
**SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY
CENTRAL UTILITY FACILITY
LEASE REVENUE BONDS, SERIES 2016**

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

Dated February 25, 2025

Series 2016 CUSIP Numbers

839097AH5	839097AM4	839097AR3	839097AV4	839097AZ5
839097AJ1	839097AN2	839097AS1	839097AW2	839097BA9
839097AK8	839097AP7	839097AT9	839097AX0	839097BB7
839097AL6	839097AQ5	839097AU6	839097AY8	839097BC5

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

**South Orange County Public Financing Authority
Central Utility Facility
Lease Revenue Bonds, Series 2016
Annual Report
For Fiscal Year Ended June 30, 2024**

Table of Contents

INTRODUCTION..... 1

SECTION 4 – CONTENT OF ANNUAL REPORT 2

A. Audited Financial Statements for Fiscal Year Ended June 30, 2024 2

B. Financial and Operating Data..... 2

 1. Final Budget of the County for the Current Fiscal Year 2

 2. Numerical and Tabular Information 3

 A. County Financial Information – Tables A-3 through A-5, Tables A-8 through A-10
 and Tables A-12 through A-20 3

 B. Investment Policy 15

CERTAIN DISCLAIMERS..... 16

EXHIBIT

Exhibit A – County of Orange Annual Comprehensive Financial Report

Exhibit B – County of Orange Investment Policy

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:

South Orange County Public Financing Authority, Central Utility Facility Lease Revenue Bonds, Series 2016, dated June 2, 2016 (the "Bonds").

Annual Report:

The County's Annual Report required by the Continuing Disclosure Certificate (the "Disclosure Certificate") dated June 2, 2016 with respect to the Bonds 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 Certificate. 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

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

**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 Statement 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
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
LARGEST 2024-25 LOCAL SECURED TAXPAYERS

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 TEN 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

Ratios to 2023-24 Assessed Valuation:

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%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$93,326,949,747):

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)
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)

	2020-21	2021-22	2022-23	2023-24
Annual Required Contribution	(1)	(1)	(1)	(1)
Interest on Net OPEB Obligation	(1)	(1)	(1)	(1)
Amortization of Net OPEB Obligation	(1)	(1)	(1)	(1)
Annual OPEB Cost	(1)	(1)	(1)	(1)
Contributions Made	(1)	(1)	(1)	(1)
Decrease/(Increase) in Net OPEB Asset	(1)	(1)	(1)	(1)
Net OPEB Obligation/(Asset), Beginning of year	(1)	(1)	(1)	(1)
Net OPEB Obligation/(Asset), End of year	(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 South Orange County Public Financing Authority (“SOCPFA”) undertakes no responsibility to oppose any revision or withdrawal of such information contained in this Annual Report.

To the extent the County or the SOCPFA provides information in this Annual Report, the County and the SOCPFA are not obligated to present or update information in future Annual Reports. Investors are advised to refer to the Official Statement 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 SOCPFA 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 Statement, (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 SOCPFA 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 SOCPFA.

No statement contained in this Annual Report should be construed as a prediction or representation about future financial performance of the County and the SOCPFA. 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

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal 1
GFOA Certificate of Achievement for Excellence in Financial Reporting 14
Organizational Chart 15

FINANCIAL SECTION

Independent Auditor’s Report 16
Management’s Discussion and Analysis (Unaudited Required Supplementary Information) 20
Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position 40
 Statement of Activities 42
 Fund Financial Statements:
 Governmental Fund Financial Statements:
 Balance Sheet 44
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position 46
 Statement of Revenues, Expenditures, and Changes in
 Fund Balances 48
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures, and Changes in Fund Balances to the Statement of Activities 50
 Budgetary Comparison Statements:
 General Fund 52
 Flood Control District 53
 Other Public Protection..... 54
 Mental Health Services Act 55
 Proprietary Fund Financial Statements:
 Statement of Net Position 56
 Statement of Revenues, Expenses, and Changes in Fund Net Position 58
 Statement of Cash Flows 59
 Fiduciary Fund Financial Statements:
 Statement of Fiduciary Net Position 61
 Statement of Changes in Fiduciary Net Position 62
Notes to the Basic Financial Statements:
 1. Summary of Significant Accounting Policies 63
 2. Change Within the Financial Reporting Entity 84
 3. Deficit Fund Equity 84
 4. Cash and Investments 85
 5. Receivables 107
 6. Changes in Capital Assets 109
 7. Public-Private and Public-Public Partnerships (PPP) 111
 8. Interfund Receivables and Payables 113
 9. Interfund Transfers 114

FINANCIAL SECTION (Continued)

Basic Financial Statements (Continued):

Notes to the Basic Financial Statements (Continued):

10. Long-Term Obligations	116
11. Conduit Debt Obligations and Successor Agency Debt	123
12. Leases	123
13. Subscription-Based Information Technology Arrangements (SBITA)	128
14. Landfill Site Closure and Postclosure Care Costs	129
15. Construction and Other Significant Commitments	130
16. Self-Insurance	133
17. Pollution Remediation	134
18. Retirement Plans	138
19. Other Postemployment Benefits.....	150
20. Deferred Outflows and Inflows of Resources.....	161
21. Contingencies	162
22. Subsequent Events	162

Required Supplementary Information (Unaudited):

Orange County Employees Retirement System (OCERS):

Schedule of County's Proportionate Share of the Net Pension Liability.....	164
Schedule of County Contributions	164

Orange County Extra-Help Defined Benefit Plan:

Schedule of County's Proportionate Share of the Net Pension Liability/(Asset).....	166
Schedule of Collective Plan Contributions	166
Schedule of County Contributions	166
Schedule of Changes in the Collective Plan Net Pension Liability/(Asset) and Related Ratios	168
Schedule of Investment Returns	168
Notes to Schedule	170

Orange County Retiree Medical Plan:

Schedule of Changes in the Collective Plan Net OPEB Liability and Related Ratios	171
Schedule of Investment Returns	171
Schedule of County's Proportionate Share of the Net OPEB Liability.....	173
Schedule of Collective Plan Contributions	173
Schedule of County Contributions	173
Notes to Schedule	175

Supplemental Information:

Budgetary Comparison Schedule:

Countywide Capital Projects Non-General Fund	176
--	-----

Nonmajor Governmental Funds:

Nonmajor Governmental Funds Description	177
Combining Balance Sheet	181
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	187

Budgetary Comparison Schedules:

Special Revenue	193
Debt Service	198
Capital Projects	199
Permanent Fund	200

FINANCIAL SECTION (Continued)

Supplemental Information (Continued):

Internal Service Funds:

Internal Service Funds Descriptions	201
Combining Statement of Net Position	202
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	204
Combining Statement of Cash Flows	206

Fiduciary Funds:

Fiduciary Funds Descriptions	208
Combining Statement of Fiduciary Net Position-Private-Purpose Trust Funds	211
Combining Statement of Changes in Fiduciary Net Position-Private-Purpose Trust Funds	212
Combining Statement of Fiduciary Net Position-Investment Trust Funds	213
Combining Statement of Changes in Fiduciary Net Position-Investment Trust Funds	214
Combining Statement of Fiduciary Net Position-Pension and Other Postemployment Benefits Trust Funds	215
Combining Statement of Changes in Fiduciary Net Position-Pension and Other Postemployment Benefits Trust Funds	217
Combining Statement of Fiduciary Net Position-Custodial Funds	219
Combining Statement of Changes in Fiduciary Net Position-Custodial Funds	220

STATISTICAL SECTION

Financial Trends:

Introduction	221
Net Position by Component	222
Changes in Net Position	224
Fund Balances, Governmental Funds	228
Changes in Fund Balances of Governmental Funds	230

Revenue Capacity:

Assessed Value of Taxable Property	232
Direct and Overlapping Property Tax Rates	234
Principal Property Taxpayers	235
Property Tax Levies and Collections	236

Debt Capacity:

Ratios of Outstanding Debt by Type	237
Ratios of Net General Bonded Debt Outstanding	239
Legal Debt Margin as a Percentage of Debt Limit	240
Pledged Revenue Coverage	241

Economic and Demographic Information:

Demographic and Economic Statistics	242
Principal Employers	243

Operating Information:

Full-time Equivalent County Employees by Function.....	244
Operating Indicators by Function/Program	245
Capital Assets Statistics by Function	249





