 |
| Education | 59,737 | 58,206 | 57,457 | 53,372 | 47,702 |
| Recreation and Cultural Services | 126,825 | 148,586 | 130,180 | 125,363 | 119,379 |
| Capital Outlay | 325,400 | 483,501 | 421,661 | 341,409 | 194,454 |
| Debt Service | | | | | |
| Principal Retirement | 203,482 | 142,355 | 73,855 | 60,982 | 90,093 |
| Interest | 41,566 | 42,142 | 39,014 | 40,115 | 43,887 |
| Total Expenditures | 5,564,328 | 5,354,355 | 4,868,937 | 5,053,642 | 4,431,679 |
| Excess (Deficit) of Revenues Over Expenditures | 82,769 | 278,013 | 334,914 | 11,899 | (43,925) |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 1,482,013 | 808,237 | 513,743 | 601,093 | 590,322 |
| Transfers Out | (1,486,248) | (802,628) | (513,819) | (601,321) | (590,049) |
| Debt Issued | 89,004 | 165,683 | 79,978 | 50,725 | 83,708 |
| Premium on Debt Issued | -- | 12,350 | -- | -- | -- |
| Capital Leases | -- | -- | -- | -- | -- |
| Leases Issued | 70,721 | 73,216 | 5,642 | -- | -- |
| Subscriptions Issued | 48,012 | 24,164 | -- | -- | -- |
| Loan Issuance | -- | -- | -- | -- | -- |
| Total Other Financing Sources | 203,502 | 281,022 | 85,544 | 50,497 | 83,981 |
| Net Change in Fund Balances | \$ 286,271 | \$ 559,035 | \$ 420,458 | \$ 62,396 | \$ 40,056 |
| Debt Service as a Percentage of Noncapital Expenditures: | 4.74% | 3.79% | 2.54% | 2.15% | 3.16% |

Note: (1) The balances shown have not been restated to include prior period adjustments.

| Fiscal Year | | | | |
|--------------------|--------------------|------------------------|-------------------|-------------------|
| 2018-19 | 2017-18 | 2016-17 ⁽¹⁾ | 2015-16 | 2014-15 |
| \$ 1,033,209 | \$ 982,742 | \$ 923,561 | \$ 876,808 | \$ 822,511 |
| 25,956 | 28,142 | 28,209 | 27,659 | 24,583 |
| 64,582 | 69,858 | 96,950 | 61,669 | 108,115 |
| 124,827 | 85,694 | 68,498 | 88,211 | 73,700 |
| 2,243,421 | 2,232,699 | 2,172,013 | 2,125,136 | 2,064,354 |
| 538,659 | 567,464 | 530,883 | 466,659 | 480,023 |
| 74,508 | 78,707 | 63,949 | 69,436 | 71,207 |
| <u>4,105,162</u> | <u>4,045,306</u> | <u>3,884,063</u> | <u>3,715,578</u> | <u>3,644,493</u> |
| 271,722 | 295,157 | 267,663 | 261,387 | 212,805 |
| 1,485,357 | 1,441,435 | 1,401,694 | 1,289,902 | 1,230,878 |
| 152,657 | 135,056 | 97,169 | 123,140 | 102,732 |
| 680,305 | 649,064 | 578,772 | 527,482 | 515,560 |
| 1,145,340 | 1,094,675 | 1,073,964 | 1,061,647 | 1,030,404 |
| 47,826 | 46,842 | 42,564 | 43,928 | 41,949 |
| 114,127 | 117,965 | 106,356 | 100,381 | 98,001 |
| 213,950 | 259,797 | 176,308 | 116,569 | 102,863 |
| 75,410 | 108,997 | 100,119 | 126,319 | 104,756 |
| 43,062 | 36,273 | 47,089 | 43,039 | 31,513 |
| <u>4,229,756</u> | <u>4,185,261</u> | <u>3,891,698</u> | <u>3,693,794</u> | <u>3,471,461</u> |
| (124,594) | (139,955) | (7,635) | 21,784 | 173,032 |
| 633,185 | 505,092 | 653,593 | 396,952 | 338,055 |
| (629,486) | (502,637) | (631,891) | (387,373) | (323,604) |
| 61,107 | 58,489 | 31,536 | 127,494 | 31,541 |
| -- | -- | -- | 11,724 | -- |
| -- | 47 | -- | 254 | 43 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 212,304 | -- | 175,340 | -- | -- |
| <u>277,110</u> | <u>60,991</u> | <u>228,578</u> | <u>149,051</u> | <u>46,035</u> |
| <u>\$ 152,516</u> | <u>\$ (78,964)</u> | <u>\$ 220,943</u> | <u>\$ 170,835</u> | <u>\$ 219,067</u> |
| 2.95% | 3.70% | 3.97% | 4.73% | 4.04% |

Revenues

Taxes
Licenses, Permits, and Franchises
Fines, Forfeitures, and Penalties
Use of Money and Property
Intergovernmental
Charges for Services
Other
Total Revenues

Expenditures

General Government
Public Protection
Public Ways and Facilities
Health and Sanitation
Public Assistance
Education
Recreation and Cultural Services
Capital Outlay
Debt Service
Principal Retirement
Interest
Total Expenditures
Excess (Deficit) of Revenues
Over Expenditures

Other Financing Sources (Uses)

Transfers In
Transfers Out
Debt Issued
Premium on Debt Issued
Capital Leases
Leases Issued
Subscriptions Issued
Loan Issuance
Total Other Financing Sources
Net Change in Fund Balances

Debt Service as a Percentage
of Noncapital Expenditures:

Assessed Value of Taxable Property ⁽¹⁾
Last Ten Fiscal Years

| Fiscal Year | Residential Property | Industrial/ Commercial Property | Other Property ⁽²⁾ | Unsecured Roll Gross Total ⁽³⁾ |
|----------------|-------------------------|---------------------------------------|----------------------------------|--|
| 2023-24 | \$ 597,082,632 | \$ 160,932,688 | \$ 2,246,683 | \$ 27,407,511 |
| 2022-23 | 561,048,590 | 151,755,945 | 2,210,300 | 24,515,260 |
| 2021-22 | 525,246,642 | 144,813,561 | 2,421,503 | 24,015,723 |
| 2020-21 | 504,644,318 | 140,164,352 | 2,403,862 | 22,897,695 |
| 2019-20 | 480,900,743 | 134,341,781 | 2,582,299 | 22,599,621 |
| 2018-19 | 454,536,503 | 127,625,128 | 2,489,493 | 21,677,257 |
| 2017-18 | 427,214,695 | 119,884,555 | 2,827,145 | 20,772,113 |
| 2016-17 | 400,931,553 | 114,636,194 | 2,787,769 | 20,582,609 |
| 2015-16 | 377,592,570 | 110,440,476 | 3,294,159 | 20,394,462 |
| 2014-15 | 352,800,864 | 105,523,254 | 3,694,094 | 20,902,660 |

Notes: (1) Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. The full cash value can be increased to reflect the annual inflation up to 2 percent, the current fair value at time of ownership change and the fair value for new construction. Estimated actual value of taxable property cannot easily be determined as the property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.

(2) Other property includes: timeshares, rural/agricultural land, unique miscellaneous, mineral rights, water rights and personal property and fixtures.

(3) Unsecured roll includes properties for which taxes assessed are not a lien on real property and are not sufficient, in the opinion of the Assessor, to secure payment of taxes. It consists of improvements, business personal property, boats and aircrafts, and it can also include land and improvements that are identified as real estate of others, as defined by the Assessor (reference Revenue and Taxation Code Section 134).

Source: Orange County Assessor Department

| Total Taxable Assessed Value | Less: Exempt & Non-Reimbursed Exemptions | Net Taxable Assessed Value | Total Direct Tax Rate Percent ⁽¹⁾ |
|---------------------------------|--|----------------------------------|--|
| \$ 787,669,514 | \$ (20,165,427) | \$ 767,504,087 | 1.00 |
| 739,530,095 | (18,278,883) | 721,251,212 | 1.00 |
| 696,497,429 | (18,432,565) | 678,064,864 | 1.00 |
| 670,110,227 | (14,813,332) | 655,296,895 | 1.00 |
| 640,424,444 | (14,679,567) | 625,744,877 | 1.00 |
| 606,328,381 | (13,748,645) | 592,579,736 | 1.00 |
| 570,698,508 | (12,895,747) | 557,802,761 | 1.00 |
| 538,938,125 | (12,807,570) | 526,130,555 | 1.00 |
| 511,721,667 | (12,722,344) | 498,999,323 | 1.00 |
| 482,920,872 | (11,661,965) | 471,258,907 | 1.00 |

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$1,000 of Assessed Value)**

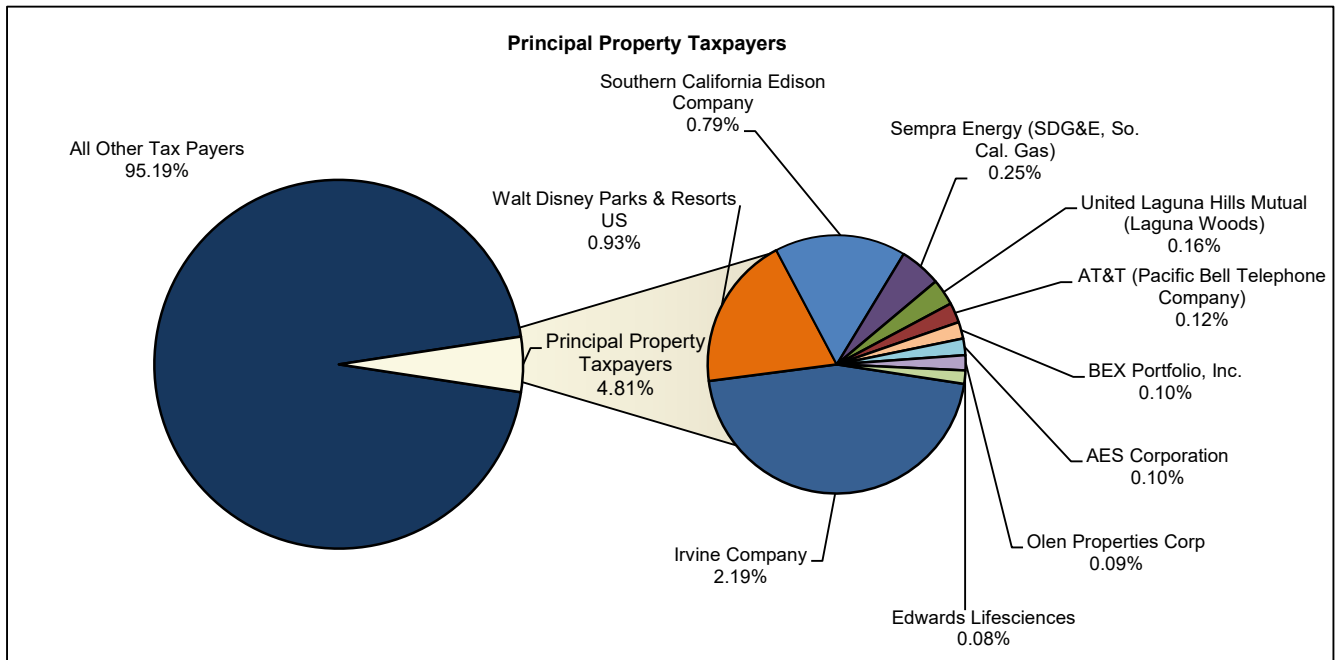
| Fiscal Year | Direct Rate ⁽¹⁾ | Overlapping Rates ⁽²⁾ | | | | Total Direct & Overlapping Rates |
|-------------|----------------------------|----------------------------------|-------------------------|-----------------------|-------------------|----------------------------------|
| | County General | School Districts | Local Special Districts | Cities ⁽⁴⁾ | Public Utility | |
| 2023-24 | 1.00000 | 0.04702 | 0.00829 | 0.00422 | 0.00382 | 1.06335 |
| 2022-23 | 1.00000 | 0.05149 | 0.00825 | 0.00667 | 0.00388 | 1.07029 |
| 2021-22 | 1.00000 | 0.05285 | 0.00828 | 0.00674 | 0.00359 | 1.07146 |
| 2020-21 | 1.00000 | 0.05622 | 0.00847 | 0.00676 | 0.00363 | 1.07508 |
| 2019-20 | 1.00000 | 0.05358 | 0.01202 | 0.00678 | 0.00326 | 1.07564 |
| 2018-19 | 1.00000 | 0.05515 | 0.01216 | 0.00687 | 0.00317 | 1.07735 |
| 2017-18 | 1.00000 | 0.05366 | 0.01289 | 0.00713 | 0.00259 | 1.07627 |
| 2016-17 | 1.00000 | 0.04840 | 0.01316 | 0.00659 | 0.00270 | 1.07085 |
| 2015-16 | 1.00000 | 0.05101 | 0.01455 | 0.00670 | 0.00227 | 1.07453 |
| 2014-15 | 1.00000 | 0.04579 | 0.04438 | 0.00681 | -- ⁽³⁾ | 1.09698 |

Notes: (1) Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. The full cash value can be increased to reflect the annual inflation up to 2 percent, the current fair value at time of ownership change and the fair value for new construction. Estimated actual value of taxable property cannot easily be determined as the property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.
(2) These overlapping rates are in addition to the County General rate, but only apply to taxpayers within the borders of the school districts, local special districts, cities, and public utilities that lie within the County.
(3) No rate was available for Public Utility in FY 2014-15.
(4) Starting in FY 23-24, the assessed values from the city areas that are benefited from the local override tax is included.



