MSRB
Municipal Securities Rulemaking Board

Submission ID:EP732017
04/18/2016 14:26:33

CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

FINANCIAL/OPERATING FILING (CUSIP-9 BASED)

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: May 1, 2016 Annual Issuer Disclosure Report, for the year ended 06/30/2015

Documents

Financial Operating Filing

ad011g2_15 (Final).pdf posted 04/18/2016

The following Issuers are associated with this Continuing Disclosure submission:

CUSIP-6	State	Issuer Name
684265	CA	ORANGE CNTY CALIF IMPT BD ACT 1915

The following 16 securities have been published with this Continuing Disclosure submission:

CUSIP-9	Maturity Date
684265MX6	09/02/2007
684265MY4	09/02/2008
684265MZ1	09/02/2009
684265NA5	09/02/2010
684265NB3	09/02/2011
684265NC1	09/02/2012
684265ND9	09/02/2013
684265NE7	09/02/2014

684265NF4	09/02/2015
684265NG2	09/02/2016
684265NH0	09/02/2017
684265NJ6	09/02/2018
684265NK3	09/02/2019
684265NL1	09/02/2020
684265NM9	09/02/2026
684265NN7	09/02/2033

Submitter's Contact Information

Company:
Name: JERRY WEN
Address: 5000 BIRCH STREET
City, State Zip: NEWPORT BEACH, CA 92660
Phone Number: 9499551500 ext. 235
Email: jerryw@taussig.com

© 2016 Municipal Securities Rulemaking Board (MSRB)

COUNTY OF ORANGE, CALIFORNIA
NEWPORT COAST PHASE IV ASSESSMENT DISTRICT NO. 01-1
LIMITED OBLIGATION IMPROVEMENT BONDS
GROUP TWO
ANNUAL REPORT
FOR
MAY 1, 2016

CUSIP Numbers
684265MX6, 684265MY4, 684265MZ1, 684265NA5, 684265NB3, 684265NC1, 684265ND9, 684265NE7, 684265NF4, 684265NG2, 684265NH0, 684265NJ6, 684265NK3, 684265NL1, 684265NM9, 684265NN7

Dated April 18, 2016

Prepared at the direction of and on behalf of:

County of Orange
333 W. Santa Ana Blvd., Third Floor
Santa Ana, CA 92701-4062

Prepared by:

David Taussig & Associates, Inc.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660

TABLE OF CONTENTS

Section ***Page***

INTRODUCTION 1

I. AUDITED FINANCIAL STATEMENTS 2

II. BOND INFORMATION AND ACCOUNT BALANCES 3

III. VALUE-TO-LIEN SUMMARY 4

IV. DELINQUENCY INFORMATION 5

V. LANDOWNERSHIP SUMMARY 6

VI. DEVELOPMENT STATUS 7

VII. TEETER PLAN 8

VIII. DISCLAIMER 9

EXHIBIT A: DELINQUENCY REPORT
EXHIBIT B: COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introduction

The County of Orange (the "County") hereby provides its Annual Report for May 1, 2016 in connection with the following Bonds:

Bond Issue:

1. $11,655,000 County of Orange, California, Newport Coast Phase IV Assessment District No. 01-1, Limited Obligation Improvement Bonds, Group Two

Annual Report:

The County's Annual Report required by the Continuing Disclosure Certificate (the "Disclosure Certificate") dated May 1, 2006 is attached hereto.

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, the District 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.

I. Audited Financial Statements

(i) Audited Financial Statements for Fiscal Year Ended June 30, 2015.

While the financial statements of the County for Fiscal Year ended June 30, 2015 have been incorporated herein by reference in order to comply with SEC Rule 15c2-12, the Bonds are a limited obligation of the District and neither the faith and credit nor the taxing power of the County is pledged to the payment of the Bonds. No income, receipts, funds (including the County General Fund) or moneys of the County are pledged to the repayment of the Bonds.

The County of Orange's Audited Financial Statements for Fiscal Year 2014-2015 were filed with the Electronic Municipal Market Access ("EMMA") website on February 9, 2016 (Submission ID: EP721374) pursuant to Section 3(a) of the Continuing Disclosure Certificate and are included herein as Exhibit B.

II. Bond Information and Account Balances

(i) The principal amount of bonds outstanding as of the September 2 preceding the filing of the Annual Report.

Principal amount of bonds outstanding is $8,075,000 after the payment of debt service due on September 2, 2015[1].

SOURCE: COUNTY OF ORANGE PUBLIC FINANCE ACCOUNTING.

(ii) The balance in each fund under the Indenture as of September 2 preceding the filing of the Annual Report and a statement of the reserve requirement.

Funds and Accounts	Balance
Accounts held with the Trustee[2]	
Redemption Fund	
Group Two Redemption Account	$ 0.88
Group Two Prepayment Account	$ 0.00
Reserve Fund	
Group Two Reserve Account	$ 695,566.22
Cash account balance held with the County	
Debt Service Fund	$ 148,567.50

The reserve requirement for the Bonds is equal to $695,500.00.

SOURCE: COUNTY OF ORANGE PUBLIC FINANCE ACCOUNTING.

[1] After September 2, 2011 optional redemptions from the surplus Construction Fund proceeds.
[2] U.S. Bank Trust National Association.

III. Value-to-Lien Summary

(i) The total assessed value of all parcels subject to the Assessments constituting Designated Parcels, as shown on the assessment roll of the Orange County Assessor last equalized prior to the preceding September 2, and a statement of assessed value-to-lien ratios therefor, either by individual parcel or by categories (e.g., "below 3:1", 3:1 to 4:1", etc.)

BREAKDOWN OF VALUE-TO-LIEN RATIOS

Value-to-Lien Category	Number of Parcels[3]	2015-2016 Aggregate Assessed Value	Aggregate Direct and Overlapping Debt
100:1 and Above			
50:1 – 99.99:1	28	$296,930,504	$4,562,198
30:1 – 49.99:1	49	$236,897,017	$5,775,604
20:1 – 29.99:1	56	$134,190,480	$5,472,326
10:1 – 19.99:1	6	$9,324,533	$517,410
5:1 – 9.99:1	1	$367,291	$58,802
3:1 – 4.99:1			
0:1 – 2.99:1	1	$130,955	$58,419
Total	**141**	**$677,840,780**	**$16,444,759**

SOURCE: TABLE BY DAVID TAUSSIG & ASSOCIATES, INC. BASED ON INFORMATION PROVIDED BY METROPOLITAN WATER DISTRICT, IRVINE RANCH WATER DISTRICT, NEWPORT-MESA UNIFIED SCHOOL DISTRICT, LAGUNA BEACH UNIFIED SCHOOL DISTRICT, COAST COMMUNITY COLLEGE DISTRICT, SCOTT ASSOCIATES, AND DAVID TAUSSIG & ASSOCIATES, INC.

[3] Two parcels merged into a single parcel during FY 2014-15.

IV. Delinquency Information

(i) The Assessment delinquency rate for the area constituting the Designated Parcels, as shown on the assessment roll of the Orange County Assessor last equalized prior to the preceding September 2, the number of parcels within the area constituting the Designated Parcels delinquent in payment of Assessments, as shown on the assessment roll of the Orange County Assessor last equalized prior to the preceding September 2, the amount of each delinquency, the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the County provided, however, that parcels with delinquencies of $2,000 or less may be grouped together and such information may be provided by category.

A report of assessment delinquencies by parcel is attached hereto as Exhibit A. No foreclosure has been commenced.

(ii) If the Teeter Plan is no longer in effect with respect to the district, the status of foreclosure proceedings for any parcels within the area constituting the Designated Parcels and a summary of the results of any foreclosure sales as of the preceding September 2.

The Teeter Plan is still in effect with respect to the district.

(iii) The identity of any property owner representing more than 5% of the assessment levy on the area constituting the Designated Parcels delinquent in payment of assessments, as shown on the assessment roll of the Orange County Assessor last equalized prior to the preceding September 2.

There were no property owners representing more than 5% of the assessment levy on the area constituting the Designated Parcels delinquent in payment of assessments.

V. Landownership Summary

(i) A land ownership summary listing property owners responsible for more than 5% of the assessment levy on the area constituting the Designated Parcels, as shown on the assessment roll of the Orange County Assessor last equalized prior to the preceding September 2, stating the percentage of the prior year's assessment levy on the area constituting the Designated Parcels for which each such owner was responsible, as shown on the assessment roll of the Orange County Assessor last equalized prior to such roll.

There were no property owners representing more than 5% of the assessment levy on the area constituting the Designated Parcels.

VI. Development Status

(i) The number of building permits issued by the County for new construction within the area constituting the Designated Parcels during the one year period ending on the preceding September 2.

Five (5) building permits for new construction were issued by the County within the area constituting the Designated Parcels during the one year period ending on September 2, 2015.

SOURCE: BASED ON DATA PROVIDED BY COUNTY OF ORANGE COMMUNITY DEVELOPMENT AND ON FILE WITH DAVID TAUSSIG & ASSOCIATES.

VII. Teeter Plan

(i) If the County is no longer participating in the Teeter Plan, a statement to that effect.

The County is still participating in the Teeter Plan.

VIII. 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 undertakes no responsibility to oppose any revision or withdrawal of such information contained in this Annual Report.

To the extent the County provides information in this Annual Report, the County is 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 does 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 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.

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

The information set forth herein, including information provided by others or incorporated by reference, is believed by the County to be reliable but has not been independently verified by the County and is not guaranteed as to accuracy by the County.

EXHIBIT A

DELINQUENCY REPORT

Delinquency Report as of September 02, 2015
County of Orange AD No. 01-1 (Group 2)

Assessor's Parcel Number	Owner	Length of Time Delinquent (Days)	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	Total Delinquency
477-261-22	SABER, DAVID H TR SOUTH	145	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$2,235.69	$2,235.69
477-261-32	WOJTJASZEK, DAVID TR	510	$0.00	$0.00	$0.00	$0.00	$0.00	$1,994.95	$0.00	$1,994.95
477-261-46	CC SPEC HOUSE LLC	266	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,471.39	$4,471.39
478-453-17	DANESHMAND, MAHIN TR	1,240	$0.00	$0.00	$0.00	$2,832.26	$4,609.41	$0.00	$0.00	$7,441.67
489-131-05	NGUYEN, ANH QUOC DUY	1,727	$0.00	$0.00	$3,188.13	$2,748.46	$0.00	$0.00	$0.00	$5,936.59
	Total Delinquent Amount:		**$0.00**	**$0.00**	**$3,188.13**	**$5,580.72**	**$4,609.41**	**$1,994.95**	**$6,707.08**	**$22,080.29**
	Total Collection Amount:		**$863,380.35**	**$858,566.48**	**$844,764.33**	**$742,072.15**	**$604,629.77**	**$563,690.54**	**$627,225.32**	
	Total Levy:		**$863,380.35**	**$858,566.48**	**$847,952.46**	**$747,652.87**	**$609,239.18**	**$565,685.49**	**$633,932.40**	
	Delinquency Rate:		**0.00%**	**0.00%**	**0.38%**	**0.75%**	**0.76%**	**0.35%**	**1.06%**	
	Number of Parcels Subject to Levy:		**143**	**143**	**143**	**142**	**142**	**142**	**142**	
	Number of Delinquent Parcels:		**0**	**0**	**1**	**2**	**1**	**1**	**2**	

Source: County of Orange Treasurer-Tax Collector's website (http://tax.ocgov.com/tcweb/search_page.asp).

1:29:33 PM 9/14/2015

Prepared by David Taussig & Associates

\Users\Koji\Desktop\Admin\Data\California\Orange\Delinq Data\Delinquency Report.rpt

EXHIBIT B

COMPREHENSIVE ANNUAL FINANCIAL REPORT

County of Orange

Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

Eric H. Woolery, CPA ∞ Auditor-Controller

ACKNOWLEDGEMENTS:

Cover designed by Laura Hoffman, Graphic Artist

County of Orange

State of California

Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

Eric H. Woolery, CPA
Auditor-Controller

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal 1
GFOA Certificate of Achievement for Excellence in Financial Reporting 13
Organizational Chart 14

FINANCIAL SECTION

Independent Auditor's Report 15
Management's Discussion and Analysis (Unaudited Required Supplementary Information) 18
Basic Financial Statements:
- Government-Wide Financial Statements:
  - Statement of Net Position 39
  - Statement of Activities 41

- Fund Financial Statements:
  - Governmental Fund Financial Statements:
    - Balance Sheet 43
    - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 45
    - Statement of Revenues, Expenditures, and Changes in Fund Balances 47
    - Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 49
    - Budgetary Comparison Statements:
      - General Fund 51
      - Roads 52
      - Flood Control District 53
      - Other Public Protection 54
  - Proprietary Fund Financial Statements:
    - Statement of Net Position 55
    - Statement of Revenues, Expenses, and Changes in Fund Net Position 57
    - Statement of Cash Flows 58
  - Fiduciary Fund Financial Statements:
    - Statement of Fiduciary Net Position 60
    - Statement of Changes in Fiduciary Net Position 61

- Notes to the Basic Financial Statements:
  1. Summary of Significant Accounting Policies 62
  2. Change in Accounting Principle 84
  3. Deficit Fund Equity 84
  4. Deposits and Investments 84
  5. Changes in Capital Assets 96
  6. Receivables 98

FINANCIAL SECTION (Continued)

Basic Financial Statements (Continued):
Notes to the Basic Financial Statements (Continued):
7. Interfund Receivables and Payables 98
8. County Property on Lease to Others 100
9. Interfund Transfers 101
10. Short-Term Obligations 103
11. Long-Term Obligations 104
12. Conduit Debt Obligations and Successor Agency Debt 113
13. Leases 114
14. Landfill Site Closure and Postclosure Care Costs 115
15. Construction and Other Significant Commitments 116
16. Self-Insurance 119
17. Pollution Remediation 120
18. Retirement Plans 123
19. Postemployment Health Care Benefits 134
20. Contingencies 139
21. Subsequent Events 140

Required Supplementary Information (Unaudited):
Orange County Extra-Help Defined Benefit Plan:
Schedule of Changes in the Collective Plan Net Pension Liability and Related Ratios 141
Schedule of Investment Returns 141
Schedule of County's Proportionate Share of the Net Pension Liability 142
Schedule of Collective Plan Contributions 142
Schedule of County Contributions 142
Notes to Schedule 143
Orange County Employees Retirement System (OCERS):
Schedule of County's Proportionate Share of the Net Pension Liability 143
Schedule of County Contributions 144
Orange County Retiree Medical Plan:
Schedule of Funding Progress 144

Supplemental Information:
Major Governmental Fund:
Budgetary Comparison Schedule:
Debt Service 146
Nonmajor Governmental Funds:
Combining Balance Sheet 150
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 155
Budgetary Comparison Schedules:
Special Revenue 160
Debt Service 165
Capital Projects 166
Permanent Fund 167

FINANCIAL SECTION (Continued)

Supplemental Information (Continued):
Internal Service Funds:
Combining Statement of Net Position 169
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 172
Combining Statement of Cash Flows 175
Fiduciary Funds:
Combining Statement of Fiduciary Net Position – Private-Purpose Trust Funds 180
Combining Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Funds 181
Combining Statement of Fiduciary Net Position – Pension and Other Employee Benefits Trust Funds 182
Combining Statement of Changes in Fiduciary Net Position – Pension and Other Employee Benefits Trust Funds 184
Combining Statement of Fiduciary Net Position – All Agency Funds 186
Combining Statement of Changes in Assets and Liabilities – All Agency Funds 187

STATISTICAL SECTION

Financial Trends:
Net Position by Component 190
Changes in Net Position 194
Fund Balances, Governmental Funds 198
Changes in Fund Balances of Governmental Funds 200

Revenue Capacity:
Assessed Value of Taxable Property 202
Principal Property Taxpayers 204
Property Tax Levies and Collections 205

Debt Capacity:
Ratios of Outstanding Debt by Type 206
Ratios of Net General Debt Outstanding 208
Legal Debt Margin as a Percentage of Debt Limit 209
Pledged Revenue Coverage 210

Economic and Demographic Information:
Demographic and Economic Statistics 211
Principal Employers 212

Operating Information:
Full-time Equivalent County Employees by Function 213
Operating Indicators by Function/Program 214
Capital Assets Statistics by Function 218

COUNTY OF ORANGE
CALIFORNIA

AUDITOR-CONTROLLER
COUNTY OF ORANGE

HALL OF FINANCE AND RECORDS
12 CIVIC CENTER PLAZA, ROOM 200
POST OFFICE BOX 567
SANTA ANA, CALIFORNIA 92702-0567

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

www.ac.ocgov.com

COUNTY EXECUTIVE OFFICE
COUNTY OF ORANGE

ROBERT E. THOMAS HALL OF ADMINISTRATION
333 W. SANTA ANA BLVD.
SANTA ANA, CALIFORNIA 92701

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

www.oc.ca.gov

December 24, 2015

The Citizens of Orange County:

The Comprehensive Annual Financial Report (CAFR) of the County of Orange, State of California (County), for the year ended June 30, 2015, is hereby submitted in accordance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California. 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 are accurate in all material respects and are 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 CAFR has been audited by the independent certified public accounting firm of Macias Gini & O'Connell LLP (MGO). 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, 2015, 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, 2015. The independent auditor's report is located at the front of the financial section of this report.

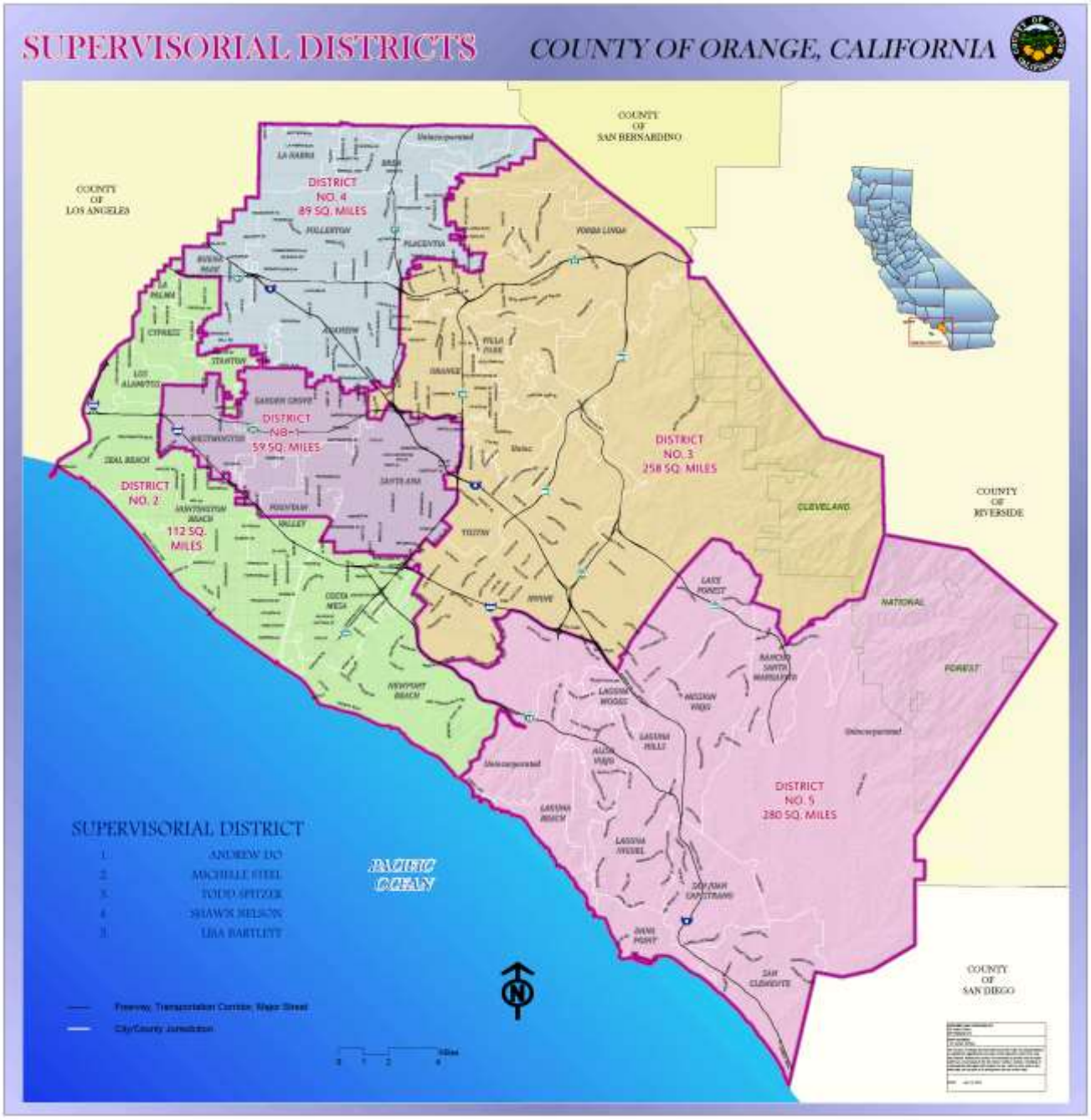
This letter of transmittal is designed to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report. MD&A provides a narrative introduction, overview, and an analysis of the basic financial statements.

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 is a charter county as a result of the March 5, 2002, voter approval of Measure V, which provides for an electoral process to fill mid-term vacancies on the Board of Supervisors. Before Measure V, as a general law county, mid-term vacancies would otherwise be filled by gubernatorial appointment. 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 of Orange 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 or compensatory time cash-outs. In June 2012, voters approved Measure B, which requires that any Orange County Supervisors elected or appointed 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. This measure amends the County Charter and applies to any current or previous Supervisor. In all other respects, the County is like a general law county. The County is governed by a five-member Board of Supervisors (the Board), who each serve four-year terms, and annually elect a Chairman and Vice-Chairman. The supervisors represent districts that are each approximately equal in population. The district boundaries were revised effective September 6, 2011, incorporating the results of the 2010 census. A County Executive Officer (CEO) oversees seventeen county departments, and elected 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.



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

Countywide Services	
Affordable Housing (Housing Authority)	Veterans Services
Agricultural Commissioner	Indigent Medical Services
Airport	Jails & Juvenile Facilities
Child Protection & Social Services	Juvenile Justice Commission
Child Support Services	Landfills & Solid Waste Disposal
Clerk-Recorder	Law Enforcement
Coroner & Forensic Services	Probationary Supervision
District Attorney	Public Assistance
Elections & Voter Registration	Public Defender/ Alternate Defense
Environmental / Regulatory Health	Public & Mental Health
Flood Control & Transportation	Senior Services
OC Parks	Collection & Appeals
Disaster Preparedness	Weights & Measures
Grand Jury	Property Tax Collection

Unincorporated Area Services	
Animal Care & Control	Libraries
Flood Control	Parks
Land Use	Waste Disposal Collection
Law Enforcement	

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

In addition to these services, the County is also financially accountable for the reporting of component units. Blended and fiduciary component units, although legally separate entities, are, in substance, part of the County's operations; and therefore, data from these units are combined with data of the County. The County has two component units, the Children and Families Commission of Orange County (CFCOC) and CalOptima, which require discrete presentation in the government-wide financial statements. The County's fiduciary component unit, Orange County Development Successor Agency (OCDA), was established as a result of the dissolution of the former Orange County Development Agency. The following entities are presented as blended component units in the basic financial statements for the year ended June 30, 2015: the Orange County Flood Control District, Orange County Housing Authority, Orange County Public Financing Authority, South Orange County Public Financing Authority, 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.

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-budget control unit 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 the nonmajor Governmental Funds and major Debt Service Fund 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 to the following year's budget. 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.

The County of Orange 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, license pets, view , print, and pay current and prior year property tax bills, pay certain invoices, 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 Orange County economy are: how well the local economy performs relative to surrounding counties, the state, and the nation (external indicators); and how well the local economy performs relative to its own historical trends (internal indicators). This section provides various external and internal indicators that describe the current and projected outlook of the Orange County economy.