**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

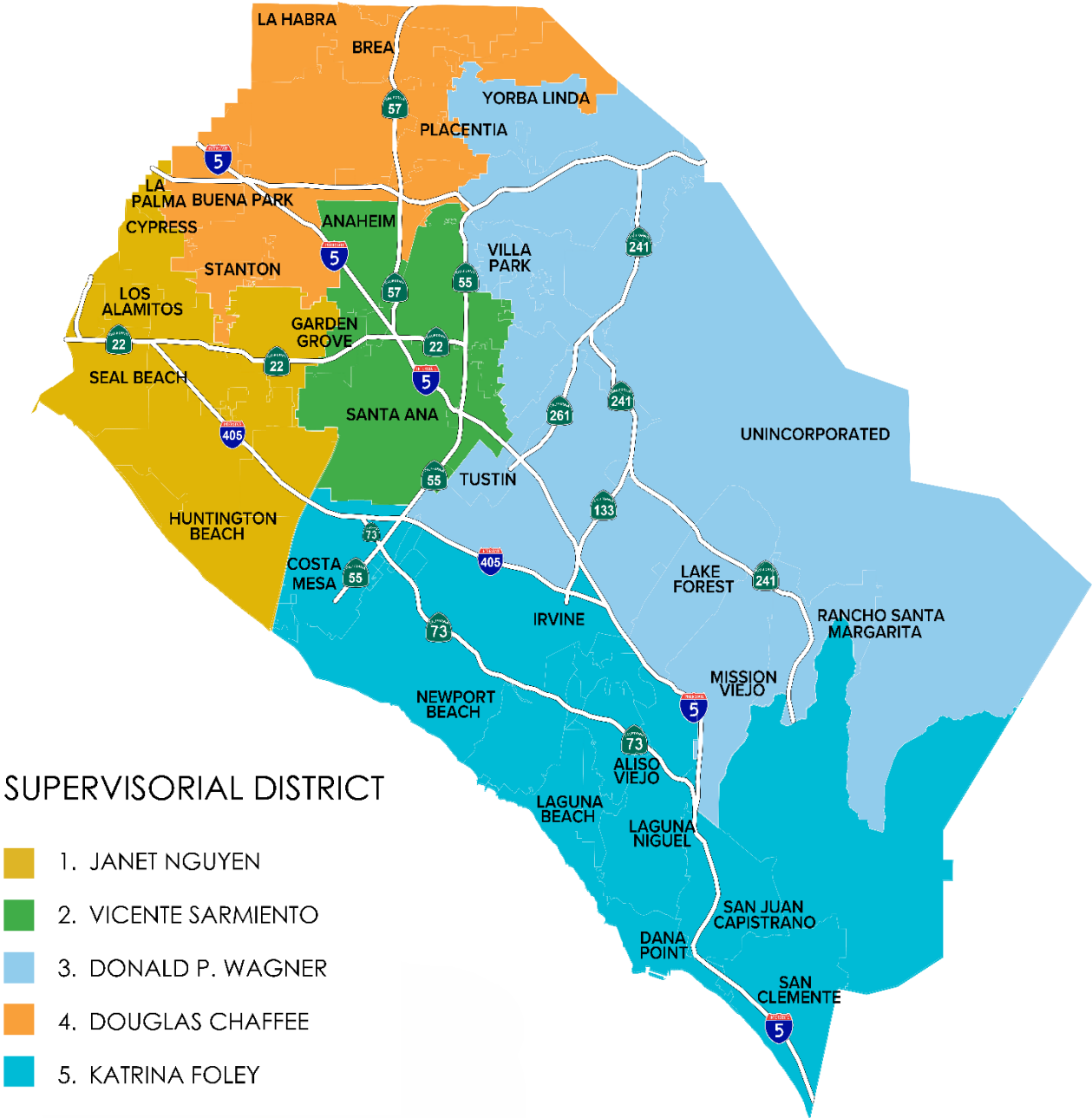
The County, incorporated in 1889 and located in the southern part of the State of California, is one of the major metropolitan areas in the state and nation. The County occupies a land area of 798 square miles with a coastline of 42 miles serving a population of over 3 million. It represents the third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

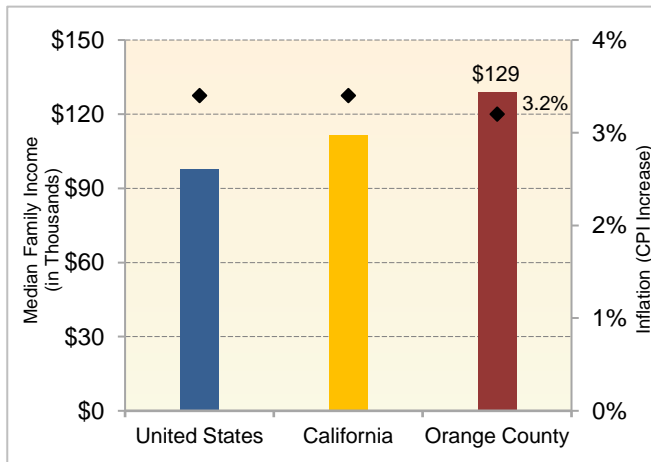
According to the Department of Housing and Urban Development, the County’s median family income is expected to be \$129,000 (absolute dollars) in 2024, compared to \$127,800 (absolute dollars) in 2023. The median family income in the County continues to exceed all surrounding Southern California counties,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

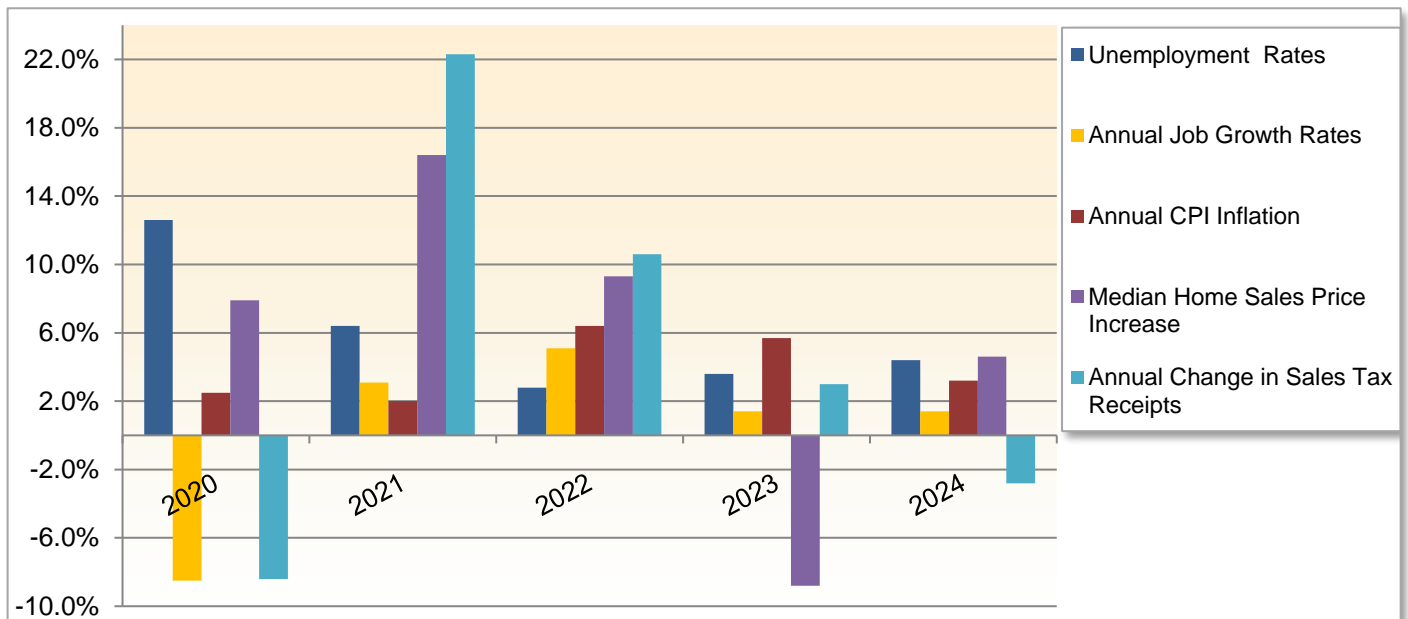
Table 5 shows various internal indicators reflecting a slight decline in the County’s economy. The unemployment rate increased from 3.6% in July 2023 to 4.4% in July 2024. According to the April 2024 UCLA Anderson Forecast, job growth is expected to increase at 1.4% in 2024; median home sales price for 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