**Principal Property Taxpayers
 Current Year and Nine Years Ago**

| Taxpayer | 2024 | | | 2015 | | |
|---|---------------------|------|----------------------------------|---------------------|------|----------------------------------|
| | Actual Taxes Levied | Rank | Percentage of Total Taxes Levied | Actual Taxes Levied | Rank | Percentage of Total Taxes Levied |
| Irvine Company | \$ 192,000 | 1 | 2.19% | \$ 106,692 | 1 | 1.97% |
| Walt Disney Parks & Resorts US | 81,586 | 2 | 0.93% | 50,529 | 2 | 0.93% |
| Southern California Edison Company | 69,190 | 3 | 0.79% | 31,303 | 3 | 0.58% |
| Sempra Energy (SDG&E, So. Cal. Gas) | 22,031 | 4 | 0.25% | | | |
| United Laguna Hills Mutual (Laguna Woods) | 14,047 | 5 | 0.16% | 7,825 | 5 | 0.14% |
| AT&T (Pacific Bell Telephone Company) | 10,753 | 6 | 0.12% | | | |
| BEX Portfolio, Inc. | 9,192 | 7 | 0.10% | | | |
| AES Corporation | 8,677 | 8 | 0.10% | | | |
| Olen Properties Corp | 7,845 | 9 | 0.09% | | | |
| Edwards Lifesciences | 6,976 | 10 | 0.08% | | | |
| Pacific Bell Telephone Company | | | | 7,672 | 6 | 0.14% |
| OC/SD Holdings LLC | | | | 5,091 | 8 | 0.09% |
| Heritage Fields El Toro LLC | | | | 10,503 | 4 | 0.19% |
| Oxy USA Inc. | | | | 6,977 | 7 | 0.13% |
| Southern California Gas Company | | | | 4,727 | 9 | 0.09% |
| Linn Western Operating Inc. | | | | 4,611 | 10 | 0.09% |
| Total | \$ 422,297 | | 4.81% | \$ 235,930 | | 4.35% |

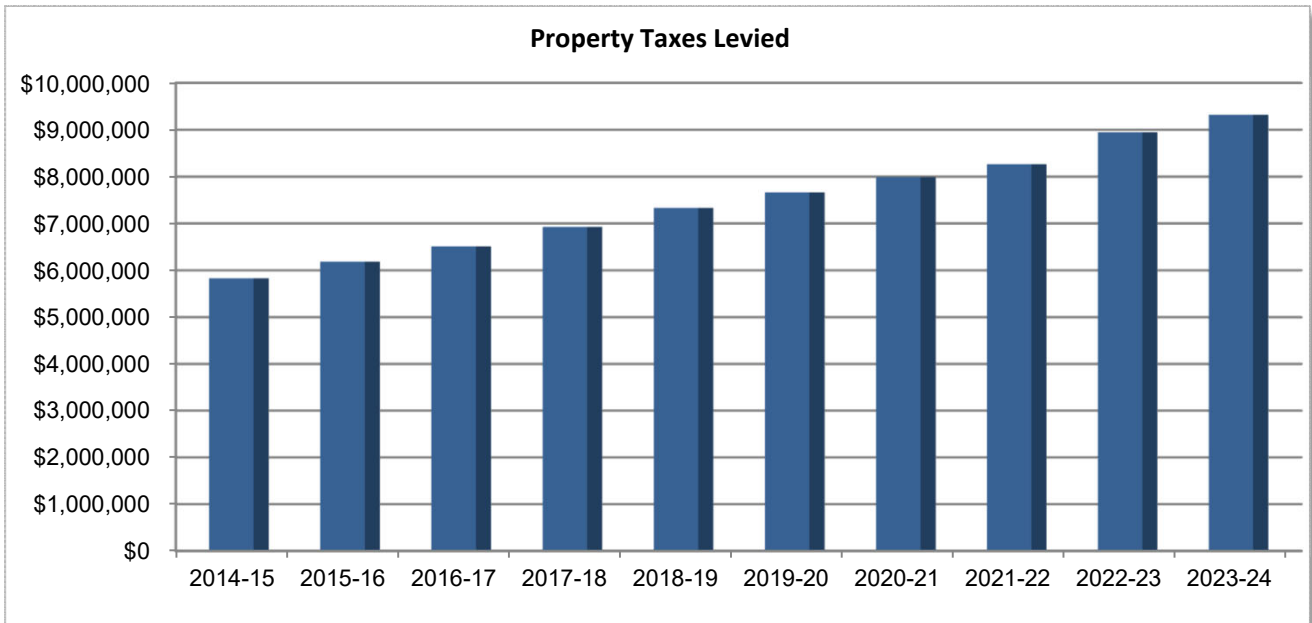


Note: The base used for the Percentage of Total Taxes Levied for 2024 includes total secured taxes of \$8,758,260

Source: Treasurer-Tax Collector, County of Orange

**Property Tax Levies and Collections
Last Ten Fiscal Years**

| Fiscal Year | Taxes Levied for the Fiscal Year ⁽¹⁾ | Collections Within the Fiscal Year of the Levy ⁽²⁾ | | Collections of Delinquent Taxes from Prior Years | Total Collections for the Fiscal Year ⁽³⁾ | |
|-------------|---|---|--------------------|--|--|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2023-24 | \$ 9,318,845 | \$ 9,199,189 | 98.72% | \$ -- ⁽⁴⁾ | \$ 9,199,189 | 98.72% |
| 2022-23 | 8,946,855 | 8,834,593 | 98.75% | 66,791 | 8,901,384 | 99.49% |
| 2021-22 | 8,265,313 | 8,179,665 | 98.96% | 59,561 | 8,239,226 | 99.68% |
| 2020-21 | 7,989,930 | 7,896,700 | 98.83% | 68,318 | 7,965,018 | 99.69% |
| 2019-20 | 7,664,009 | 7,567,252 | 98.74% | 81,659 | 7,648,911 | 99.80% |
| 2018-19 | 7,333,137 | 7,252,952 | 98.91% | 67,077 | 7,320,029 | 99.82% |
| 2017-18 | 6,925,546 | 6,855,493 | 98.99% | 59,157 | 6,914,650 | 99.84% |
| 2016-17 | 6,511,944 | 6,446,780 | 99.00% | 55,501 | 6,502,281 | 99.85% |
| 2015-16 | 6,183,862 | 6,119,771 | 98.96% | 55,921 | 6,175,692 | 99.87% |
| 2014-15 | 5,828,106 | 5,759,699 | 98.83% | 61,942 | 5,821,641 | 99.89% |



Notes:

- (1) Total tax levy includes secured, supplemental, unsecured and former redevelopment agency increment, including penalties.
- (2) Total tax collections include penalties.
- (3) Total collections include collections of current year taxes and collections related to prior year levies. The percentage of levy represents the ratio of total collections to the taxes levied for that fiscal year.
- (4) No amounts are shown because the property taxes levied will be collected in the following year.

**Ratios of Outstanding Debt ⁽¹⁾ by Type
Last Ten Fiscal Years (in Thousands Except Per Capita)
(Accrual Basis of Accounting)**

| Fiscal Year | Governmental Activities | | | | | | | |
|-------------|-------------------------------|--------------------------|-------------------|-----------------|------------------------------------|---|--|-----------------|
| | Certificates of Participation | Pension Obligation Bonds | Teeter Plan Notes | SARI Line Loans | Lease Revenue Bonds ⁽⁵⁾ | Financed Purchase Liability ^{(2), (3)} | Intangible Assets Obligations Payable ⁽⁶⁾ | Lease Liability |
| 2023-24 | \$ -- | \$ -- | \$ 36,787 | \$ -- | \$ 508,133 | \$ 10,759 | \$ 1,042 | \$ 482,625 |
| 2022-23 | -- | -- | 82,308 | -- | 520,906 | 20,954 | 2,148 | 448,982 |
| 2021-22 | -- | -- | 79,978 | -- | 435,974 | 30,633 | 3,584 | 426,957 |
| 2020-21 | -- | 516 | 37,406 | -- | 441,853 | 32,993 | 714 | -- |
| 2019-20 | -- | 2,967 | 34,661 | -- | 447,481 | 31,702 | 1,895 | -- |
| 2018-19 | -- | 5,445 | 29,507 | -- | 449,669 | 39,396 | 2,639 | -- |
| 2017-18 | 392 | 8,217 | 27,247 | -- | 245,288 | 43,169 | 1,852 | -- |
| 2016-17 | 811 | 11,220 | 27,868 | 23,900 | 263,692 | 55,831 | 1,823 | -- |
| 2015-16 | 1,262 | 19,140 | 30,191 | 28,022 | 141,145 | 67,928 | 71 | -- |
| 2014-15 | 1,744 | 27,227 | 33,823 | 36,277 | 105,880 | 79,168 | 155 | -- |

Notes: (1) Details regarding the County's outstanding debt can be found in Note 10, Long-Term Obligations.
(2) Changed in FY 2021-22 from Capital Lease Obligations to Financed Purchase Liability due to the implementation of GASB Statement No. 87.
(3) Financed Purchase Liability arises from lease agreements without a termination option which transfer ownership of the underlying asset to the lessee at the end of the contract.
(4) See demographic and economic statistics schedule for personal income and population data.
(5) Lease Revenue bonds and Airport Revenue bonds include unamortized premiums and discounts.
(6) Changed in FY 16-17 from Capital Asset Obligation to Intangible Assets Obligations Payable.

| Governmental Activities | | Business-Type Activities | | | | | Intangible Assets Obligations Payable ⁽⁶⁾ | Total Primary Government | Percentage of Personal Income ⁽⁴⁾ | Per Capita ⁽⁴⁾ |
|---------------------------|---------------------------------|--|---|--------------------|---------------------------|-------|--|-----------------------------|--|------------------------------|
| Subscription Liability | Interest Accretion on CAB | Airport Revenue Bonds ⁽⁵⁾ | Financed Purchase Liability ^{(2), (3)} | Lease Liability | Subscription Liability | | | | | |
| \$ 54,637 | \$ -- | \$ -- | \$ -- | \$ 147 | \$ 99 | \$ 89 | \$ 1,094,318 | 0.38% | \$ 347 | |
| 32,793 | -- | -- | 331 | 27 | 520 | 178 | 1,109,147 | 0.42% | 352 | |
| -- | -- | 66,190 | 663 | -- | -- | 324 | 1,044,303 | 0.39% | 330 | |
| -- | 2,890 | 79,910 | 994 | -- | -- | -- | 597,276 | 0.23% | 189 | |
| -- | 15,090 | 93,462 | -- | -- | -- | 74 | 627,332 | 0.28% | 196 | |
| -- | 25,201 | 98,079 | -- | -- | -- | 167 | 650,103 | 0.28% | 202 | |
| -- | 36,586 | 152,199 | -- | -- | -- | 61 | 515,011 | 0.24% | 160 | |
| -- | 46,641 | 187,318 | -- | -- | -- | 154 | 619,258 | 0.31% | 194 | |
| -- | 73,926 | 195,127 | -- | -- | -- | 261 | 557,073 | 0.29% | 175 | |
| -- | 96,303 | 202,536 | -- | -- | -- | -- | 583,113 | 0.31% | 185 | |

**Ratios of Net General Bonded Debt Outstanding ⁽¹⁾
 Last Ten Fiscal Years (in Thousands Except Per Capita)
 (Accrual Basis of Accounting)**

| General Debt Outstanding | | | | | |
|--------------------------|--------------------------|------------------------------|----------------------|------------------------------|---------------------------|
| Fiscal Year | Pension Obligation Bonds | Restricted for Debt Payments | Total (Excess)/Under | Percentage of Assessed Value | Per Capita ⁽²⁾ |
| 2023-24 | \$ -- | \$ -- | \$ -- | 0.00% | \$ -- |
| 2022-23 | -- | -- | -- | 0.00% | -- |
| 2021-22 | -- | -- | -- | 0.00% | -- |
| 2020-21 | 3,406 | 3,406 | -- | 0.00% | -- |
| 2019-20 | 18,057 | 18,057 | -- | 0.00% | -- |
| 2018-19 | 30,646 | 30,646 | -- | 0.00% | -- |
| 2017-18 | 42,770 | 42,770 | -- | 0.00% | -- |
| 2016-17 | 53,985 | 53,985 | -- | 0.00% | -- |
| 2015-16 | 87,521 | 87,521 | -- | 0.00% | -- |
| 2014-15 | 116,494 | 116,494 | -- | 0.00% | -- |

Notes: (1) Details regarding the County's outstanding debt can be found in Note 10, Long Term Obligations.
 (2) See demographic and economic statistics schedule for population data on page 242.

Source: Auditor Controller, County of Orange

**Legal Debt Margin as a Percentage of Debt Limit
Last Ten Fiscal Years**

| Fiscal Year | Assessed Value ⁽¹⁾ | Legal Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total Net Debt Applicable to the Limit as a Percentage of Debt Limit ⁽²⁾ |
|-------------|-------------------------------|------------------|------------------------------------|-------------------|---|
| 2023-24 | \$ 778,720,416 | \$ 9,734,005 | \$ -- | \$ 9,734,005 | 0% |
| 2022-23 | 733,634,516 | 9,170,431 | -- | 9,170,431 | 0% |
| 2021-22 | 689,088,931 | 8,613,612 | -- | 8,613,612 | 0% |
| 2020-21 | 663,241,179 | 8,290,515 | -- | 8,290,515 | 0% |
| 2019-20 | 632,758,256 | 7,909,478 | -- | 7,909,478 | 0% |
| 2018-19 | 598,901,016 | 7,486,263 | -- | 7,486,263 | 0% |
| 2017-18 | 563,662,044 | 7,045,776 | -- | 7,045,776 | 0% |
| 2016-17 | 531,052,158 | 6,638,152 | -- | 6,638,152 | 0% |
| 2015-16 | 504,650,360 | 6,308,130 | -- | 6,308,130 | 0% |
| 2014-15 | 476,303,290 | 5,953,791 | -- | 5,953,791 | 0% |



Note: (1) Assessed Value includes the State assessed properties.
(2) The amount of the general obligation bonded indebtedness the County can incur is limited by law to 1.25 percent of the equalized assessment property tax roll. In order for the County to issue general obligation bonds secured by ad valorem taxes on real property, California Constitution Article XIII A, section 1 requires the approval of 2/3 of the voting on the proposition.