In terms of the external indicators, Orange County's economy continues to out-perform local surrounding counties, the state and national economies (in annual percentage growth), and, in fact, ranks higher (in absolute growth rate dollars) than the economies of the majority of the world's countries. Internal indicators show a continued slow but steady recovery of the local economy.

Orange County's unemployment rate continues to be below that of all surrounding Southern California counties, the State of California and the National level (see Table 1).

According to Chapman University, Orange County's job growth is expected to increase by 3.1% in 2015 and result in approximately 47,000 new jobs relative to 2014. This compares to 2.9% for the State of California and 2.0% for the national level.

According to Chapman University, inflation, as measured by the Consumer Price Index (CPI) in 2015, is expected to be 1.0% for Orange County, slightly lower than for the State of California at 1.4% and slightly higher than the U.S. at 0.8% (see Table 2).

Table 1: Unemployment Rate Comparison

Primary Government Entity	September 2015 Unemployment Rate
United States	4.9%
California	5.5%
Los Angeles County	6.5%
Riverside County	6.3%
San Bernardino County	5.8%
San Diego County	4.6%
Orange County	**4.0%**

Unemployment and Expected Job Growth Rates

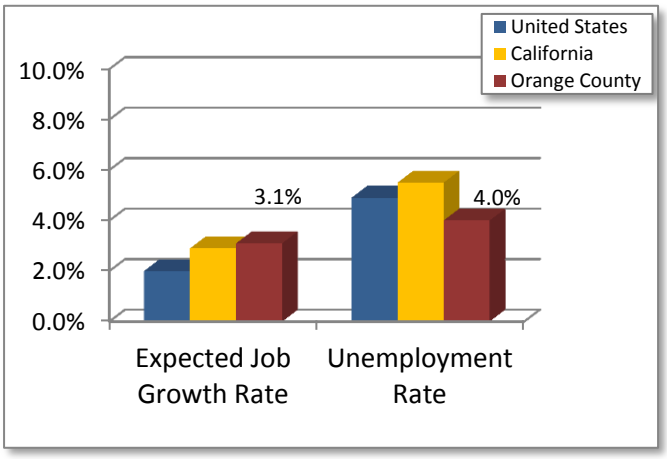


Table 2: 2015 – Projected Increase of the CPI

United States	California	Orange County
0.8%	1.4%	1.0%

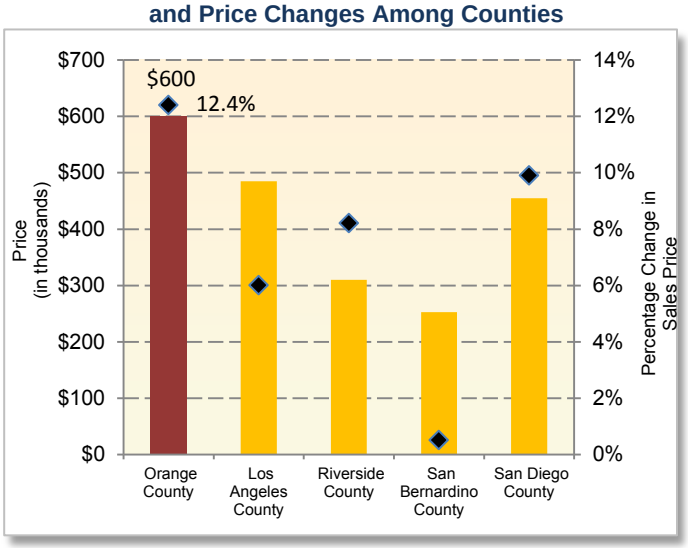
Sources: State of California, Employment Development Department
Economic & Business Review,
Chapman University, June 2015

According to the Department of Housing and Urban Development, Orange County's median family income is expected to be $85,900 (absolute dollars) in 2015, compared to $84,900 (absolute dollars) in 2014. Median family incomes in Orange County continue to exceed all surrounding Southern California counties, the State of California and the nation (see Table 3).

According to CoreLogic Information Systems, the median home sales price for new and existing homes in Orange County was $600,000 (absolute dollars) in April 2015, representing a 12.4% increase relative to 2014. 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 suggest that the Orange County economy will continue to gradually improve with 47,000 jobs added in 2015 and 41,000 in 2016.

Comparison of Median Home Sales Price and Price Changes Among Counties

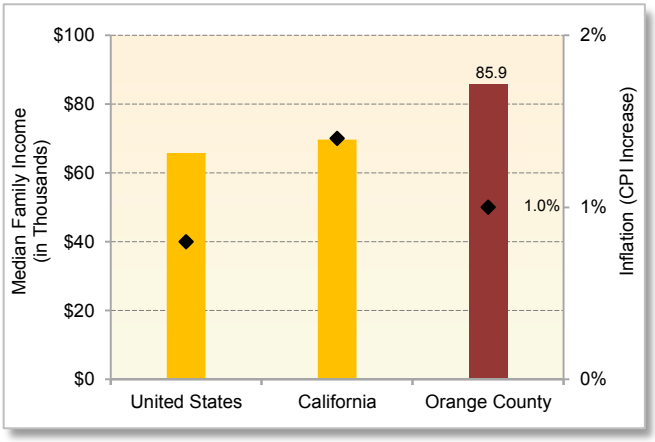


Sources: CoreLogic Information Systems, April 2015

Table 3: Median Family Income Comparison

Primary Government Entity	Median Family Income (absolute dollars)
United States	$65,800
California	$69,700
Orange County	**$85,900**
San Diego County	$73,000
Los Angeles County	$63,000
Riverside County	$60,500

Comparisons of Inflation and Median Family Income



Sources: Economic & Business Review, Chapman University, June 2015
U.S. Department of Housing and Urban Development, 2015

Table 4: Median Home Sales Price Comparison – Southern California Counties – April 2015

Primary Government Entity	Median Home Sales Price Change increase	Median Home Sales Price (absolute dollars)
Orange County	**12.4%**	**$600,000**
Los Angeles County	6.0%	$485,000
San Diego County	9.9%	$455,000
Riverside County	8.2%	$310,000
San Bernardino County	0.5%	$252,500

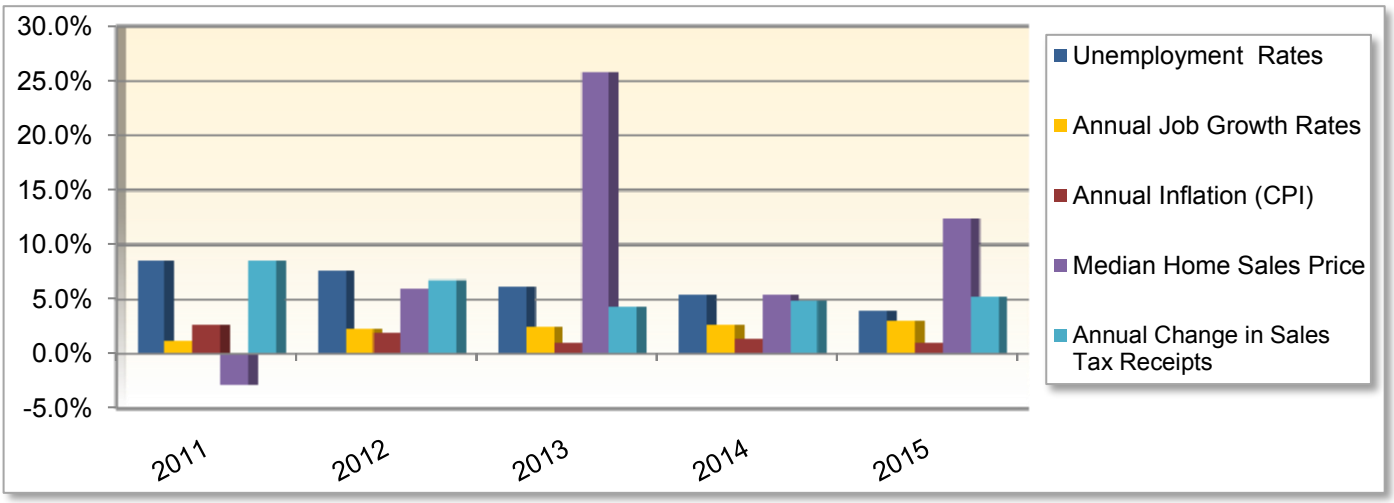
Sources: State of California, Employment Development Department
Economic & Business Review, Chapman University, June 2015
Corelogic Information Systems, April 2015
Note: Unemployment rates are for the month of September

Table 5 shows various internal indicators reflecting steady growth of Orange County's economy. The unemployment rate decreased to 4.0% in September 2015 relative to 5.4% in September 2014. Job growth is expected to increase slightly at 3.1% in 2015 compared to 2.6% in 2014. Median home prices increased by 12.4% in April 2015, relative to 5.4% in April 2014. Forecasted sales tax receipts slightly increased to 5.2% in 2015.

Table 5: Orange County Historical Data

Historical Indicators	2011	2012	2013	2014	2015
Unemployment Rates	8.6%	7.7%	6.2%	5.4%	4.0%
Annual Job Growth	1.2 %	2.3 %	2.5%	2.6%	3.1%
Annual CPI Inflation	2.7 %	2.0%	1.1%	1.4%	1.0%
Median Home Sales Price increase	(2.8%)	6.0%	25.8%	5.4%	12.4%
Annual Change in Sales Tax Receipts	8.5 %	6.8%	4.3%	4.8%	5.2%

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, June 2015
Corelogic Information Systems, April 2015

In summary, the economy in Orange County continues to show signs of steady growth.

Long–Term Financial Planning

Strategic Plan: In March 1997, the Board initiated a financial planning process that is a key component of the County's commitment to fiscal responsibility, accountability and efficiency. The plan includes projections of County general purpose revenues, departmental projections of operating costs, revenues and capital 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 recommended to ensure the ability to pay for long-term operational costs.

The 2015 Strategic Financial Plan (SFP) was presented to the Board on December 8, 2015. The 2015 SFP is the foundation in planning for continued financial stability and will be augmented by the monitoring and establishment of budgetary controls, via the quarterly budget reporting process and adoption of the Annual Budget. The five-year SFP projections indicate that General Purpose Revenue growth will be in the range of 4.3% for the first year of the plan with growth rates averaging 2.5% in years two through five. The moderate growth rate for revenue, coupled with the increasing cost of doing business, will require the County to carefully manage programs and services levels. The County continues to believe that sustained job growth and reduced unemployment are the key indicators for economic recovery.

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 2015 SFP reflects only a 1% increase in Fiscal Year (FY) 2016-17 Net County Cost limits, with the remaining excess funds distributed and/or set-aside to address the most critical strategic needs for the County
- Continuation of the policy to not backfill State budget reductions
- Elimination of vacant positions
- Internal financing program to support major capital and information technology projects
- Maintaining prudent levels of General Fund and Contingency Reserves

The County continues to move forward on several large projects identified below. In addition, the County is in various stages of planning for several other projects that will require long-term financial planning including upgrade of the 800 MHz Countywide Coordinated Communications System, replacement of Central Utility Facility infrastructure, the Civic Center Master Plan, and development of the County property at the former Marine Corps Air Station El Toro in Irvine ("100 acres"). Development of the 100 acres and other various County-owned properties will require up-front financial planning and investment in order to generate revenue in future years on a long-term basis.

Santa Ana River Mainstem Project: The Santa Ana River Mainstem Project (SARMP) was initiated in 1964, in partial response to a resolution of the United States House Committee on Public Works adopted May 8, 1964. A survey report was completed by the Orange County Flood Control District in 1975. The report was reviewed and submitted to Congress in September 1978. In September 1980, the United States Corps of Engineers completed the General Design Memorandum for the SARMP. Construction for the SARMP was authorized by the Water Resources Development Act of 1986. Construction for the SARMP was initiated in 1989, and completion is scheduled for December 2022.

The SARMP is designed to provide flood protection to the growing urban communities in Orange, Riverside and San Bernardino Counties. The proposed improvements to the system cover 75 miles, from the headwater of the Santa Ana River, east of the city of San Bernardino to the mouth of the river at the Pacific Ocean between the cities of Newport Beach and Huntington Beach. The project will increase levels of flood protection to more than 3.35 million people within the three county areas. The project includes seven independent features: Seven Oaks Dam, Mill Creek Levee, San Timoteo Creek, Oak Street Drain, Prado Dam, Santiago Creek and the Lower Santa Ana River. More information on the SARMP is available in Note 15, Construction and Other Significant Commitments. To learn more about the SARMP, visit the Orange County Flood Control Division's website at http://www.ocflood.com.

OC Dana Point Harbor Revitalization Plan: The OC Dana Point Harbor Capital Improvement Plan includes revitalization of Dana Point Harbor. The Revitalization Project is a multi-phased project with total costs estimated at $140 million pending final project design approvals, and anticipating a systematic long-term repair and/or replacement project for the waterside as opposed to a total redesign and rebuild of the marinas. The initial phases of improvements are expected to be funded with a combination of external financing and funds on hand that have been reserved for the Harbor Improvement Plan. OC Dana Point Harbor and County Executive Office staff are expected to finalize the financial strategy for the complete Revitalization Plan next fiscal year.

James A. Musick Facility Expansion: On March 8, 2012, the State approved $100,000 in funds for the County for expansion of the James A. Musick Facility (Assembly Bill 900 AB900). This project is currently in the design phase with construction estimated for completion in FY 2018-19. The County must front costs initially until the notice to proceed for construction is approved by the State. At that time, all past costs incurred can be invoiced for reimbursement by the State in full, and all future costs will be invoiced for reimbursement by the State on an ongoing basis until construction completion and occupancy. It is anticipated that costs will be reimbursed beginning in FY 2016-17. Funds from alternative liquidity sources will be utilized to fund the up-front costs and returned within the required three-year period as reimbursements are received from the State.

On March 13, 2014, the State conditionally approved $80,000 in funds for the County for further expansion of the James A. Musick Facility. This project is in the initial stages and will be completed after the AB900 project in FY 2019-20, and the financial requirements are consistent with those described above.

La Pata Avenue Gap Closure & Camino Del Rio Extension Project: The County has begun the construction of the La Pata Avenue Gap Closure Project (Project) that will widen La Pata Avenue and implement a gap closure between the cities of San Juan Capistrano and San Clemente. This is a cooperative project between the City of San Clemente, City of San Juan Capistrano, OC Waste & Recycling, and OC Public Works, with the County acting as the lead agency. The total Project cost is estimated at $127,000 and is funded from State 1B, Measure M1 and M2, gas tax, developer agreement, and community facility district revenues. A construction contract for $72,741 was awarded by the Board of Supervisors to Sukut Construction, Inc. on December 10, 2013 and a construction management contract for $7,706 was awarded to Hill International, Inc. on February 4, 2014. The groundbreaking ceremony was held on April 4, 2014. The Notice to Proceed for the initial phase was issued on April 22, 2014 and has a tentative completion date in fall of 2016. If the remaining two phases are executed within the first two years of the initial phase, all three phases are tentatively scheduled for completion in early spring of 2018.

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 of the United States and Canada (GFOA) and recognized by Fitch Ratings as best practices that promotes 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 Operations
- Fund Balance Assigned for Construction and Maintenance
- Fund Balance Assigned for Capital Projects
- Fund Balance Assigned for Teeter Loss Reserve
- Fund Balance Assigned for Reserve Target
- Reserve-like Funds
- Reserve-like Appropriations
- Department Type Reserves

All of the above 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 FY (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. Analysis of the historical average of two months of operating revenues as well as FY 2015-16 adopted budgeted revenues, yielded a funding target of approximately 17% 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. In particular, continued drought conditions with the attendant risk of wildfires, highlights the potential for catastrophic events within the County. 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.
Quarterly Budget Report	The County Executive Office issues quarterly 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.

Relevant Financial Policies (Continued)	
Contingency Planning Policy	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 $102,040. This compares to the GFOA guidelines for funding contingencies at 15% or higher. The September 30, 2015 balance is $61,300, approximately $40,740 below the revised target. 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 $5,000 in the General Fund.
Debt Disclosure Practices	The County presents a set of disclosures in the County's adopted Budget document and the CAFR, 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 County's Credit and Debt Management Policy states that one of its most important goals and objectives is to continue efficient debt reduction strategies through refunding or defeasance of debt to lower the financial burden on the General Fund.
Public Financing Advisory Committee	The Public Financing Advisory Committee (PFAC) is responsible for the review, approval, modification or denial of debt financing proposals. No debt financing proposal is considered by the Board unless recommended in writing by the PFAC. 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 (non-voting), the elected Treasurer-Tax Collector, and the elected Auditor-Controller).
Audit Oversight Committee	The Audit Oversight Committee (AOC) is an advisory committee to the Board of Supervisors that provides oversight of the activities of the County Auditor-Controller's Internal Audit Division and the County's external audit coverage including financial reporting and federal and state audit activities, and that discusses the adequacy of the County's internal control structure. The AOC membership consists of the following: the Chairman and Vice-Chairman of the Board, the elected Auditor-Controller, the County Executive Officer, the elected Treasurer-Tax Collector, the Performance Audit Director, and four public members from the private sector appointed by the Board. The public members shall be appointed by the Board for a term of four years and may be reappointed or removed by the Board.

Relevant Financial Policies (Continued)	
Treasury Oversight Committee	The Treasury Oversight Committee (TOC) is responsible for reviewing and monitoring the annual Investment Policy Statement (IPS) prepared by the Treasurer. In addition, the TOC causes an annual audit of the Treasurer's compliance with the IPS. The TOC shall also investigate any and all irregularities in the Treasurer's operations, which become known to the TOC. The TOC will develop and document policy and procedures to investigate and report such irregularities. Annually, the TOC reviews the Treasurer's IPS, including all proposed amendments or modifications to the policy. The Treasurer then submits the IPS to the Board for approval, including any additions or amendments 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 members of the public. The public members shall be nominated by the Treasurer and confirmed by the Board.
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.

Major Initiatives

Funding Equity: The County of Orange hovers at the bottom of funding for counties statewide, receiving the lowest percentage of property taxes in California to support services—about 6 cents on the dollar. The state average is 17 cents. The formula for returning local property taxes to 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 fixes. Shifting funding formulas could affect other counties receiving more of their share of taxes, as well as other taxing entities such as cities, special districts, and schools, which have constitutional protections for state funding. The answer to assuring funding equity for Orange County, therefore, 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. Orange 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.

State Prison Realignment: In 2011, California, with passage of Assembly Bill 109, ordered the realignment of certain state prisoners to serve their sentences in county jails instead of state prisons to comply with court-ordered overcrowding reductions. Orange County accounts for 8.1% of the state's population and 6.4% of the total prison population. In FY 2014-15, the County spent $63,400 and carried over $4,600 surplus to FY 2015-16.

Realignment has led to multiple challenges, including the need for more in-custody housing options and bed space, additional case-management resources, inmate screening and medical/psychiatric programs. Felony caseloads have increased substantially with a corresponding increase in the need for additional court hearings and appearances. On November 4, 2014 voters passed Proposition 47, "The Safe Neighborhood and Schools Act," which reduced the classification of most non-serious, non-violent property and drug crimes from felonies to misdemeanors. This change reduced the number of new felony cases and permitted re-sentencing for anyone currently serving a sentence for those offenses, ultimately reducing the AB 109 and general jail populations. This change resulted in lower felony caseloads and a temporary increase in workloads due to the large number of re-sentencing hearings.

Labor Agreements: Most County employees are represented by 16 bargaining units within 7 labor organizations. The principal organization is the Orange County Employees Association (OCEA), which represents eight units

totaling about 12,059 employees. The next largest unions are the Association of Orange County Deputy Sheriffs, at about 2,020 members; and about 1,561 eligibility workers are represented by the American Federation of State and Municipal Employees. All but four contracts have been successfully negotiated and County employees continue to work under their contract terms with no interruption.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Awards: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Orange for its CAFR for the year ended June 30, 2014. This represents the County's 20th consecutive award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

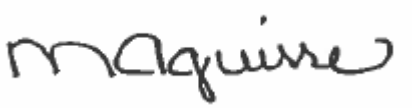
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County issued its 12th consecutive Popular Annual Financial Report (PAFR) titled the "OC Citizens' Report" for the year ended June 30, 2014. The County received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for this PAFR. 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 http://ac.ocgov.com/reports/pafr.

Acknowledgments: We would like to express our sincere appreciation to County staff and the staff of the certified public accounting firm of MGO. 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 activity of the County of Orange.

Respectfully submitted,

Eric H. Woolery, CPA
Auditor-Controller



Michelle Aguirre
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Orange

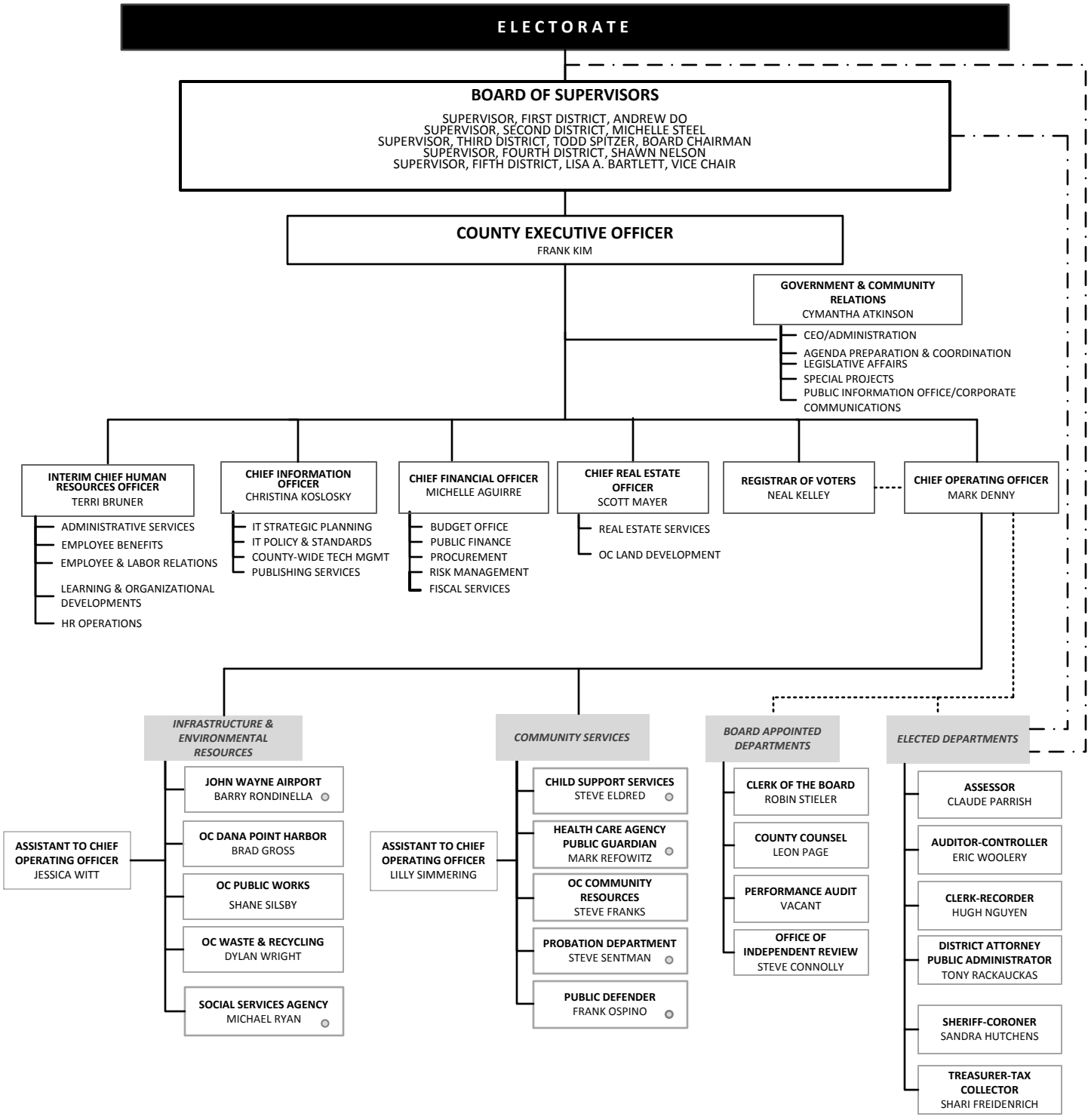
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

ORGANIZATIONAL CHART
(As of December 3, 2015)



COUNTY OF ORANGE
CALIFORNIA

Independent Auditor's Report

The Honorable Board of Supervisors
County of Orange, California

We have audited the accompanying 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Children and Families Commission of Orange County (CFCOC) and the Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance (CalOptima), which collectively represent 100% percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for CFCOC and CalOptima, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Roads Fund, Flood Control District Fund, and Other Public Protection Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, effective July 1, 2014, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The implementation of these statements resulted in a restatement of net position as of July 1, 2014 in the amount of $3,686,767,000, $80,522,000, and $116,315,000 for the governmental activities, the business-type activities, and the proprietary funds, respectively.

Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules related to the Orange County Extra-Help Defined Benefit Plan, schedules related to the Orange County Employees Retirement System, and schedule related to the Orange County Retiree Medical Plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules included in supplemental information in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Macias Gini & O'Connell LLP

Newport Beach, California
December 17, 2015

COUNTY OF ORANGE
CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(UNAUDITED)

This section of the County's Comprehensive Annual Financial Report (CAFR) provides a narrative overview and analysis of the financial activities of the County for the year ended June 30, 2015. 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, increased by $324,462, or 19% as compared to last year.
- Long-term debt decreased by $76,240 or 14% during the current fiscal year.
- The County's governmental funds reported combined ending fund balances of $2,186,691, an increase of $219,067, or 11% in comparison with the prior year.
- General Fund revenues and transfers ended the year 3% below budget.
- General Fund expenditures and other financing uses ended the year 7% below budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

<table>
<tr><th colspan="4">Basic Financial Statements</th></tr>
<tr><th rowspan="2">Government-wide Financial Statements</th><th colspan="3">Fund Financial Statements</th></tr>
<tr><th>Governmental Funds</th><th>Proprietary Funds</th><th>Fiduciary Funds</th></tr>
<tr><td rowspan="2">Statement of Net Position</td><td>Balance Sheet</td><td>Statement of Net Position</td><td rowspan="2">Statement of Fiduciary Net Position</td></tr>
<tr><td rowspan="2">Statement of Revenues, Expenditures, and Changes in Fund Balances</td><td rowspan="2">Statement of Revenues, Expenses, and Changes in Fund Net Position</td></tr>
<tr><td rowspan="2">Statement of Activities</td><td rowspan="2">Statement of Changes in Fiduciary Net Position</td></tr>
<tr><td>Budgetary Comparison Statement</td><td>Statement of Cash Flows</td></tr>
<tr><td colspan="4">Notes to the Basic Financial Statements</td></tr>
</table>

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	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 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 (except for agency funds)
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 outflows of resources both financial and capital, short-term and long-term	All assets, deferred outflows of resources, and deferred inflows of resources held in a trustee or agency 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 additions and deductions 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 airport, waste management, and compressed natural gas.

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, and therefore, data from these component units are combined with data of the primary government. Financial information for the Children and Families Commission of Orange County (CFCOC) and CalOptima, discretely presented component units, are reported separately from the financial information presented for the primary government itself. A separate stand-alone annual financial report can be obtained for the CFCOC by accessing Orange County's website at the following address: http://ac.ocgov.com/info/financial/. A separate stand-alone annual financial report can be obtained for CalOptima by accessing the website at http://wpso.dmhc.ca.gov/fe/search/#top, and select the Health Plan "Orange County Health Authority" and Statement Type "Annual Audit Reports."

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, the County's proportionate share of the net pension liability and amounts owed for compensated absences and capital lease obligations, 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. Information for nonmajor funds is presented in the aggregate in these statements. Individual fund data for each of the nonmajor governmental funds is presented elsewhere in this report. 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.

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, Waste Management, and Compressed Natural Gas. **Internal Service Funds** are used to accumulate and allocate costs internally among the County's various functions such as insurance, transportation, publishing, and information technology. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds 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 Waste Management 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 funds financial statements with the individual fund data provided in combining statements, which can be found elsewhere in this report.

Fiduciary Funds - Fiduciary funds include the **Trust** and **Agency** 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 elsewhere in this report.

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, 2015, the County's combined net position (governmental and business-type activities) totaled $2,007,750, a decrease of 63% from unrestated FY 2013-14.

COMPONENTS OF NET POSITION

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The largest component of the County's net position, which totals $3,313,004, 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.

The County's **restricted** net position totals $1,324,014. Restricted net position 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 final component of net position is **unrestricted 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, 2015, governmental activities showed a deficit of $2,991,814 in unrestricted net position, compared to $331,408 at June 30, 2014. A key element contributing to the change is the implementation of GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions*" (GASB Statement No. 68) and GASB Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*" (GASB Statement No. 71) to present the County's proportionate share of net pension liability on the financial statements. Refer to Note 18 Retirement Plans for more details.

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

NET POSITION – Primary Government
June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
ASSETS						
Current and other assets	$ 3,216,086	$ 3,156,094	$ 827,258	$ 784,278	$ 4,043,344	$ 3,940,372
Capital assets	2,783,675	2,756,054	835,176	823,019	3,618,851	3,579,073
Total Assets	**5,999,761**	**5,912,148**	**1,662,434**	**1,607,297**	**7,662,195**	**7,519,445**
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charge on Refunding	6,225	9,622	--	--	6,225	9,622
Deferred Outflows of Resources Related to Pension	652,309	--	14,275	--	666,584	--
Total Deferred Outflows of Resources	**658,534**	**9,622**	**14,275**	**--**	**672,809**	**9,622**
LIABILITIES						
Long-term liabilities	4,724,559	973,983	462,586	408,736	5,187,145	1,382,719
Other liabilities	666,496	622,850	79,365	72,921	745,861	695,771
Total Liabilities	**5,391,055**	**1,596,833**	**541,951**	**481,657**	**5,933,006**	**2,078,490**
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources Related to Pension	385,819	--	8,429	--	394,248	--
Total Deferred Inflows of Resources	**385,819**	**--**	**8,429**	**--**	**394,248**	**--**
NET POSITION						
Net Investment in Capital Assets	2,670,577	2,646,812	642,427	624,621	3,313,004	3,271,433
Restricted	1,202,658	1,346,717	121,356	116,148	1,324,014	1,462,865
Unrestricted	(2,991,814)	331,408	362,546	384,871	(2,629,268)	716,279
Total Net Position	**$ 881,421**	**$ 4,324,937**	**$ 1,126,329**	**$ 1,125,640**	**$ 2,007,750**	**$ 5,450,577**

* The balances shown in FY 2014 have not been restated to include adjustments in Note 2, Change in Accounting Principle

As of June 30, 2015, the County's total assets and deferred outflows of resources increased by 11% or $805,937 during the current fiscal year. Deferred outflows of resources related to pension increased by $666,584 due to the changes in net pension liability measurements, such as the difference between expected and actual expense, changes of assumption, changes in proportion and difference between employer contributions and proportionate share of contributions, used in the actuarial study and the County's pension contribution after the measurement date as required by GASB Statement No. 68 and GASB Statement No. 71. Partially offsetting this increase was a decrease in deferred outflows for charges on refunding due to the amortization of the deferred loss on refunding for the 2005A Refunding Recovery Bonds and 2005 Lease Revenue Bonds. Refer to Note 2, Change in Accounting Principle and Note 18 Retirement Plans for further information regarding the implementation of GASB Statement No. 68 and GASB Statement No. 71.

Total liabilities and deferred inflows of resources for FY 2014-15 increased by 204% or $4,248,764. Long-term liabilities increased by 275% or $3,804,426, as a result of the County's proportionate share of the net pension

liability. Deferred inflows of resources related to pension increased $394,248 due to the changes in the net pension liability measurements used in the actuarial study as required by GASB Statement No. 68.

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, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
REVENUES						
Program Revenues:						
Charges for Services	$ 563,013	$ 535,382	$ 281,368	$ 261,857	$ 844,381	$ 797,239
Operating Grants and Contributions	1,996,861	2,033,550	255	900	1,997,116	2,034,450
Capital Grants and Contributions	33,241	54,478	9,215	5,277	42,456	59,755
General Revenues:						
Property Taxes	505,189	444,104	--	--	505,189	444,104
Property Taxes in Lieu of Motor Vehicle License Fees	314,957	295,798	--	--	314,957	295,798
Other Taxes	71,613	73,178	109	101	71,722	73,279
Grants and Contributions not Restricted to Specific Programs	49,476	14,192	--	--	49,476	14,192
State Allocation of Motor Vehicle License Fees	764	895	--	--	764	895
Other General Revenues	76,585	72,871	4,639	6,241	81,224	79,112
Total Revenues	**3,611,699**	**3,524,448**	**295,586**	**274,376**	**3,907,285**	**3,798,824**
EXPENSES						
General Government	191,793	131,026	--	--	191,793	131,026
Public Protection	1,326,028	1,261,984	--	--	1,326,028	1,261,984
Public Ways and Facilities	114,398	127,561	--	--	114,398	127,561
Health and Sanitation	537,580	626,063	--	--	537,580	626,063
Public Assistance	1,049,665	988,735	--	--	1,049,665	988,735
Education	43,314	41,240	--	--	43,314	41,240
Recreation and Cultural Services	102,069	-- 96,820	--	--	102,069	96,820
Interest on Long-Term Debt	23,560	28,028	--	--	23,560	28,028
Airport	--	--	124,778	120,731	124,778	120,731
Waste Management	--	--	69,307	94,161	69,307	94,161
Compressed Natural Gas	--	--	331	379	331	379
Total Expenses	**3,388,407**	**3,301,457**	**194,416**	**215,271**	**3,582,823**	**3,516,728**
Excess before Transfers	223,292	222,991	101,170	59,105	324,462	282,096
Transfers	19,959	17,557	(19,959)	(17,557)	--	--
Change in Net Position	**243,251**	**240,548**	**81,211**	**41,548**	**324,462**	**282,096**
Net Position - Beginning of the Year, as Restated	638,170	4,084,389	1,045,118	1,084,092	1,683,288	5,168,481
Net Position - End of the Year	**$ 881,421**	**$ 4,324,937**	**$ 1,126,329**	**$ 1,125,640**	**$ 2,007,750**	**$ 5,450,577**

* The balances shown in FY 2014 have not been restated to include adjustments in Note 2, Change in Accounting Principle

As of June 30, 2015, the County's change in net position, excluding the restatement of net position, increased by $324,462 during the current fiscal year. Revenues for the year totaled $3,907,285, an increase of $108,461 from prior year's total revenues. Expenses totaled $3,582,823, an increase of $66,095 from the previous year's total expenses.

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 health care. 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 2014-15, total revenues for governmental activities, including transfers from the business-type activities, were $3,631,658, an increase of $89,653 from the previous year. Expenses totaled $3,388,407, an increase of $86,950 from the prior year. During the current fiscal year, net position for governmental activities increased by $243,251 from the prior fiscal year after restatement of beginning net position as of July 1, 2014 for an ending balance of $881,421. Key elements of the increase are as follows:

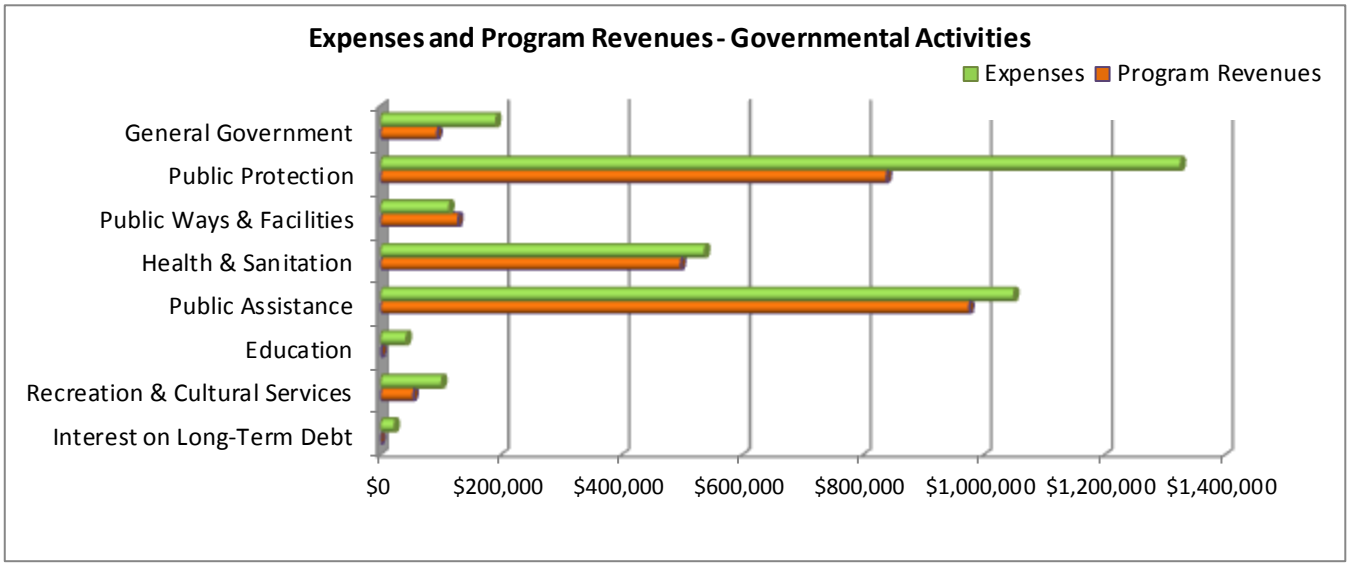
Revenues

- Property Taxes increased by $61,085, mainly due to a change in the secured assessed values and a change in the Teeter Plan Reserve methodology for calculating the reserve requirement for the Tax Loss Reserve Fund. This reserve methodology is legally allowable to be changed by the California Revenue and Taxation Code and was adopted by a Board resolution.
- Grants and Contributions not restricted to Specific Programs increased by $35,284, primarily due to an increase in monies received from the State for reimbursement of mandate related costs incurred prior to 2004 which were previously allowed for.
- Charges for Services increased by $27,631, due primarily to an increase in mental health services for educational related mental health and Medi-Cal programs under Proposition 63 Mental Health Services Act (MHSA). In addition, revenues increased from road and street services for the La Pata fee program. Partially offsetting the increase in Charges for Services was a decrease in revenues recognized for the Immigration Customs and Enforcement (ICE) program.
- Partially offsetting the general increase in revenues was a decrease of $36,689 in operating grants and contributions, primarily due to the Affordable Care Act, which decreased revenues from the Low Income Health Program. In addition, revenues decreased for the Highway Users Tax as a result of a lower allocation and a change in methodology for not accruing the July payment regulated by the State.

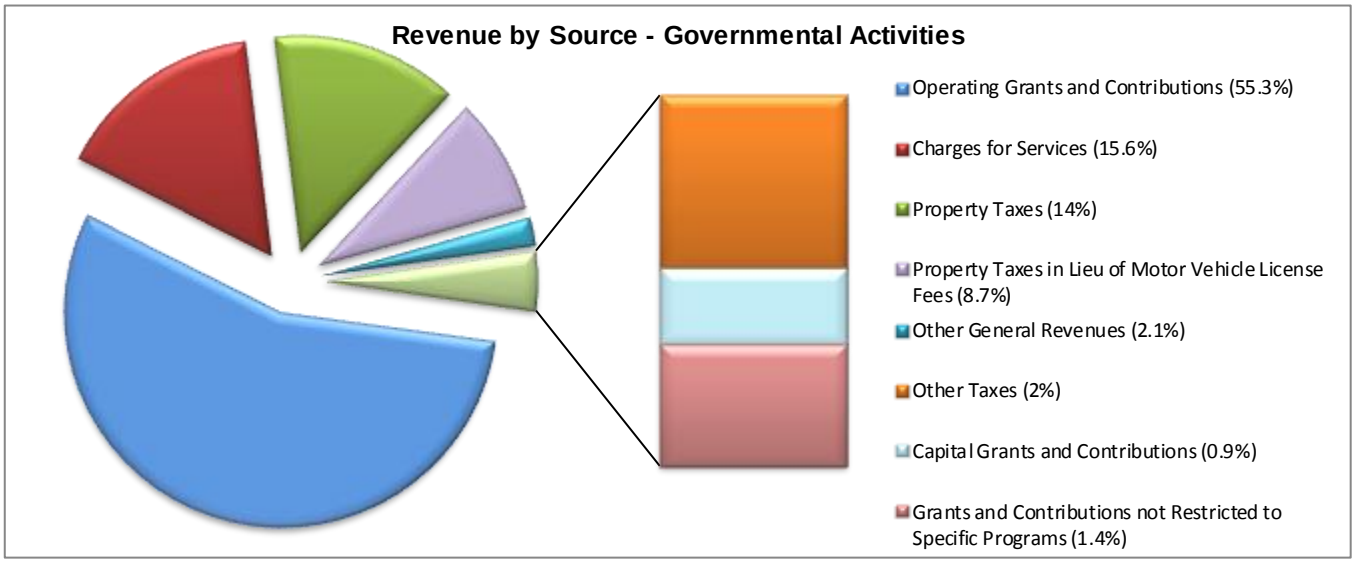
Expenses

- An increase in general government expenses of $60,767 was primarily due to the implementation of GASB Statement Nos. 68 and 71, which increased pension related expense items not previously accounted for. In addition, partly contributing to the increase was the intangible asset impairment loss of the Property Tax Management System.
- Expenses in public protection and public assistance increased by $64,044 and $60,930 respectively, primarily due to an increase salaries and benefits (S&EB) due to additional positions added to support new and ongoing demands in social services programs. In addition, there was an increase in pension related expense items as a result of the implementation of GASB Statement Nos. 68 and 71.
- Partially offsetting the increase in expenses was a decrease in health and sanitation by $88,483 due to a decrease in services as a result of the transition of Low Income Health Program (LIHP) to CalOptima as required in the Affordable Health Care Act, which resulted in a lower enrollment in the Medical Safety Net program.
- Public Ways and Facilities decreased by $13,163, which was primarily attributable to the decrease in professional services for various road projects that were completed. In addition, there was a reduction in salaries and benefits due to the reorganization of various positions to other departments.

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

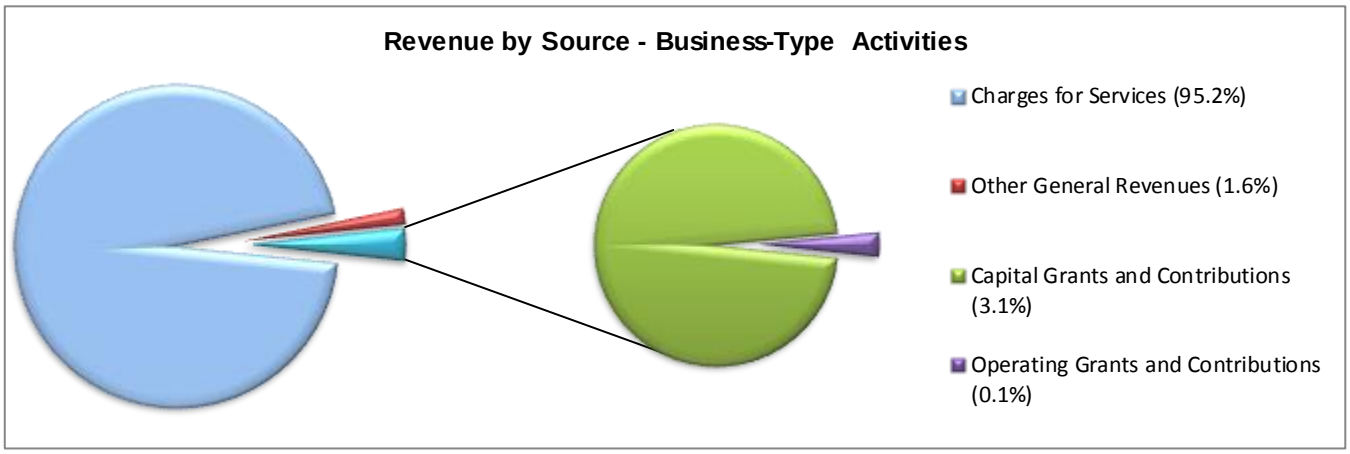


The chart below presents the percentage of total revenues by source for governmental activities:



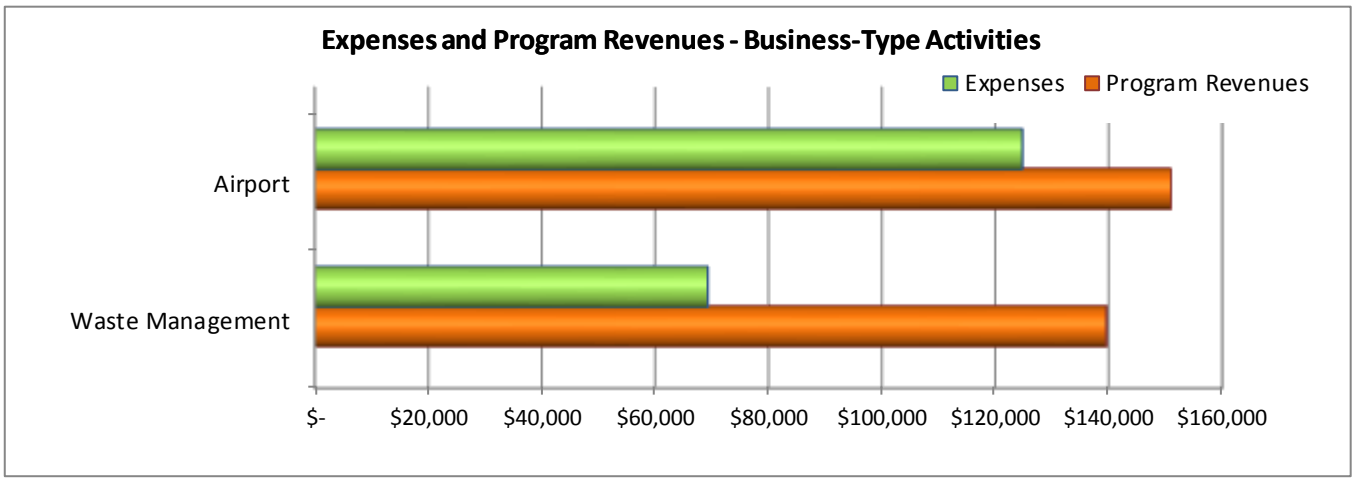
Business-Type Activities

The County has three business-type activities: Airport, Waste Management, and Compressed Natural Gas. 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.



At the end of FY 2014-15, the business-type activities' total revenues exceeded expenses and transfers resulting in an increase of $81,211 in net position compared to the prior year's increase of $41,548. Revenues totaled $295,586, an increase of $21,210 from the previous fiscal year, which is attributable to an increase in revenues received by the Airport for passenger parking, rental car and specialty concessions, operation of the international arrival facilities and cost reimbursements for federally funded construction projects. Also, the increase in revenue was in part due to an increase to Waste Management's revenues from importation and in-county disposal tonnage and fees. Expenses, including transfers to governmental activities, totaled $214,375, representing a decrease of $18,453 from the previous year. The decrease was primarily the result of decreases in closure and postclosure care costs, pollution remediation, and cost of services and supplies. The decrease was offset by increases in depreciation and amortization expenses and impairment loss related to the Common Use Passenger Processing System (CUPPS). 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 following chart displays expenses and the associated program revenues by function for the business-type activities (major enterprise funds):



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to demonstrate legal compliance and to 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 and current liabilities 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 County's Board of Supervisors (the Board) in order to achieve the established function of the respective funds.