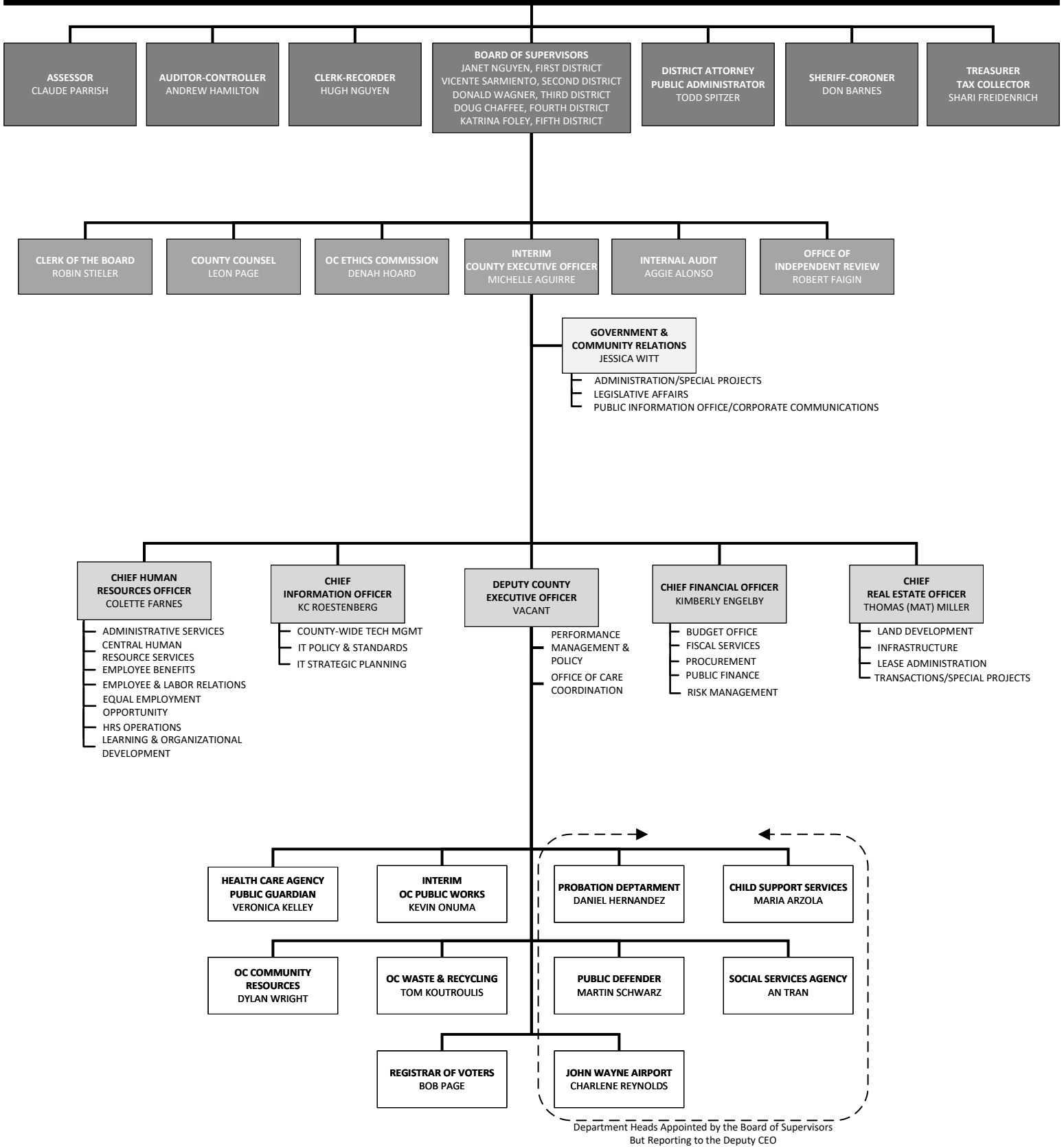
Executive Director/CEO



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:

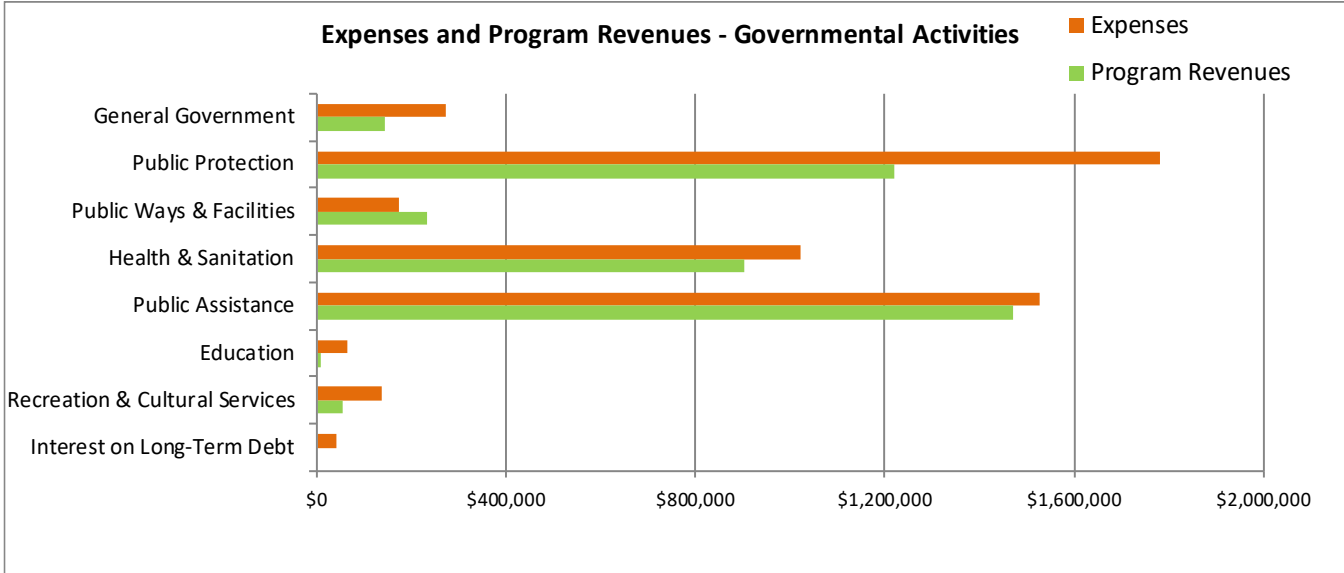
Revenues

- 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).

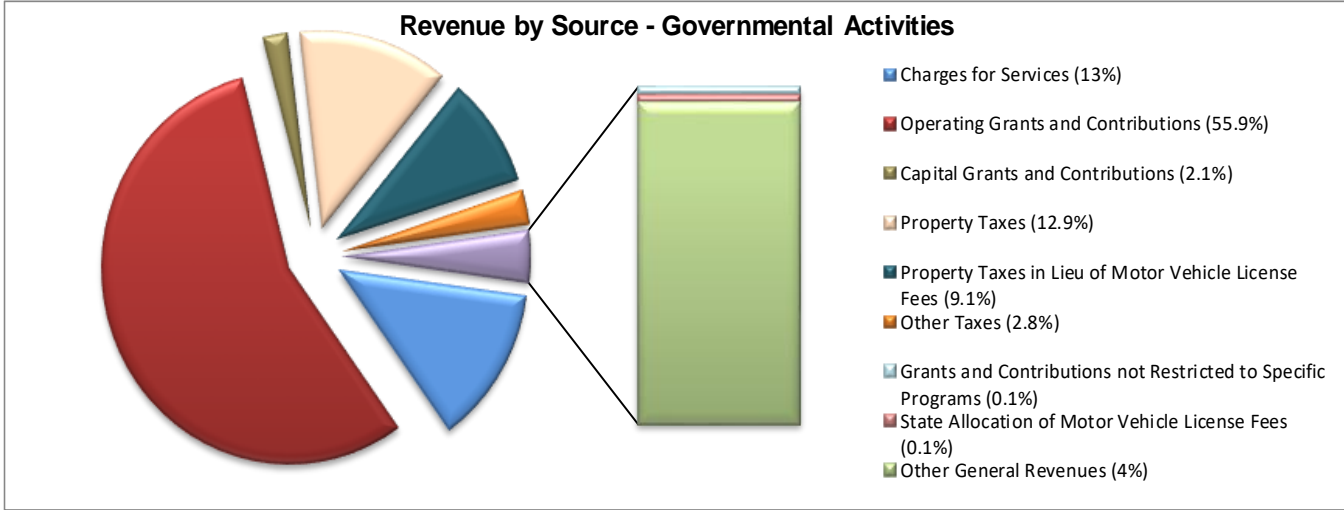
Expenses

- 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:



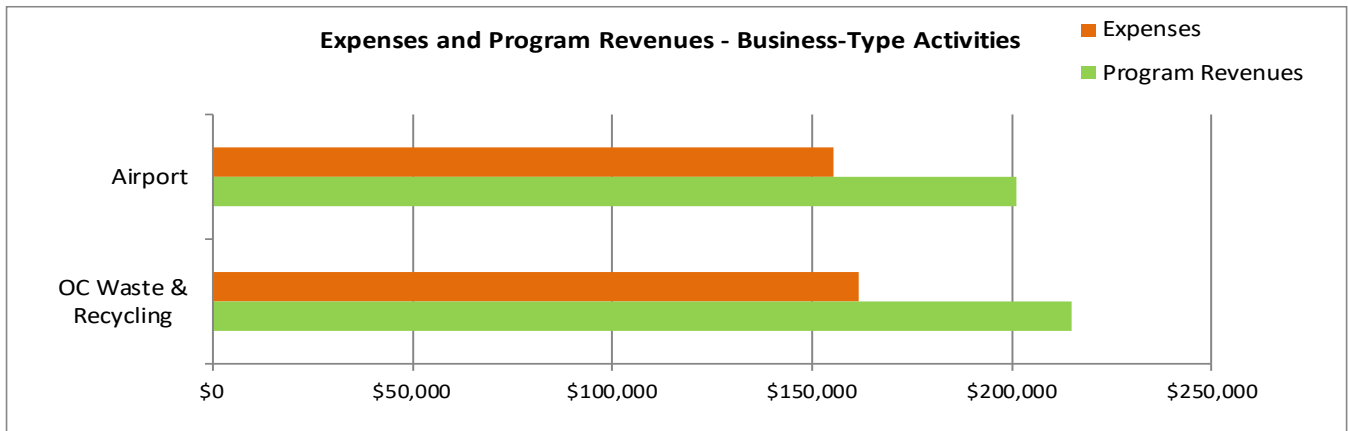
The chart below presents the percentage of total revenues by source for governmental activities:



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.