Source: Auditor-Controller, County of Orange

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024
(Dollar Amounts in Thousands)

Pledged Revenue Coverage ⁽¹⁾
Last Ten Fiscal Years

South Orange County Public Financing Authority

Funding Source: Interest Earnings, Rents and Concessions, and Transfers

| Fiscal Year | Gross Revenue | Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------------|--------------------|-----------------------|--------------|----------|----------|
| | | | | Principal | Interest | |
| 2023-24 | \$ 9,872 | \$ -- | \$ 9,872 | \$ 3,720 | \$ 6,277 | 0.99 |
| 2022-23 | 4,573 | 1,138 | 3,435 | 2,265 | 5,753 | 0.43 |
| 2021-22 | 4,489 | -- | 4,489 | 2,160 | 2,329 | 1.00 |
| 2020-21 | 4,338 | -- | 4,338 | 2,054 | 2,433 | 0.97 |
| 2019-20 | 4,491 | 64 | 4,427 | 1,975 | 2,511 | 0.99 |
| 2018-19 | 6,076 | -- | 6,076 | 6,930 | 2,839 | 0.62 |
| 2017-18 | 10,489 | -- | 10,489 | 7,165 | 3,152 | 1.02 |
| 2016-17 | 10,465 | -- | 10,465 | 7,335 | 2,974 | 1.02 |
| 2015-16 | 5,828 | 271 | 5,557 | 4,920 | 906 | 0.95 |
| 2014-15 | 5,830 | -- | 5,830 | 4,780 | 1,049 | 1.00 |

Orange County Public Facilities Corporation Bonds

Funding Source: Interest Earnings and Transfers

| Fiscal Year | Gross Revenue | Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------------|--------------------|-----------------------|--------------|----------|----------|
| | | | | Principal | Interest | |
| 2023-24 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | -- |
| 2022-23 | -- | -- | -- | -- | -- | -- |
| 2021-22 | -- | -- | -- | -- | -- | -- |
| 2020-21 | -- | -- | -- | -- | -- | -- |
| 2019-20 | -- | -- | -- | -- | -- | -- |
| 2018-19 | 53 | -- | 53 | 392 | 2,209 | 0.02 |
| 2017-18 | 2,423 | -- | 2,423 | 419 | 2,179 | 0.93 |
| 2016-17 | 2,405 | 8 | 2,397 | 451 | 2,157 | 0.92 |
| 2015-16 | 2,470 | -- | 2,470 | 482 | 2,121 | 0.95 |
| 2014-15 | 2,475 | -- | 2,475 | 518 | 2,090 | 0.95 |

Orange County Public Financing Authority

Funding Source: Interest Earnings, Rents and Concessions, and Transfers

| Fiscal Year | Gross Revenue | Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------------|--------------------|-----------------------|--------------|----------|----------|
| | | | | Principal | Interest | |
| 2023-24 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | -- |
| 2022-23 | -- | -- | -- | -- | -- | -- |
| 2021-22 | -- | -- | -- | -- | -- | -- |
| 2020-21 | -- | -- | -- | -- | -- | -- |
| 2019-20 | -- | -- | -- | -- | -- | -- |
| 2018-19 | -- | -- | -- | -- | -- | -- |
| 2017-18 | 2,466 | -- | 2,466 | 9,590 | 335 | 0.25 |
| 2016-17 | 10,189 | -- | 10,189 | 41,235 | 1,587 | 0.24 |
| 2015-16 | 44,418 | -- | 44,418 | 25,420 | 3,235 | 1.55 |
| 2014-15 | 29,928 | -- | 29,928 | 24,235 | 4,455 | 1.04 |

Teeter Plan Notes

Funding Source: Delinquent Property Taxes Collected

| Fiscal Year | Gross Revenue | Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------------|--------------------|------------------------|--------------|----------|----------|
| | | | | Principal | Interest | |
| 2023-24 | \$ 21,913 | 302 | \$ 21,611 | \$ 134,525 | \$ 3,398 | 0.16 |
| 2022-23 | 8,954 | 296 | 8,658 | 79,978 | 2,785 | 0.10 |
| 2021-22 | 13,768 | 2,167 | 11,601 | 37,406 | 360 | 0.31 |
| 2020-21 | 10,614 | 137 | 10,477 | 47,980 | 1,189 | 0.21 |
| 2019-20 | 8,793 | 275 | 8,518 | 78,554 | 1,263 | 0.11 |
| 2018-19 | 9,701 | 239 | 9,462 | 58,847 | 1,379 | 0.16 |
| 2017-18 | 11,210 | 220 | 10,990 | 59,110 | 1,105 | 0.18 |
| 2016-17 | 26,232 | 154 | 26,078 | 33,859 | 600 | 0.77 |
| 2015-16 | 316 | 210 | 106 | 74,561 | 347 | 0.00 |
| 2014-15 | 174 | 2,954 | (2,780) ⁽²⁾ | 37,548 | 352 | (0.07) |

Airport Revenue Bonds

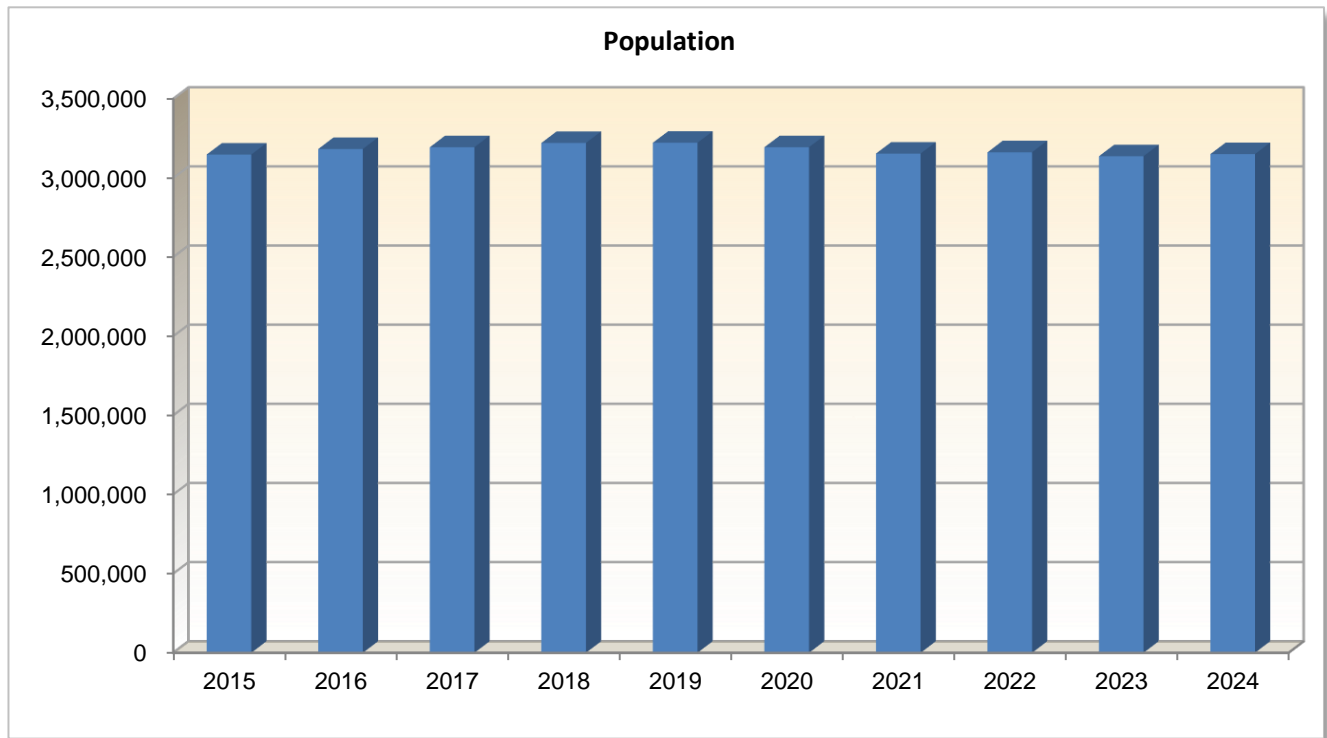
Funding Source: Rents and Concessions, Other Charges for Services, Misc Revenue, Interest Earnings, and Available Passenger Facility Charge Revenue

| Fiscal Year | Gross Revenue | Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
|-------------|---------------|--------------------|-----------------------|--------------|----------|----------|
| | | | | Principal | Interest | |
| 2023-24 | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | -- |
| 2022-23 | 171,984 | 68,266 | 103,718 | 6,750 | 2,832 | 10.82 |
| 2021-22 | 146,643 | 82,429 | 64,214 | 11,815 | 3,296 | 4.25 |
| 2020-21 | 109,803 | 69,255 | 40,548 | 11,255 | 3,872 | 2.68 |
| 2019-20 | 136,374 | 92,346 | 44,028 | 1,950 | 2,632 | 9.61 |
| 2018-19 | 154,833 | 95,862 | 58,971 | 22,170 | 7,924 | 1.96 |
| 2017-18 | 145,649 | 90,889 | 54,760 | 35,090 | 8,845 | 1.25 |
| 2016-17 | 143,707 | 89,055 | 54,652 | 7,530 | 9,999 | 3.12 |
| 2015-16 | 143,661 | 82,833 | 60,828 | 7,205 | 10,338 | 3.47 |
| 2014-15 | 135,491 | 82,558 | 52,933 | 6,995 | 10,603 | 3.01 |

Notes: (1) Details regarding the County's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.
(2) For FY 2014-15, there is a deficit balance for Net Available Revenue due to the change in Teeter Plan Reserve methodology.

**Demographic and Economic Statistics
Last Ten Calendar Years**

| Year | Population ⁽¹⁾ | Personal Income ⁽²⁾ (In Thousands) | Per Capita Personal Income (Absolute Dollars) ⁽²⁾ | Median Age ⁽³⁾ | Public School Enrollment ⁽⁴⁾ | Unemployment Rate ⁽⁵⁾ |
|------|---------------------------|--|--|------------------------------|--|-------------------------------------|
| 2024 | 3,150,835 | \$ 286,490,000 | \$ 90,925 | 39.7 | 437,276 | 4.4% |
| 2023 | 3,137,164 | 266,043,000 | 84,804 | 39.5 | 441,246 | 3.6% |
| 2022 | 3,162,245 | 267,143,000 | 84,479 | 39.2 | 448,728 | 2.8% |
| 2021 | 3,153,764 | 258,933,000 | 82,103 | 38.6 | 456,571 | 6.3% |
| 2020 | 3,194,332 | 226,531,000 | 70,917 | 38.6 | 473,612 | 12.3% |
| 2019 | 3,222,498 | 230,180,000 | 71,429 | 37.8 | 478,823 | 3.0% |
| 2018 | 3,221,103 | 215,479,000 | 66,896 | 37.5 | 485,835 | 3.1% |
| 2017 | 3,194,024 | 199,492,000 | 62,458 | 37.3 | 490,430 | 4.2% |
| 2016 | 3,183,011 | 190,978,000 | 59,999 | 37.1 | 493,030 | 4.4% |
| 2015 | 3,147,655 | 185,500,000 | 58,933 | 36.7 | 497,116 | 4.0% |



Sources:

- (1) California Department of Finance, Demographic Research Unit, <http://www.dof.ca.gov>
- (2) Chapman University Economic & Business Review.
- (3) U.S. Census Bureau, American Community Survey, <http://www.census.gov>
- (4) California Department of Education, <http://www.cde.ca.gov>
- (5) State of California, Employment Development Department, <http://www.edd.ca.gov/>

**Principal Employers
 Current Year and Nine Years Ago**

2024

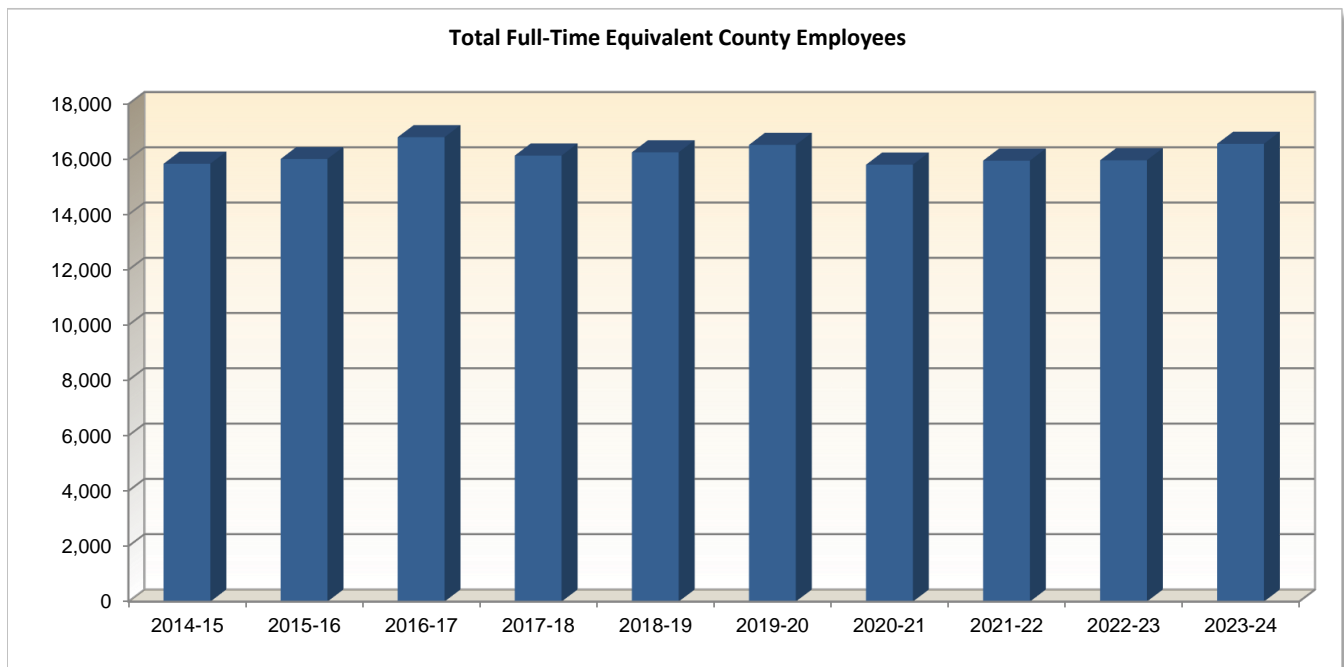
| Employer | Number of Employees | Rank | Percentage of Total County Employment |
|-------------------------------------|---------------------|------|---------------------------------------|
| The Walt Disney Co. | 34,000 | 1 | 2.13% |
| University of California, Irvine | 26,072 | 2 | 1.63% |
| Providence Southern California | 23,632 | 3 | 1.48% |
| County of Orange | 18,000 | 4 | 1.13% |
| Kaiser Permanente | 10,293 | 5 | 0.65% |
| Hoag Memorial Hospital Presbyterian | 8,081 | 6 | 0.51% |
| Albertsons | 7,222 | 7 | 0.45% |
| Allied Universal | 6,145 | 8 | 0.39% |
| MemorialCare | 5,800 | 9 | 0.36% |
| CHOC Hospital | 5,462 | 10 | 0.34% |

2015

| Employer | Number of Employees | Rank | Percentage of Total County Employment |
|----------------------------------|---------------------|------|---------------------------------------|
| Walt Disney Co. | 27,000 | 1 | 1.69% |
| University of California, Irvine | 22,385 | 2 | 1.40% |
| County of Orange | 18,135 | 3 | 1.13% |
| St. Joseph Health System | 12,227 | 4 | 0.76% |
| Kaiser Permanente | 7,000 | 5 | 0.44% |
| Boeing Co. | 6,890 | 6 | 0.43% |
| Walmart | 6,000 | 7 | 0.38% |
| Memorial Care Health System | 5,650 | 8 | 0.35% |
| Bank of America | 5,500 | 9 | 0.34% |
| Target Corporation | 5,400 | 10 | 0.34% |

**Full-time Equivalent County Employees by Function
Last Ten Fiscal Years**

| Function/Program | 2023-24 | 2022-23 | 2021-22 | 2020-21 ⁽²⁾ | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|---|---------------|---------------|---------------|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | 1,615 | 1,564 | 1,490 | 1,445 | 1,657 | 1,473 | 1,461 | 1,511 | 1,419 | 1,341 |
| Public Protection | 6,590 | 6,416 | 6,434 | 6,450 | 6,696 | 6,738 | 6,722 | 6,915 | 6,642 | 6,674 |
| Public Ways and Facilities | 425 | 420 | 379 | 386 | 400 | 407 | 386 | 431 | 435 | 440 |
| Health and Sanitation | 2,357 | 2,238 | 2,299 | 2,374 | 2,334 | 2,339 | 2,307 | 2,409 | 2,253 | 2,198 |
| Public Assistance | 4,607 | 4,367 | 4,340 | 4,165 | 4,403 | 4,290 | 4,276 | 4,529 | 4,306 | 4,239 |
| Education | 289 | 307 | 303 | 303 | 320 | 312 | 306 | 309 | 302 | 286 |
| Recreation and Cultural Services | 304 | 292 | 307 | 310 | 318 | 293 | 288 | 298 | 272 | 265 |
| Airport | 112 | 109 | 153 | 145 | 160 | 163 | 157 | 153 | 154 | 159 |
| OC Waste & Recycling | 265 | 256 | 250 | 232 | 238 | 241 | 236 | 249 | 233 | 241 |
| Total Full-time Equivalent Employees (1) | 16,564 | 15,969 | 15,955 | 15,810 | 16,526 | 16,256 | 16,139 | 16,804 | 16,016 | 15,843 |



Notes: (1) Full-time equivalent employment is calculated by dividing total labor hours by the total of hours in a fiscal year (2,080 hours).