At June 30, 2015, the County's governmental funds reported total fund balances of $2,186,691 which is an increase of $219,067 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, 2015 and 2014

	Revenues and Other Financing Sources		Expenditures and Other Financing Uses		Net Change in Fund Balances	
	2015	2014	2015	2014	2015	2014
General Fund	$ 3,001,243	$ 2,879,856	$ 2,853,121	$ 2,808,016	$ 148,122	$ 71,840
Roads	98,640	109,937	90,118	107,694	8,522	2,243
Flood Control District	163,096	169,260	121,287	154,993	41,809	14,267
Other Public Protection	66,846	49,261	66,747	48,203	99	1,058
Teeter Plan Notes	31,715	50,786	40,854	43,959	(9,139)	6,827
Other Governmental	652,592	600,011	622,938	615,209	29,654	(15,198)
Total	**$ 4,014,132**	**$ 3,859,111**	**$ 3,795,065**	**$ 3,778,074**	**$ 219,067**	**$ 81,037**

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 2014-15, revenues and other financing sources exceeded expenditures and other financing uses resulting in an increase in fund balances of $148,122 compared to last year's increase in fund balances of $71,840. Revenues and other financing sources increased by $121,387 and expenditures and other financing uses increased by $45,105. The following is a brief summary of the primary factors that contributed to the increase in the net change in fund balance for the General Fund in FY 2014-15:

Revenues

- Tax revenue increased by $30,237, which was primarily due to increases in secured property taxes and property taxes in-lieu of vehicle license fees (VLF) resulting from an increase in secured assessed values. Partially offsetting the increase in tax revenues was a decrease in supplemental and other property tax revenues.
- Fines, Forfeitures, and Penalties revenue increased by $49,024, primarily due to the adoption of Board Resolution 14-096 which changed the minimum reserve requirements for the Teeter Plan Loss Reserve.
- Transfers to the General Fund increased by $30,829 due to an increase in Social Services Agency (SSA) Wraparound claims for Children's Services, General Relief Assistance, and facilities development and maintenance costs. Wraparound is a State funded program that offers intensive services to children and youth at risk of placement in group homes. The County is authorized to use the State and County's share of foster

care placement dollars that would have otherwise been paid to a group home to provide wraparound services. The program is funded by the 2011 Public Safety Realignment (AB109) dedicated State sales tax and vehicle license fees.

- There were also increases in transfers from the Juvenile Justice Reform fund due to fund closure, Excess Public Safety Sales Tax for the District Attorney's budget requirement and the Sheriff Department's Field Based Reporting System. In addition, there were transfers from various funds including the Sheriff Narcotics programs and Supplemental Law Enforcement Services funds for overtime costs related to asset forfeiture seizures, equitable sharing of asset forfeiture revenue and expenses incurred at County Jails. These increases were partially offset by a decrease in transfers for OC Tobacco Settlement Revenue due to lower reimbursement claims in FY 2014-15.

Expenditures

- Expenditures for the general government increased by $36,265, which was primarily due to the County not utilizing funds available in the County Investment Account to meet its Annual Required Contribution compared to prior year, the first of five payments per the Vehicle License Fee Adjustment Amount (VLFAA) settlement agreement, and centralization of property tax systems to improve data sharing, processes, and efficiencies across departments. In addition, there were increased professional services expenditures for capital projects including the developer contract for the master planning of the MCAS El Toro 100-Acre parcel and increased S&EB expenses for the centralization of County Executive Office real estate functions.
- Expenditures for public protection increased by $43,917. Factors contributing to this increase in expenditures were the County's loss in the OC Attorney's Association lawsuit which increased the S&EB expenses for the District Attorney and Public Defender departments, the County's loss in the Gang Injunction lawsuit, and ongoing operational cost increases in the Sheriff's Department for S&EB and Services and Supplies (S&S). In addition, the Probation department had an increase in S&S for Enterprise IT billings and other professional services, offset by a decrease in temporary help services.
- Expenditures for health and sanitation decreased by $105,885, primarily due to a decrease in professional services and S&S related to the Low Income Health Program (LIHP) and Medical Services Initiative (MSI) claims and pharmacy contracts.
- Expenditures for public assistance increased by $55,907 primarily due to increases in operational costs for SSA in the areas of S&EB, S&S and Other Charges resulting from increases in staffing needs, contracts for services, information technology, facility improvements and other services required for the CalWORKs program, In-Home Supportive Services, Children and Family Services and Administrative Services.
- Expenditures for transfers increased by $13,562 due primarily to higher transfers to the Plan of Adjustment Available Cash Fund used to amortize bankruptcy related losses to County administered accounts and transfers for various capital projects including HVAC Systems, Central Utility Facility infrastructure upgrades, and purchase of a dispatch console platform for the Sheriff's 800 MHz Countywide Coordinated Communication System (800 MHz CCCS).

Roads

This fund accounts for the maintenance and construction of roadways, and for specialized engineering services to other governmental units and the public. At the end of FY 2014-15, fund balance increased by $8,522 compared to last year's increase in fund balance of $2,243. Revenues and other financing sources decreased by $11,297 primarily due to a decrease in intergovernmental revenues for the Highway Users Tax as a result of a lower allocation and a change in methodology for accruing the July payment from the State. Slightly offsetting this decrease was an increase in charges for services as a result of the revenue recognition for the La Pata Fee Program, reduced by lower amounts of revenues recorded for fee credit relinquishments that are done throughout the year once projects are completed for the South County Roadway Improvement Program (SCRIP). Expenditures decreased by $17,576 primarily due to a decrease in professional services by $12,330 related to the completion of asphalt overlay resurfacing of various streets on March 14, 2014 and completion of various road and bridge projects such as the Moulton Parkway Widening, Segment 3, Phase II completed in November 2014 and the Cerritos Avenue Reconstruction and Sewer Modification completed in July 2014.

Flood Control District

This fund accounts 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 2014-15, there was an increase in fund balances of $41,809 compared to last year's increase in fund balances of $14,267. Revenues and other financing sources decreased by $6,164 due mainly to a decrease in intergovernmental revenues of $25,907 from the Department of Water Resources for the Santa Ana River Interceptor (SARI) Line project claims, partially offset by an increase in other revenues as a result of a litigation settlement for the Los Alamitos Pump Station. Refer to Note 11 for detailed information regarding the SARI project and financing agreement. Expenditures and other financing uses decreased by $33,706 primarily due to a decrease in capital outlay expenditures related to the completion of construction for the SARI main line in August 2014 and the East Garden Grove Wintersburg Channel Improvements in December 2014. Partially offsetting the decrease was an increase in expenditures for the purchase of real property as part of the Prado Dam Project.

Other Public Protection

This group of funds is used to account for safety and law enforcement activities. At the end of FY 2014-15, there was an increase in fund balances of $99 compared to last year's increase in fund balances of $1,058. Revenues and other financing sources increased by $17,585 which was attributable to an increase in fines, forfeitures and penalties of $9,189, primarily for penalty and settlement collections in the District Attorney's Consumer Protection funds, offset by a decrease in penalty assessment revenues for the Orange County Jail Fund. Charges for services increased $4,837 primarily due to cost sharing with various cities and governmental entities for the replacement of obsolete radio equipment to extend the life of the existing 800 MHz Countywide Coordinated Communication System and charges for the CAL-ID Automated Fingerprint Identification System. Expenditures and other financing uses increased by $18,544 primarily due to transfers out of $15,828 to reimburse the Sheriff's department for overtime on the Sheriff Narcotics Program, Gang Enforcement Team, South Patrol, and communications rebanding project and transfers out of the Juvenile Justice Reform fund to the Probation Department due to fund closure.

Teeter Plan Notes

This fund accounts for the financing of the County's purchase of delinquent taxes receivable pursuant to the Teeter Plan. At the end of FY 2014-15, fund balances decreased by $9,139 compared to last year's increase in fund balances of $6,827. Revenues and other financing sources decreased by $19,071 primarily due to a decrease of $8,098 in notes issued and a decrease of $10,889 in penalties and costs on delinquent taxes which are now recorded in the General Fund based on a Board resolution adopted in FY 2014-15. Expenditures decreased by $3,105 primarily due to a decrease in principal retirement for the partial redemption of the Teeter Plan Notes.

Other Governmental Funds

Other governmental funds encompass nonmajor funds, which include special revenue funds, debt service funds, capital projects funds, and a permanent fund. At the end of FY 2014-15, fund balances increased by $29,654 in comparison to prior year's decrease in fund balances of $15,198. Revenues and other financing sources increased by $52,581 primarily due to an increase in intergovernmental revenues for State allocations of the MHSA, an increase in transfers in for non-General Fund multi-year countywide capital projects, and higher secured taxes apportioned in FY 2014-15. Expenditures and other financing uses increased by $7,729, primarily due to transfers out to the General Fund to cover unanticipated SSA wraparound and general relief costs. The increase in expenditures was partially offset by a decrease in transfers for the Tobacco Settlement Fund due to a continued decline in cigarette sales and a decrease in miscellaneous expenses due to the closing of Community Facility District (CFD) construction funds.

The following chart shows the 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, 2015 and 2014

	2015	2014	Increase/(Decrease) %
General Fund	$ 664,508	$ 516,386	29 %
Roads	61,802	53,280	16 %
Flood Control District	418,945	377,136	11 %
Other Public Protection	145,960	145,861	--
Teeter Plan Notes	52,505	61,644	(15)%
Other Governmental Funds	842,971	813,317	4 %
Total	**$ 2,186,691**	**$ 1,967,624**	11 %

Proprietary Funds

The proprietary funds 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 Waste Management funds, which are considered to be major funds of the County, and Compressed Natural Gas 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' actual 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, 2015 and 2014

	Revenues, Contributions and Transfers		Expenses and Transfers		Change in Fund Net Position	
	2015	2014	2015	2014	2015	2014
Airport	$ 152,732	$ 143,766	$ 125,072	$ 121,514	$ 27,660	$ 22,252
Waste Management	142,250	130,025	89,117	111,380	53,133	18,645
Compressed Natural Gas	423	497	480	729	(57)	(232)
Total	**$ 295,405**	**$ 274,288**	**$ 214,669**	**$ 233,623**	**$ 80,736**	**$ 40,665**

Airport
This fund accounts for major construction and self-supporting aviation related activities rendered at John Wayne Airport, Orange County (JWA). At the end of FY 2014-15, there was an increase in fund net position of $27,660 compared to the prior year increase of $22,252. Revenues and contributions increased by $8,966 primarily due to an increase in revenue for passenger parking, revenue received for rental car and specialty concession lease agreements, revenue from operation of the international arrival facilities, and cost reimbursements for federally funded construction projects. Expenses increased by $3,558 primarily due to an increase in depreciation and amortization expense and impairment loss of a capital asset related to the Common Use Passenger Processing System (CUPPS) hardware and software, partially offset by a decrease in professional and specialized services.

Waste Management
This fund is used to account for the operation, expansion, closing of existing landfills and the opening of new landfills. Monies are collected through gate tipping fees, which users pay based primarily on tonnage. At the end of FY 2014-15, there was an increase in fund net position of $53,133 compared to the prior year increase of $18,645. Revenues and transfers increased by $12,225, which was primarily due to an increase in sanitation and landfill

disposal fees collected for waste, recycling, and importation, as well as importation tonnage and in-county disposal tonnage. Expenses and transfers decreased by $22,263 primarily due to a decrease in closure and postclosure care costs and pollution remediation expenses, as well as decreased transfers to the General Fund for net imported waste revenue in support of the County Bankruptcy Recovery Plan. Offsetting the decrease in expenses and transfers was an increase in professional and specialized service costs.

Compressed Natural Gas (CNG)
This fund was established in FY 2009-10 and accounts for the operation and maintenance of the CNG facility. Revenues consist primarily of compressed natural gas sales to both the County and the public.

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 Amended Budget; and 2) the Final Amended Budget and the 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 Budgetary Comparison Statement for details on this 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 amended budget revenues compared to the original budget revenues:

Transfers In
- An increase of $11,046 due to an agreement with the OC Waste and Recycling (OCWR) Department to transfer net imported waste revenue in support of the County Bankruptcy Recovery Plan.
- An increase of $3,303 for the Probation Department primarily due to closing of the Juvenile Justice Reform fund and transfer of remaining balances to Probation.
- An increase of $4,792 in the Sheriff-Coroner Department primarily due to transfers from Proposition 69 – DNA Identification fund, Excess Public Safety Sales Tax fund, and Regional Narcotics Suppression Program to enhance DNA processing, upgrade the current reporting system to improve workflow efficiencies and reimburse overtime costs related to asset forfeitures.
- An increase of $7,100 in the General Relief budget control due to transfers from Facilities Development and Maintenance Fund to offset costs from increased caseloads in the General Relief budget control.

Intergovernmental Revenue
- An increase of $8,588 in the Sheriff-Coroner Department for AB 109 realignment revenue and Proposition 172 revenue to support department operations, as well as for various program revenue adjustments for grants and reimbursement agreements.
- An increase of $11,614 in the Social Services Agency (SSA) to align with the FY 2014-15 State and Federal allocations and grants for various programs including Medi-Cal, CalFresh, and CalWORKs.

Bond Issuance Proceeds
- An increase of $365,000 due to the anticipated proceeds from the County's issuance of the Taxable Pension Obligation Bonds, 2015 Series A. Refer to Note 10 for information regarding the Taxable Pension Obligation Bonds, 2015 Series A.

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 compared to the final revenue budget:

Fines, Forfeitures, and Penalties
- A $47,393 positive variance primarily due to a one-time accrual of Teeter Penalty revenue resulting from the change in the Teeter Plan Reserve calculation methodology.

Transfers In

- A $121,399 negative variance primarily comprised of the following:
  - A $60,727 negative variance in Health Care Agency primarily due to a reduction in Mental Health Services Act (MHSA) transfers because of delays in projects and start-up of contracted services, as well as a delay in transfers from the OC Tobacco Settlement Revenue Fund.
  - A $12,681 negative variance in Social Services Agency primarily due to lower claims as a result of lower expenditures caused by the deferral of facility maintenance projects and other budgeted expenditures, as well as reduced spending in Wraparound direct services contracts and other Wraparound funded expenditures.
  - A $22,506 negative variance was due to no transfer of penalty revenue occurring in FY 2014-15. Instead, this revenue was directly recorded in Fines, Forfeitures, and Penalties in the General Fund.
  - A $6,344 negative variance in Capital Projects due to the deferral of the Orange County Homeless Shelter project and a delay in transferring corresponding project funding from the CEO Single Family Housing fund.

Bond Issuance Proceeds

- A $25,375 negative variance in Prepaid Pension Obligation due to several County departments that had sufficient funds to prepay their pension contribution costs to OCERS so they opted out of the financing.

Original Expenditure Budget vs. Final Expenditure Budget

The following provides a brief summary of the primary factors attributable to the increase in the General Fund final amended budget expenditures compared to the original budget expenditures:

Prepaid Pension Obligation

- An increase of $365,000 in appropriations for the retirement prepayments to OCERS for the County's FY 2014-15 employer contribution and related expenses.

Capital Projects

- An increase of $16,047 in appropriations primarily for the purchase of a leasehold interest in the Air Space Lease in the Transit Tower and adjacent parking structure, and the purchase of a dispatch console platform and upgrades to the workstation to accommodate the new equipment for the Sheriff's 800 MHz CCCS, and an increased budget for various capital projects, such as rebuilding air-handling units in the Central Men's Jail, replacing the structural wood sub-floor in the James A. Musick Jail Facility West Compound Barracks, replacing steam lines for the kitchen at the Theo Lacy Jail Facility, and replacing vehicle gates at the Central Men's Jail.

Sheriff-Coroner

- An increase of $18,622 in appropriations primarily to offset overtime and S&S costs associated with providing law enforcement services, traffic safety, forensic science and homeland security, as well as increased overtime and S&S costs associated with the 2011 Public Safety Realignment (AB109).

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 expenditures budget:

Prepaid Pension Obligation

- A $24,737 positive variance primarily due to a lesser financing of the County's FY 2014-15 prepayment to OCERS. Several County departments had sufficient funds available to prepay their pension contribution costs to OCERS so they opted out of the financing.

Probation

- A $18,771 positive variance primarily due to lower salaries and benefits caused by a high vacancy rate as retirements and separations outpaced recruitments. In addition, the department experienced lower than anticipated facility costs and continues its search for a suitable location for the South County Office.

Sheriff-Coroner

- A $10,170 positive variance primarily due to cost containment efforts by the department to delay filling vacant positions and the deferral of facility maintenance and equipment purchases.

Health Care Agency

- A $71,931 positive variance resulting from S&S savings, primarily due to the delayed startup of MHSA program. Additionally, lower salaries and benefits from delays in recruitments, savings from shifting the Royale Convalescent Hospital from a lease purchase to a lease agreement and lower than budgeted support and care costs for the California Children services programs were realized.

Aid To Families with Dependent Children – Foster Care

- A $6,319 positive variance due to reduced spending in direct service contracts for Wraparound and lower than anticipated supportive service for CalWin caseloads.

OC Community Resources

- A $19,428 positive variance primarily due to a minor reorganization in OC Community Resource's Central Projects Office, that lead to decreased contract spending and salaries and benefits.

Social Services Agency

- A $43,070 positive variance due to lower salaries and benefits as a result of higher than anticipated vacancies, decreased contract services spending, and delayed IT and facility projects.

Capital Assets

At June 30, 2015, the County's capital assets for both the governmental and business-type activities amounted to $3,618,851, net of accumulated depreciation. The investment in capital assets includes land, structures and improvements, land improvements, equipment, software, infrastructure (roads, bridges, flood channels, trails, traffic signals, and harbors), intangible in progress, land use rights, and construction in progress. The total increase in the County's investment in capital assets for the current year was 1%.

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

CAPITAL ASSETS
(Net of Depreciation)
June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2015	2014	2015	2014	2015	2014	% Change
Land	$ 823,484	$ 813,756	$ 37,842	$ 38,083	$ 861,326	$ 851,839	1 %
Structures and Improvements	585,638	604,987	507,111	533,683	1,092,749	1,138,670	(4)%
Land Improvements	473	--	--	--	473	--	--
Equipment	96,094	64,649	21,998	20,950	118,092	85,599	38 %
Software	46,589	50,575	891	809	47,480	51,384	(8)%
Infrastructure	1,113,759	1,095,609	192,367	201,410	1,306,126	1,297,019	1 %
Intangible in Progress	857	22,273	879	--	1,736	22,273	(92)%
Land Use Rights	6,992	6,992	--	--	6,992	6,992	--
Construction in Progress	109,789	97,213	74,088	28,084	183,877	125,297	47 %
Total	**$ 2,783,675**	**$ 2,756,054**	**$ 835,176**	**$ 823,019**	**$ 3,618,851**	**$ 3,579,073**	**1 %**

The following lists the significant capital asset acquisitions in FY 2014-15:

General Fund

- $10,464 for the purchase of a leasehold interest in the Air Space Lease in the Transit Tower, occupied by the Health Care Agency

- $1,364 for construction costs associated with recentralization of the Human Resource Services Department
- $1,088 for the purchase of IT equipment for the Information Services Bureau at the Sheriff-Coroner

Roads
- $20,025 for the La Pata Avenue Gap Closure – Calle Saluda to South of Ortega Highway
- $3,039 for the Lincoln Avenue Bridge Widening at the Santa Ana River
- $1,157 for Crystal Canyon Road Drainage and Rehabilitation Project
- $1,047 for the Moulton Parkway Widening Segment 3 Phase II – North of El Toro Road to North of Santa Maria

Flood Control District
- $9,205 for the Newland Storm Channel Improvement Project
- $4,584 for the Trabuco Creek Channel Phase VII Project
- $2,220 for the acquisition of property located within the Prado Dam Project for flood control protection
- $2,080 for the Rossmoor Storm Channel Improvement Project
- $1,077 for the Los Alamitos Pump Station Project

Other Governmental Funds
- $6,294 for the purchase of law enforcement vehicles
- $4,853 for the replacement of dispatch console systems at the Sheriff's main dispatch center system at Loma Ridge
- $3,888 for major utility upgrades at the Irvine Ranch Historic Park
- $3,302 for the purchase of an Automated Biometric Identification System by the Sheriff-Coroner
- $2,674 for the expansion of the James A. Musick Facility Jail Expansion Design Phase I
- $2,084 for the purchase of a mainframe to service Sheriff-Coroner's Data Center operations
- $1,922 for expansion of the San Clemente Branch Library

Airport
- $11,958 for the construction of the Terminals A & B Baggage Handling System
- $2,136 for the Bristol Street Stabilization Project
- $1,634 for the improvements of the Terminals A & B

Waste Management and Recycling
- $20,962 for the construction of the East Flank Landslide Remediation Project
- $7,370 for the construction and utility improvement for the Olinda Alpha Phase I Partial Final Closure
- $3,936 for heavy equipment at the Central Regional Landfill
- $1,104 for heavy equipment at the South Regional Landfill

Additional information on the County's capital assets can be found in Note 5, Changes in Capital Assets.

Commitments for Capital Expenditures
At the end of FY 2014-15, significant commitments for capital expenditures included the following:

- $42,195 for the La Pata Avenue Gap Closure/Widening
- $6,406 for the Newland Storm Channel Confluence to Bolsa
- $6,282 for the Santa Ana River Interceptor Line Project
- $6,280 for the Olinda Alpha Landfill Phase I Partial Final Closure Construction and Utility Improvements
- $5,627 for the Greenville-Banning Channel Improvement Project
- $3,338 for the Los Alamitos Pump Station and Pump House
- $3,385 for the Cow Camp Road Project
- $2,991 for the purchase of law enforcement vehicles
- $2,973 for the Fletcher Channel and Retarding Basin-From Santa Ana River to Upstream
- $2,652 for the Airport Parking Structure C, Phase 2
- $2,583 for the Airport Main Street and Employee Lot Resurfacing

Additional information on the County's commitments for capital acquisitions can be found in Note 15, Construction and Other Significant Commitments.

Long-Term Debt

At June 30, 2015, the County had total debt obligations outstanding of $467,513 excluding capital lease obligations, compensated absences and other liabilities. During the year, the County's outstanding bond obligations decreased by 14%, which is attributable to the retirement of $118,191 of bond obligations, which includes the full redemption of the Recovery Bonds and the retirement of $36,010 in Revenue Bonds. Partially offsetting the decrease was the addition of $31,541 of Teeter Plan Notes.

The County is limited by law in issuing general obligation bonded debt to 1.25 percent of the last equalized assessment property tax roll. However, this does not affect the financing of any of the County's planned facilities or services. As of the end of the fiscal year, the County had no net general obligation bonded debt. The County's debt obligations are in the form of revenue bonds, certificates of participation (COPs), and other forms of debt not covered by the general obligation bonded debt limitation.

The following table summarizes the County's outstanding bonds at June 30, 2015:

LONG-TERM DEBT BOND OBLIGATIONS
June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total		(Decrease)
	2015	2014	2015	2014	2015	2014	% Change
Revenue Bonds	$ 96,645	125,660	$ 204,274	$ 211,269	$ 300,919	$ 336,929	(11)%
Certificates of Participation	1,744	2,262	--	--	1,744	2,262	(23)%
Pension Obligation Bonds	27,227	32,193	--	--	27,227	32,193	(15)%
Recovery Bonds	--	17,556	--	--	--	17,556	(100)%
Teeter Plan Notes	33,823	39,830	--	--	33,823	39,830	(15)%
Add: Premium/(Discount) on Bonds Payable	9,235	13,071	(1,738)	(1,465)	7,497	11,606	(35)%
Add: Interest Accretion on CABs	96,303	103,377	--	--	96,303	103,377	(7)%
Total	**$ 264,977**	**$ 333,949**	**$ 202,536**	**$ 209,804**	**$ 467,513**	**$ 543,753**	**(14)%**

The following summarizes the County's long-term debt issuance during FY 2014-15:

Teeter Plan Notes On July 15, 2014, the County issued an additional $31,541 in Teeter Plan Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan. Proceeds of this issuance paid the participating agencies in the Teeter Plan the full amount of their taxes from the secured property tax roll.