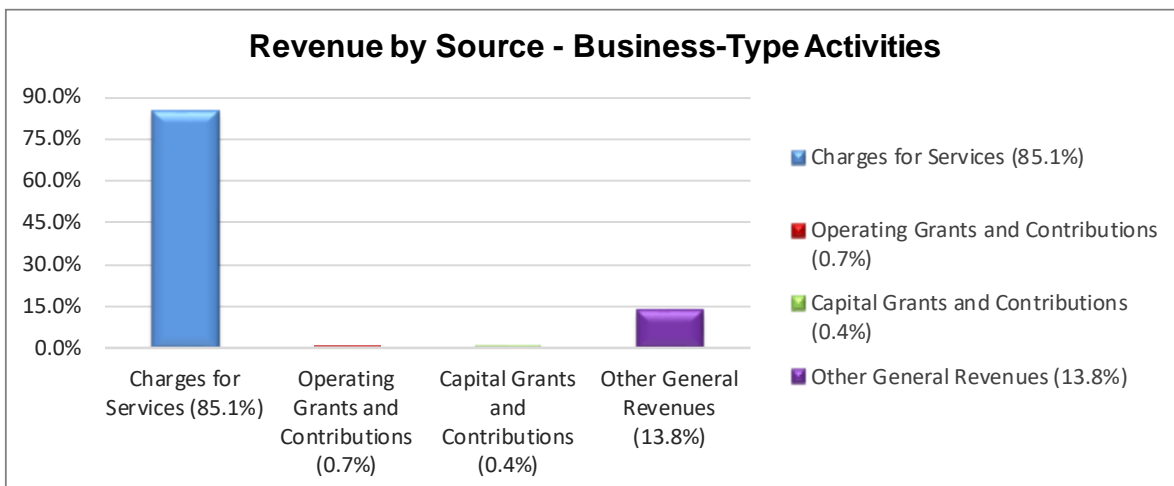
The following chart displays expenses and the associated program revenues by function for the business-type activities (major enterprise funds):



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	319,686	174,305	303,044	295,594	16,642	(121,289)
Countywide Capital Projects						
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			Expenses		Change in	
	and Transfers			and Transfers		Fund Net Position	
	<u>2024</u>	<u>2023</u>		<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)
	2024	2023	2024	2023	2024	2023	% Change
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.





**JOHN WAYNE
ORANGE COUNTY
(SNA)**





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

DEFERRED INFLOWS OF RESOURCES

Total Deferred Inflows of Resources

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

FUND BALANCES

Nonspendable
Restricted
Assigned
Unassigned
Total Fund Balances

Total Liabilities, Deferred Inflows of Resources,
and Fund Balances

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

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)	(5,409,665)

Net Position of Governmental Activities	<u><u>\$ 4,770,586</u></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><td></td><td><u>24,753</u></td><td></td><td><u>1,010,487</u></td><td></td><td><u>5,647,097</u></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		<u>24,753</u>		<u>1,010,487</u>		<u>5,647,097</u>	<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><td></td><td><u>1,010,487</u></td><td></td><td><u>5,647,097</u></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		<u>1,010,487</u>		<u>5,647,097</u>	<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><td></td><td><u>5,647,097</u></td></tr> </table>	\$	1,353,672		30,305		69,303		286,099		3,231,126		616,227		60,365		<u>5,647,097</u>	<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																																																																																														
	<u>24,753</u>		<u>1,010,487</u>		<u>5,647,097</u>																																																																																														
\$	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																																																																																																
	<u>1,010,487</u>		<u>5,647,097</u>																																																																																																
\$	1,353,672																																																																																																		
	30,305																																																																																																		
	69,303																																																																																																		
	286,099																																																																																																		
	3,231,126																																																																																																		
	616,227																																																																																																		
	60,365																																																																																																		
	<u>5,647,097</u>																																																																																																		
<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><td><u>69,291</u></td><td><u>878,202</u></td><td><u>5,564,328</u></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	<u>69,291</u>	<u>878,202</u>	<u>5,564,328</u>	<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><td><u>69,291</u></td><td><u>878,202</u></td><td><u>5,564,328</u></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	<u>69,291</u>	<u>878,202</u>	<u>5,564,328</u>	<table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">301,362</td></tr> <tr><td>--</td><td>1,798,194</td></tr> <tr><td>--</td><td>149,194</td></tr> <tr><td>--</td><td>1,034,393</td></tr> <tr><td>--</td><td>1,524,175</td></tr> <tr><td>--</td><td>59,737</td></tr> <tr><td>--</td><td>126,825</td></tr> <tr><td>69,291</td><td>325,400</td></tr> <tr><td>--</td><td>203,482</td></tr> <tr><td>--</td><td>41,566</td></tr> <tr><td><u>69,291</u></td><td><u>5,564,328</u></td></tr> </table>	--	301,362	--	1,798,194	--	149,194	--	1,034,393	--	1,524,175	--	59,737	--	126,825	69,291	325,400	--	203,482	--	41,566	<u>69,291</u>	<u>5,564,328</u>	<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																																																																																																	
<u>69,291</u>	<u>878,202</u>	<u>5,564,328</u>																																																																																																	
--	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																																																																																																	
<u>69,291</u>	<u>878,202</u>	<u>5,564,328</u>																																																																																																	
--	301,362																																																																																																		
--	1,798,194																																																																																																		
--	149,194																																																																																																		
--	1,034,393																																																																																																		
--	1,524,175																																																																																																		
--	59,737																																																																																																		
--	126,825																																																																																																		
69,291	325,400																																																																																																		
--	203,482																																																																																																		
--	41,566																																																																																																		
<u>69,291</u>	<u>5,564,328</u>																																																																																																		
<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%;">82,769</td></tr> </table>	(44,538)	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)	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><td><u>455,604</u></td><td><u>59,013</u></td><td><u>203,502</u></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	<u>455,604</u>	<u>59,013</u>	<u>203,502</u>	<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><td><u>455,604</u></td><td><u>59,013</u></td><td><u>203,502</u></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	<u>455,604</u>	<u>59,013</u>	<u>203,502</u>	<table border="0" style="width: 100%;"> <tr><td style="width: 10%;">490,283</td><td style="width: 10%;">1,482,013</td></tr> <tr><td>(34,679)</td><td>(1,486,248)</td></tr> <tr><td>--</td><td>89,004</td></tr> <tr><td>--</td><td>70,721</td></tr> <tr><td>--</td><td>48,012</td></tr> <tr><td><u>455,604</u></td><td><u>203,502</u></td></tr> </table>	490,283	1,482,013	(34,679)	(1,486,248)	--	89,004	--	70,721	--	48,012	<u>455,604</u>	<u>203,502</u>	<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																																																																																																	
<u>455,604</u>	<u>59,013</u>	<u>203,502</u>																																																																																																	
490,283	342,032	1,482,013																																																																																																	
(34,679)	(372,535)	(1,486,248)																																																																																																	
--	89,004	89,004																																																																																																	
--	439	70,721																																																																																																	
--	73	48,012																																																																																																	
<u>455,604</u>	<u>59,013</u>	<u>203,502</u>																																																																																																	
490,283	1,482,013																																																																																																		
(34,679)	(1,486,248)																																																																																																		
--	89,004																																																																																																		
--	70,721																																																																																																		
--	48,012																																																																																																		
<u>455,604</u>	<u>203,502</u>																																																																																																		
<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%;">286,271</td></tr> </table>	411,066	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	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><u>214,386</u></td><td><u>(214,386)</u></td><td><u>--</u></td></tr> <tr><td><u>214,386</u></td><td><u>1,047,806</u></td><td><u>3,733,966</u></td></tr> <tr><td><u>\$ 625,452</u></td><td><u>\$ 1,239,104</u></td><td><u>\$ 4,020,237</u></td></tr> </table>	--	1,262,192	3,733,966	<u>214,386</u>	<u>(214,386)</u>	<u>--</u>	<u>214,386</u>	<u>1,047,806</u>	<u>3,733,966</u>	<u>\$ 625,452</u>	<u>\$ 1,239,104</u>	<u>\$ 4,020,237</u>	<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><u>214,386</u></td><td><u>(214,386)</u></td><td><u>--</u></td></tr> <tr><td><u>214,386</u></td><td><u>1,047,806</u></td><td><u>3,733,966</u></td></tr> <tr><td><u>\$ 625,452</u></td><td><u>\$ 1,239,104</u></td><td><u>\$ 4,020,237</u></td></tr> </table>	--	1,262,192	3,733,966	<u>214,386</u>	<u>(214,386)</u>	<u>--</u>	<u>214,386</u>	<u>1,047,806</u>	<u>3,733,966</u>	<u>\$ 625,452</u>	<u>\$ 1,239,104</u>	<u>\$ 4,020,237</u>	<table border="0" style="width: 100%;"> <tr><td style="width: 10%;">--</td><td style="width: 10%;">3,733,966</td></tr> <tr><td><u>214,386</u></td><td><u>--</u></td></tr> <tr><td><u>214,386</u></td><td><u>3,733,966</u></td></tr> <tr><td><u>\$ 625,452</u></td><td><u>\$ 4,020,237</u></td></tr> </table>	--	3,733,966	<u>214,386</u>	<u>--</u>	<u>214,386</u>	<u>3,733,966</u>	<u>\$ 625,452</u>	<u>\$ 4,020,237</u>	<p>Fund Balances-End of Year</p>																																																																
--	1,262,192	3,733,966																																																																																																	
<u>214,386</u>	<u>(214,386)</u>	<u>--</u>																																																																																																	
<u>214,386</u>	<u>1,047,806</u>	<u>3,733,966</u>																																																																																																	
<u>\$ 625,452</u>	<u>\$ 1,239,104</u>	<u>\$ 4,020,237</u>																																																																																																	
--	1,262,192	3,733,966																																																																																																	
<u>214,386</u>	<u>(214,386)</u>	<u>--</u>																																																																																																	
<u>214,386</u>	<u>1,047,806</u>	<u>3,733,966</u>																																																																																																	
<u>\$ 625,452</u>	<u>\$ 1,239,104</u>	<u>\$ 4,020,237</u>																																																																																																	
--	3,733,966																																																																																																		
<u>214,386</u>	<u>--</u>																																																																																																		
<u>214,386</u>	<u>3,733,966</u>																																																																																																		
<u>\$ 625,452</u>	<u>\$ 4,020,237</u>																																																																																																		