(2) In FY 2020-21 removed First 5 Orange County due to these are not County employees.

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

| Function/Program | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| General Government | | | | | |
| Auditor-Controller | | | | | |
| Debt Service Tax Rates Calculated ⁽²⁾ | 154 | 154 | 149 | 142 | 137 |
| Assessor | | | | | |
| Number of Real Property Valued | 968,776 | 965,509 | 961,387 | 958,477 | 954,305 |
| Number of Unsecured Property Assessed | 74,837 | 76,159 | 81,250 | 106,980 | 116,270 |
| New Parcels Created and Mapped | 4,193 | 4,966 | 3,846 | 4,985 | 8,044 |
| New Construction Events | 15,019 | 12,413 | 16,822 | 16,204 | 26,223 |
| County Executive Office | | | | | |
| Volunteer Program Service Hours | 390,563 | 329,365 | 216,972 | 181,831 | 414,774 |
| Treasurer-Tax Collector | | | | | |
| Orange County Investment Pool Income ⁽¹⁾ | \$ 279,638 | \$ 163,698 | \$ 31,775 | \$ 43,538 | \$ 89,264 |
| Assets Under Management ⁽¹⁾ | \$ 15,685,105 | \$ 15,253,942 | \$ 13,003,983 | \$ 11,045,773 | \$ 10,271,573 |
| Number of Property Tax Bills | 1,111,681 | 1,049,730 | 1,080,726 | 1,047,669 | 1,256,890 |
| Percentage of Secured Tax Bill Collection | 99.22% | 99.23% | 99.27% | 99.30% | 99.15% |
| Number of Incoming Phone Calls | 78,406 | 86,642 | 87,997 | 94,021 | 93,312 |
| Percentage of Electronic Payments | 74.0% | 71.0% | 69.0% | 67.4% | 64.2% |
| Secured Tax Bill Subscribers | 86,747 | 81,438 | 76,701 | 70,797 | 61,287 |
| Property Tax Payments by eCheck | 592,715 | 581,056 | 541,111 | 507,493 | 449,107 |
| Property Tax Amounts by eCheck ⁽¹⁾ | \$ 3,817,281 | \$ 3,334,821 | \$ 3,089,589 | \$ 2,798,196 | \$ 2,343,831 |
| Mailed Property Tax Amounts ⁽¹⁾ | \$ 2,317,275 | \$ 2,428,369 | \$ 2,491,964 | \$ 2,635,649 | \$ 2,670,380 |
| Mailed Number of Property Tax Payments | 526,971 | 588,910 | 676,520 | 818,724 | 727,455 |
| Unsecured Property Tax Collection Rate | 94.22% | 97.08% | 96.06% | 95.75% | 97.80% |
| Unsecured Property Tax Bills Issued | 85,666 | 85,018 | 89,307 | 122,824 | 124,492 |
| Secured Property Tax Bills Amount ⁽¹⁾ | \$ 8,719,693 | \$ 8,255,192 | \$ 7,766,692 | \$ 7,527,474 | \$ 7,213,074 |
| Website Hits | 10,761,990 | 13,800,000 | -- | -- | -- |
| Registrar of Voters | | | | | |
| Registered Voters | 1,819,334 | 1,817,149 | 1,809,773 | 1,771,537 | 1,633,966 |
| Highest Number of Ballots Cast | 685,038 | 994,227 | 636,497 | 1,546,570 | 818,021 |
| Elections Conducted | 5 | 2 | 3 | 3 | 4 |
| Public Protection | | | | | |
| Clerk-Recorder | | | | | |
| Marriage Licenses Issued | 24,422 | 24,306 | 30,136 | 32,465 | 22,308 |
| Marriage Ceremonies Performed | 13,330 | 12,266 | 13,269 | 15,302 | 11,679 |
| Copies of Birth Certificates Issued | 69,127 | 78,749 | 81,359 | 72,300 | 71,679 |
| Property-Related Document Recordings | 324,588 | 346,700 | 583,711 | 901,565 | 629,179 |
| Passport Applications Filed | 15,812 | 14,720 | 9,157 | 2,082 | 7,217 |
| Sheriff-Coroner | | | | | |
| Patrolled Cities Population | 628,322 | 632,905 | 633,342 | 635,163 | 638,420 |
| Patrolled Unincorporated Areas Population | 131,335 | 132,114 | 132,437 | 127,787 | 128,421 |
| Number of Bookings to Orange County Jail System | 40,572 | 41,210 | 39,174 | 34,984 | 46,046 |
| Average Daily Jail Head Count | 3,516 | 3,382 | 3,483 | 3,393 | 4,667 |
| District Attorney | | | | | |
| Defendants Prosecuted-Adult | 49,304 | 52,088 | 52,248 | 53,038 | 55,747 |
| Defendants Prosecuted-Juvenile | 2,495 | 2,223 | 1,748 | 1,430 | 2,229 |
| Probation | | | | | |
| Probationers under Supervision as of June 30th-Adult | 14,425 | 9,963 | 9,719 | 9,727 | 11,761 |
| Probationers under Supervision as of June 30th-Juvenile | 4,156 | 1,213 | 1,017 | 1,078 | 1,364 |
| Avg. Daily Juvenile Hall Population | 229 | 113 | 96 | 99 | 91 |
| Avg. Daily Camp Population | 182 | 60 | 70 | 60 | 64 |
| Public Defender | | | | | |
| Cases Appointed Annually | 58,283 | 62,530 | 62,347 | 55,634 | 52,253 |

Notes: (1) Dollar amounts in thousands
(2) For State Assessed Unitary and voter-approved general obligation indebtedness for school districts.
Source: County Departments

| Fiscal Year | | | | | Function/Program |
|--------------|--------------|--------------|--------------|--------------|---|
| 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | |
| | | | | | General Government |
| | | | | | Auditor-Controller |
| 123 | 114 | 101 | 97 | 96 | Debt Service Tax Rates Calculated ⁽²⁾ |
| | | | | | Assessor |
| 950,469 | 943,771 | 937,630 | 930,470 | 924,791 | Number of Real Property Valued |
| 116,188 | 117,126 | 121,665 | 141,224 | 145,151 | Number of Unsecured Property Assessed |
| 8,035 | 7,868 | 9,053 | 6,665 | 6,918 | New Parcels Created and Mapped |
| 21,087 | 20,758 | 21,254 | 19,397 | 18,530 | New Construction Events |
| | | | | | County Executive Office |
| 685,725 | 562,121 | 645,482 | 613,277 | 638,230 | Volunteer Program Service Hours |
| | | | | | Treasurer-Tax Collector |
| \$ 94,197 | \$ 57,610 | \$ 36,677 | \$ 24,877 | \$ 14,581 | Orange County Investment Pool Income ⁽¹⁾ |
| \$ 9,934,121 | \$ 9,387,613 | \$ 9,092,268 | \$ 8,271,502 | \$ 7,604,246 | Assets Under Management ⁽¹⁾ |
| 1,375,794 | 1,471,356 | 1,448,886 | 1,367,275 | 1,381,808 | Number of Property Tax Bills |
| 99.26% | 99.36% | 99.39% | 99.26% | 99.21% | Percentage of Secured Tax Bill Collection |
| 89,079 | 98,660 | 108,061 | 111,948 | 121,461 | Number of Incoming Phone Calls |
| 63.2% | 60.9% | 57.2% | 54.9% | 54.2% | Percentage of Electronic Payments |
| 51,559 | 42,866 | 40,898 | 38,213 | 35,917 | Secured Tax Bill Subscribers |
| 412,819 | 398,711 | 348,961 | 309,977 | 285,932 | Property Tax Payments by eCheck |
| \$ 2,061,401 | \$ 1,871,947 | \$ 1,498,686 | \$ 1,275,535 | \$ 1,118,387 | Property Tax Amounts by eCheck ⁽¹⁾ |
| \$ 2,670,081 | \$ 2,624,531 | \$ 2,700,778 | \$ 2,689,498 | \$ 2,581,105 | Mailed Property Tax Amounts ⁽¹⁾ |
| 744,653 | 802,393 | 870,537 | 885,182 | 910,190 | Mailed Number of Property Tax Payments |
| 98.53% | 98.57% | 98.19% | 97.78% | 96.24% | Unsecured Property Tax Collection Rate |
| 123,982 | 124,852 | 129,583 | 152,067 | 151,557 | Unsecured Property Tax Bills Issued |
| \$ 6,844,994 | \$ 6,448,934 | \$ 6,070,588 | \$ 5,771,603 | \$ 5,406,866 | Secured Property Tax Bills Amount ⁽¹⁾ |
| -- | -- | -- | -- | -- | Website Hits |
| | | | | | Registrar of Voters |
| 1,558,988 | 1,481,881 | 1,535,967 | 1,395,380 | 1,424,216 | Registered Voters |
| 1,106,729 | 635,224 | 1,239,405 | 691,802 | 640,358 | Highest Number of Ballots Cast |
| 5 | 1 | 1 | 4 | 7 | Elections Conducted |
| | | | | | Public Protection |
| | | | | | Clerk-Recorder |
| 22,565 | 23,702 | 25,309 | 23,725 | 23,553 | Marriage Licenses Issued |
| 11,242 | 11,946 | 12,876 | 11,122 | 11,213 | Marriage Ceremonies Performed |
| 87,961 | 82,463 | 85,051 | 74,508 | 79,826 | Copies of Birth Certificates Issued |
| 477,083 | 534,185 | 640,243 | 617,914 | 651,866 | Property-Related Document Recordings |
| 10,071 | 10,144 | 9,437 | 7,093 | 5,016 | Passport Applications Filed |
| | | | | | Sheriff-Coroner |
| 648,371 | 646,818 | 644,496 | 641,753 | 637,261 | Patrolled Cities Population |
| 129,128 | 129,278 | 125,792 | 125,420 | 124,014 | Patrolled Unincorporated Areas Population |
| 58,773 | 61,157 | 56,330 | 56,163 | 56,135 | Number of Bookings to Orange County Jail System |
| 6,140 | 6,249 | 6,220 | 6,028 | 6,055 | Average Daily Jail Head Count |
| | | | | | District Attorney |
| 60,117 | 62,682 | 61,219 | 61,521 | 56,233 | Defendants Prosecuted-Adult |
| 2,783 | 3,426 | 3,631 | 3,564 | 4,482 | Defendants Prosecuted-Juvenile |
| | | | | | Probation |
| 11,164 | 11,560 | 11,189 | 11,714 | 10,725 | Probationers under Supervision as of June 30th-Adult |
| 1,892 | 2,270 | 2,290 | 2,550 | 3,124 | Probationers under Supervision as of June 30th-Juvenile |
| 109 | 129 | 150 | 130 | 150 | Avg. Daily Juvenile Hall Population |
| 100 | 119 | 136 | 143 | 203 | Avg. Daily Camp Population |
| | | | | | Public Defender |
| 59,513 | 59,095 | 61,878 | 65,574 | 79,119 | Cases Appointed Annually |