On December 30, 2014 and June 25, 2015, the County used all of the accumulated base taxes to redeem $27,532 and $10,016, respectively, of the Teeter Plan Notes. As of June 30, 2015, the outstanding principal amount of the Teeter Plan Notes was $33,823.

Additional information on the County's long-term debt activity can be found in Note 11, Long-Term Obligations.

Bond Ratings

The County maintained its issuer ratings of AA from Standard & Poor's Rating Services (S&P), Aa1 from Moody's Investors Service, and currently Fitch Ratings does not provide issuer ratings. In FY 2014-15, the following change occurred in the County's underlying debt:

On June 1, 2015, the 2005A Refunding Recovery Bonds were fully redeemed and will no longer be disclosed as part of the County's underlying debt.

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

LONG-TERM DEBT RATINGS
June 30, 2015

	Standard & Poor's	Moody's	Fitch
2005 Lease Revenue Bonds	AA-	Aa3	AA
1991 Parking COPs	NR	Aa3	NR
2006 Lease Revenue Bonds	AA-	Aa3	AA
2012 Lease Revenue Bonds	AA-	Aa3	NR
Teeter Plan Notes	NR	NR	NR
1996A Pension Obligation Bonds	NR	Aa1	AA
1997A Pension Obligation Bonds	NR	Aa1	AA
Airport 2009A Revenue Bonds	AA-	Aa3	AA-
Airport 2009B Revenue Bonds	AA-	Aa3	AA-

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

Orange County Vehicle License Fees (VLF)
On June 30, 2011, the Governor signed SB 89, which redirected Orange County's annual receipt of approximately $49,000 in VLF revenue (Revenue & Taxation Code Section 11001.5(a)(1) and 11005(a)).

All counties in California receive property taxes in lieu of VLF pursuant to Section 97.70 of the Revenue and Taxation Code as a result of the VLF for property tax swap of 2004. However, in 2004, Orange County's share of property tax in lieu of VLF, which is also known as its "vehicle license fee adjustment amount (VLFAA)," was reduced by approximately $54,000. This reduction was to offset the amount of VLF the County received until the passage of SB 89, and that had been pledged for the service of bankruptcy related indebtedness at the time that Section 97.70 was adopted in 2004.

The elimination of the County's VLF revenue required the Orange County Auditor-Controller to calculate Orange County's allocation of property taxes in lieu of VLF in a manner consistent with the other 57 counties in the State. Due to the growth in property valuation since 2005, when the VLF Swap was enacted, the calculated property tax in lieu of VLF was $73,500 for FY 2012-13. This amount was included in the County's budget for FY 2011-12 and 2012-13. In an attempt to deprive the County not only of the $54,000 in VLF revenue, but also the $73,500 of annual property tax revenue that was legally owed, the State Department of Finance initiated litigation to challenge the County's calculation of the VLFAA. Ultimately, the Court ruled in favor of the State.

The Court's ruling resulted in the loss of the $73,500 VLFAA revenue and a requirement for the County to repay $150,000 to the State ($147,000 retained in FYs 2011-12 and 2012-13, plus interest). On September 27, 2013, Assembly Bill (AB) 701 was signed by the Governor to resolve the dispute between the State and the County. AB 701 provides for an additional $53,000 in annual VLFAA beginning in FY 2013-14, including growth, in lieu of the $50,000 in property tax revenue previously provided by SB 8 X3, which was a flat amount with no growth. AB 701 provides stability for the County by securing the property tax revenues, including growth, and by allowing for repayment of the $150,000 over five years. The $150,000 due to the State was formally set aside in reserve in the FY 2013-14 First Quarter Budget Report. The first payment of $5,000 was paid to the State in FY 2014-15. The second payment of $15,000 will be paid to the State in FY 2015-16.

Long-Term Financial Planning

Property Tax Management System Upgrade
The County's property tax assessment, collection and allocation system processes property taxes and special assessments for the county, cities, school districts and special districts within the County. The current system was developed in the late 1980's in a now obsolete programming language. Maintenance of the system requires specialized knowledge that is hard to obtain. Under direction from the Board to rewrite the system and to respond to the Grand Jury's recommendation to replace the mainframe with an open system platform, the Auditor-Controller, Clerk of the Board, and Treasurer-Tax Collector embarked on a multi-year phased implementation of the new Property Tax Management System (PTMS).

In January 2006, a contract was awarded to Sierra Systems to conduct a needs assessment and to document the requirements of the new PTMS. This project also included documenting the business rules, identifying areas for improvement, and creating a blueprint for implementation. The needs assessment project was completed in July 2007.

On July 15, 2008, the Board approved a contract to develop and implement the new PTMS based on the required specifications documented during the needs assessment. In May 2010, a few modules went live initially. But out of twenty-seven (27) modules that were required, only two minor modules remain in partial operation. Additional software development was performed during FY 2011-12 and FY 2012-13; however, as of January 9, 2013, the contract expired and the project was placed on hold.

The PTMS upgrade incurred $18,112 in capitalized costs. This amount was reported as a loss in the Statement of Activities because the resulting product is incomplete and was rendered inoperable. Refer to Note 5, Changes in Capital Assets, for further information regarding the impairment.

In looking into the solution for Property Tax Management, the PTMS Steering Committee is exploring re-platforming the system. As opposed to complete development from new specifications, this would take the existing system and transform it to operate on an open system platform with similar functionality. A Request for Proposal will be issued for this project.

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. The funded ratio (actuarial value of plan assets divided by actuarial accrued liability) dropped from 82.76% in 2002 to 70.85% in 2004. Since 2004, the funded ratio increased to 74.08% in 2007 before dropping to 62.52% as of December 31, 2012. As of December 31, 2014, the funded ratio was 69.76%. An increase in funding status is caused by multiple factors, including additional UAAL (Unfunded Actuarial Accrued Liability) payments by certain plan sponsors, lower than expected salary growth, lower than expected cost of living adjustment (COLA) increases, and changes in actuarial assumptions, which included a net increase in mortality rates.

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 as deemed appropriate.

Reduction in OCERS Assumed Investment Rate of Return
The assumed investment rate of return is the rate of investment yield that the Plan will earn over the long-term future.

On December 5, 2012, the OCERS Board voted to reduce the assumed investment rate of return from 7.75% to 7.25%. The reduction was phased in over a two-year period beginning July 2014 at 7.5% and further reducing to 7.25% effective July 2015. The assumed rate of return reduction had the impact of increasing contribution rates of members and plan sponsors.

Actuarial Funding Policy (Amortization)
On December 5, 2013, the OCERS Board voted to reduce the amortization period for future Unfunded Actuarial Accrued Liability (UAAL) from 30 years to 20 years. This will allow for future UAAL to be paid off in a shorter period of time and will ultimately reduce retirement rates and costs over time.

Actuarial Assumptions
The 2012 valuation was impacted by economic assumption changes including a decrease in inflation assumptions from 3.50% to 3.25% per annum and an increase in the current real "across the board" salary assumption increase from .25% to .50%. These two assumptions had a cancelling effect on one another.

Requests for Information

We hope that the preceding information provided 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, 12 Civic Center Plaza, Santa Ana, CA 92702 or you can access our website at http://ac.ocgov.com.

COUNTY OF ORANGE
CALIFORNIA

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental CFCOC	Proprietary CalOptima
ASSETS					
Cash and Cash Equivalents	$ 2,022,702	$ 549,320	$ 2,572,022	$ 51,814	$ 26,297
Restricted Cash and Cash Equivalents	185,614	197,131	382,745	--	300
Investments	120,287	29,182	149,469	--	1,205,075
Deposits In-Lieu of Cash	35	44,142	44,177	--	--
Internal Balances	19,840	(19,840)	--	--	--
Due from Component Unit	201	--	201	--	--
Due from Primary Government	--	--	--	4	--
Prepaid Costs	290,834	4,146	294,980	156	20,411
Inventory of Materials and Supplies	2,104	--	2,104	--	--
Receivables, Net of Allowances					
Accounts	6,984	15,735	22,719	--	559,110
Taxes	31,969	--	31,969	4,337	--
Interest/Dividends	4,754	1,127	5,881	23	--
Deposits	4,924	100	5,024	9,027	--
Advances	40	--	40	--	--
Due from Other Governmental Agencies, Net	452,487	6,215	458,702	4,061	--
Notes Receivable, Net	28,255	--	28,255	--	--
Net Other Postemployment Benefits	45,056	--	45,056	--	--
Capital Assets					
Not Depreciable/Amortizable	941,122	112,809	1,053,931	--	8,887
Depreciable/Amortizable, Net	1,842,553	722,367	2,564,920	--	44,462
Total Capital Assets	2,783,675	835,176	3,618,851	--	53,349
Total Assets	5,999,761	1,662,434	7,662,195	69,422	1,864,542
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	6,225	--	6,225	--	--
Deferred Outflows of Resources Related to Pension	652,309	14,275	666,584	522	4,951
Total Deferred Outflows of Resources	658,534	14,275	672,809	522	4,951

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

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Governmental CFCOC	Proprietary CalOptima
LIABILITIES					
Accounts Payable	$ 94,447	$ 17,641	$ 112,088	$ 4,232	$ 10,247
Salaries and Employee Benefits Payable	89,855	2,069	91,924	83	9,232
Retainage Payable	6,008	2,178	8,186	1,914	--
Interest Payable	2,827	5,249	8,076	--	--
Deposits from Others	36,721	45,890	82,611	--	--
Due to Primary Government	--	--	--	201	--
Due to Component Unit	4	--	4	--	--
Due to Other Governmental Agencies	31,321	3,177	34,498	4,204	17,705
Unearned Revenue	65,688	3,161	68,849	--	207,946
Short-Term Bonds Payable	339,625	--	339,625	--	--
Long-Term Liabilities					
Net Pension Liability	3,815,663	83,384	3,899,047	3,957	1,059
Due Within One Year					
SARI Line Loans	1,429	--	1,429	--	--
Estimated Liability - Litigation and Claims	15,500	--	15,500	--	--
Interest Accretion on Capital Appreciation Bonds Payable	31,089	--	31,089	--	--
Insurance Claims Payable	51,836	--	51,836	--	--
Medical Claims Payable	--	--	--	--	670,333
Capitation and Withholds	--	--	--	--	290,633
Compensated Employee Absences Payable	88,516	2,278	90,794	67	--
Arbitrage Rebate Payable	837	--	837	--	--
Capital Lease Obligations Payable	11,444	--	11,444	--	--
Notes Payable	33,823	--	33,823	--	--
Bonds Payable	41,593	7,409	49,002	--	--
Net Other Postemployment Benefit Obligation	--	--	--		26,802
Pollution Remediation Obligation	--	514	514	--	--
Landfill Site Closure/Postclosure Liability	--	1,319	1,319	--	--
Due in More than One Year					
SARI Line Loans	34,848	--	34,848		
Estimated Liability - Litigation and Claims	130,000	--	130,000	--	--
Interest Accretion on Capital Appreciation Bonds Payable	65,214	--	65,214	--	--
Insurance Claims Payable	155,741	--	155,741	--	--
Compensated Employee Absences Payable	85,870	2,611	88,481	31	--
Arbitrage Rebate Payable	19	--	19	--	--
Capital Lease Obligations Payable	67,724	--	67,724	--	--
Bonds Payable	93,258	195,127	288,385	--	--
Pollution Remediation Obligation	--	12,218	12,218	--	--
Capital Asset Obligation	155	--	155	--	--
Landfill Site Closure/Postclosure Liability	--	157,726	157,726	--	--
Total Liabilities	5,391,055	541,951	5,933,006	14,689	1,233,957
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources Related to Pension	385,819	8,429	394,248	783	5,581
Total Deferred Inflows of Resources	385,819	8,429	394,248	783	5,581
NET POSITION					
Net Investment in Capital Assets	2,670,577	642,427	3,313,004	--	53,349
Restricted for:					
Expendable					
Pension Benefits	112,544	--	112,544	--	--
Capital Projects	6,154	--	6,154	--	--
Debt Service	37,734	7,324	45,058	--	--
Legally Segregated for Grants and Other Purposes	1,045,897	--	1,045,897	--	--
Regional Park Endowment	141		141	--	--
CalOptima	--	--	--	--	86,145
Passenger Facility Charges Approved Capital Projects	--	70,538	70,538	--	--
Capital Projects - Replacements and Renewals	--	1,000	1,000	--	--
Landfill Closure/Postclosure	--	33,337	33,337	--	--
Landfill Corrective Action	--	8,174	8,174	--	--
Wetland	--	879	879	--	--
Prima Deshecha/La Pata Closure	--	104	104	--	--
Nonexpendable					
Regional Park Endowment	188	--	188	--	--
Unrestricted (deficit)	(2,991,814)	362,546	(2,629,268)	54,472	490,461
Total Net Position	$ 881,421	$ 1,126,329	$ 2,007,750	$ 54,472	$ 629,955

	Expenses		Program Revenues		
Functions/Programs	**Direct Expenses**	**Indirect Expenses Allocation**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government					
Governmental Activities					
General Government	$ 243,565	$ (51,772)	$ 36,924	$ 57,585	$ --
Public Protection	1,293,891	32,137	286,644	540,844	11,580
Public Ways and Facilities	115,626	(1,228)	53,834	63,606	11,443
Health and Sanitation	530,693	6,887	102,599	395,364	--
Public Assistance	1,040,036	9,629	37,650	938,197	--
Education	42,445	869	1,480	306	220
Recreation and Cultural Services	100,357	1,712	43,882	959	9,998
Interest on Long-Term Debt	23,560	--	--	--	--
Total Governmental Activities	3,390,173	(1,766)	563,013	1,996,861	33,241
Business-Type Activities					
Airport	123,890	888	141,563	189	9,215
Waste Management	68,435	872	139,493	66	--
Compressed Natural Gas	325	6	312	--	--
Total Business-Type Activities	192,650	1,766	281,368	255	9,215
Total Primary Government	$ 3,582,823	$ --	$ 844,381	$ 1,997,116	$ 42,456
Component Units					
Children and Families					
Commission of Orange County	$ 36,298	$ --	$ --	$ 30,138	$ --
CalOptima	2,889,540	--	3,112,079	3,255	--
Total Component Units	$ 2,925,838	$ --	$ 3,112,079	$ 33,393	$ --

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, as Restated
Net Position - End of Year

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

Net (Expense) Revenue and Change in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Governmental CFCOC	Proprietary CalOptima	Functions/Programs
					Primary Government
					Governmental Activities
$ (97,284)	$ --	$ (97,284)	$ --	$ --	General Government
(486,960)	--	(486,960)	--	--	Public Protection
14,485	--	14,485	--	--	Public Ways and Facilities
(39,617)	--	(39,617)	--	--	Health and Sanitation
(73,818)	--	(73,818)	--	--	Public Assistance
(41,308)	--	(41,308)	--	--	Education
(47,230)	--	(47,230)	--	--	Recreation and Cultural Services
(23,560)	--	(23,560)	--	--	Interest on Long-Term Debt
(795,292)	--	(795,292)	--	--	Total Governmental Activities
					Business-Type Activities
--	26,189	26,189	--	--	Airport
--	70,252	70,252	--	--	Waste Management
--	(19)	(19)	--	--	Compressed Natural Gas
--	96,422	96,422	--	--	Total Business-Type Activities
(795,292)	96,422	(698,870)	--	--	Total Primary Government
					Component Units
					Children and Families
			(6,160)	--	Commission or Orange County
			-	225,794	CalOptima
			(6,160)	225,794	Total Component Units
					General Revenues
					Taxes
328,500	--	328,500	--	--	Property Taxes, Levied for General Fund
77,090	--	77,090	--	--	Property Taxes, Levied for Flood Control District
57,266	--	57,266	--	--	Property Taxes, Levied for OC Parks
42,333	--	42,333	--	--	Property Taxes, Levied for OC Public Libraries
314,957	--	314,957	--	--	Property Taxes in-Lieu of Motor Vehicle License Fees
71,613	109	71,722	--	--	Other Taxes
49,476	--	49,476	--	--	Grants and Contributions Not Restricted to Specific Programs
764	--	764	--	--	State Allocation of Motor Vehicle License Fees
6,796	3,042	9,838	206	--	Unrestricted Investment Earnings
69,789	1,597	71,386	151	5,233	Miscellaneous
19,959	(19,959)	--	--	--	Transfers
1,038,543	(15,211)	1,023,332	357	5,233	Total General Revenues and Transfers
243,251	81,211	324,462	(5,803)	231,027	Change in Net Position
638,170	1,045,118	1,683,288	60,275	398,928	Net Position - Beginning of Year, as Restated
$ 881,421	$ 1,126,329	$ 2,007,750	$ 54,472	$ 629,955	Net Position - End of Year

	General Fund	Roads	Flood Control District
ASSETS			
Pooled Cash/Investments	$ 441,060	$ 81,340	$ 415,896
Imprest Cash Funds	1,862	--	--
Restricted Cash and Investments with Trustee	9	--	--
Investments	118,940	--	--
Deposits In-Lieu of Cash	--	--	--
Receivables			
Accounts	10,420	471	473
Taxes	7,035	--	1,364
Interest/Dividends	2,600	142	584
Deposits	460	22	2,329
Advances	33	--	--
Allowance for Uncollectible Receivables	(6,237)	(21)	(107)
Due from Other Funds	89,278	2,700	1,558
Due from Component Unit	201	--	--
Due from Other Governmental Agencies, Net	353,350	17,602	53,011
Inventory of Materials and Supplies	867	--	453
Prepaid Costs	331,939	3,939	4,617
Advances to Other Funds	3,800	--	--
Notes Receivable, Net	--	--	--
Total Assets	$ 1,355,617	$ 106,195	$ 480,178
LIABILITIES			
Accounts Payable	$ 49,300	$ 3,583	$ 2,771
Retainage Payable	1,395	631	2,136
Salaries and Employee Benefits Payable	83,350	1,052	1,251
Interest Payable	1,084	--	--
Deposits from Others	1,654	7,636	7,807
Due to Other Funds	31,311	3,729	13,429
Due to Component Unit	3	--	--
Due to Other Governmental Agencies	13,822	1,156	1,223
Estimated Litigation and Claims	--	500	--
Unearned Revenue	44,410	10,495	750
Bonds Payable	339,625	--	--
Advances from Other Funds	2,351	--	--
Total Liabilities	568,305	28,782	29,367
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Intergovernmental Revenues	72,172	15,262	30,906
Unavailable Revenue - Senate Bill 90 Mandated Claims, Net	39,653	--	--
Unavailable Revenue - Property Taxes	9,078	--	960
Unavailable Revenue - Long-Term Notes Receivables	--	--	--
Unavailable Revenue - Other	1,901	349	--
Total Deferred Inflows of Resources	122,804	15,611	31,866
FUND BALANCES			
Nonspendable	336,606	3,939	5,070
Restricted	31,486	57,863	413,875
Assigned	269,529	--	--
Unassigned	26,887	--	--
Total Fund Balances	664,508	61,802	418,945
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,355,617	$ 106,195	$ 480,178

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

Other Public Protection	Teeter Plan Notes	Other Governmental Funds	Total Governmental Funds	
				ASSETS
$ 181,305	$ 30,718	$ 656,422	$ 1,806,741	Pooled Cash/Investments
--	--	61	1,923	Imprest Cash Funds
--	18	185,577	185,604	Restricted Cash and Investments with Trustee
--	--	1,347	120,287	Investments
--	--	35	35	Deposits In-Lieu of Cash
				Receivables
48	--	1,925	13,337	Accounts
--	21,806	1,764	31,969	Taxes
273	50	805	4,454	Interest/Dividends
--	--	2,113	4,924	Deposits
7	--	--	40	Advances
--	--	(34)	(6,399)	Allowance for Uncollectible Receivables
3,612	--	26,613	123,761	Due from Other Funds
--	--	--	201	Due from Component Unit
2,831	--	25,107	451,901	Due from Other Governmental Agencies, Net
331	--	--	1,651	Inventory of Materials and Supplies
1,241	--	10,527	352,263	Prepaid Costs
--	--	--	3,800	Advances to Other Funds
--	--	28,255	28,255	Notes Receivable, Net
$ 189,648	$ 52,592	$ 940,517	$ 3,124,747	Total Assets
				LIABILITIES
$ 518	$ 67	$ 11,642	$ 67,881	Accounts Payable
1	--	1,842	6,005	Retainage Payable
328	--	2,973	88,954	Salaries and Employee Benefits Payable
--	18	--	1,102	Interest Payable
15,152	--	4,472	36,721	Deposits from Others
20,045	2	49,938	118,454	Due to Other Funds
--	--	1	4	Due to Component Unit
5,801	--	9,314	31,316	Due to Other Governmental Agencies
--	--	--	500	Estimated Litigation and Claims
1,492	--	8,541	65,688	Unearned Revenue
--	--	--	339,625	Bonds Payable
--	--	3,800	6,151	Advances from Other Funds
43,337	87	92,523	762,401	Total Liabilities
				DEFERRED INFLOWS OF RESOURCES
224	--	3,255	121,819	Unavailable Revenue - Intergovernmental Revenues
--	--	--	39,653	Unavailable Revenue - Senate Bill 90 Mandated Claims, Net
--	--	1,274	11,312	Unavailable Revenue - Property Taxes
--	--	473	473	Unavailable Revenue - Long-Term Notes Receivables
127	--	21	2,398	Unavailable Revenue - Other
351	--	5,023	175,655	Total Deferred Inflows of Resources
				FUND BALANCES
1,572	--	10,715	357,902	Nonspendable
144,388	52,505	748,491	1,448,608	Restricted
--	--	83,765	353,294	Assigned
--	--	--	26,887	Unassigned
145,960	52,505	842,971	2,186,691	Total Fund Balances
$ 189,648	$ 52,592	$ 940,517	$ 3,124,747	Total Liabilities, Deferred Inflows of Resources and Fund Balances

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 in fund balances of ($1,305,270) is due to the long-term economic focus of the Statement of Net Position versus the short-term economic focus of the governmental funds. The components of the difference are described below.