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><u>\$ 656,719</u></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>	

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)

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	28,883	92,231	--	121,114	95,488
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	41,705	263,340	--	305,045	254,526
Total Liabilities	70,588	355,571	--	426,159	350,014
DEFERRED INFLOWS OF RESOURCES					
	87,458	8,568	--	96,026	2,834
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	362,208	489,443	1,181	852,832	41,178
Total Net Position	\$ 974,842	\$ 943,106	\$ 1,181	1,919,129	\$ 112,299
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				(18,549)	
Net Position of Business-Type Activities				\$ 1,897,456	

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	89,992	9,207,984	20,419,716	468,520
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
Annual Comprehensive Financial Report
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	160,213	--	--	--	625,452	135,080	920,745
Unassigned	905,908	--	--	--	--	(4,022)	901,886
Total Unassigned Fund Balance	905,908	--	--	--	--	(4,022)	901,886
Total Fund Balances	\$ 1,288,572	\$ 533,594	\$ 201,749	\$ 131,766	\$ 625,452	\$ 1,239,104	\$ 4,020,237

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)
OCIF-OCTP				
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>			
OCIF-Specific Investments				
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>			
OCIF-Specific Investments-Bond Proceeds Account				
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>			
With Trustees				
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 AAAf 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

	OCIP	OCEIP	Total
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

	OCIP	OCEIP	Total
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

	OCIP	OCEIP	Total
Assets			
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>
Liabilities			
Due to Other Governmental Agencies	33	--	33
Total Liabilities	<u>33</u>	<u>--</u>	<u>33</u>
Net Position			
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

	OCIP	OCEIP	Total
Additions:			
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>
Deductions:			
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	<u>\$ 13,446</u>		<u>\$ 2,427</u>	

(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	1,815,300	--	1,815,300	--
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	9,304,444	1,407,365	7,897,079	--
Real Assets:				
Agriculture	15,172	--	--	15,172
Real Estate	11,001	--	--	11,001
Total Real Assets	26,173	--	--	26,173
Other Investments:				
Risk Mitigation	537,609	--	537,609	--
Total Other Investments	537,609	--	537,609	--
Total Investments by Fair Value Level	\$ 11,683,526	\$ 1,407,365	\$ 10,249,988	\$ 26,173

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:

	Fair Value Measured at NAV	Unfunded Commitments	Redemption Frequency (If Currently Eligible)*	Redemption Notice Period
<u>Investments measured at the NAV:</u>				
Global Public Equity:				
International Equity	\$ 535,424	\$ --	W	7 days
Emerging Markets Equity	686,365	--	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	1,520,550	618,012	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	123,207	206,096	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			
	Level 1	Level 2	Level 3	Total
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	520,906	(1,993)	(10,780)	508,133	13,629

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:

Terminal	Airlines Using the Terminal Area Exclusively	Exclusively Used Terminal Area (Sqft)
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.

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
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	\$ 38,982	\$ 19,394	\$ (157)	\$ 58,219

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
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	\$ 478	\$ (230)	\$ (164)	\$ 84

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>\$</u>	<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	<u>190,428</u>	<u>97,801</u>	<u>2,253</u>	<u>14,228</u>	<u>304,710</u>
Leases	8,502	22,593	--	36,919	68,014
PPP	--	1,403	--	128,860	130,263
Total Governmental Funds Deferred Inflows of Resources	<u>\$ 198,930</u>	<u>\$ 121,797</u>	<u>\$ 2,253</u>	<u>\$ 180,007</u>	<u>\$ 502,987</u>