County of Orange
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

**Operating Indicators by Function/Program
Last Ten Fiscal Years (Continued)**

| Function/Program | Fiscal Year | | | | |
|---|-------------|------------|------------|-----------|-----------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| <u>Public Ways and Facilities</u> | | | | | |
| OC Public Works | | | | | |
| Building and Home Inspections | 44,405 | 45,091 | 34,986 | 36,540 | 42,365 |
| <u>Health and Sanitation</u> | | | | | |
| OC Community Resources | | | | | |
| Animal Licenses | 126,135 | 132,199 | 127,913 | 135,760 | 136,985 |
| Health Care Agency | | | | | |
| 911 Emergency Medical Services Responses | 312,128 | 301,153 | 279,301 | 241,980 | 242,201 |
| Retail Food Facility Inspections Conducted | 25,985 | 26,513 | 24,856 | 24,776 | 28,146 |
| Hazardous Waste Inspections Conducted | 7,930 | 7,490 | 7,142 | 6,465 | 7,433 |
| Number of Off-site Visits/Contacts by Case ⁽²⁾ | 30,498 | 16,007 | 6,342 | 6,241 | 10,777 |
| Managers | | | | | |
| Number of Low Income Children Dental Health Services | 112 | 52 | 34 | 17 | 199 |
| Number of Ocean Water Days of Closure (In Beach-Miles) | 14 | 6 | 10 | 2 | 64 |
| <u>Public Assistance</u> | | | | | |
| OC Community Resources | | | | | |
| Adult Day Care Hours of Service | 27,472 | 40,243 | 14,212 | 4,103 | 45,252 |
| Elderly Nutrition Program Meals Delivered | 1,248,394 | 1,609,365 | 2,525,895 | 2,924,858 | 1,174,703 |
| One-Way Transportation Trips Provided to Seniors | 136,492 | 130,563 | 133,765 | 98,901 | 139,891 |
| Veterans Served-Veterans/Dependents | 32,129 | 23,990 | 28,928 | 23,784 | 27,419 |
| Veterans Served-OC4Vets | 1,858 | 460 | 712 | 768 | 723 |
| Social Services Agency | | | | | |
| Average Monthly Medi-Cal Recipients | 942,722 | 989,124 | 932,517 | 860,458 | 774,729 |
| Average Monthly Child Abuse Hotline Calls | 2,771 | 3,033 | 2,943 | 2,528 | 3,005 |
| Average Monthly CalFresh (formerly Food Stamp) Recipients | 307,126 | 285,632 | 253,859 | 232,260 | 214,668 |
| Average Monthly In-Home Supportive Services | 38,664 | 35,960 | 33,348 | 30,548 | 28,988 |
| Average Persons Receiving Cash Assistance | 38,366 | 34,213 | 32,841 | 33,430 | 35,098 |
| Average Children in Foster Care/Relative Care | 1,920 | 2,141 | 2,201 | 2,187 | 2,333 |
| Average Elder and Adult Abuse Unduplicated Reports Received | 1,374 | 1,380 | 1,290 | 1,164 | 1,153 |
| <u>Education</u> | | | | | |
| OC Community Resources | | | | | |
| Total Volumes Borrowed at Library Branches | 9,961,873 | 9,111,615 | 8,040,178 | 5,941,649 | 7,016,302 |
| <u>Recreation and Cultural Services</u> | | | | | |
| OC Community Resources | | | | | |
| Exotic Invasive Plant Removal (acres) | 2,546 | 2,884 | 2,075 | 1,000 | 1,791 |
| Native Vegetation Restoration (acres) | 669 | 664 | 838 | 319 | 358 |
| Slip and Dry Storage Tenants | 2,243 | 1,953 | 2,635 | 410 | 603 |
| Boat Launches | 13,692 | 11,056 | 17,127 | 18,540 | 21,890 |
| Sailing and Event Center Participants | 74,552 | 28,871 | 50,107 | 54,838 | 78,340 |
| Ocean Institute Students/Visitors | 48,309 | 55,068 | 29,911 | 27,793 | 39,561 |
| Hotel Guests | 30,004 | 32,046 | 46,003 | 43,408 | 49,165 |
| Catalina Express Passengers | 111,705 | 113,989 | 120,715 | 67,986 | 109,030 |
| Special Events at the Harbor | 35 | 2 | 2 | 2 | 4 |
| <u>Airport</u> | | | | | |
| Passengers | 11,467,049 | 11,943,454 | 10,309,156 | 4,216,396 | 7,562,040 |
| Air Cargo Tonnage | 17,274 | 17,067 | 18,154 | 18,567 | 17,193 |
| Takeoffs & Landings | 288,340 | 282,027 | 312,900 | 278,258 | 260,644 |
| <u>OC Waste & Recycling</u> | | | | | |
| Solid Waste Tonnage | 5,105,378 | 5,071,811 | 5,054,651 | 4,978,920 | 5,174,096 |
| Gallons of Leachate and Impacted Ground Water Collected | 7,415,676 | 6,911,935 | 6,032,504 | 5,776,484 | 7,573,496 |

Note: (1) * means Not Available

(2) Name changed in FY 2022-23, formerly Number of Home Visits by Public Health Nurses.

Source: County Departments

| Fiscal Year | | | | | Function/Program |
|---|------------|------------|------------|-----------|---|
| 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | |
| <u>Public Ways and Facilities</u> | | | | | |
| OC Public Works | | | | | |
| 60,753 | 42,590 | 39,056 | 40,662 | 30,324 | Building and Home Inspections |
| <u>Health and Sanitation</u> | | | | | |
| OC Community Resources | | | | | |
| 147,874 | 149,342 | 171,237 | 192,470 | 198,358 | Animal Licenses |
| Health Care Agency | | | | | |
| 234,589 | 234,459 | 204,683 | 193,538 | 183,794 | 911 Emergency Medical Services Responses |
| 35,406 | 30,893 | 32,305 | 26,195 | 31,397 | Retail Food Facility Inspections Conducted |
| 7,735 | 6,003 | 7,271 | 8,328 | 5,950 | Hazardous Waste Inspections Conducted |
| 20,794 | 20,156 | 32,108 | 29,219 | 31,258 | Number of Off-site Visits/Contacts by Case ⁽²⁾ |
| Managers | | | | | |
| 200 | 360 | 311 | 496 | 755 | Number of Low Income Children Dental Health Services |
| 10 | 10 | 17 | 22 | 24 | Number of Ocean Water Days of Closure (In Beach-Miles) |
| <u>Public Assistance</u> | | | | | |
| OC Community Resources | | | | | |
| 52,819 | 65,900 | 47,567 | 49,971 | 43,010 | Adult Day Care Hours of Service |
| 1,353,713 | 1,323,802 | 1,417,361 | 1,374,275 | 1,406,526 | Elderly Nutrition Program Meals Delivered |
| 183,429 | 185,258 | 190,534 | 198,851 | 180,899 | One-Way Transportation Trips Provided to Seniors |
| 23,555 | 24,063 | 9,091 | * | * | Veterans Served-Veterans/Dependents |
| 910 | 673 | 555 | * | * | Veterans Served-OC4Vets |
| Social Services Agency | | | | | |
| 782,990 | 806,716 | 817,408 | 810,388 | 718,061 | Average Monthly Medi-Cal Recipients |
| 4,572 | 4,189 | 4,076 | 4,259 | 4,049 | Average Monthly Child Abuse Hotline Calls |
| Average Monthly CalFresh (formerly Food Stamp) Recipients | | | | | |
| 206,789 | 233,038 | 250,772 | 263,556 | 258,676 | Average Monthly In-Home Supportive Services |
| 27,892 | 26,369 | 24,427 | 22,635 | 20,787 | Average Persons Receiving Cash Assistance |
| 35,803 | 41,622 | 46,369 | 52,081 | 55,921 | Average Children in Foster Care/Relative Care |
| 1,977 | 1,917 | 1,886 | 1,791 | 1,924 | Average Elder and Adult Abuse Unduplicated Reports Received |
| 1,175 | 1,091 | 995 | 942 | 815 | |
| <u>Education</u> | | | | | |
| OC Community Resources | | | | | |
| 7,746,484 | 7,041,985 | 6,864,635 | 6,634,747 | 6,411,127 | Total Volumes Borrowed at Library Branches |
| <u>Recreation and Cultural Services</u> | | | | | |
| OC Community Resources | | | | | |
| 3,225 | 2,285 | 2,940 | 2,782 | 1,466 | Exotic Invasive Plant Removal (acres) |
| 411 | 414 | 262 | 293 | 312 | Native Vegetation Restoration (acres) |
| 3,150 | 438 | 438 | 2,903 | 3,204 | Slip and Dry Storage Tenants |
| 15,521 | 16,487 | 16,303 | 17,695 | 15,511 | Boat Launches |
| 100,952 | 101,945 | 80,752 | 50,000 | 75,000 | Sailing and Event Center Participants |
| 44,404 | 90,948 | 127,361 | 192,384 | 41,000 | Ocean Institute Students/Visitors |
| 58,998 | 59,319 | 39,140 | 43,515 | 43,073 | Hotel Guests |
| 124,471 | 129,239 | 128,000 | 25,711 | 123,688 | Catalina Express Passengers |
| 5 | 6 | 6 | 8 | 12 | Special Events at the Harbor |
| <u>Airport</u> | | | | | |
| 10,718,001 | 10,670,156 | 10,373,714 | 10,361,436 | 9,608,873 | Passengers |
| 19,098 | 19,577 | 17,813 | 18,568 | 16,997 | Air Cargo Tonnage |
| 314,000 | 302,483 | 285,704 | 276,817 | 264,726 | Takeoffs & Landings |
| <u>OC Waste & Recycling</u> | | | | | |
| Solid Waste Tonnage | | | | | |
| 5,148,761 | 4,980,101 | 4,810,116 | 4,772,722 | 4,581,359 | Gallons of Leachate and Impacted Ground Water Collected |
| 8,062,718 | 5,576,351 | 5,599,757 | 3,542,736 | 5,510,821 | |

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

| Function/Program | Fiscal Year | | | | |
|---------------------------------------|-------------|---------|---------|---------|---------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| <u>General Government</u> | | | | | |
| Auditor-Controller | | | | | |
| A-C Administration Building | 1 | 1 | 1 | 1 | 1 |
| Hall of Finance and Records | -- | -- | -- | -- | -- |
| County Executive Office | | | | | |
| Hall of Administration ⁽³⁾ | -- | -- | 1 | 1 | 1 |
| OC Archives Building ⁽⁴⁾ | 1 | 1 | -- | -- | -- |
| Registrar of Voters | | | | | |
| Trailers | 2 | 2 | 2 | 2 | 2 |
| Vehicles/Trucks | 3 | 3 | 3 | 3 | 3 |
| <u>Public Protection</u> | | | | | |
| Clerk-Recorder | | | | | |
| OC Archives Building ⁽⁴⁾ | -- | -- | 1 | 1 | 1 |
| Sheriff-Coroner | | | | | |
| Crime/Forensic Lab | 1 | 1 | 1 | 1 | 1 |
| Jail Facilities | 5 | 5 | 5 | 3 | 3 |
| Vehicles | 987 | 954 | 947 | 943 | 944 |
| Buses | 12 | 12 | 13 | 14 | 13 |
| Helicopters | 5 | 5 | 5 | 5 | 5 |
| Boats | 15 | 13 | 12 | 10 | 10 |
| Robot Andros | 3 | 3 | 3 | 3 | 3 |
| Haz-mat Vehicles | 4 | 4 | 4 | 4 | 4 |
| K-9 units | 21 | 34 | 30 | 31 | 31 |
| District Attorney | | | | | |
| Justice Center Offices | 5 | 5 | 5 | 5 | 5 |
| Probation Department | | | | | |
| Juvenile Institutions | 3 | 3 | 3 | 3 | 3 |
| Vehicles/Trucks | 151 | 148 | 147 | 146 | 139 |
| Equipment | 24 | 22 | 20 | 20 | 15 |
| Other Fixed Assets | 289 | -- | -- | -- | -- |
| <u>Public Ways and Facilities</u> | | | | | |
| OC Public Works | | | | | |
| County Administration North Bldg 14 | 1 | 1 | * | * | * |
| County Administration South Bldg 16 | 1 | 1 | 1 | 1 | 1 |
| County Conference Center Bldg 18 | 1 | 1 | 1 | 1 | 1 |
| Hall of Administration ⁽³⁾ | -- | -- | -- | -- | -- |
| Data Center | 1 | 1 | 1 | 1 | 1 |
| Alternate Fuel Vehicles | 74 | 64 | 66 | 46 | 49 |
| Vehicles/Trucks | 318 | 346 | 274 | 273 | 135 |
| Watersheds | 23 | 22 | 22 | 22 | 23 |
| Dams | 5 | 5 | 5 | 5 | 5 |
| Dump Trucks | 12 | 2 | 1 | 1 | 2 |
| Tractors | 15 | 20 | 19 | 29 | 27 |
| Trailers | 21 | 36 | 41 | 44 | 44 |
| Street Miles | 340 | 337 | 339 | 338 | 346 |

Notes: (1) Presentation changed in FY 2019-20 to summarize by function.
(2) * means Not Available
(3) Building was moved from OC Public Works to the County Executive Office in FY 2019-20.
(4) Building was moved from the Clerk Recorder to the County Executive Office in FY 2022-23.

| Fiscal Year | | | | | Function/Program |
|-----------------------------------|---------|---------|---------|---------|---------------------------------------|
| 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | |
| <u>General Government</u> | | | | | |
| | | | | | Auditor-Controller |
| | | | | | A-C Administration Building |
| 1 | 1 | 1 | 1 | 1 | Hall of Finance and Records |
| | | | | | County Executive Office |
| -- | -- | -- | -- | -- | Hall of Administration ⁽³⁾ |
| -- | -- | -- | -- | -- | OC Archives Building ⁽⁴⁾ |
| | | | | | Registrar of Voters |
| 2 | 2 | 1 | 1 | 1 | Trailers |
| 3 | 3 | 4 | 4 | 4 | Vehicles/Trucks |
| <u>Public Protection</u> | | | | | |
| | | | | | Clerk-Recorder |
| 1 | 1 | 1 | 1 | 1 | OC Archives Building ⁽⁴⁾ |
| | | | | | Sheriff-Coroner |
| 1 | 1 | 1 | 1 | 1 | Crime/Forensic Lab |
| 3 | 3 | 3 | 3 | 3 | Jail Facilities |
| 939 | 938 | 948 | 917 | 916 | Vehicles |
| 13 | 13 | 12 | 11 | 11 | Buses |
| 5 | 5 | 5 | 4 | 3 | Helicopters |
| 10 | 10 | 10 | 10 | 10 | Boats |
| 3 | 3 | 3 | 3 | 3 | Robot Andros |
| 4 | 4 | 4 | 4 | 4 | Haz-mat Vehicles |
| 35 | 34 | 26 | 28 | 22 | K-9 units |
| | | | | | District Attorney |
| 5 | 5 | 5 | 5 | 5 | Justice Center Offices |
| | | | | | Probation Department |
| 4 | 4 | 4 | 4 | 4 | Juvenile Institutions |
| 171 | 158 | 159 | 155 | 159 | Vehicles/Trucks |
| 16 | 15 | 13 | 12 | 16 | Equipment |
| -- | -- | -- | -- | -- | Other Fixed Assets |
| <u>Public Ways and Facilities</u> | | | | | |
| OC Public Works | | | | | |
| * | * | * | * | * | County Administration North Bldg 14 |
| * | * | * | * | * | County Administration South Bldg 16 |
| * | * | * | * | * | County Conference Center Bldg 18 |
| 1 | 1 | 1 | 1 | 1 | Hall of Administration ⁽³⁾ |
| 1 | 1 | 1 | 1 | 1 | Data Center |
| 41 | 42 | 46 | 50 | 51 | Alternate Fuel Vehicles |
| 318 | 314 | 316 | 268 | 355 | Vehicles/Trucks |
| 22 | 22 | 21 | 19 | 13 | Watersheds |
| 4 | 4 | 4 | 3 | 3 | Dams |
| 20 | 17 | 16 | 19 | 18 | Dump Trucks |
| 36 | 50 | 50 | 50 | 32 | Tractors |
| 37 | 42 | 40 | 46 | 54 | Trailers |
| 320 | 345 | 330 | 330 | 320 | Street Miles |