Total Fund Balances - Governmental Funds		$ 2,186,691
Capital assets used in the operations of the County are not reported in the governmental funds financial statements because governmental funds focus on current financial resources. Such assets must be included in the Statement of Net Position for purposes of government-wide reporting. These capital assets consist of:		
Land	823,484	
Structures and Improvements	1,208,113	
Equipment	276,721	
Software	109,737	
Infrastructure	1,649,089	
Land Use Rights	6,992	
Land Improvements	485	
Construction/Intangible in Progress	109,822	
Accumulated Depreciation/Amortization	(1,452,101)	2,732,342
Other assets used in governmental activities do not consume current financial resources, and therefore, are not reported in the governmental funds:		
Prepaid pension Investment with OCERS	112,544	
Prepaid Bond Insurance	326	112,870
Internal service funds primarily serve governmental funds and consequently the assets and liabilities of internal service funds are incorporated as part of governmental activities for purposes of government-wide financial reporting. In addition, the cumulative internal balance resulting from current year's and last year's allocation of internal service funds to business-type activities are also reported in the Statement of Net Position.		(7,115)
Deferred outflows of resources are similar to assets, but they do not meet the definition of an asset at June 30, 2015. When all the recognition criteria are met, the deferred outflows of resources will become an expense. The couterpart to deferred outflows of resources are deferred inflows of resources, which are not technically liabilities at June 30, 2015. When all recognition criterial are met, the deferred inflows of resources will become revenue or an increase to net position. 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 charge on refunding		6,225
Employer retirement contribution subsequent to measurement date and deferred recognition of changes to the net pension liability		469,936
Reclassification of prepaid pension contribution from prepaid expense to deferred outflows of resources for the portion to be recognized in the next measurement period, refer to Note 18, Retirement Plans.		
Prepaid		(175,955)
Deferred outflows of resources		175,955

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

Deferred Inflows of Resources:		
Deferred inflows of resources that have been earned but not available to finance expenditures in the current period		175,655
Deferred inflows of resources related to pension		(382,056)
Governmental funds report only those liabilities that are expected to be liquidated with current available financial resources. Thus, governmental funds typically do not report any liability for the unmatured portion of long-term debt or any liability that does not consume current available financial resources. However, all liabilities must be reported in the government-wide financial statements. The adjustment to reduce net position for the unmatured long-term liabilities on the Statement of Net Position consists of the following:		
Bonds and COPs Payable, Net	(134,851)	
SARI Line Loans Payable	(36,277)	
Teeter Plan Notes Payable	(33,823)	
Compensated Employee Absences Payable	(172,282)	
Capital Lease Obligations Payable	(58,468)	
Capital Asset Obligation	(155)	
Arbitrage Rebate Payable	(856)	
Interest Payable on Bonds	(1,725)	
Interest Accreted on Capital Appreciation Bonds	(96,303)	
Estimated Liability - Litigation and Claims	(145,000)	
County's Net Pension Liability	(3,778,443)	(4,458,183)
Governmental Accounting Standards Board (GASB) Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"* requires an employer to record a net Other Postemployment Benefits (OPEB) obligation (asset) for the difference between the annual required contribution (ARC) and the amounts actually contributed to the OPEB Plan.		45,056
Net Position of Governmental Activities		$ 881,421

	General Fund	Roads	Flood Control District
Revenues			
Taxes	$ 629,603	$ --	$ 85,530
Licenses, Permits, and Franchises	22,929	336	269
Fines, Forfeitures and Penalties	82,063	7	12
Use of Money and Property	5,272	289	2,740
Intergovernmental	1,602,817	68,161	43,808
Charges for Services	408,872	28,538	14,004
Other	15,601	1,309	14,185
Total Revenues	2,767,157	98,640	160,548
Expenditures			
Current			
General Government	177,280	--	--
Public Protection	1,126,878	--	81,626
Public Ways and Facilities	32,192	62,900	--
Health and Sanitation	514,371	--	--
Public Assistance	851,488	--	--
Education	--	--	--
Recreation and Cultural Services	--	--	--
Capital Outlay	18,901	26,985	24,938
Debt Service			
Principal Retirement	21,568	--	11,133
Interest	8,172	--	--
Total Expenditures	2,750,850	89,885	117,697
Excess (Deficit) of Revenues Over Expenditures	16,307	8,755	42,851
Other Financing Sources (Uses)			
Transfers In	234,086	--	2,548
Transfers Out	(102,271)	(233)	(3,590)
Debt Issued	--	--	--
Capital Leases	--	--	--
Total Other Financing Sources (Uses)	131,815	(233)	(1,042)
Net Change in Fund Balances	148,122	8,522	41,809
Fund Balances - Beginning of Year	516,386	53,280	377,136
Fund Balances - End of Year	$ 664,508	$ 61,802	$ 418,945

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

Other Public Protection	Teeter Plan Notes	Other Governmental Funds	Total Governmental Funds	
				Revenues
$ --	$ --	$ 107,378	$ 822,511	Taxes
38	--	1,011	24,583	Licenses, Permits, and Franchises
11,609	--	14,424	108,115	Fines, Forfeitures and Penalties
4,298	173	60,928	73,700	Use of Money and Property
21,695	--	327,873	2,064,354	Intergovernmental
13,146	--	15,463	480,023	Charges for Services
8,998	1	31,113	71,207	Other
59,784	174	558,190	3,644,493	Total Revenues
				Expenditures
				Current
--	2,954	32,571	212,805	General Government
22,355	--	19	1,230,878	Public Protection
--	--	7,640	102,732	Public Ways and Facilities
--	--	1,189	515,560	Health and Sanitation
--	--	178,916	1,030,404	Public Assistance
--	--	41,949	41,949	Education
--	--	98,001	98,001	Recreation and Cultural Services
10,634	--	21,405	102,863	Capital Outlay
				Debt Service
--	37,548	34,507	104,756	Principal Retirement
--	352	22,989	31,513	Interest
32,989	40,854	439,186	3,471,461	Total Expenditures
26,795	(40,680)	119,004	173,032	Excess (Deficit) of Revenues Over Expenditures
				Other Financing Sources (Uses)
7,062	--	94,359	338,055	Transfers In
(33,758)	--	(183,752)	(323,604)	Transfers Out
--	31,541	--	31,541	Debt Issued
--	--	43	43	Capital Leases
(26,696)	31,541	(89,350)	46,035	Total Other Financing Sources (Uses)
99	(9,139)	29,654	219,067	Net Change in Fund Balances
145,861	61,644	813,317	1,967,624	Fund Balances - Beginning of Year
$ 145,960	$ 52,505	$ 842,971	$ 2,186,691	Fund Balances - End of Year

The Net Change in Fund Balances for governmental funds of $219,067 in the Statement of Revenues, Expenditures, and Changes in Fund Balances differs from the Change in Net Position for governmental activities of $243,251 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		$ 219,067
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 is 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	3,345	
Structures and Improvements and Construction in Progress	74,305	
Equipment	19,062	
Software	155	
Net of Gains/Losses on Capital Assets Dispositions	(19,765)	
Depreciation/Amortization Expense	(89,619)	
Capital Contributions	9,261	(3,256)
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. 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	(31,541)	
Arbitrage Rebate Addition	(201)	
Principal and Other Long-Term Liability Payments:		
Bonds Payable	52,055	
Teeter Plan Notes Payable	37,548	
SARI Line Loans Payable	11,133	
Capital Lease Obligations	3,978	72,972

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

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	(39,609)	
Property Tax Revenues	381	(39,228)
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	606	
Amortization of Deferred Charges	17,756	
Compensated Employee Absences Expense	606	
OCERS Investment Income	2,559	
Estimated Litigation and Claims Expense	5,000	
Interest Accretion on Capital Appreciation Bonds	(10,410)	16,117
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 loss of internal service funds 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 internal service funds are recorded in governmental activities.		
Allocation of ISF's Operating Income to Governmental Activities, net of Business-Type Activities	9,268	
Consolidation of Nonoperating Revenues, Expenses and Transfers to Governmental Activities	12,921	22,189
For FY 2014-15, the Other Postemployment Benefits (OPEB) cost was $44,854, and the County contributed $41,181, which was deposited in the Retiree Medical Trust. The County contributed less than the required OPEB cost. Cumulatively, the County still has a net OPEB Asset.		(3,673)
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.		(40,937)
Change in Net Position of Governmental Activities		$ 243,251

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	$ 612,198	$ 612,515	$ 632,701	$ 20,186
Licenses, Permits, and Franchises	19,934	21,174	21,147	(27)
Fines, Forfeitures and Penalties	34,795	35,631	83,024	47,393
Use of Money and Property	4,731	4,731	5,627	896
Intergovernmental	1,561,770	1,587,479	1,587,521	42
Charges for Services	432,797	438,726	421,269	(17,457)
Other	22,696	22,908	22,499	(409)
Transfers In	319,571	349,345	227,946	(121,399)
Bond Issuance Proceeds	--	365,000	339,625	(25,375)
Total Revenues and Other Financing Sources	3,008,492	3,437,509	3,341,359	(96,150)
Expenditures and Other Financing Uses				
General Government:				
Assessor	36,106	36,706	36,636	70
Auditor-Controller	14,766	14,840	14,301	539
Board of Supervisors - 1st District	955	955	833	122
Board of Supervisors - 2nd District	955	955	784	171
Board of Supervisors - 3rd District	955	955	981	(26)
Board of Supervisors - 4th District	955	955	967	(12)
Board of Supervisors - 5th District	955	955	933	22
Capital Acquisition Financing	5,857	5,857	5,840	17
Capital Projects	24,134	40,180	35,560	4,620
CAPS Program	11,425	11,425	11,861	(436)
Clerk of the Board	3,588	3,588	3,272	316
County Counsel	9,155	14,056	14,015	41
County Executive Office	18,899	19,068	16,682	2,386
Data Systems Development Project	9,099	9,099	3,951	5,148
Employee Benefits	1,574	1,574	1,186	388
Human Resources	5,637	5,574	4,956	618
Internal Audit	2,680	2,680	2,559	121
IBM Mainframe	3,171	3,171	3,171	--
IT Support Services	--	5	5	--
Miscellaneous	18,066	13,066	9,104	3,962
Office of Independent Review	437	437	390	47
Prepaid Pension Obligation	--	365,000	340,263	24,737
Property Tax System Centralized O & M Support	3,326	3,326	3,017	309
Registrar of Voters	14,018	16,642	15,062	1,580
The Office of the Performance Audit	772	772	729	43
Treasurer-Tax Collector	12,087	12,167	12,364	(197)
Utilities	23,358	24,012	22,960	1,052
2005 Lease Revenue Refunding Bonds	34,486	45,853	45,853	--
2005 Refunding Recovery Bonds	18,433	18,433	18,433	--
Public Protection:				
Alternate Defense	5,587	5,587	4,355	1,232
Building & Safety	9,282	9,956	9,638	318
Child Support Services	58,100	58,100	55,448	2,652
Clerk-Recorder	14,172	14,237	13,778	459
Detention Release	1,618	1,618	1,322	296
District Attorney	125,348	133,723	133,484	239
Emergency Management Division	2,966	3,008	2,752	256
Grand Jury	510	510	476	34
Juvenile Justice Commission	171	171	165	6
Probation	176,892	180,195	161,424	18,771
District Attorney-Public Administrator	2,063	2,672	1,888	784
HCA Public Guardian	5,739	6,256	5,572	684
Public Defender	73,357	73,357	70,727	2,630
Sheriff-Coroner	546,711	565,333	555,163	10,170
Sheriff-Coroner Communications	10,282	11,242	10,332	910
Sheriff Court Operations	53,386	53,386	51,252	2,134
Trial Courts	63,965	64,219	64,122	97
Public Ways and Facilities:				
OC Public Works	48,017	47,308	44,450	2,858
Health and Sanitation:				
Health Care Agency	606,886	597,980	526,049	71,931
OC Watersheds	16,008	16,414	11,730	4,684
Public Assistance:				
Aid to Families with Dependent Children - Foster Care	121,480	121,480	115,161	6,319
Aid to Refugees	675	675	496	179
California Works Opportunities and Responsibility to Kids	135,005	135,005	134,720	285
OC Community Resources	72,421	73,038	53,610	19,428
General Relief	6,944	14,044	12,605	1,439
In-Home Supportive Services - IHSS	44,738	46,038	45,638	400
Social Services Agency	538,680	551,264	508,194	43,070
Total Expenditures and Other Financing Uses	3,016,852	3,459,122	3,221,219	237,903
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(8,360)	(21,613)	120,140	$ 141,753
Fund Balances - Beginning of Year	518,656	518,656	518,656	
Fund Balances - End of Year	$ 510,296	$ 497,043	$ 638,796	

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

BUDGETARY COMPARISON STATEMENT
MAJOR GOVERNMENTAL FUNDS - ROADS

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Revenues and Other Financing Sources				
Licenses, Permits, and Franchises	$ 405	$ 405	$ 333	$ (72)
Fines, Forfeitures and Penalties	8	8	7	(1)
Use of Money and Property	257	257	272	15
Intergovernmental	93,632	93,632	79,075	(14,557)
Charges for Services	54,570	61,199	28,628	(32,571)
Other	724	724	1,309	585
Transfers In	5,000	5,000	--	(5,000)
Total Revenues and Other Financing Sources	154,596	161,225	109,624	(51,601)
Expenditures and Other Financing Uses				
Public Ways and Facilities:				
OC Road	130,055	134,055	92,286	41,769
Foothill Circulation Phasing Plan	1,064	927	499	428
South County Roadway Improve Prog (SCRIP)	15,300	32,040	--	32,040
Total Expenditures and Other Financing Uses	146,419	167,022	92,785	74,237
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	8,177	(5,797)	16,839	$ 22,636
Fund Balances - Beginning of Year	60,104	60,104	60,104	
Fund Balances - End of Year	$ 68,281	$ 54,307	$ 76,943	

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	$ 80,053	$ 80,053	$ 85,837	$ 5,784
Licenses, Permits, and Franchises	448	448	269	(179)
Fines, Forfeitures and Penalties	11	11	12	1
Use of Money and Property	2,340	2,340	2,667	327
Intergovernmental	23,276	23,276	40,311	17,035
Charges for Services	14,801	14,879	14,291	(588)
Other	2,312	2,312	14,185	11,873
Transfers In	1,205	2,548	2,548	--
Total Revenues and Other Financing Sources	124,446	125,867	160,120	34,253
Expenditures and Other Financing Uses				
Public Protection:				
OC Flood	134,100	138,090	97,655	40,435
OC Santa Ana River	70	70	--	70
OC Flood - Capital	45,689	45,689	23,657	22,032
Total Expenditures and Other Financing Uses	179,859	183,849	121,312	62,537
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(55,413)	(57,982)	38,808	$ 96,790
Fund Balances - Beginning of Year	376,132	376,132	376,132	
Fund Balances - End of Year	$ 320,719	$ 318,150	$ 414,940	

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

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	$ --	$ --	$ 38	$ 38
Fines, Forfeitures and Penalties	2,817	2,817	5,108	2,291
Use of Money and Property	3,059	4,360	4,142	(218)
Intergovernmental	22,053	22,719	22,232	(487)
Charges for Services	9,587	9,688	13,146	3,458
Other	10,253	10,297	8,988	(1,309)
Transfers In	3,457	9,825	9,296	(529)
Total Revenues and Other Financing Sources	51,226	59,706	62,950	3,244
Expenditures and Other Financing Uses				
Public Protection:				
Orange County Methamphetamine Lab Investigation Team	1,029	1,029	256	773
County Automated Fingerprint Identification	1,368	1,443	1,161	282
Building and Safety - Operating Reserve	1,099	1,099	187	912
Narcotic Forfeiture and Seizure	415	415	341	74
Sheriff-Regional Narcotics Suppression Program	12,094	11,022	2,651	8,371
Motor Vehicle Theft Task Force	3,041	3,075	2,847	228
Regional Narcotic Suppression Program-Dept of Treasury	--	224	136	88
Regional Narcotic Suppression Program-Other	--	1,353	1,266	87
Clerk Recorder Special Revenue	16,432	16,432	6,482	9,950
Clerk Recorder Operating Reserve	2,048	1,852	1	1,851
Real Estate Prosecution	1,534	1,534	1,521	13
Proposition 64 - Consumer Protection	3,460	3,460	3,219	241
Proposition 69 - DNA Identification	684	1,439	468	971
Juvenile Justice Reform	3	3,296	3,296	--
Traffic Violator	1,012	1,160	203	957
Sheriff Narcotics Program-Dept of Treasury	--	15	--	15
Sheriff Narcotics Program-Dept of Justice	9,984	12,198	3,615	8,583
Sheriff Narcotics Program-Other	--	266	223	43
Orange County Jail	1,591	2,582	952	1,630
Sheriff Narcotics Program-CALMMET-DOJ	--	574	--	574
Sheriff Narcotics Program-CALMMET-Treasury	--	709	166	543
Sheriff's State Criminal Alien Assistance Program	3,206	3,209	2,103	1,106
California Automated Fingerprint Identification Operational Costs	1,022	1,022	795	227
California Automated Fingerprint Identification Systems Costs	23,809	27,510	3,952	23,558
Sheriff's Supplemental Law Enforcement Services	1,973	3,068	902	2,166
District Attorney's Supplemental Law Enforcement Services	931	1,050	1,050	--
Excess Public Safety Sales Tax	6,242	9,790	6,509	3,281
Equitable Sharing Forfeiture Program	--	2	2	--
Sheriff-Coroner Replacement and Maintenance	14,121	14,757	2,844	11,913
Ward Welfare	175	175	152	23
Court Facilities	1,315	1,352	--	1,352
Sheriff's Substations Fee Program	3,318	3,318	2	3,316
Jail Commissary	9,454	10,311	7,453	2,858
Inmate Welfare	9,331	11,107	4,346	6,761
Child Support Program Development	2,491	2,491	339	2,152
800 MHz County-Wide Coordinated Communications System	4,159	10,167	8,719	1,448
Delta Special Revenue	28	28	7	21
Total Expenditures and Other Financing Uses	137,369	164,534	68,166	96,368
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(86,143)	(104,828)	(5,216)	$ 99,612
Fund Balances - Beginning of Year	137,073	137,073	137,073	
Fund Balances - End of Year	$ 50,930	$ 32,245	$ 131,857	

	Business-Type Activities - Enterprise Funds				
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	Governmental Activities - Internal Service Funds
ASSETS					
Current Assets					
Pooled Cash/Investments	$ 125,672	$ 394,033	$ 476	$ 520,181	$ 213,905
Cash Equivalents/Specific Investments	20,755	--	--	20,755	--
Cash/Cash Equivalents	8,335	--	--	8,335	--
Imprest Cash Funds	14	35	--	49	133
Restricted Cash and Investments with Trustee	12,573	--	--	12,573	10
Restricted Pooled Cash/Investments	70,707	544	--	71,251	--
Deposits In-Lieu of Cash	27,526	16,616	--	44,142	--
Receivables					
Accounts	4,011	9,525	--	13,536	137
Passenger Facility Charges	1,906	--	--	1,906	--
Interest/Dividends	433	692	2	1,127	300
Deposits	--	100	--	100	--
Pollution Remediation Obligation Recoveries	299	--	--	299	--
Allowance for Uncollectible Receivables	(5)	(1)	--	(6)	(91)
Due from Other Funds	11	1,061	2	1,074	2,657
Due from Other Governmental Agencies	3,673	2,542	--	6,215	586
Inventory of Materials and Supplies	--	--	--	--	453
Prepaid Costs	1,923	2,223	--	4,146	1,657
Total Current Assets	277,833	427,370	480	705,683	219,747
Noncurrent Assets					
Restricted Cash and Investments with Trustee	13,821	--	--	13,821	--
Restricted Pooled Cash/Investments	--	9,285	--	9,285	--
Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs	--	90,201	--	90,201	--
Specific Investments	29,182	--	--	29,182	--
Advances to Other Funds	--	2,351	--	2,351	--
Capital Assets:					
Land	15,678	22,164	--	37,842	--
Construction in Progress	24,220	49,868	--	74,088	824
Intangible Assets in Progress	812	67	--	879	--
Structures and Improvements	741,638	24,409	--	766,047	11,788
Accumulated Depreciation	(248,388)	(10,548)	--	(258,936)	(5,807)
Equipment	12,205	66,308	--	78,513	115,167
Accumulated Depreciation	(9,270)	(47,245)	--	(56,515)	(70,639)
Infrastructure	223,492	312,899	--	536,391	--
Accumulated Depreciation	(173,358)	(170,666)	--	(344,024)	--
Intangible Assets - Amortizable	418	592	--	1,010	--
Accumulated Amortization	(56)	(63)	--	(119)	--
Total Capital Assets	587,391	247,785	--	835,176	51,333
Total Noncurrent Assets	630,394	349,622	--	980,016	51,333
Total Assets	908,227	776,992	480	1,685,699	271,080
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to Pension	6,301	7,974	--	14,275	6,417
Total Deferred Outflows of Resources	6,301	7,974	--	14,275	6,417

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 7,534	$ 10,107	$ --	$ 17,641	$ 26,566
Retainage Payable	282	1,896	--	2,178	3
Salaries and Employee Benefits Payable	896	1,173	--	2,069	901
Unearned Revenue	3,068	93	--	3,161	--
Due to Other Funds	2,648	5,554	16	8,218	820
Due to Other Governmental Agencies	195	2,982	--	3,177	5
Insurance Claims Payable	--	--	--	--	51,836
Compensated Employee Absences Payable	1,041	1,237	--	2,278	971
Pollution Remediation Obligation	55	459	--	514	--
Landfill Site Closure/Postclosure Liability	--	1,319	--	1,319	--
Bonds Payable	7,409	--	--	7,409	--
Capital Lease Obligations Payable	--	--	--	--	6,900
Interest Payable	5,249	--	--	5,249	--
Deposits from Others	28,600	17,290	--	45,890	--
Total Current Liabilities	56,977	42,110	16	99,103	88,002
Noncurrent Liabilities					
Insurance Claims Payable	--	--	--	--	155,741
Compensated Employee Absences Payable	1,112	1,499	--	2,611	1,133
Pollution Remediation Obligation	939	11,279	--	12,218	--
Landfill Site Closure/Postclosure Liability	--	157,726	--	157,726	--
Bonds Payable	195,127	--	--	195,127	--
Capital Lease Obligations Payable	--	--	--	--	13,800
Net Pension Liability	37,012	46,372	--	83,384	37,220
Total Noncurrent Liabilities	234,190	216,876	--	451,066	207,894
Total Liabilities	291,167	258,986	16	550,169	295,896
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources Related to Pension	3,743	4,686	--	8,429	3,763
Total Deferred Inflows of Resources	3,743	4,686	--	8,429	3,763
NET POSITION					
Net Investment in Capital Assets	394,642	247,785	--	642,427	51,333
Restricted for:					
Debt Service	7,324	--	--	7,324	--
Passenger Facility Charges Approved Capital Projects	70,538	--	--	70,538	--
Capital Projects - Replacements and Renewals	1,000	--	--	1,000	--
Landfill Closure/Postclosure	--	33,337	--	33,337	--
Landfill Corrective Action	--	8,174	--	8,174	--
Wetland	--	879	--	879	--
Prima Deshecha/La Pata Closure	--	104	--	104	--
Unrestricted	146,114	231,015	464	377,593	(73,495)
Total Net Position	$ 619,618	$ 521,294	$ 464	$ 1,141,376	$ (22,162)
Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds				475	
Cumulative Effect of Prior Years' Internal Service Funds Allocation				(15,522)	
Net Position of Business-type Activities				$ 1,126,329	

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
(Dollar Amounts in Thousands)

	Business-Type Activities - Enterprise Funds				
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	Governmental Activities - Internal Service Funds
Operating Revenues					
Use of Property	$ 105,586	$ 3,737	$ --	$ 109,323	$ 1,970
Licenses, Permits, and Franchises	--	64	--	64	--
Charges for Services	16,862	135,675	312	152,849	88,104
Insurance Premiums	--	--	--	--	297,564
Total Operating Revenues	122,448	139,476	312	262,236	387,638
Operating Expenses					
Salaries and Employee Benefits	19,142	25,111	--	44,253	18,665
Services and Supplies	25,766	21,063	262	47,091	31,171
Professional Services	37,581	16,014	68	53,663	45,471
Operating Leases	258	849	1	1,108	2,472
Insurance Claims and Premiums	--	--	--	--	275,732
Pollution Remediation Expense	--	(609)	--	(609)	--
Other Charges	--	--	--	--	196
Taxes and Other Fees	--	11,855	--	11,855	10
Landfill Site Closure/Postclosure Costs	--	(19,746)	--	(19,746)	--
Depreciation/Amortization	28,561	14,770	--	43,331	4,178
Total Operating Expenses	111,308	69,307	331	180,946	377,895
Operating Income	11,140	70,169	(19)	81,290	9,743
Nonoperating Revenues (Expenses)					
Fines, Forfeitures and Penalties	164	17	--	181	--
Intergovernmental Revenues	189	66	--	255	1,115
Interest Revenue	913	2,127	2	3,042	778
Interest Expense	(9,697)	--	--	(9,697)	--
Gain (Loss) on Disposition of Capital Assets	(4,067)	6	--	(4,061)	212
Passenger Facility Charges Revenue	18,951	--	--	18,951	--
Other Taxes	--	--	109	109	--
Other Revenue, Net	852	558	--	1,410	5,196
Total Nonoperating Revenues	7,305	2,774	111	10,190	7,301
Income Before Contributions and Transfers	18,445	72,943	92	91,480	17,044
Capital Grant Contributions	9,215	--	--	9,215	--
Capital Contributions	--	--	--	--	112
Transfers In	--	--	--	--	5,758
Transfers Out	--	(19,810)	(149)	(19,959)	(250)
Change in Net Position	27,660	53,133	(57)	80,736	22,664
Net Position - Beginning of Year, as Previously Reported	627,698	512,943	521		(9,033)
Adjustment Due to Change in Accounting Principle	(35,740)	(44,782)	--		(35,793)
Net Position - Beginning of Year, as Restated	591,958	468,161	521		(44,826)
Net Position - End of Year	$ 619,618	$ 521,294	$ 464		$ (22,162)
Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds				475	
Increase in Net Position of Business-Type Activities				$ 81,211	