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
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
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>\$ 673,633</u>	<u>\$ 689,935</u>	<u>\$ 741,369</u>	<u>\$ 748,708</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>\$ 442,870</u>	<u>\$ 391,478</u>	<u>\$ 485,045</u>	<u>\$ 414,656</u>
Plan Net OPEB Liability-ending (a)-(b)	<u>\$ 230,763</u>	<u>\$ 298,457</u>	<u>\$ 256,324</u>	<u>\$ 334,052</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																																																																																																																																																							
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">25,034</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">233,098</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">175,241</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">51,090</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">45</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td>Pooled Cash/Investments</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td>Imprest Cash Funds</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">359</td> <td></td> <td style="text-align: right;">18</td> <td>Restricted Cash and Investments with Trustee</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">1,111</td> <td></td> <td style="text-align: right;">1,470</td> <td></td> <td style="text-align: right;">237</td> <td>Deposits In-Lieu of Cash</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">1,671</td> <td></td> <td style="text-align: right;">--</td> <td>Receivables</td> </tr> <tr> <td></td> <td style="text-align: right;">176</td> <td></td> <td style="text-align: right;">272</td> <td></td> <td style="text-align: right;">2,137</td> <td></td> <td style="text-align: right;">642</td> <td> Accounts</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td> Taxes</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">30,562</td> <td></td> <td style="text-align: right;">--</td> <td> Interest/Dividends</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">46,099</td> <td></td> <td style="text-align: right;">95,164</td> <td> Deposits</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td> Leases</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">2,553</td> <td></td> <td style="text-align: right;">1,122</td> <td></td> <td style="text-align: right;">--</td> <td> PPP</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">5,329</td> <td></td> <td style="text-align: right;">23</td> <td></td> <td style="text-align: right;">--</td> <td> Allowance for Uncollectible Receivables</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">46,818</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td>Due from Other Funds</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 25,210</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 289,226</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 258,684</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 147,151</td> <td></td> <td></td> <td></td> <td>Due from Other Governmental Agencies</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Notes Receivable, Net</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">Total Assets</td> </tr> </table>	\$	25,034	\$	233,098	\$	175,241	\$	51,090			--		45		--		--	Pooled Cash/Investments		--		--		--		--	Imprest Cash Funds		--		--		359		18	Restricted Cash and Investments with Trustee		--		1,111		1,470		237	Deposits In-Lieu of Cash		--		--		1,671		--	Receivables		176		272		2,137		642	Accounts		--		--		--		--	Taxes		--		--		30,562		--	Interest/Dividends		--		--		46,099		95,164	Deposits		--		--		--		--	Leases		--		2,553		1,122		--	PPP		--		5,329		23		--	Allowance for Uncollectible Receivables		--		46,818		--		--	Due from Other Funds		\$ 25,210	\$ 289,226	\$ 258,684	\$ 147,151				Due from Other Governmental Agencies									Notes Receivable, Net									Total Assets	<p><u>ASSETS</u></p>
\$	25,034	\$	233,098	\$	175,241	\$	51,090																																																																																																																																																			
	--		45		--		--	Pooled Cash/Investments																																																																																																																																																		
	--		--		--		--	Imprest Cash Funds																																																																																																																																																		
	--		--		359		18	Restricted Cash and Investments with Trustee																																																																																																																																																		
	--		1,111		1,470		237	Deposits In-Lieu of Cash																																																																																																																																																		
	--		--		1,671		--	Receivables																																																																																																																																																		
	176		272		2,137		642	Accounts																																																																																																																																																		
	--		--		--		--	Taxes																																																																																																																																																		
	--		--		30,562		--	Interest/Dividends																																																																																																																																																		
	--		--		46,099		95,164	Deposits																																																																																																																																																		
	--		--		--		--	Leases																																																																																																																																																		
	--		2,553		1,122		--	PPP																																																																																																																																																		
	--		5,329		23		--	Allowance for Uncollectible Receivables																																																																																																																																																		
	--		46,818		--		--	Due from Other Funds																																																																																																																																																		
	\$ 25,210	\$ 289,226	\$ 258,684	\$ 147,151				Due from Other Governmental Agencies																																																																																																																																																		
								Notes Receivable, Net																																																																																																																																																		
								Total Assets																																																																																																																																																		
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">--</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">740</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">4,016</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 15%; text-align: right;">48</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">504</td> <td></td> <td style="text-align: right;">1</td> <td>Accounts Payable</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">78</td> <td></td> <td style="text-align: right;">1,637</td> <td></td> <td style="text-align: right;">--</td> <td>Retainage Payable</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">--</td> <td>Salaries and Employee Benefits Payable</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">2</td> <td></td> <td style="text-align: right;">3,567</td> <td></td> <td style="text-align: right;">385</td> <td>Interest Payable</td> </tr> <tr> <td></td> <td style="text-align: right;">5,119</td> <td></td> <td style="text-align: right;">33,170</td> <td></td> <td style="text-align: right;">2,718</td> <td></td> <td style="text-align: right;">1,659</td> <td>Deposits from Others</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">33,282</td> <td></td> <td style="text-align: right;">8</td> <td></td> <td style="text-align: right;">--</td> <td>Due to Other Funds</td> </tr> <tr> <td></td> <td style="text-align: right;">--</td> <td></td> <td style="text-align: right;">37,298</td> <td></td> <td style="text-align: right;">688</td> <td></td> <td style="text-align: right;">--</td> <td>Due to Other Governmental Agencies</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">5,119</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">104,570</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">13,138</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">2,093</td> <td></td> <td></td> <td></td> <td>Unearned Revenue</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">Total Liabilities</td> </tr> </table>	\$	--	\$	740	\$	4,016	\$	48			--		--		504		1	Accounts Payable		--		78		1,637		--	Retainage Payable		--		--		--		--	Salaries and Employee Benefits Payable		--		2		3,567		385	Interest Payable		5,119		33,170		2,718		1,659	Deposits from Others		--		33,282		8		--	Due to Other Funds		--		37,298		688		--	Due to Other Governmental Agencies		5,119	104,570	13,138	2,093				Unearned Revenue									Total Liabilities	<p><u>LIABILITIES</u></p>																																																															
\$	--	\$	740	\$	4,016	\$	48																																																																																																																																																			
	--		--		504		1	Accounts Payable																																																																																																																																																		
	--		78		1,637		--	Retainage Payable																																																																																																																																																		
	--		--		--		--	Salaries and Employee Benefits Payable																																																																																																																																																		
	--		2		3,567		385	Interest Payable																																																																																																																																																		
	5,119		33,170		2,718		1,659	Deposits from Others																																																																																																																																																		
	--		33,282		8		--	Due to Other Funds																																																																																																																																																		
	--		37,298		688		--	Due to Other Governmental Agencies																																																																																																																																																		
	5,119	104,570	13,138	2,093				Unearned Revenue																																																																																																																																																		
								Total Liabilities																																																																																																																																																		
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">--</td> <td style="width: 15%; text-align: right;">720</td> <td style="width: 10%; text-align: right;">--</td> <td style="width: 15%; text-align: right;">--</td> <td style="width: 10%; text-align: right;">--</td> <td style="width: 15%; text-align: right;">--</td> <td></td> <td></td> <td>Unavailable Revenue-Intergovernmental Revenues</td> </tr> <tr> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">879</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td></td> <td></td> <td>Unavailable Revenue-Property Taxes</td> </tr> <tr> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td></td> <td></td> <td>Unavailable Revenue-Other</td> </tr> <tr> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">44,575</td> <td style="text-align: right;">84,285</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td></td> <td></td> <td>Related to PPP</td> </tr> <tr> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">29,507</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td></td> <td></td> <td>Related to Leases</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">720</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">74,961</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">84,285</td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">Total Deferred Inflows of Resources</td> </tr> </table>	--	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		720	74,961	84,285					Total Deferred Inflows of Resources	<p><u>DEFERRED INFLOWS OF RESOURCES</u></p>																																																																																																			
--	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																																																																																																																																																		
	720	74,961	84,285					Total Deferred Inflows of Resources																																																																																																																																																		
<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: right;">--</td> <td style="width: 15%; text-align: right;">--</td> <td style="width: 10%; text-align: right;">--</td> <td style="width: 15%; text-align: right;">--</td> <td style="width: 10%; text-align: right;">--</td> <td style="width: 15%; text-align: right;">--</td> <td></td> <td></td> <td>Nonspendable</td> </tr> <tr> <td style="text-align: right;">20,091</td> <td style="text-align: right;">168,365</td> <td style="text-align: right;">170,585</td> <td style="text-align: right;">60,773</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td></td> <td></td> <td>Restricted</td> </tr> <tr> <td style="text-align: right;">--</td> <td style="text-align: right;">15,571</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td></td> <td></td> <td>Assigned</td> </tr> <tr> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td style="text-align: right;">--</td> <td></td> <td></td> <td>Unassigned</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">20,091</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">183,936</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">170,585</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">60,773</td> <td></td> <td></td> <td></td> <td style="text-align: right;">Total Fund Balances</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 25,210</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 289,226</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 258,684</td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 147,151</td> <td></td> <td></td> <td></td> <td style="text-align: right;">Total Liabilities, Deferred Inflows of Resources, and Fund Balances</td> </tr> </table>	--	--	--	--	--	--			Nonspendable	20,091	168,365	170,585	60,773	--	--			Restricted	--	15,571	--	--	--	--			Assigned	--	--	--	--	--	--			Unassigned		20,091	183,936	170,585	60,773				Total Fund Balances		\$ 25,210	\$ 289,226	\$ 258,684	\$ 147,151				Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<p><u>FUND BALANCES</u></p>																																																																																																			
--	--	--	--	--	--			Nonspendable																																																																																																																																																		
20,091	168,365	170,585	60,773	--	--			Restricted																																																																																																																																																		
--	15,571	--	--	--	--			Assigned																																																																																																																																																		
--	--	--	--	--	--			Unassigned																																																																																																																																																		
	20,091	183,936	170,585	60,773				Total Fund Balances																																																																																																																																																		
	\$ 25,210	\$ 289,226	\$ 258,684	\$ 147,151				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

**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)
			Net Change in Fund Balances
81,621	11,465	163	Fund Balances-Beginning of Year, as Previously Reported
261,490	26,986	1,870	Change Within Financial Reporting Entity
--	--	--	Fund Balances - Beginning of Year, as restated
<u>261,490</u>	<u>26,986</u>	<u>1,870</u>	Fund Balances-End of Year
<u>\$ 343,111</u>	<u>\$ 38,451</u>	<u>\$ 2,033</u>	

**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
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)
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>	

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

**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
Annual Comprehensive Financial Report
June 30, 2024
(Dollar Amounts in Thousands)

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)

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

**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	--	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	<u>61,934</u>	<u>61,730</u>	<u>204</u>
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	<u>39,081</u>	<u>37,556</u>	<u>1,525</u>
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	<u>\$ 112,845</u>	<u>\$ 112,845</u>	<u>\$ --</u>

**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	<u>21,878,775</u>	<u>4,227</u>	<u>11,290</u>	<u>24,556</u>	<u>41,273</u>
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
--	--	217,627	10,137,573	36,172		Securities Lending Collateral
--	--	75,351	3,510,013	12,524		Restricted Cash and Investments
--	--	67,653	3,151,461	11,245		Restricted Investments with Trustee
--	--	63,077	2,938,286	10,484		Global Public Equity
--	--	37,987	1,769,521	6,314		Private Equity
--	--	2,580	120,198	429		Core Fixed Income
2,871	--	--	--	--		Real Assets
243	--	--	--	--		Risk Mitigation
--	--	--	--	--		Unique Strategies
97,780	--	--	--	--		Bond Mutual Funds
--	--	--	--	--		Cash Equivalent
179,280	--	--	--	--		Mutual Funds
71,335	--	--	--	--		Equity Mutual Funds
--	--	--	--	--		Variable Annuities
--	--	445	20,749	74		Combined Mutual Fund
--	--	2,756	128,372	458		Collective Trust Funds
--	--	--	41,072	--		Stable Value Funds
--	--	35	1,614	6		Receivables
--	25	--	--	--		Investments
1,814	--	189	8,783	31		Securities Sales
--	--	--	--	--		Contributions
--	--	--	6,927	--		Foreign Currency Forward Contracts
353,430	24,410	482,478	22,522,986	80,194		Interest/Dividends
						Other Receivables
						Due from Other Governmental Agencies
						Capital Assets, Net
						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
--	46,378	17,640	725,557	2,815		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
--	--	262	12,220	44	Securities Lending Income
(550)	(5)	(3,629)	(169,067)	(603)	Gross Earnings
141,662	44,702	48,979	3,352,712	33,554	Less: Investment Expense
					Total Additions
					Deductions:
9,169	5,428	36,837	1,216,248	7,157	Benefits Paid to Participants
--	--	24	29,056	23	Administrative Expense
9,169	5,428	36,861	1,245,304	7,180	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
\$ 353,430	\$ (21,968)	\$ 464,838	\$ 21,797,429	\$ 77,379	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	<u>Fiduciary Component Unit</u>
				Orange County Employees Retirement System-OCTA*
<u>ASSETS</u>				
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>
<u>LIABILITIES</u>				
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>
<u>NET POSITION</u>				
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	12,935,306	11,886,447	1,045,062	3,797
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	13,034,928	12,006,570	1,026,804	1,554
 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
4,176,429	3,780,570	3,635,152	3,612,305	3,388,407
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
264,589	250,237	231,038	217,505	194,416
\$ 4,441,018	\$ 4,030,807	\$ 3,866,190	\$ 3,829,810	\$ 3,582,823