**Capital Asset Statistics by Function
 Last Ten Fiscal Years (Continued)**

| Function/Program | Fiscal Year | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| <u>Health and Sanitation</u> | | | | | |
| Health Care Agency | | | | | |
| Clinics | 31 | 31 | 31 | 10 | 9 |
| Laboratories | 2 | 2 | 2 | 2 | 2 |
| Trailers | 40 | 38 | 41 | 38 | 25 |
| Vehicles/Trucks | 105 | 44 | 45 | 45 | 39 |
| OC Community Resources | | | | | |
| Animal Care Center | 1 | 1 | 1 | 1 | 1 |
| Trailers | 6 | 6 | 6 | 6 | 6 |
| <u>Public Assistance</u> | | | | | |
| Social Service Agency | | | | | |
| Vehicles | 2 | - | 1 | 3 | 1 |
| Office Locations | 18 | 19 | 19 | 19 | 19 |
| <u>Education</u> | | | | | |
| OC Community Resources | | | | | |
| Library Branches | 34 | 34 | 32 | 32 | 32 |
| Vehicles/Trucks | 16 | 11 | 8 | 8 | 8 |
| Laptop and Chargers | 32 | 25 | 14 | 9 | 3 |
| Automated Materials Handler | 1 | 1 | 1 | 1 | * |
| <u>Recreation and Cultural Services</u> | | | | | |
| OC Community Resources | | | | | |
| Park Land (acres) | 62,617 | 62617 | 62617 | 62617 | 62,617 |
| Recreational Trails (in miles) | 408 | 408 | 408 | 295 | 295 |
| Zoo | 1 | 1 | 1 | 1 | 1 |
| Urban Regional Parks | 15 | 15 | 15 | 15 | 15 |
| Wilderness Parks | 6 | 6 | 5 | 5 | 5 |
| Nature Preserves | 7 | 7 | 3 | 3 | 4 |
| Harbors | 3 | 3 | 3 | 3 | 3 |
| Beaches | 6 | 6 | 11 | 11 | 11 |
| Historical Sites | 7 | 7 | 7 | 7 | 7 |
| Boats | 7 | 6 | 9 | 9 | 9 |
| Tractors | 26 | 26 | 29 | 25 | 25 |
| Trailers | 61 | 61 | 56 | 55 | 45 |
| Vehicles/Trucks | 202 | 179 | 208 | 213 | 261 |
| Harbor | 1 | 1 | 1 | 1 | 1 |
| Marinas | 1 | 1 | 1 | 1 | 1 |
| Public Parking Areas | 9 | 9 | 9 | 9 | 9 |
| Beaches | 1 | 1 | 1 | 1 | 1 |
| Access Points to Ocean | 6 | 6 | 6 | 6 | 6 |
| Hotel | 1 | 1 | 1 | 1 | 1 |
| Ocean Education Center | 1 | 1 | 1 | 1 | 1 |
| Sailing and Events Center | 1 | 1 | 1 | 1 | 1 |
| Shops | 9 | 16 | 18 | 17 | 17 |
| Restaurants | 11 | 11 | 14 | 15 | 16 |
| Fuel Dock | 1 | 1 | 1 | 1 | 1 |
| Shipyard | 1 | 1 | 1 | 1 | 1 |
| Boater Service Buildings | 15 | 15 | 15 | 15 | 15 |
| Parcel 11 (Yacht Building Company) | 1 | 1 | 1 | 1 | 1 |
| Parcel 23 (Yacht Club) | 1 | 1 | 1 | 1 | 1 |

Notes: (1) * means Not Available

Source: County Departments

| Fiscal Year | | | | | Function/Program |
|---|---------|---------|---------|---------|------------------------------------|
| 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | |
| <u>Health and Sanitation</u> | | | | | |
| Health Care Agency | | | | | |
| 4 | 4 | 4 | 4 | 4 | Clinics |
| 2 | 2 | 2 | 2 | 2 | Laboratories |
| 9 | 10 | 9 | 12 | 12 | Trailers |
| 35 | 33 | 30 | 24 | 24 | Vehicles/Trucks |
| OC Community Resources | | | | | |
| 1 | 1 | 1 | 1 | 1 | Animal Care Center |
| 3 | 2 | 3 | 3 | 3 | Trailers |
| <u>Public Assistance</u> | | | | | |
| Social Service Agency | | | | | |
| 1 | 2 | 4 | 5 | 5 | Vehicles |
| 19 | 20 | 20 | 20 | 20 | Office Locations |
| <u>Education</u> | | | | | |
| OC Community Resources | | | | | |
| 32 | 33 | 33 | 33 | 33 | Library Branches |
| 8 | * | * | * | * | Vehicles/Trucks |
| 3 | * | * | * | * | Laptop and Chargers |
| * | * | * | * | * | Automated Materials Handler |
| <u>Recreation and Cultural Services</u> | | | | | |
| OC Community Resources | | | | | |
| 62,617 | 62,900 | 62,900 | 62,900 | 62,900 | Park Land (acres) |
| 295 | 295 | 295 | 295 | 295 | Recreational Trails (in miles) |
| 1 | 1 | 1 | 1 | 1 | Zoo |
| 15 | 15 | 15 | 15 | 15 | Urban Regional Parks |
| 5 | 5 | 5 | 5 | 5 | Wilderness Parks |
| 4 | 4 | 4 | 4 | 4 | Nature Preserves |
| 3 | 3 | 3 | 3 | 3 | Harbors |
| 11 | 11 | 11 | 11 | 11 | Beaches |
| 7 | 7 | 7 | 7 | 7 | Historical Sites |
| 7 | 9 | 10 | 8 | 7 | Boats |
| 22 | 26 | 26 | 25 | 26 | Tractors |
| 42 | 35 | 33 | 31 | 27 | Trailers |
| 239 | 207 | 199 | 204 | 174 | Vehicles/Trucks |
| 1 | 1 | 1 | 1 | 1 | Harbor |
| 1 | 2 | 2 | 2 | 2 | Marinas |
| 9 | 9 | 9 | 9 | 9 | Public Parking Areas |
| 1 | 1 | 1 | 1 | 1 | Beaches |
| 6 | 6 | 6 | 6 | 6 | Access Points to Ocean |
| 1 | 1 | 1 | 1 | 1 | Hotel |
| 1 | 1 | 1 | 1 | 1 | Ocean Education Center |
| 1 | 1 | 1 | 1 | 1 | Sailing and Events Center |
| 20 | 24 | 24 | 24 | 23 | Shops |
| 14 | 16 | 16 | 16 | 16 | Restaurants |
| 1 | 1 | 1 | 1 | 1 | Fuel Dock |
| 1 | 1 | 1 | 1 | 1 | Shipyard |
| 15 | 15 | 15 | 15 | 15 | Boater Service Buildings |
| 1 | 1 | 1 | 1 | * | Parcel 11 (Yacht Building Company) |
| 1 | 1 | 1 | 1 | * | Parcel 23 (Yacht Club) |

**Capital Asset Statistics by Function
 Last Ten Fiscal Years (Continued)**

| Function/Program | Fiscal Year | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 |
| <u>Airport</u> | | | | | |
| Acres | 501 | 501 | 501 | 501 | 501 |
| Runways | 2 | 2 | 2 | 2 | 2 |
| Public Parking Structures/Lots | 5 | 5 | 5 | 5 | 5 |
| Terminals | 3 | 3 | 3 | 3 | 3 |
| Fire Trucks | 5 | 4 | 4 | 4 | 4 |
| Shuttle Buses | 5 | 5 | 3 | 2 | * |
| <u>OC Waste & Recycling</u> | | | | | |
| Active Landfills | 3 | 3 | 3 | 3 | 3 |
| Inactive Landfills | 2 | 2 | 2 | 2 | 2 |
| Household Hazardous Waste Collection Centers | 4 | 4 | 4 | 4 | 4 |
| Dozers | 15 | 14 | 16 | 15 | 15 |
| Dump Trucks | 11 | 11 | 10 | 10 | 10 |
| Loaders | 22 | 19 | 20 | 15 | 15 |
| Scrapers | 11 | 8 | 9 | 10 | 8 |
| Excavators | 3 | 3 | 3 | 3 | 3 |
| Tractors | 23 | 22 | 22 | 21 | 19 |
| Graders | 4 | 3 | 3 | 3 | 3 |
| Compactors | 12 | 10 | 10 | 9 | 9 |
| Water/Fuel Trucks | 15 | 14 | 14 | 12 | 12 |
| Sweepers | 2 | 2 | 2 | 2 | 2 |
| Telehandlers | 3 | * | * | * | * |

Note: * means Not Available

Source: County Departments

| Fiscal Year | | | | | Function/Program |
|-------------|---------|---------|---------|---------|---------------------------------|
| 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | |
| | | | | | <u>Airport</u> |
| 501 | 501 | 501 | 501 | 501 | Acres |
| 2 | 2 | 2 | 2 | 2 | Runways |
| 5 | 5 | 5 | 5 | 5 | Public Parking Structures/Lots |
| 3 | 3 | 3 | 3 | 3 | Terminals |
| 4 | 4 | 4 | 4 | 4 | Fire Trucks |
| * | * | * | * | * | Shuttle Buses |
| | | | | | <u>OC Waste & Recycling</u> |
| 3 | 3 | 3 | 3 | 3 | Active Landfills |
| 2 | 2 | 2 | 2 | 2 | Inactive Landfills |
| | | | | | Household Hazardous Waste |
| 4 | 4 | 4 | 4 | 4 | Collection Centers |
| 6 | 6 | 6 | 8 | 7 | Dozers |
| 5 | 10 | 10 | 10 | 10 | Dump Trucks |
| 12 | 12 | 12 | 21 | 20 | Loaders |
| 6 | 6 | 6 | 8 | 8 | Scrapers |
| 2 | 2 | 2 | 2 | 2 | Excavator |
| 28 | 35 | 27 | 30 | 28 | Tractors |
| 3 | 4 | 4 | 4 | 4 | Graders |
| 9 | 7 | 7 | 8 | 8 | Compactors |
| 9 | 14 | 14 | 13 | 13 | Water/Fuel Trucks |
| 1 | 1 | * | * | * | Sweepers |
| * | * | * | * | * | Telehandlers |



**ORANGE COUNTY
AUDITOR-CONTROLLER
1770 N. BROADWAY,
SANTA ANA, CA 92706**

**JOHN WAYNE
ORANGE COUNTY
(SNA)**



**OC AUDITOR-CONTROLLER: OCAUDITOR.GOV
COUNTY OF ORANGE: WWW.OCGOV.COM**



EXHIBIT B

COUNTY OF ORANGE
INVESTMENT POLICY

Orange County California



Investment Policy

(Approved By B.O.S. February 11, 2025)

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ORANGE COUNTY INVESTMENT POLICY

PURPOSE

The Orange County Investment Policy (“Policy”) provides the structure for the prudent investment of the funds of the County of Orange (“County”) and the funds of other depositors in the County treasury.

I. POLICY STATEMENT

The Policy is prepared in accordance with California State law and based on prudent money management practices. The primary goal is to invest public funds in a manner that will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to pool participants and lastly to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

The Orange County Investment Fund (OCIF), which includes all cash balances deposited into the Treasury, is designed to meet both the investment and cash requirements of our participants.

II. SCOPE

This Policy governs the investment of funds deposited into the County treasury. This Policy is more restrictive than State law in certain areas. Funds from bond proceeds may be invested in accordance with Government Code section 53601(m), which authorizes investment in accordance with the statutory provisions governing the issuance of the bonds, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the approved documents providing for the issuance.

1. Pooled Funds:

The County will maintain a pooled investment fund. The pooled fund’s name is the Orange County Treasury Pool (OCTP). Government Code Sections 53600 *et seq.*, 53630 *et seq.* and 27000.3 guide the investment requirements of the OCTP, and, if applicable, the OCTP may be a permitted investment for bond proceeds.

2. Specific Investment Accounts:

The County or a participant that deposits funds in the County treasury may request a specific investment account to invest funds pursuant to a specific investment objective. Such investments may include cash required for future long-term needs. All new specific investment accounts require the written approval of the County Investment Manager, as defined in Section IV (Investment Authority). If approved, the investments will be matched to the time-horizon for their future use or to an identified liability. The County or the governing body of any participating agencies will be required to sign a written agreement acknowledging that there may be risk to principal should they desire to redeem funds early.

In addition, no investment will be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the appropriate legislative body has granted express authority either specifically or as part of an investment program approved by that legislative body no less than three months prior to the investment.

III. PRUDENT INVESTOR STANDARD

The Board of Supervisors, as a fiduciary of public funds adheres to the “prudent investor” standard as stated in Government Code sections 27000.3 and 53600.3. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Board of Supervisors shall act with care, skill, prudence and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitation of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

The Board of Supervisors and those delegated staff shall act in accordance with written procedures and the Policy, exercise due diligence, report in a timely fashion and implement appropriate controls to mitigate adverse developments

IV. INVESTMENT AUTHORITY

The authority to invest the funds of the County and the funds of other depositors in the County Treasury rests with the Board of Supervisors. The Board may delegate its investment authority as it determines appropriate. Throughout this Policy, the “County Investment Manager” shall be defined as the County official or individual who is authorized by the Board to invest the funds of the County and the funds of other depositors in the County treasury.

V. OBJECTIVES

The primary investment objectives, presented in their absolute order of priority, are:

1. SAFETY

Safety of principal is the foremost investment objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.

The County Investment Manager shall seek to preserve principal and minimize capital losses by mitigating credit risk and market risk as follows:

- a) **Credit Risk:** Defined as an issuer’s ability and willingness to repay interest and principal. Credit risk shall be mitigated by diversifying the fund among issues and issuers so that the failure of any one issue or issuer would not result in a significant loss of income or principal to participants.
- b) **Market Risk:** Defined as the risk of market value fluctuations due to changes in the general level of interest rates. Because longer-term securities generally have greater market risk than shorter-term securities, market risk will be mitigated by establishing a maximum duration for OCTP. Occasional market losses on individual securities may occur with portfolio management and they must be considered within the context of the overall investment return.

2. LIQUIDITY

Liquidity refers to the ability to sell an investment at any moment with a minimal chance of principal loss. OCIF will maintain sufficient liquidity for the purpose of meeting all daily operating requirements based on reasonably anticipated cash flow needs.

3. YIELD

Yield refers to the objective of attaining a market rate of return commensurate with the risk profile and cash flow characteristics of the portfolio throughout budgetary and economic cycles. Although the County Investment Manager may employ certain indices to gauge the funds' rate of return, such indices shall be used solely for comparative purposes and do not constitute a warranty or guarantee of actual fund performance. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. As noted in Government Code Section 53601.6, securities issued by, or backed by, the United States government can result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

MARK-TO-MARKET

The OCTP and Specific Investment Accounts investments are marked to market daily. The OCTP will attempt to maintain a \$1.00 net asset value (NAV) to the extent reasonably possible and consistent with the Board of Supervisors' trust and fiduciary duty. If the ratio of the market value of OCTP divided by the book value of OCTP is less than \$.9975, then the variance will be reported as well as any expected impact on the OCTP ability to meet forecasted cash outflows. In addition, the County Investment Manager may decide to sell holdings as necessary to maintain the OCTP's NAV above \$.9975. However, the OCTP \$1.00 NAV is not guaranteed or insured by the Board of Supervisors nor is OCTP registered with the Securities Exchange Commission (SEC).