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

	Business-Type Activities - Enterprise Funds				
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ 121,933	$ 138,514	$ 312	$ 260,759	$ 90,719
Cash Received for Premiums within the County's Entity	--	--	--	--	297,564
Payments to Suppliers for Goods and Services	(64,442)	(35,213)	(331)	(99,986)	(330,423)
Payments to Employees for Services	(18,705)	(24,854)	--	(43,559)	(19,620)
Payments for Interfund Services	--	4,763	(15)	4,748	(2,178)
Receipts for Interfund Services Used	(64)	--	--	(64)	231
Landfill Site Closure/Postclosure Care Costs	--	(1,319)	--	(1,319)	--
Taxes and Other Fees	--	(11,855)	--	(11,855)	(10)
Other Operating Receipts (Payments) - Net	1,106	(190)	--	916	2,520
Net Cash Provided (Used) by Operating Activities	39,828	69,846	(34)	109,640	38,803
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	--	--	--	--	5,758
Transfers Out	--	(19,810)	(149)	(19,959)	(250)
Intergovernmental Revenues	494	66	--	560	1,115
Other Taxes	--	--	109		
Advances to Other Funds	--	783	--	783	--
Net Cash Provided (Used) by Noncapital Financing Activities	494	(18,961)	(40)	(18,616)	6,623
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(19,109)	(34,247)	--	(53,356)	(14,188)
Principal Paid on Bonds	(6,995)	--	--	(6,995)	--
Interest Paid on Long-Term Debt	(10,603)	--	--	(10,603)	--
Capital Grant Contributions	9,675	--	--	9,675	--
Passenger Facility Charges Received	18,982	--	--	18,982	--
Proceeds from Sale of Capital Assets	12	6	--	18	--
Net Cash Used by Capital and Related Financing Activities	(8,038)	(34,241)	--	(42,279)	(14,188)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	731	1,846	3	2,580	633
Purchase of Investments	(7,380)	--	--	(7,380)	--
Net Cash Provided (Used) by Investing Activities	(6,649)	1,846	3	(4,800)	633
Net Increase (Decrease) in Cash and Cash Equivalents	25,635	18,490	(71)	44,054	31,871
Cash and Cash Equivalents - Beginning of Year	212,421	475,608	547	688,576	182,177
Cash and Cash Equivalents - End of Year	$ 238,056	$ 494,098	$ 476	$ 732,630	$ 214,048

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

	Business-Type Activities - Enterprise Funds				
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	$ 11,140	$ 70,169	$ (19)	$ 81,290	$ 9,743
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation/Amortization	28,561	14,770	--	43,331	4,178
Fines, Forfeitures and Penalties	164	17	--	181	--
Other Revenue	902	558	--	1,460	5,196
(Increases) Decreases In:					
Deposits In-Lieu of Cash	(211)	17	--	(194)	--
Accounts Receivable (Net of Allowances)	687	(474)	2	215	125
Due from Other Funds	(10)	2,969	--	2,959	(14)
Due from Other Governmental Agencies	(4)	(457)	--	(461)	512
Inventory of Materials and Supplies	--	--	--	--	36
Prepaid Costs	1,457	2,102	--	3,559	1,559
Deferred Outflows and Inflows of Resources from Pension Contributions	(3,490)	(4,453)	--	(7,943)	(3,590)
Increases (Decreases) In:					
Accounts Payable	(479)	630	--	151	16,068
Retainage Payable	(230)	1,279	--	1,049	3
Salaries and Employee Benefits Payable	244	345	--	589	262
Unearned Revenue	(930)	13	--	(917)	--
Due to Other Funds	(54)	1,794	(17)	1,723	(1,933)
Due to Other Governmental Agencies	(235)	(44)	--	(279)	(193)
Insurance Claims Payable	--	--	--	--	4,478
Compensated Employee Absences Payable	(106)	(88)	--	(194)	7
Pollution Remediation Obligation	(64)	(942)	--	(1,006)	--
Deposits from Others	282	(48)	--	234	--
Net Pension Liability from Portion Related to Pension Contributions and Expenses	2,204	2,755	--	4,959	2,366
Landfill Site Closure/ Postclosure Liability	--	(21,066)	--	(21,066)	--
Total Adjustments	28,688	(323)	(15)	28,350	29,060
Net Cash Provided by Operating Activities	$ 39,828	$ 69,846	$ (34)	$ 109,640	$ 38,803
Reconciliation of Cash and Cash Equivalents to Statement of Net Position Accounts					
Pooled Cash/Investments	$ 125,672	$ 394,033	$ 476	$ 520,181	$ 213,905
Cash Equivalents/Specific Investments	20,755	--	--	20,755	--
Cash/Cash Equivalents	8,335	--	--	8,335	--
Imprest Cash Funds	14	35	--	49	133
Restricted Cash and Investments with Trustee	12,573 (1)	--	--	12,573	10
Restricted Pooled Cash/Investments	70,707	9,829	--	80,536	--
Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs	--	90,201	--	90,201	--
Total Cash and Cash Equivalents	$ 238,056	$ 494,098	$ 476	$ 732,630	$ 214,048

Schedule of Noncash Investing, Capital, and Financing Activities:
- The Information & Technology Internal Service Fund received $112 of capital contribution from the General Fund.
- The Internal Service Funds gained $212 on disposition of capital assets.
- Airport had a $4,067 loss on disposition of capital assets.
- Waste Management gained $6 on disposition of capital assets.
- The Internal Service Funds' acquisition of capital assets with accounts payable is $16,148.
- Airport's acquisition of capital assets with accounts payable is $4,035.
- Waste Management's acquisition of capital assets with accounts payable is $4,104.

(1) Does not include $13,821 from Airport's nonliquid Restricted Cash and Investments with Trustee.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

	Private-Purpose Trust Funds	Investment Trust Funds	Pension and Other Post-Employment Benefit Trust Funds	Agency Funds
ASSETS				
Pooled Cash/Investments	$ 57,364	$ 4,098,725	$ 9,297	$ 338,086
Cash/Cash Equivalents	--	--	--	326
Restricted Cash and Investments				
Restricted Investments with Trustee				
Money Market Mutual Funds	4,630	--	84,194	31,075
Mutual Bond Funds	--	--	2,017	--
Stable Value Fund	--	--	7,597	--
Restricted Cash with Orange County Employees Retirement System (OCERS)	--	--	206,118	--
Total Restricted Cash and Investments	4,630	--	299,926	31,075
Investments	--	--	--	1,082
Deposits In-Lieu of Cash	--	--	--	19,247
Receivables				
Accounts	--	--	--	3
Taxes	--	--	--	317,620
Interest/Dividends	143	7,143	28	7,328
Allowance for Uncollectible Receivables	--	--	--	(154,807)
Due from Other Governmental Agencies	2	--	2,788	5,565
Land and Improvements Held for Resale	619	--	--	--
Notes Receivable	--	--	--	30,376
Total Assets	62,758	4,105,868	312,039	595,901
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	305	--	--	--
Total Deferred Outflows of Resources	305	--	--	--
LIABILITIES				
Salaries and Employee Benefits Payable	--	--	8	--
Bonds Payable	33,628	--	--	--
Interest Payable	429	--	--	6,015
Deposits from Others	--	--	--	30,386
Monies Held for Others	--	--	--	155,775
Due to Other Governmental Agencies	644	293	--	50,808
Unapportioned Taxes	--	--	--	352,917
Total Liabilities	34,701	293	8	595,901
NET POSITION				
Restricted for Pension Benefits and Other Purposes	28,362	4,105,575	312,031	--
Total Net Position	$ 28,362	$ 4,105,575	$ 312,031	$ --

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Private-Purpose Trust Funds	Investment Trust Funds	Pension and Other Post-Employment Benefit Trust Funds
Additions:			
Contributions to Pension and Other Postemployment Benefit Trust Funds:			
Employer	$ --	$ --	$ 51,126
Employee	--	--	3,816
Contributions to Pooled Investments	--	7,668,230	--
Contributions to Private-Purpose Trust	83,033	--	--
Intergovernmental Revenues	17,568	--	--
Other Revenues	786	71	--
Interest and Investment Income	112	17,947	6,728
Less: Investment Expense	(7)	(2,926)	(244)
Total Additions	101,492	7,683,322	61,426
Deductions:			
Benefits Paid to Participants	--	--	33,628
Distributions from Pooled Investments	--	7,059,092	--
Distributions from Private-Purpose Trust	78,892	--	--
Professional Services/Administrative Expense	274	--	37
Bond Issuance Costs	183	--	--
Tax Pass-Throughs	4,000	--	--
Interest Expense	1,539	--	--
Total Deductions	84,888	7,059,092	33,665
Change in Net Position:			
Private-Purpose Trust	16,604	--	--
External Investment Pool	--	624,230	--
Employees' Pension and Other Post-Employment Benefits	--	--	27,761
Net Position, Beginning of Year	11,758	3,481,345	284,270
Net Position, End of Year	$ 28,362	$ 4,105,575	$ 312,031

COUNTY OF ORANGE
CALIFORNIA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 (the 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 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,"* and Statement No. 61, "*The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34"* 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 governing body of the District is the County's governing body. Among its duties, it approves the District's budget, determines the District's tax rates, approves contracts, and appoints the management. 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.

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)

Orange County Public Facilities Corporation The Corporation has its own five member governing body appointed by the County's governing body and provides services entirely to the primary government, the County, through the purchase, construction or leasing of land and/or facilities, 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 (special districts) is the County's governing body. Among its duties, it approves the special districts' budgets, and approves parcel fees, special assessments and special taxes. The special 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 Public 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 Public Authority include collective bargaining for the individual providers, establishing a registry of providers, investigating the background of providers and providing training to both IHSS providers and consumers. The Authority is reported in governmental fund types.

Fiduciary Component Unit

Orange County Development Agency (OCDA) Redevelopment Successor Agency On January 24, 2012, the County elected to become the Successor Agency to the former OCDA in accordance with ABX1 26 (Dissolution Act). An Oversight Board was appointed to oversee the dissolution process. A Private-Purpose Trust Fund, administered by the County of Orange, was established to account for the assets and liabilities of the former OCDA. For additional information related to the activities of the Successor Agency and its on-going Enforceable Obligations, please refer to its separate financial statements. Copies of the Successor Agency's financial statements can be obtained from the OC Community Resources Department or by accessing Orange County's website at the following address: http://ac.ocgov.com/info/financial/

Discretely Presented Component Units

Children and Families Commission of Orange County The Commission 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, funded by additional State taxes on tobacco products approved by California voters via Proposition 10 in November 1998. The Commission 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 the Commission, the appointed Commission 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 the Children and Families Commission of Orange County, 1505 E. 17th Street, Suite 230, Santa Ana, CA 92705, or by accessing Orange County's website at the following address: http://ac.ocgov.com/info/financial/

Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance (CalOptima) The Board established CalOptima in 1993. The governing board of CalOptima is comprised of eleven 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

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 (Cal Optima) (Continued)

include Medi-Cal, OneCare (HMO SNP), and Program of All-Inclusive Care for the Elderly (PACE). CalOptima 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, the appointed CalOptima members serve at the will of the Board members who appoint them. CalOptima will continue until such time as the Board takes action to terminate CalOptima. A separate stand-alone annual financial report can be obtained by writing to CalOptima, 505 City Parkway West, Orange, CA 92868. Alternately, you can access the website http://wpso.dmhc.ca.gov/fe/search/#top, and select the Health Plan "Orange County Health Authority" and statement type "Annual Audit Reports."

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 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 include the costs and depreciation of infrastructure assets.

The fund financial statements for the governmental funds are prepared under 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.

Governmental 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 or 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-Wide Financial Statements (Continued)

component units, Children and Families Commission of Orange County and CalOptima, 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 is 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 debts 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.

- 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, 2015, the County's governmental activities reported restricted net position of $1,202,658 restricted for pension benefits related to the Orange County Retirement System (OCERS) Investment Account, capital projects, legally segregated funds restricted for grants and other purpose, and regional park endowment. Restricted Net Position for business-type activities amounted to $121,356 and is restricted for the use of Airport and Waste Management activities, including debt service, passenger facility charges (PFC), replacements and renewals, landfill closure/postclosure, and landfill corrective action. At June 30, 2015, the County reported $70,538 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 restricted fund that exceed the amounts required to be restricted by external parties or enabling legislation are reported as unrestricted net position. 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 the programs where the revenue is earned. Program revenues include:

- *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 not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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," sets forth minimum criteria (specified minimum percentages of the assets plus deferred outflows, liabilities plus deferred inflows, 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.

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, federal funds, and charges for engineering services provided.

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 revenues, along with property taxes restricted for flood control activities, 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, forfeitures, penalties, and charges for services.

Teeter Plan Notes This debt service 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.

The County reports the following proprietary enterprise funds:

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

Waste Management 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 The County reports nine Internal Service Funds. These proprietary funds are used to account for the financing of services provided by one County department or agency to other County departments or agencies, or to other governmental entities, on a cost-reimbursement basis. The services provided by these funds are Insurance, Transportation, Publishing, and Information and Technology. Internal Service Funds are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the County's governmental activities, financial statements of Internal Service Funds are consolidated into the governmental activities column when presented at the government-wide level.

Fiduciary Fund Types The County has a total of 351 individual trust and agency funds for FY 2014-15. These trust and agency funds are used to account for assets held on behalf of outside parties or employees, including other governments. When these assets are held under the terms of a formal trust agreement, a private-purpose trust or pension trust fund is used. An investment trust fund is used for the portion of the County investment pool representing external pool participants. Agency 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 agency 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. Beginning in FY 2011-12, the County accounts for the former redevelopment agency as a fiduciary component unit for the OCDA Redevelopment Successor Agency.

Investment Trust

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 external investment pool.

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 Employee Benefits Trust The County reports six Pension and Other Postemployment Benefit Trust funds. 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 postemployment benefit plans.

Agency Funds These funds are generally used to account for assets that the County holds on behalf of others as their agent in a purely custodial capacity, such as the receipt, temporary investments, and

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

Agency Funds (Continued)

remittance of fiduciary resources to individuals, private organizations, or other governments. Accordingly, assets reported in the agency funds are offset by a liability for resources held on behalf of others.

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, deferred inflows of resources, and all liabilities 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 (i.e., 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

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 grant reimbursement 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. As of June 30, 2015, the County reported $175,655 of deferred inflows of resources, and $65,688 of unearned revenue, in the governmental funds' Balance Sheet.

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 and capital leases 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.

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

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, Waste Management, and CNG. The principal operating revenues of the Airport, Waste Management, and CNG enterprise funds are charges to customers for (1) landing fees, terminal space rental, auto parking, concessions, 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 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 on capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Fiduciary Fund Financial Statements

Fiduciary funds are used to account for assets held in a trustee or agency capacity and cannot be used to support the County's own programs. Trust funds are accounted for using the economic resources measurement focus and accrual basis of accounting. Agency funds report only assets and liabilities and therefore, do not have a measurement focus; however, agency funds use the accrual basis of accounting to recognize receivables and payables.

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/budget control (a collection of account numbers necessary to fund a certain division or set of goal-related activities).

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/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/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 OC Public Facilities Corporation Bonds, Master Lease Fund, the South OC Public Financing Authority Fund, and the Orange County 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 major special revenue fund Budgetary Comparison Statements reported by the County in the Basic Financial Statements are:

- *Roads*
- *Flood Control District*
- *Other Public Protection*

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 financing sources and expenditures/encumbrances 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,"* all investment income, including changes in fair value (gains/losses) of investments, are recognized as investment income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budget Adoption and Revision (Continued)

- Under the budgetary basis, redirected investment income is recognized as investment income in the recipient fund. In accordance with GASB Statement No. 31, investment income assigned to another fund due to management decision is recognized in the fund that reports the investment and reported as a transfer to the recipient fund in the GAAP financial statements.
- Under the budgetary basis, revenues are recorded when earned. For GAAP basis, in accordance with GASB Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions"* and GASB Statement No. 65, it states that 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 or August 30. In order to ensure all transactions for the current fiscal year meet this criterion, the County analyzes revenue receipts through August 30 and records adjustments to deferred inflows of resources for transactions that are not collected.
- GASB Statement No. 34 states, "Fiduciary funds should be used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs." 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 no longer 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 interfund transfers.
- 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 Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"* (GASB Statement No. 54).
- For budgetary purposes, the loan from Waste Management to the General Fund was recognized as other financing sources (uses). In accordance with GASB Statement No. 34, an adjustment to record the interfund loan as an interfund receivable in the lender fund and interfund payable in the borrower fund was recorded for the GAAP financial statements.
- 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 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.
- Bond Issuance Proceeds related to short-term debt that was reported on the Budgetary Comparison Statement as revenues and other financing sources are reported as a fund level liability for GAAP financial statements.
- Per GAAP, a rental rebate should be recorded as a reduction to rental expense.
- The prepaid pension costs were reported in the Budgetary Comparison Statement for the General Fund as an expenditure. For the GAAP financial statements, the prepaid pension costs were recorded as a Prepaid Cost on the General Fund Balance Sheet.
- Revenues and expenditures recorded as reimbursements for retirement costs and administration fees.

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:

Revenues and Other Financing Sources	General Fund	Roads	Flood Control District	Other Public Protection
Total Revenues and Other Financing Sources from the Budgetary Comparison Statements	$ 3,341,359	$ 109,624	$ 160,120	$ 62,950
Differences-budget to GAAP:				
Change in unrealized gain/(loss) on investment	(67)	17	72	37
GASB 31 adjustment to report redirected investment income as transfers	--	--	--	70
GASB 33 adjustment of revenue accruals for 60 day recognition period	(11,805)	(10,904)	3,107	(537)
GASB 34 adjustment to record Public Purpose Trust Fund's monies as revenue in benefitting fund	1,954	--	84	--
Adjustment to eliminate intrafund transfers	--	--	--	(2,245)
Reclassification of direct billing reimbursements paid by fund for the benefit of other funds	(12,112)	(97)	(287)	--
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	22,590	--	--	--
Revenues and Other Financing sources for non-budgeted funds are excluded in the Budgetary Comparison Statements	--	--	--	6,571
Short-Term Bond Issuance Proceeds that were reported on the Budgetary Comparison Statement as an other financing source are reported as a fund level liability for GAAP financial statements	(339,625)	--	--	--
Rent Rebate for HCA	(298)	--	--	--
Reimbursement of Retirement Cost & Admin Fee	(753)	--	--	--
Total Revenues and Other Financing Sources as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 3,001,243	$ 98,640	$ 163,096	$ 66,846

Expenditures and Other Financing Uses	General Fund	Roads	Flood Control District	Other Public Protection
Actual expenditures and Other Financing Uses from the Budgetary Comparison Statements	$ 3,221,219	$ 92,785	$ 121,312	$ 68,166
Differences-budget to GAAP:				
GASB 31 adjustment to report redirected investment income as transfers	--	(3,070)	--	70
Adjustment of expenditure accruals for timing differences	(15,789)	500	262	(105)
Adjustment to eliminate intrafund transfers	--	--	--	(2,245)
Reclassification of direct billing reimbursements paid by fund for the benefit of other funds	(12,111)	(97)	(287)	--
The prepaid pension costs were reported in the Budgetary Comparison Statement for the General Fund as an expenditure. For GAAP financial statements, the prepaid pension costs were recorded as a Prepaid Cost on the General Fund Balance Sheet	(339,117)	--	--	--
Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements	--	--	--	861
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	(3)	--	--	--
Rent Rebate for HCA	(298)	--	--	--
Reclassification of loan repayment from General Fund to OC Waste Magagement	(780)	--	--	--
Total Expenditures and Other Financing Uses as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 2,853,121	$ 90,118	$ 121,287	$ 66,747

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance

The County applies 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 (County Executive Officer (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, approved by the Board for appropriation in FY 2014-15, 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.

In 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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

	General Fund	Roads	Flood Control District	Other Public Protection	Teeter Plan Notes	Other Governmental Funds	Total Governmental Funds
Nonspendable:							
Inventory	$ 867	$ -	$ 453	$ 331	$ -	$ -	$ 1,651
Prepaid costs	331,939	3,939	4,617	1,241	-	10,527	352,263
Endowment	-	-	-	-	-	188	188
Long-Term Advances to Other Funds	3,800	-	-	-	-	-	3,800
Total Nonspendable Fund Balance	336,606	3,939	5,070	1,572	-	10,715	357,902
Restricted for:							
Court Operations	10,068	-	-	-	-	-	10,068
Tobacco and CHIP Programs	124	-	-	-	-	-	124
Public Safety Realignment	21,294	-	-	-	-	-	21,294
Civic Center Parking/Maintenance	-	-	-	-	-	359	359
Roads	-	57,863	-	-	-	-	57,863
Public Libraries	-	-	-	-	-	23,676	23,676
Flood Control District	-	-	413,875	-	-	-	413,875
OC Parks	-	-	-	-	-	68,629	68,629
Service Areas, Lighting, Maintenance and Assessment Districts	-	-	-	-	-	5,102	5,102
Other Environmental Management	-	-	-	-	-	1,391	1,391
Public Safety	-	-	-	144,388	-	-	144,388
Teeter Note	-	-	-	-	52,505	-	52,505
OC Dana Point Harbor Projects	-	-	-	-	-	61,916	61,916
Community and Welfare Services	-	-	-	-	-	50,361	50,361
Low and Moderate Income Housing Program	-	-	-	-	-	32,142	32,142
Health Care Programs	-	-	-	-	-	260,050	260,050
Bankruptcy Litigation	-	-	-	-	-	6,036	6,036
Bankruptcy Recovery	-	-	-	-	-	20,877	20,877
Tobacco Settlement Programs	-	-	-	-	-	12,079	12,079
Housing Programs	-	-	-	-	-	15,775	15,775
Technological and Capital Acquisitions/Improvements	-	-	-	-	-	933	933
Endowment	-	-	-	-	-	141	141
OC Public Facilities Corporation Bonds, Master Lease	-	-	-	-	-	3,287	3,287
Pension Obligation Bonds	-	-	-	-	-	135,548	135,548
South OC Public Financing Authority	-	-	-	-	-	3,744	3,744
Orange County Public Financing Authority	-	-	-	-	-	40,775	40,775
Capital Projects:							
Criminal Justice Facilities Improvement	-	-	-	-	-	5,670	5,670
Total Restricted Fund Balance	$ 31,486	$ 57,863	$ 413,875	$ 144,388	$ 52,505	$ 748,491	$ 1,448,608
Assigned to:							
General Services	166,674	-	-	-	-	-	166,674
Imprest Cash	1,862	-	-	-	-	-	1,862
Public Safety	22,962	-	-	-	-	-	22,962
Public Works	1,794	-	-	-	-	-	1,794
Health Care Programs	2,120	-	-	-	-	13,588	15,708
Watershed Programs	654	-	-	-	-	-	654
Social Services Programs	4,251	-	-	-	-	-	4,251
Community Resources Programs	794	-	-	-	-	-	794
Tax Loss Reserve	46,653	-	-	-	-	-	46,653
Debt Service	5,368	-	-	-	-	-	5,368
Capital Projects:							
Countywide Projects	-	-	-	-	-	13,365	13,365
Property Tax Software Development	731	-	-	-	-	-	731
Computer Upgrade	4,060	-	-	-	-	-	4,060
Criminal Justice Facilities	4,445	-	-	-	-	-	4,445
Central Utilities Facility	842	-	-	-	-	-	842
Animal Care Facility	4,423	-	-	-	-	-	4,423
Other Projects	1,896	-	-	-	-	-	1,896
Parking Facilities	-	-	-	-	-	520	520
OC Parks	-	-	-	-	-	11,939	11,939
Air Quality Improvement	-	-	-	-	-	2,038	2,038
Community and Welfare Services	-	-	-	-	-	42,315	42,315
Total Assigned Fund Balance	$ 269,529	$ -	$ -	$ -	$ -	$ 83,765	$ 353,294
Unassigned	26,887	-	-	-	-	-	26,887
Total Unassigned Fund Balance	$ 26,887	$ -	$ -	$ -	$ -	$ -	$ 26,887
Total Fund Balances	$ 664,508	$ 61,802	$ 418,945	$ 145,960	$ 52,505	$ 842,971	$ 2,186,691

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

Annually, the Board adopts a five-year Strategic Financial Plan (SFP). The County of Orange 2015 Strategic Financial Plan 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.