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
2,979,720	2,955,745	2,805,468	2,700,537	2,593,115
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
331,251	320,191	306,247	299,638	290,838
\$ 3,310,971	\$ 3,275,936	\$ 3,111,715	\$ 3,000,175	\$ 2,883,953

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

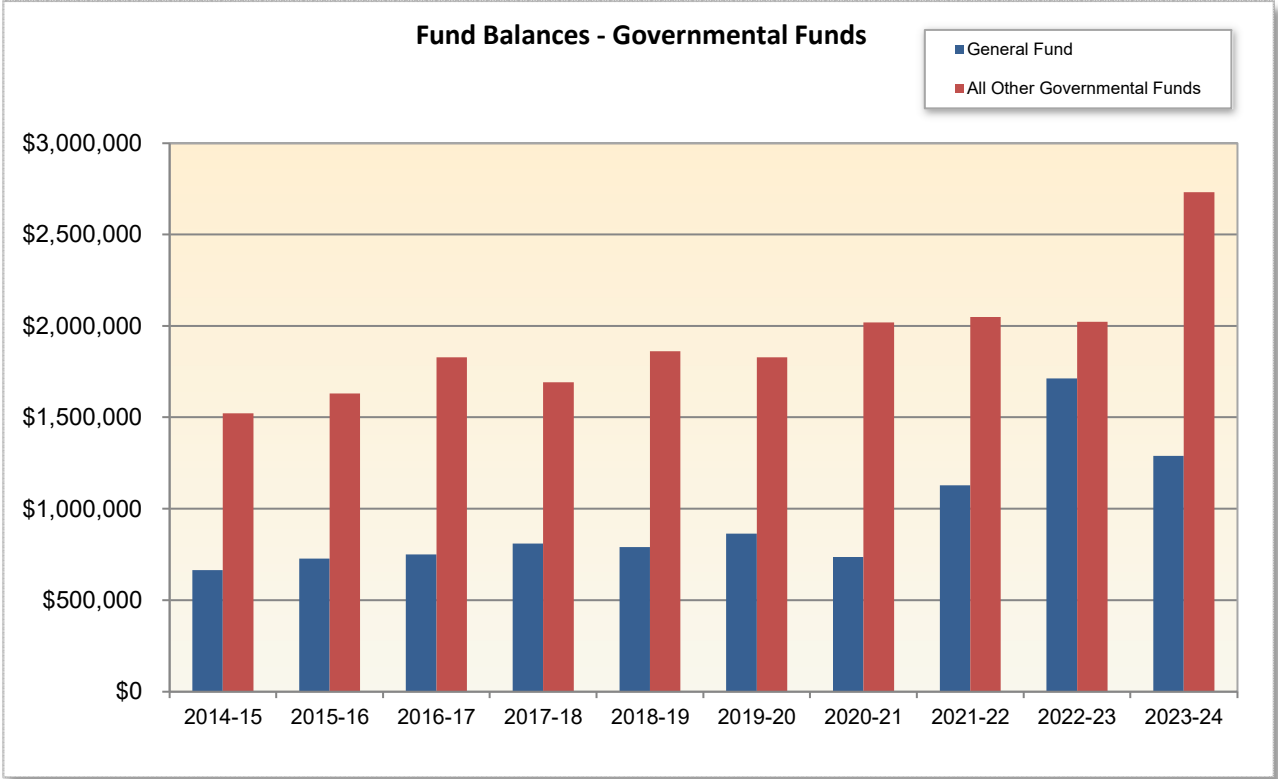
Note: (1) The balances shown have not been restated to include prior period adjustments.

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)**

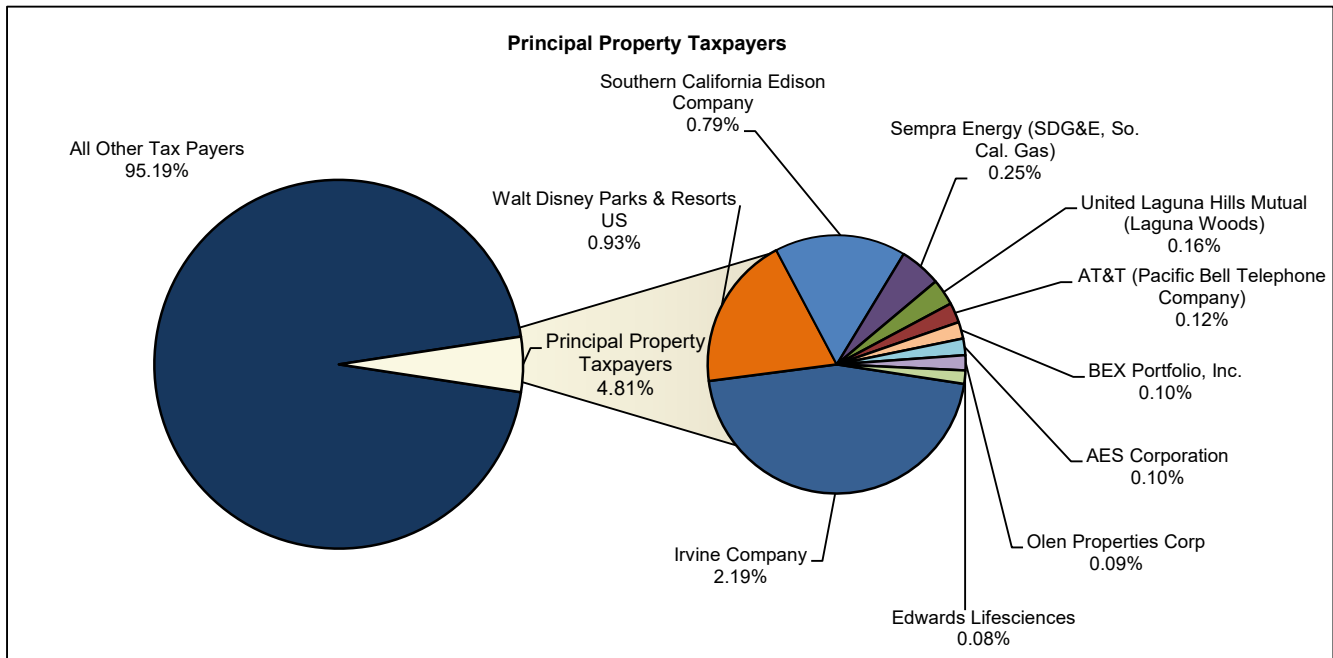
Fiscal Year	Direct Rate ⁽¹⁾	Overlapping Rates ⁽²⁾				Total Direct & Overlapping Rates
	County General	School Districts	Local Special Districts	Cities ⁽⁴⁾	Public Utility	
2023-24	1.00000	0.04702	0.00829	0.00422	0.00382	1.06335
2022-23	1.00000	0.05149	0.00825	0.00667	0.00388	1.07029
2021-22	1.00000	0.05285	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%

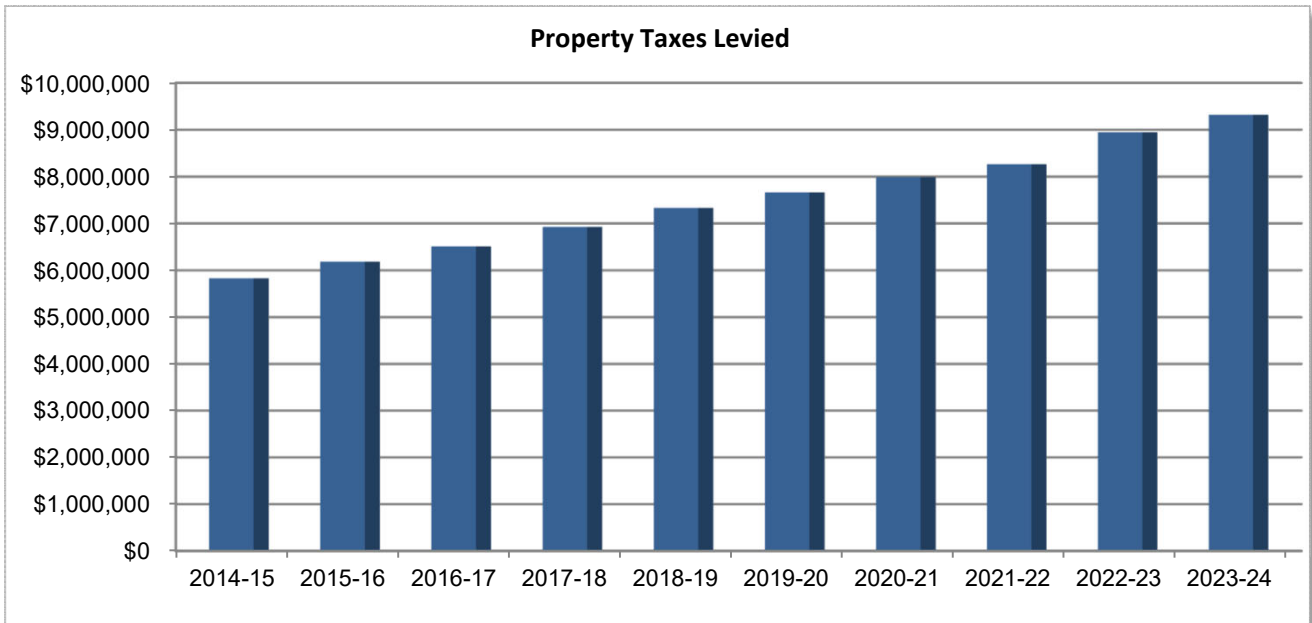


Note: The base used for the Percentage of Total Taxes Levied for 2024 includes total secured taxes of \$8,758,260