The County Investment Manager will provide the NAV of OCTP and each Specific Investment Account in the investment report.

VI. AUTHORIZED INVESTMENTS

The County is authorized to invest in specific types of securities as provided in the Government Code. Investments not specifically listed below are prohibited. All securities must be United States dollar denominated. The County Investment Manager may place orders for the execution of transactions with or through such broker/dealers, banks or counterparties as may be selected from time to time at his/her discretion, consistent with legal requirements and this Policy.

The OCTP and Specific Investment Accounts may invest in the following areas to the extent they are consistent with the investment objectives, do not violate the investment restrictions, and adhere to limitations specified in this section, and Sections VII and VIII.

1. U. S. TREASURY SECURITIES

United States Treasury bills, notes, bonds, or certificates of indebtedness, for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. U. S. GOVERNMENT AGENCY SECURITIES

Obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise (GSE). There is no limit on the percentage of OCTP that can be invested in this category including no issuer limit.

3. COMMERCIAL PAPER

Commercial Paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a Nationally Recognized Statistical Rating Organization

("NRSRO"). The entity that issues the commercial paper shall meet either of the following conditions in paragraph (a) or paragraph (b):

- a) Has total assets in excess of five hundred million dollars (\$500,000,000), is organized and operating within the United States as a general corporation and has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
- b) Is organized in the United States as a special purpose corporation, trust, or limited liability company, has program-wide credit enhancements including, but not limited to overcollateralization, letters of credit or a surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

4. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable certificates of deposit issued by a nationally or state-chartered bank, savings association, or a federal association (as defined by Section 5102 of the California Financial Code), or by a federally licensed or state-licensed branch of a foreign bank.

5. REPURCHASE AGREEMENTS

Investments in repurchase agreements for the purpose of this Policy means a purchase of securities by the County Investment Manager pursuant to an agreement by which the seller will repurchase the securities on or before a specified date and for a specified amount and will deliver the underlying securities to the County by book entry, physical delivery, or by third party custodial agreement. The term of a repurchase agreement shall not exceed one year and have capital of not less than \$500,000,000. The term "securities," for the purpose of repurchase agreements, means securities of the same issuer, description, issue date and maturity.

To participate in repurchase agreements, a master repurchase agreement must be completed and signed by all parties involved. The County will maintain a signed copy of the agreement. Repurchase agreements are required to be collateralized by securities or cash.

Collateralization:

In order to anticipate market changes and provide a level of security for all repurchase agreement transactions, the market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities and the value shall be adjusted no less frequently than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall comply with the market value requirement if the value of the underlying securities is brought back up to 102% no later than the next business day.

Collateral will be limited to cash, and U.S. Treasury and U.S. Government Agency securities. For compliance purposes, U.S. Treasury and U.S. Government Agency collateral are exempt from the issuer limits as stated in Section VIII.1. Collateral will be held by an independent third party with whom the County Investment Manager has a current custodial agreement. A clearly marked evidence of ownership (safekeeping/custody receipt) must be supplied to the County and retained. No collateral substitutions may be made without prior approval of the County Investment Manager.

Agreements are subject to Government Code Section 53601 and must comply with the delivery requirements and the maturity provision from Section 53601.

6. BANKERS' ACCEPTANCES

Bankers' acceptances, also known as time drafts or bills of exchange that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days maturity.

7. MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are money market mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.), which only invest in direct obligations in U.S. Treasury bills, notes, and bonds, U.S. Government Agencies, Municipal Debt, and repurchase agreements with a weighted average maturity of 60 days or less. Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV) are prohibited. The County Investment Manager shall be required to investigate money market mutual funds prior to investing and perform a periodic review, but at least annually thereafter while the funds are invested in the money market mutual fund. Approved money market mutual funds shall meet either of the following criteria:

- a) Attained the highest ranking or the highest letter and numerical rating provided by no less than two NRSROs.
- b) Retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000.
- c) Money market mutual funds will not exceed 20 percent of the agency's moneys. No more than 10 percent of the agency's moneys may be invested in shares of beneficial interest of any one mutual fund. For specific investment accounts, this constraint will apply to the agency's total balances in both OCTP and the specific investment account (s).

8. STATE POOL – LOCAL AGENCY INVESTMENT FUND

The County Investment Manager may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer under Government Code Section 16429.1. LAIF has no final stated maturity and will be reported as a one-day maturity.

9. MUNICIPAL DEBT

Such instruments are defined as being issued by a local or state agency, including:

- a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.
- b) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of a state.
- c) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

10. MEDIUM-TERM NOTES

Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of two years. Medium-term notes must be issued by

corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

11. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7, which invests in the securities and obligations as authorized under 53601 (a) to (o), inclusive, and that comply with the investment restrictions of Government Code Sections 53600 through 53610 and Section 53630. The County Investment Manager shall be required to investigate all local government investment pools prior to investing and perform a quarterly review thereafter while the funds are invested in the pool. The analysis shall include, but is not limited to, the following characteristics of a pool/fund as part of its investigation and quarterly review:

- Eligible securities
- Maximum maturity
- REPO collateral/counter-party
- Size of the pool/fund
- Limits on withdrawal/deposit
- Expense ratio

12. SUPRANATIONAL SECURITIES

Supranational securities are defined as United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity five years or less, and eligible for purchase and sale within the United States.

VII. INVESTMENT CREDIT RATING RESTRICTIONS

For OCTP and Specific Investment Accounts, credit ratings will be applied at the time of purchase of a security and monitored for changes while owned. A downgrade subsequent to purchase in a security’s credit rating will not constitute a violation of the Policy. Securities that are downgraded below the minimum acceptable rating levels must be reviewed for possible sale by the County Investment Manager within a reasonable amount of time. The credit ratings referenced in this policy must be assigned by one of the following NRSROs: Standard & Poor’s Corporation (S&P), Moody’s Investors Service, Inc. (Moody’s) and Fitch Ratings (Fitch).

All investments, except those noted below in a) and b): 1) must have the minimum ratings required below by at least two NRSROs, and 2) the lowest rating of any NRSRO must meet or exceed the minimum rating required in the table below:

| NRSRO | Short-Term | Long-Term |
|----------------|-------------------|------------------|
| S&P | A-1 | AA |
| Moody’s | P-1/MIG 1/VMIG 1 | Aa |
| Fitch | F-1 | AA |

If an issuer of Long-term debt has a Short-term debt rating, then the Long-Term rating may not be less than the minimum required Short-term debt ratings in the table above.

Any issuer, and all related entities, that have been placed on “Credit Watch-Negative” or downgraded by a NRSRO will be placed on hold and current holdings reviewed for possible sale within a reasonable period of time unless the following criteria are met and are also approved in writing by the County Investment Manager prior to purchase:

The issuer has:

- (a) an A-1+ or F1+ short-term rating; and
- (b) at least an AA or Aa2 or higher long-term rating from each of the NRSROs that rate the issuer.

Exceptions to the Rating Policy above:

- a) Municipal debt issued by the County of Orange, California (as defined in Section VI.9), U.S. Government obligations (as defined in Section VI.1 and VI.2) and State Pool (as defined in Section VI.8), are exempt from the credit rating requirements listed above.
- b) Money Market Mutual funds satisfying the requirements of Section VI.7 and Investment Pools (as defined in Section VI.11) require the highest ranking or the highest letter and numerical rating provided by at least one NRSRO.

VIII. INVESTMENT TYPE, DIVERSIFICATION, MATURITY AND DURATION RESTRICTIONS

It is best practice to diversify the OCTP and Specific Investment Accounts. Investments diversification is required to minimize the risk of loss resulting from assets off a specific maturity, issuer or a specific class of securities. The diversification strategies shall be established by the County Investment Manager and periodically reviewed.

1. ISSUER CONCENTRATION

Only debt of issuers listed on the Approved Issuer List may be purchased. The following diversification limits will also apply at the time of purchase of a security.

| Investment Type | California Government Code | | | The Policy | | |
|--|----------------------------|---------------------------|--------------|--------------------------|---------------------|--------------|
| | Investment Limit | Issuer Limit | Max Maturity | Investment Limit | Issuer Limit | Max Maturity |
| U.S. Treasury Securities | 100% | None | 5 Years | 100% | None | 5 Years |
| U.S. Government Agency Securities (GSE's) | 100% | None | 5 Years | 100% | None | 5 Years |
| Municipal Debt | 100% | None | 5 Years | 20% | 5% except OC at 10% | 3 Years |
| Medium-Term Notes | 30% | None | 5 Years | 20% | 5% | 2 Years |
| Bankers Acceptances | 40% | 30% | 180 Days | 40% | 5% | 180 Days |
| Commercial Paper | 40% | 10% | 270 Days | 40% | 5% | 270 Days |
| Negotiable Certificates of Deposits | 30% | None | 5 Years | 20% | 5% | 18 months |
| State of California Local Agency Investment Fund | \$75 million per account | N/A | N/A | \$75 million per account | N/A | N/A |
| Repurchase Agreements | 100% | None | 1 Year | 20% | 10% | 180 Days |
| Money Market Mutual Funds (MMMMF) | 20% of total agency funds | 10% of total agency funds | N/A | 20% (same) | 10% (same) | N/A |
| Joint Power Authority Investment Pools (JPA) | 100% | None | N/A | 20% | 10% | N/A |
| Supranationals | 30% | None | 5 Years | 30% | 5% | 5 Years |

2. MATURITY

- a) The maximum maturity of any investment purchased will be five years with the exception of Specific Investment Accounts and any investment in the OCTP that is expressly authorized by the Board of Supervisors or the appropriate legislative body to be invested in longer than five-year maturities. The settlement date will be used as the date of purchase for measuring maturity limitations.
- b) For calculating the weighted average maturity of the portfolio, the maturity of a variable-rate security will be considered its next interest rate reset date, if there is a reasonable expectation that the security will maintain an approximate value of par upon each adjustment of the security's interest rate at any time until final maturity.

3. DURATION

The OCTP shall have a maximum duration of 1.50 years. There are no duration requirements for the Specific Investment Accounts.

IX. PROHIBITED TRANSACTIONS

All permitted investments shall conform in all respects with this Policy and applicable provisions of the Government Code, as may be amended from time to time. Investments prohibited by the Government Code are not permitted.

The County Investment Manager must approve in writing as soon as possible any investment transactions that violates a credit risk criterion or an allocation limitation. Thereafter, action shall be taken by the County Investment Manager to correct such matter as soon as practical. If an investment is in compliance at the time of purchase, a subsequent violation resulting from a change in market values will not constitute a violation of that restriction.

1. The following transactions are prohibited:

- a) Borrowing for investment purposes ("Leverage").
- b) Reverse Repurchase Agreements, as defined by Government Code Section 53601(j)(3) and (j)(4).
- c) Structured Notes (e.g. inverse floaters, leveraged floaters, structured certificates of deposit, equity-linked securities, event-linked securities). This includes all floating-rate, adjustable-rate or variable-rate securities in which a change in interest rates or other variables that can reasonably be foreseen to occur during their term would result in their market value not returning to par at the time of each interest rate adjustment.

Simple "floating rate notes," whose periodic coupon adjustment is based on a short-term (one-year or less) rate index (such as Treasury bills, federal funds, prime rate, or SOFR) and which have a reasonable expectation of maintaining a value of par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds or callable securities that otherwise meet the quality, maturity and percent limitations assigned to their respective security category, are exempt from this section.

- d) Structured Investment Vehicles (SIV).
- e) Derivatives (e.g., options, futures, swaps, swap options, spreads, straddles, caps, floors, collars).
- f) Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV).

X. ETHICS AND CONFLICT OF INTEREST

The County Investment Manager and all persons involved in the investment process shall refrain from personal business activity, which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. The County Investment Manager and investment personnel shall disclose to the applicable oversight body any material financial interests in financial institutions, broker dealers, and vendors (“Outside Entities”) that conduct business with the County of Orange and shall disclose any material financial investment positions in such Outside Entities.

1. STATEMENT OF ECONOMIC INTEREST FORM 700

County officers, public officials and all designated employees must annually file a Form 700 (Statement of Economic Interests) in accordance with the County’s Conflict-of-Interest Code.

2. COUNTY’S GIFT BAN ORDINANCE – SEC. 1-3-22 THE CODIFIED ORDINANCES, ORANGE COUNTY, CALIF.

The County’s Gift Ban Ordinance prohibits the receipt of specified gifts to the County officers, public officials and “designated employees” from business entities and individuals that “do business with the County” as that term is defined in the Ordinance. Under the Ordinance, the term “designated employee” includes every employee of the County who is designated in the County’s Conflict-of-Interest Code to file a Form 700 and every member of a board or commission under the jurisdiction of the Board of Supervisors required to file such a form. The County Investment Manager will review this list of “designated employees” periodically and submit any proposed changes to the Board of Supervisors for approval.

XI. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS

The County Investment Manager will maintain a list of broker/dealers and financial institutions authorized to provide investment and/or depository services and products. Any permitted investment, not purchased directly from an approved issuer, shall be purchased either from a “primary” or regional securities broker/dealer qualifying under SEC Rule 15c3-1(uniform net capital rule) and licensed by the state as a broker/dealer as defined in Section 25004 of the Corporations Code or a “well capitalized” national bank or Federal savings association as defined in Title 12 of the Code of Federal Regulations (CFR) Part 6.4 or a savings association or Federal association as defined by Section 5102 of the California Financial Code. To be eligible to receive local agency money, a bank, savings association, federal association or federally insured industrial loan company shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. Government Code sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to this section.

Broker/dealers must comply with the political contribution limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board. Any broker, brokerage, dealer, or securities firm that contributed to the County Investment Manager, Treasurer, any member of the Board of Supervisors, or any candidate for those offices, within any consecutive 48-month period, are prohibited from selection onto the list of authorized security broker/dealers.

The County Investment Manager shall conduct an annual review of each broker/dealer and financial institution's financial condition and registrations to determine whether it should remain on the approved broker/dealer list for investment and/or depository services and require annual audited financial statements to be on file for each firm. The County Investment Manager shall strive to open an application period every two years for all new broker/dealers and financial institutions submitting a questionnaire or being reviewed if an existing broker/dealer to determine if they should be added to or removed from the approved broker/dealer list. This detailed questionnaire is required to be completed by broker/dealers and financial institutions seeking to provide investment services.

The County Investment Manager shall annually send a copy of the current Policy to all broker/dealers and financial institutions approved to provide investment services to the County, and they shall notify the County Investment Manager in writing of receipt and that they have received it.

XII. PERFORMANCE EVALUATION

The County Investment Manager shall either coordinate with the Treasurer, or submit its own investment report to the pool participants, the County Executive Officer, the Director of Internal Audit, the Auditor-Controller and the Board of Supervisors. The investment reports shall be issued no less frequently than within 45 days of the end of the quarter.

The investment report shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program and shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held, and shall additionally include a description of any of the funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to securities held by the County Investment Manager, and under management any outside party that is not a local agency or LAIF, the report shall also include a current market value as of the date of the report and shall include the source of the valuation. The report shall also state compliance of the portfolio to the Policy, or the manner in which the portfolio is not in compliance. The investment report shall include a statement denoting the ability of the local agency to meet its pool expenditure requirements for the next six months, or an explanation as to why sufficient money shall, or may not be available.

The County Investment Manager shall provide financial information on investments for disclosure in the County's ACFR, in accordance with GASB Statements 31, 40, 72 and 84. In addition, the County Investment Manager shall either coordinate with the Treasurer, or submit its own report on monthly investment transactions to the Board of Supervisors.

XIII. SAFEKEEPING

All security transactions, including collateral for repurchase agreements, entered into by the County Investment Manager shall be conducted on a delivery-versus-payment (DVP) basis. All investments shall have the County of Orange and either the OCTP or the Specific Investment Account name as its registered owner except, if applicable, for municipal debt issued by the County of Orange through a private placement, in which case the name of the registered owner shall be determined by written agreement between the parties.

All securities shall be held by a third-party custodian designated by the Treasurer or applicable County officer (this does not apply to money market funds or investment pools). The third-

party custodian shall be required to issue a safekeeping statement to the Treasurer or applicable County officer listing the specific instrument, rate, maturity, and other pertinent information.

XIV. MAINTAINING THE PUBLIC TRUST

All participants in the investment process shall act as custodians of the public trust. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

XV. INTERNAL CONTROLS

The County Investment Manager shall establish a system of written internal controls, which will be reviewed annually with the County's independent (external) auditor. The controls shall be designed to prevent loss of public funds due to fraud, employee error, and misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the County Investment Manager. All agreements, statements, and investment trade packets will be subject to review annually by auditors in conjunction with their audit. The County Investment Manager shall evaluate audit reports in a timely manner with any applicable oversight body. Daily compliance of the investment portfolio shall be performed by the applicable County department. Compliance will be determined on a fair market value basis. Except for emergencies or previous authorization by the County Investment Manager, all investment transactions are to be entered daily into the appropriate Investment Accounting System.

1. INVESTMENT PROCEDURES

The County Investment Manager shall develop and maintain written administrative procedures for the operation of the investment program that are consistent with this Policy. Procedures will include reference to safekeeping, Master Repurchase Agreements, wire transfer agreements, collateral and depository agreements, banking service contracts, and other investment and banking related activities. Such procedures shall include explicit delegation of authority to personnel responsible for investment transactions.

The County Investment Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate investment related activities. No investment personnel may engage in an investment transaction except as provided under terms of this Policy and the procedures established by the County Investment Manager.

XVI. EARNINGS AND COSTS APPORTIONMENT

The County Investment Manager determines the interest earnings for the OCTP and then allocates them to each individual pool participant based upon their average daily balance.

Any authorized officer who invests, deposits or otherwise handles funds for public agencies for the purpose of earning interest or other income on such funds as permitted by law, may deduct from such interest or income, before distribution thereof, the actual administrative cost of such investing, depositing or handling of funds and of distribution of such interest or income, as authorized by Government Code Section 27013. Such cost reimbursement shall be paid into the county general fund. In addition, if applicable, the costs of compliance with Government Code section 27130, *et seq.* shall be included as an eligible administrative cost. The County Investment Manager shall annually prepare a proposed budget revenue estimate and estimated

basis fee charge of this investment administrative fee charged in accordance with Government Code Section 27013. The County Investment Manager must annually reconcile the estimated charges and actual costs incurred and adjust participant accounts accordingly.

Investment earnings, including any gains or losses, less the above estimated fee charge will be allocated to the pool participants on at least a quarterly basis. The applicable investment report will state the current estimated investment administrative fee charged to participants.

XVII. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs, while focusing on, in order of importance, preservation of capital, liquidity and yield.

The investment strategy is to manage the portfolios with less risk than a comparable benchmark index while using economies of scale to administer the program at a reasonable cost. The County Investment Manager shall determine whether market yields are achieved using the indices most comparable to the fund, such as money rate data published in Barron's, The Wall Street Journal, Bloomberg, the local government investment pool index or other bond fund indices. The standards enumerated herein do not constitute a guarantee of the fund's performance.

The County Investment Manager's investment strategy is to hold purchased securities until maturity. Changing economic conditions, interest rates, and credit quality may dictate a sale in advance to minimize market and credit risks or enhance yield. Such sales should consider the short- and long-term impact on the portfolio. The County Investment Manager must approve in advance the sale of all securities prior to maturity.

XVIII. INVESTMENT POLICY REVIEW

This Policy shall be reviewed on an annual basis by the County Investment Manager and any applicable oversight body. The Policy shall be submitted annually to the Board as a receive and file item as part of the County's Strategic Financial Plan. However, any changes to the Policy shall be presented for review and approval by the Board of Supervisors.

XIX. FINANCIAL REPORTING

All applicable investment reports and all investment compliance Audit Reports shall be provided to the Orange County Board of Supervisors, the County Executive Officer, the Chief Financial Officer, the Director of Internal Audit, the Auditor-Controller, any applicable oversight body, and the presiding judge of the Superior Court. All reports filed by the County Investment Manager shall, among other matters, state compliance of the portfolio with the Policy, or the manner in which the portfolio is not in compliance. A statement will also be filed by the denoting the ability of OCTP to meet its expenditure requirements for the next six months or provide an explanation of why sufficient money may not be available.

XX. LEGISLATIVE CHANGES

Any State of California law that further restricts allowable maturities, investment type, percentage allocations, or any other provision of this Policy will, upon effectiveness, be incorporated into this Policy and supersede any and all previous applicable language.

XXI. DISASTER RECOVERY PROGRAM

The Disaster Plan includes critical phone numbers and addresses of key treasury and investment personnel as well as currently approved bankers and broker/dealers. The Disaster Plan is distributed to key County and investment personnel. The plan provides for an offsite location to be communicated at the time of readiness if our offices are uninhabitable. In the event the County Investment Manager or authorized staff is unable to invest the portfolio, the Treasurer, or applicable County officer, has an agreement with the custodian for a daily sweep of uninvested cash with the custody bank into a money market mutual fund. Until normal operations of the County Investment Manager's office have been restored, the limitations on the size of an individual issuer and the percentage restrictions by investment type would be allowed to exceed those approved in this Policy and would be required to be reported to the Board of Supervisors and pool participants in a timely manner.

XXII. INVESTMENT POLICY GLOSSARY

This Glossary is for general reference purposes only and does not constitute an exhaustive or exclusive list of terms and definitions applicable to this Investment Policy. The definitions included herein do not modify any of the terms of this Investment Policy or applicable law.

ACCREDITED INVESTOR: Defined in the Code of Federal Regulations (CFR) 230.501 (a)(9) as any entity, including a government body that owns “investments”, as defined in the CFR 270.2A51 - 1(b)(7)(i), such as cash and cash equivalents, for investment purposes under the Investment Company Act in excess of \$5 million.

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

ADJUSTABLE RATE NOTE: (See Floating Rate Note)

AGENCY SECURITIES: (See U.S. Government Agency Securities)

AMORTIZATION: The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

AVERAGE LIFE: The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

ASKED PRICE: The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): (See Receivable-Backed Securities)

BANKERS' ACCEPTANCE (BA): Negotiable money market instruments issued primarily to finance international trade. These are time drafts in which a bank “accepts” as its financial responsibility to pay the principal at maturity even if the importer does not. In essence, these are bank obligations collateralized by goods being shipped between an exporter and an importer.

BASIS POINT: When a yield is expressed as 7.32%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most money market securities are “delivered” to an investor’s custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together and is compensated for his/her service.

CALLABLE BONDS: Bonds that may be redeemed by the issuing company prior to the maturity date.

CALL PRICE: The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a capital asset.

COUNTY INVESTMENT MANAGER: The County official or individual authorized by the Board of Supervisors to invest the funds of the County and the funds of other depositors in the County treasury.

CERTIFICATE OF DEPOSIT (CD or NCD): A deposit of funds at a bank for a specified period of time that earns interest at a specified rate. Commonly known as "CDs" or "negotiable CDs."

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public moneys.

COMMERCIAL PAPER (CP): Short-term unsecured promissory notes issued by corporations for maturities of 270 days or less.

CONSUMER RECEIVABLE-BACKED BONDS: (See Receivable-Backed Securities)

CONVEXITY: A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

CREDIT OUTLOOK: (See Rating Outlook)

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized statistical rating organizations.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CREDIT WATCH: indicates that a company's credit is under review and credit ratings are subject to change.

*+ (positive) Credit is under review for possible upgrade.

*- (negative) Credit is under review for possible downgrade.

* Credit is under review, direction uncertain.

COUPON: The rate at which a bond pays interest.

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for

his own account.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE: A security whose interest rate of principal amount may vary and are determined by a market index or a combination of market indexes.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the “average maturity” of an investment portfolio using each investment’s maturity weighted by the size of that investment.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FEDERAL FUNDS RATE: Interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. A target rate is set by the FOMC.

FEDERAL OPEN MARKET COMMITTEE (FOMC): This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system, which has supervisory powers over the 12 Federal Reserve banks and about 6,000 member banks.

FITCH, INC: (see Nationally Recognized Statistical Rating Organization)

FIXED-INCOME SECURITIES: Securities that return a fixed income over a specified period.

FLOATING RATE NOTE: A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, Secured Overnight Financing Rate (SOFR), etc.).

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTERNAL CONTORLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

INVESTMENT COMPANY ACT OF 1940: Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

LOCAL AGENCY: County, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

MARK-TO-MARKET: The market valuation for every security in a portfolio used in determining Net Asset Value (NAV).

MARKET RISK: The risk that changes in overall market conditions or interest rate may adversely affect current market prices.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract between the parties of a repurchase agreement establishing each party's rights in all current and future transactions until termination of the contract by either party.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Debt securities issued by a corporation or depository institution with a maturity ranging from nine months to five years. The term "medium-term note" refers to the time it takes for an obligation to mature, and includes other corporate debt securities originally issued for maturities longer than five years, but which have now fallen within the five- year maturity range. MTNs issued by banks are also called "bank notes."

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invest in a variety of short-term money market instruments

MOODY'S INVESTORS SERVICE, INC: (See Nationally Recognized Rating Services)

MUNICIPAL DEBT: Bonds, notes and other securities issued by a state, municipality or county.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.). The primary rating agencies are the following: Standard & Poor's Corporation; Moody's Investor Services, Inc.; and Fitch, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): A per-share valuation of a mutual fund based on total assets minus total liabilities.

NON-CALLABLE: Bond that cannot be called at the option of the issuer.

OFFER PRICE: The price asked by a seller of securities.

PAR or PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a physical certificate and/or supporting documents evidencing the investment (as opposed to “book entry” delivery).

PORTFOLIO: A group of securities held by an individual or institutional investor.

PREMIUM: The difference between the par value of a bond and the market value of the bond, when the market value is above par.

PRICE RISK: The risk that the price of a bond sold prior to maturity will be less than the price at which the bond was originally purchased.

PRIMARY DEALER: Banks and securities brokerages authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its execution of Federal Open Market Operations.

PRIME RATE: The base rate that banks use in pricing commercial loans to their best and most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PROSPECTUS: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information of the issuer, the issuer’s business, the proposed use of proceeds, the experience of the issuer’s management, and certain certified financial statements.

QUALIFIED INSTITUTIONAL BUYER (QIB): Defined in CFR Section 230.144A as a class of investors that can be conclusively assumed to be sophisticated and in little need of the protection afforded by the Securities Act’s registration provisions. They must own and invest on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the QIB to qualify for qualified institutional buyer status. This includes any institutional investors included in the accredited investor definition, provided they satisfy the \$100 million threshold.

RATING OUTLOOK: The potential direction of the credit rating assigned by a NRSRO for a specific company.

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

RECEIVABLE-BACKED SECURITIES: Securities collateralized with consumer receivables, such as automobile loans, credit card receivables, or home equity loans, which are owned by the issuer, but placed with a trustee for the benefit of the investor.

RECEIVABLE PASS-THROUGH CERTIFICATE: A debt obligation that is backed by a portfolio of receivables, normally issued by a bank or financial institution. The interest and principal of the obligation is paid out of the cash flow generated by the receivables portfolio.

REFUNDED BOND: A bond secured by an escrow fund that is sufficient to pay off the entire issue of bonds at the next call date (pre-funded) or maturity (escrowed to maturity).

REGISTERED STATE WARRANT: A short-term obligation of a state governmental body issued in anticipation of revenue.

REPURCHASE AGREEMENT (REPO): The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.

RULE 2a-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards.

RULE G-37 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

SAFEKEEPING: Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SINKING FUND: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

STANDARD & POOR'S CORPORATION: (See Nationally Recognized Rating Services)

STRUCTURED INVESTMENT VEHICLE (SIV): A pool of investment assets that attempts to profit from credit spreads between short-term debt and long-term structured finance products such as asset-backed securities (ABS). Funding for SIVs comes from the issuance of commercial paper that is continuously renewed or rolled over; the proceeds are then invested in longer maturity assets that have less liquidity but pay higher yields. SIVs often employ great amounts of leverage to generate returns.

SUPRANATIONAL: An entity that is formed by two or more central governments with the purpose of promoting economic development for the member countries. Examples include the International Bank for Reconstruction and Development, International Finance Corporation, and the Inter-American Development Bank.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period.

$$(\text{Price appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$$

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

U. S. GOVERNMENT AGENCY SECURITIES: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), Federal National Mortgage Association (FNMA or Fannie Mae), Federal Farm Credit Banks (FFCB) and Tennessee Valley Authority (TVA).

U.S. TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities with maturities under one year issued by the U.S. Treasury to finance the national debt.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from date of issue.

Treasury bonds: interest-bearing obligations issued by the U.S. Treasury with maturities that range from ten to thirty years from date of issue.

UNIFORM NET CAPITAL RULE: SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

VARIABLE RATE NOTE: (See Floating Rate Note)

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

WEIGHTED AVERAGE MATURITY (WAM): The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 60 days and no one security may have a maturity that exceeds 397 days.

WHEN ISSUED (WI): A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

YIELD: The annual rate of return on a debt investment computed as though held to maturity expressed as a percentage.

YIELD TO CALL (YTC): The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

ZERO-COUPON BONDS/U.S. TREASURY STRIPS: A bond which represents ownership of a single coupon or principal payment due on a U.S. Treasury bond. Zeros or strips mature at face value at a specified date in the future and make no payments until that date. They always sell at a discount from face value.