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

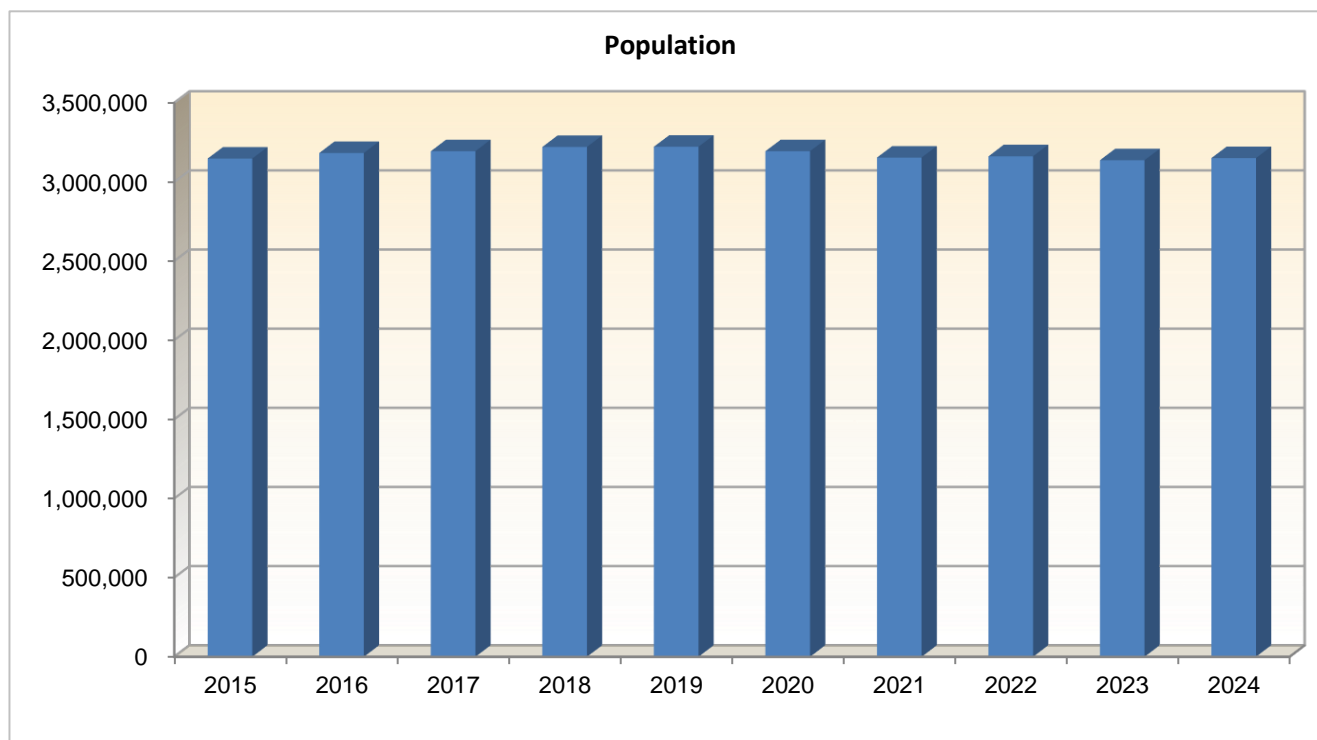
Funding Source: Rents and Concessions, Other Charges for Services, Misc Revenue, Interest Earnings, and Available Passenger Facility Charge Revenue

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

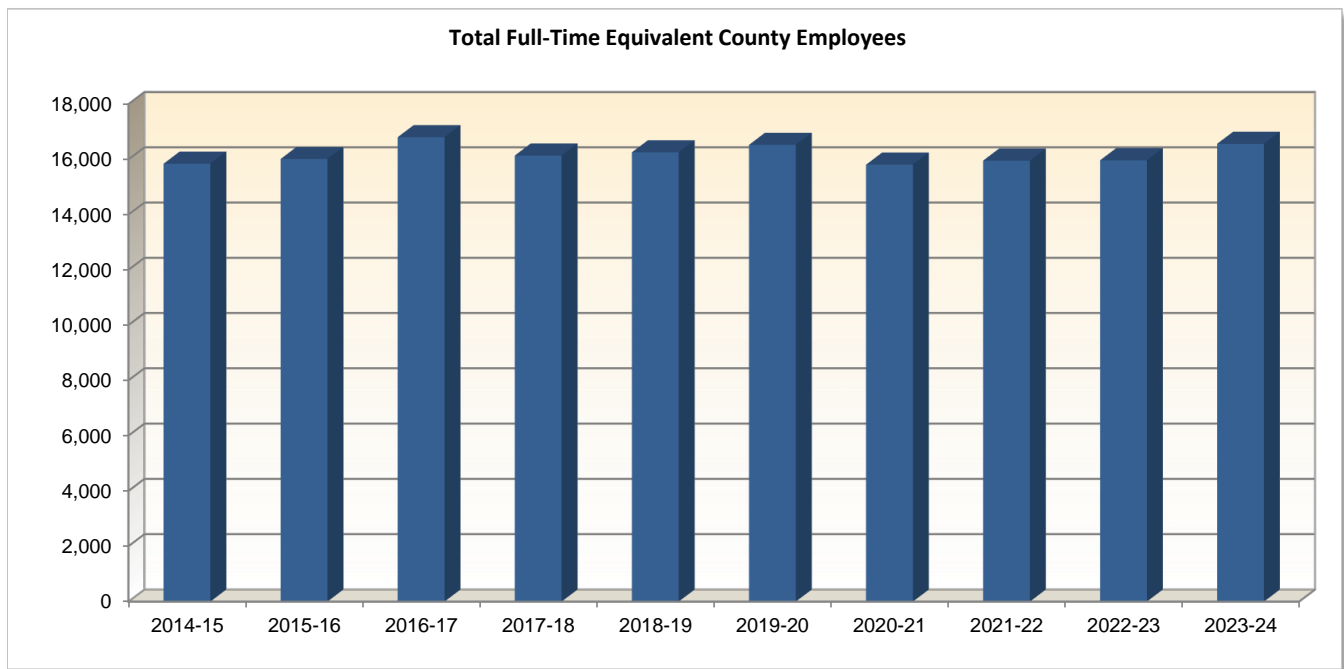
Employer	Number of Employees	Rank	Percentage of Total County Employment
The Walt Disney Co.	34,000	1	2.13%
University of California, Irvine	26,072	2	1.63%
Providence Southern California	23,632	3	1.48%
County of Orange	18,000	4	1.13%
Kaiser Permanente	10,293	5	0.65%
Hoag Memorial Hospital Presbyterian	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

**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
206,789	233,038	250,772	263,556	258,676	Average Monthly CalFresh (formerly Food Stamp) Recipients
27,892	26,369	24,427	22,635	20,787	Average Monthly In-Home Supportive Services
35,803	41,622	46,369	52,081	55,921	Average Persons Receiving Cash Assistance
1,977	1,917	1,886	1,791	1,924	Average Children in Foster Care/Relative Care
1,175	1,091	995	942	815	Average Elder and Adult Abuse Unduplicated Reports Received
<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>					
5,148,761	4,980,101	4,810,116	4,772,722	4,581,359	Solid Waste Tonnage
8,062,718	5,576,351	5,599,757	3,542,736	5,510,821	Gallons of Leachate and Impacted Ground Water Collected

**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>					
<u>OC Public Works</u>					
*	*	*	*	*	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)

TABLE OF CONTENTS

Page No.

I.	Policy Statement	3
II.	Scope	3
III.	Prudent Investor Standard.....	4
IV.	Investment Authority.....	4
V.	Objectives	4
VI.	Authorized Investments.....	5
VII.	Investment Credit Rating Restrictions.....	8
VIII.	Investment Type, Diversification, Maturity and Duration Restrictions	9
IX.	Prohibited Transactions	10
X.	Ethics and Conflict of Interest.....	11
XI.	Authorized Broker/Dealers and Financial Institutions	11
XII.	Performance Evaluation.....	12
XIII.	Safekeeping	12
XIV.	Maintaining the Public Trust	13
XV.	Internal Controls.....	13
XVI.	Earnings and Costs Apportionment.....	13
XVII.	Performance Standards	14
XVIII.	Investment Policy Review.....	14
XIX.	Financial Reporting	14
XX.	Legislative Changes.....	14
XXI.	Disaster Recovery Program	15
XXII.	Glossary	16

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 (MMMF)	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.