The County prepays its pension contribution and reports the prepaid amount as Nonspendable Fund Balance rather than Unassigned Fund Balance as required by GASB Statement No. 54. For FY 2014-15, the proceeds of $339,625 was for short-term Taxable Pension Obligation Bonds to prepay a portion of its FY 2015-16 pension contribution at a discount. Of this amount, $331,591 is the prepaid costs for General Fund and is Nonspendable. Refer to Note 10, Short-Term Obligations and Note 18, Retirement Plans for additional information.

F. Deposits and Investments

The County maintains two cash and investment pools: 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. These pools are maintained for the County and other non-County entities for the purpose of benefiting from economies of scale through pooled investment activities. In addition, the County maintains certain other non-pooled specific investments.

The County has stated required investments at fair value in the accompanying financial statements. Management contracts with outside services to provide pricing for the fair value of investments in the portfolio, which are based on quoted market prices.

Other than proceeds held by the County in the OCIP, proceeds from County-issued bonds are held by trustees and are invested in instruments authorized by the respective trust agreements including medium-term notes, money market mutual funds, investment agreements, repurchase agreements, and U.S. Government securities. Short-term debt investments are reported at amortized cost, while long-term investments, such as U.S. Government securities are stated at fair value. The trustee uses an independent service to value those securities, which are based on quoted market prices and stated at fair value.

The Pools value participants' shares using an amortized cost basis. Specifically, the Pools distribute income to participants based on their relative participation during the period. Income is calculated based on (1) realized investment gains and losses calculated on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis, and reduced by (4) investment and administrative expenses. This method differs from the fair value method used to value investments in this statement because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pools' investments. The total difference between the fair values of the investments in the Pools and the values distributed to pool participants using the amortized cost method described above is reported in the equity section of the condensed statement of net position of the County Pool (see Note 4, Deposits and Investments) as undistributed and unrealized gains.

The investments in the Retiree Medical Defined Benefit Trust are managed by the Orange County Employees Retirement System (OCERS) and are reported at fair value. Refer to Note 18, Retirement Plans, to obtain OCERS stand-alone annual financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 nonspendable 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/agencies.

H. Prepaid Costs

The County pays for certain types of services in advance, such as pension costs and rents, and recognizes these costs in the period during which services are provided. Prepaid costs in the governmental funds Balance Sheet include $352,263 for governmental funds, which primarily consist of $351,915 to prepay a portion of the County's FY 2015-16 pension contribution at a discount.

Prepaid costs in the government-wide financial statements include the prepaid costs reported in the fund financial statements, reduced for 50% of the prepaid asset related to the pension contribution after the measurement date in accordance with GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27*," (refer to Note 2 Change in Accounting Principle, Note 18 Retirement Plans, Note 19 Postemployment Health Care Benefits and GASB Statement No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68"* for further information).

I. Land and Improvements Held for Resale

These assets, held by the OCDA Redevelopment Successor Agency, are valued at the lower of cost or estimated net realizable value.

J. 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, structures and improvements, equipment, intangible, and infrastructure. Infrastructure assets are grouped by networks consisting of flood channels, roads, bridges, trails, traffic signals, and harbors.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Capital assets with an original unit cost equal to or greater than the County's capitalization threshold shown in the table below are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Asset Type	Capitalization Threshold
Land	$ 0
Land Improvements	$150
Structures and Improvements	$150
Equipment	$ 5
Intangible	$150
Infrastructure	$150

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the related assets. 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, intangible, and infrastructure are as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

Structures and Improvements	10 to 60 years
Land Improvements	20 years
Equipment	2 to 20 years
Intangibles:	
Computer Software	3 to 15 years
Land Use Rights	3 years
Infrastructure:	
Flood Channels	20 to 100 years
Roads	10 to 20 years
Bridges	50 to 75 years
Trails	20 years
Traffic Signals	15 to 20 years
Harbors	20 to 50 years
Airport – Runways, Taxis, and Aprons	15 to 60 years
Waste Management – Cell Development, Drainage Channels, facility Improvements, habitat, Landfill Gas/Environmental, Closure/Other Earthwork	3 to 71 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, Expenses and Changes in Fund Net Position.

For business-type activities, interest is capitalized on construction in progress. Capitalized interest is the total interest expense of the borrowing net of related interest earnings on the reinvested unexpended tax-exempt debt proceeds and amortization of premium or discount. For governmental activities, interest is not capitalized as a cost of the capital asset in accordance with GAAP.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has two items that qualify for reporting in this category. They are the deferred charge on refunding and deferred outflow amounts related to pension reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferrals of resources related to pension results from the net difference between projected and actual investment earnings on pension plan investments, changes of assumptions and changes in proportion and differences between employer contributions and the proportionate share of contributions calculated by actuarial study. The deferred outflows of resources related to pensions also include employer contributions made after the measurement date and the County's prepaid retirement contribution.

In addition to liabilities, the statement of net position sometimes reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. The County has deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, intergovernmental revenues, SB90, and other sources as appropriate. These amounts are deferred and recognized as an inflow of resources in the period that

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows/Inflows of Resources (Continued)

amounts become available. The SB90 deferred inflows of resources amount of $39,653 is net of an allowance for the estimated uncollectible of $2,417.

The most significant deferred outflows and inflows of resources reported in the government-wide Statement of Net Position are related to the implementation of GASB Statement No. 68 and GASB Statement No. 71 for pension liability reporting. These deferred outflows and inflows of resources impact pension changes and include the net difference between projected and actual investment earnings on pension plan investments, the difference between expected and actual experience, changes of assumptions, and change in proportion and differences between employer contributions and the County's proportionate share of contributions calculated by actuarial study.

The table below details out all deferred outflows/inflows of resources related to pension. Please refer to Note 18, Retirement Plans, for further information.

	Governmental Activities	Airport	Waste Management	Total
Deferred Outflows of Resources related to Pension per Actuarial Studies				
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 171,911	$ 1,667	$ 2,086	$ 175,664
Changes of Assumptions	113,952	1,105	1,384	116,441
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	3,981	39	48	4,068
Deferred Outflows of Resources Related to Pension - Employer Contributions After Measurement Date	184,848	1,745	2,233	188,826
Deferred Outflows of Resources Related to FY 2015-16 Prepaid Employer Contribution	177,617	1,745	2,223	181,585
Total Deferred Outflows of Resources Related to Pension	**$ 652,309**	**$ 6,301**	**$ 7,974**	**$ 666,584**
Deferred Inflows of Resources related to Pension per Actuarial Studies				
Difference Between Expected and Actual Experience	$ 201,054	$ 1,950	$ 2,442	$ 205,446
Changes of Assumptions	184,750	1,793	2,244	188,787
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	15	-	-	15
Total Deferred Inflows of Resources Related to Pension	**$ 385,819**	**$ 3,743**	**$ 4,686**	**$ 394,248**

L. 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.

M. 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 property, 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 Treasurer-Tax Collector collects property taxes on behalf of all property tax-receiving agencies in Orange County. Property tax-receiving agencies include the school districts, cities, community redevelopment successor agencies, independently governed special districts (not governed by the Board), special districts governed by the Board, and the County General Fund.

Property taxes receivables are recorded as of the date levied in property tax unapportioned funds, which are

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Property Taxes (Continued)

classified as agency 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 taxing agencies. The property tax unapportioned funds are included in the agency 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 (secured, unsecured, supplemental, delinquent secured, delinquent unsecured, delinquent supplemental, homeowners' property tax subvention, or state-assessed properties), and cash flow needs of the tax-receiving agencies.

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, 2015 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 uses the direct write-off method to recognize uncollectible taxes receivable.

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. As of June 30, 2015, tax refunds and assessed value tax roll corrections resulting from property tax appeals and other disputes represented approximately 1.30% of the combined beginning secured and unsecured property tax roll charge.

The following are significant dates on the property tax calendar:

	California Revenue & Taxation Code Section
Supplemental assessments are effective on the 1st day of the month following the 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 30.	2922
Assessor delivers roll to Auditor-Controller July 1.	616, 617
Tax roll is delivered to the 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 a penalty) are:	
1st Installment - December 10, and	2617
2nd Installment - April 10.	2618
Declaration of default for unpaid taxes occurs July 1.	3436
Power to sell is effective five years after tax default.	3691

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Employee Absences

Compensated employee absences (vacation, compensatory time off, performance incentive plan time off, annual leave, and sick 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.

O. 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. The actuarial valuation based on December 31, 2014 measurement date for the County reporting as of June 30, 2015.

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 Orange County Employees Retirement System (OCERS) and the Extra-Help Defined Benefit plan and additions to/deductions to 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, 2015, the County's net pension liability from OCERS was measured as of December 31, 2014, and the total pension liability (TPL) used to calculate the net pension liability was determined by rolling forward the December 31, 2013 valuation to December 31, 2014; the County's net pension liability from Extra-Help Defined Benefit was measured as of June 30, 2015, the plan's TPL was calculated using the data and assets as of June 30, 2013, rolled forward to June 30, 2015 using actual benefit payments for the fiscal years 2014-15.

P. Statement of Cash Flows

A Statement of Cash Flows is presented for proprietary fund types. Cash and cash equivalents include all unrestricted and restricted highly liquid investments with original purchase maturities of three months or less. Pooled cash and investments in the County's Treasury represent monies in a cash management pool and such accounts are similar in nature to demand deposits.

Q. Indirect Costs

County indirect costs are allocated to benefiting departments in the "Indirect Expenses Allocation" column of the government-wide Statement of Activities. Allocated costs are from the County's FY 2014-15 County-Wide Cost Allocation Plan (CWCAP), which was prepared in accordance with the Code of Federal Regulation, Title 2, Part 200. The County has elected to allocate indirect costs to departments within the General Fund that are not charged through CWCAP in order to match the reimbursement of indirect costs recorded as program revenues to the same function that the related expense is recorded in.

R. Effects of New Pronouncements

The following lists recent GASB pronouncements implemented or are effective in FY 2014-15:

In June 2012, GASB issued Statement No. 68, "*Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*," which results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, "*Accounting for Pensions by*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Effects of New Pronouncements (Continued)

State and Local Governmental Employers," as well as the requirements of Statement No. 50, "*Pension Disclosures*," as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. It also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014, which requires the County to implement this statement in FY 2014-15. The statement was implemented with a material impact to the County. Refer to Note 2, Change in Accounting Principle and Note 18, Retirement Plans, for additional information.

In January 2013, GASB issued Statement No. 69, "*Government Combinations and Disposals of Government Operations*." This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this statement are effective for financial statements for periods beginning after December 15, 2013, which requires the County to implement this statement in FY 2014-15. The statement was implemented without an impact to the County.

In November 2013, GASB issued Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date—An Amendment of GASB Statement No. 68*." This statement requires that at transition to the new accounting standards in accordance with GASB Statement No. 68, a government should recognize a beginning deferred outflow of resources for its pension contributions made after the measurement date of the beginning net pension liability. However, it continues to require that the beginning balances for other deferred outflows and deferred inflows be reported at transition only if it is practical to determine such amounts. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2014, which requires the County to implement this statement in FY 2014-15. The statement was implemented with an impact to the County.

The following summarizes recent GASB Pronouncements and their future effective dates. The County is in the process of evaluating the impact of these statements on its financial statements:

In February 2015, GASB issued Statement No. 72, *"Fair Value Measurement and Application."* This statement addresses accounting and financial reporting standards related to fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For some assets and liabilities, observable market information might not be available. The objective of fair value measure is to determine the price that would take place between market participants at the measurement date under current market conditions. Valuation techniques used to determine fair value are one or more of three approaches to measure fair value: the market approach, cost approach, and income approach. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2015, which requires the County to implement this statement in FY 2015-16.

In June 2015, GASB issued Statement No. 73, *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68."* This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing useful information, supporting assessments of accountability and interperiod equity and creating additional transparency. This statement establishes requirements for defined benefit

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Effects of New Pronouncements (Continued)

pensions that are not within the scope of Statement No. 68, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67 *"Financial Reporting for Pension Plans"* and Statement No. 68 for pension plans and pensions that are within their respective scopes. The provisions of this statement will be analyzed on an annual basis. For FY 2014-15 it is determined to have no impact to the County.

In June 2015, GASB issued Statement No. 76, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."* The "GAAP hierarchy" identifies the sources of guidance that state and local governments follow when preparing financial statements in conformity with GAAP and lists the order of priority for pronouncements to which a government should look for guidance. The objective of this statement is to simplify the structure of the hierarchy of GAAP to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."* These changes are intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance with less variation. The provisions of this statement are effective for financial reporting for periods beginning after June 15, 2015, and should be applied retroactively, which requires the County to implement this statement in FY 2015-16.

In June 2015, GASB issued Statement No. 74 *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans."* The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces Statements No. 43, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,"* as amended, and No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Pl*ans." It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25 *"Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans,"* as amended, Statement 43, and Statement No. 50 *"Pension Disclosures."* The provisions of this statement are effective for financial statement for periods beginning after June 15, 2016, which requires the County to implement this statement in FY 2016-17. The requirements of this statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria.

In August 2015, GASB issued Statement No. 77, *"Tax Abatement Disclosures."* This statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2015, which requires the County to implement this statement in FY 2016-17.

In June 2015, GASB Issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*" The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Effects of New Pronouncements (Continued)

governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statements No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,"* as amended, and No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,"* for OPEB. Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,"* establishes new accounting and financial reporting requirements for OPEB plans. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this statement are effective for financial statement for periods beginning after June 15, 2017, which requires the County to implement this statement in FY 2017-18.

S. 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.

T. 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 and Proprietary Fund Balance Sheet or 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
Capital Assets – Not Depreciable/Amortizable	Land, Construction in Progress, and Intangible Assets in Progress
Capital Assets – Depreciable/Amortizable (Net)	Structures and Improvements and Accumulated Depreciation; Equipment and Accumulated Depreciation; Intangible Assets and Accumulated Amortization; and Infrastructure and Accumulated Depreciation

2. CHANGE IN ACCOUNTING PRINCIPLE

The County implemented GASB Statement No. 68 in the current financial statements. Prior period adjustments of $3,686,767 and $80,522 were made to decrease the governmental activities' beginning net position and business-type activities' beginning net position. The restatement of beginning net position of the governmental activities and business-type activities are restated as follows:

	Governmental Activities	Business-Type Activities
Net Position at June 30, 2014	$ 4,324,937	$ 1,125,640
Net Pension Liability Adjustment	(3,686,767)	(80,522)
Net Position at June 30, 2014 as Restated	$ 638,170	$ 1,045,118

Prior period adjustments of $35,740, $44,782, and $35,793 were made to the beginning net position of Enterprise Funds and Internal Service Funds. The restatements of beginning net position of governmental fund activities are restated as follows:

	Airport	Waste Management	Governmental Activities-Internal Service Funds
Net Position at June 30, 2014	$ 627,698	$ 512,943	$ (9,033)
Net Pension Liability Adjustment	(35,740)	(44,782)	(35,793)
Net Position at June 30, 2014 as Restated	$ 591,958	$ 468,161	$ (44,826)

Refer to Note 1, Summary of Significant Accounting Policies, for additional information on GASB Statement No. 68.

3. DEFICIT FUND EQUITY

The Workers' Compensation Internal Service Fund (ISF) and the Property and Casualty Risk ISF reported deficit net position balances of $91,229 and $5,906, respectively. The deficits result 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 for the Workers' Compensation ISF increased by $11,270 from the previous fiscal year due to an increase in case reserves as well as the implementation of GASB Statement No. 68. The deficit for the Property and Casualty Risk ISF decreased by $4,810 from the previous fiscal year due to higher insurance premiums. Charges to County departments have not provided sufficient cash flows to entirely fund the deficits in these ISFs. The County will continue to review charges to departments and manage the funding status of the Workers' Compensation Program and the Property and Casualty Risk Program.

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 reflect the custodial role accepted by the Successor Agency. The OCDA Redevelopment Successor Agency private-purpose trust fund reported a deficit net position balance of $12,819. Enforceable obligations will be paid by future property tax increments apportioned to the Successor Agency.

4. DEPOSITS AND INVESTMENTS

The 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 of the County's investment pooled funds in addition to various individual investment accounts outside of the pooled funds. These public funds are called the Orange County Investment Fund (OCIF). Within the OCIF, the Treasurer maintains an Orange County Investment Pool (OCIP) and an Orange County Educational Investment Pool (OCEIP), which are "external investment pools" wherein monies of the County and other legally separate external entities, which are not part of the County Reporting Entity, are commingled (pooled) and invested on the participants' behalf. In addition, the Treasurer maintains the John Wayne Airport Investment Pool (JWA Pool) and other separately managed investments. The County's Investment Pools are not registered with the Securities and Exchange Commission (SEC) as an investment company.

4. DEPOSITS AND INVESTMENTS (Continued)

The Treasurer further invests pooled funds from the OCIP and OCEIP into three funds, the Orange County Money Market Fund (OCMMF), the Orange County Educational Money Market Fund (OCEMMF) and the Extended Fund. On August 11, 2015, Standard & Poor's (S&P) reaffirmed an AAA Principal Stability Fund Rating (AAAm) for the OCMMF and the OCEMMF. The two money market funds are required to maintain a Net Asset Value (NAV) of between $0.995 and $1.005 to maintain a AAAm rating. Neither the Money Market Funds nor the Extended Fund have any legally binding guarantees of share values.

The maximum maturity of investments for the two Money Market Funds is 13 months with a maximum weighted average maturity (WAM) of 60 days. The maximum maturity of the Extended Fund is five years per CGC. The Investment Policy Statement (IPS) provides that the Extended Fund shall have duration not to exceed a leading 1-3 Year index +25%.

Pursuant to CGC Sections 27130-27137, the Board has established a Treasury Oversight Committee (TOC) that monitors and reviews the IPS annually and also ensures that the Treasurer has an audit annually, which includes limited tests of compliance with laws and regulations. The TOC consists of the County Executive Officer, the elected County Auditor-Controller, the County Superintendent of Schools, or their respective designees, and four public members.

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 individual funds monthly based on the average daily balances on deposit with the Treasurer. Interest assigned to another fund due to management decision is recognized in the fund that reports the investments and is reported as a transfer to the recipient fund.

Deposits and investments before timing differences totaled $7,590,936 as of June 30, 2015 consisting of: $3,525,974 for the OCIP, $3,895,973 for the OCEIP and $168,989 for Specific Investments.

Total County deposits and investments at fair value as of June 30, 2015, are reported as follows:

Deposits:		
Imprest Cash	$	2,115
Deposits for OCIP		6,424
Deposits for OCEIP		114,951
Deposits with Trustees		17,068
All other Deposits and timing differences		(142,618)
Total Deposits and Timing Differences		(2,060)
Investments:		
With Treasurer		7,469,561
With Trustees		322,942
With External Orange County Employees Retirement System (OCERS)		206,118
Total Investments		7,998,621
Total Deposits and Investments	$	7,996,561

Total County deposits and investments are reported in the following funds:

Governmental Funds	$	2,114,555
Proprietary Funds		989,681
Fiduciary Funds		4,840,511
Component Unit - CFCOC		51,814
Total Deposits and Investments	$	7,996,561

4. DEPOSITS AND INVESTMENTS (Continued)

A. Deposits

CGC 53652 et. seq. and the IPS prescribe the amount of collateral that is required to secure the deposit of public funds. The pledge to secure deposits is administered by the California Commissioner of Business Oversight. Collateral is required for demand deposits at 110% of all deposits not covered by federal depository insurance (FDIC) if 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 the pledging financial institutions' trust departments or agents in the name of the County. 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 custodial agreements are required to provide, among other things, that the collateral securities are held separate from the assets of the custodial institution.

FDIC is available for interest-bearing funds deposited at any one financial institution up to a maximum of $250.

Custodial Credit Risk – Deposits
The custodial credit risk for deposits is the risk that the County will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or collateralized. The County's deposits are not exposed to custodial credit risk, since all of its deposits are covered by FDIC or collateralized with securities held by the County or its agent in the County's name, in accordance with CGC Section 53562.

B. Investments

The CGC Sections 53601 & 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, credit quality and timing to minimize the risk of loss. The IPS adds further restrictions to permitted investments from the CGC. As of June 30, 2015, the Treasurer was in full compliance with the more restrictive IPS for the OCIP and OCEIP. However, on June 30, 2015, the JWA Pool purchased a $3,000 Federal Farm Credit floating rate security with a final maturity of 496 days, which exceeds the IPS limit of 397 days. The security was sold on July 2, 2015, at no gain or loss to bring the JWA Pool back into compliance and the system compliance rules were updated.

The following table provides a summary listing of the authorized investments and selected restrictions as of June 30, 2015.

Type of Investment	CGC % of Funds Permitted	Orange County IPS (%)	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (Long-Term-Extended Fund)	Orange County IPS Maximum Final Maturity (Short-Term – Money Market Fund)
U.S. Treasury Securities	100%	100%	5 Years	5 Years	397 Days
U.S. Government Agency Securities	100%	100% Total, no more than 33% in one issuer	5 Years	5 Years	397 Days
Municipal Debt	100%	30% Total, no more than 5% in one issuer except 10%- County of Orange	5 Years	5 Years	397 Days

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Type of Investment	CGC % of Funds Permitted	Orange County IPS (%)	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (Long-Term-Extended Fund)	Orange County IPS Maximum Final Maturity (Short-Term – Money Market Fund)
Medium-Term Notes	30%	30% Total, no more than 5% in one issuer	5 Years	5 Years	397 Days
Bankers Acceptances	40%, 30% of a single issuer	40% Total, no more than 5% in one issuer	180 Days	180 Days	180 Days
Commercial Paper	40%, 10% of a single issuer	40% Total, no more than 5% in one issuer	270 Days	270 Days	270 Days
Negotiable Certificates of Deposits	30%	30% Total, no more than 5% in one issuer	5 Years	5 Years	397 Days
Repurchase Agreements	100%	20% Total, no more than 10% in one issuer	1 Year	1 Year	1 Year
Money Market Mutual Funds	20%	20% Total	N/A	N/A	N/A
Investment Pools	100%	20% Total, no more than 10% in one pool	N/A	N/A	N/A
Supranationals	30%	30% Total, no more than 5% in one issuer	5 Years	5 Years	397 Days

The current IPS expressly prohibits leverage, reverse repurchase agreements as defined by CGC, structured notes, structured investment vehicles, and derivatives. All investments must be United States dollar denominated. No investment may be purchased from an issuer that has been placed on credit watch-negative by any of the Nationally Recognized Statistical Rating Organizations (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 a “AA” or “Aa2” by S&P, Fitch or Moody’s; and the Treasurer has approved the purchase in writing prior to purchase.

Investments by the Treasurer are stated at fair value. Investments in the OCIF are marked to market on a daily basis. If the NAV of the OCMMF or OCEMMF is less than $0.995 or greater than $1.005, portfolio holdings may be sold as necessary to maintain the ratio between $0.995 and $1.005.

Unless otherwise required in a trust agreement or other financing document, assessment districts and public school and community college districts are required by legal provisions to deposit their funds with the Treasurer. The OCEIP consists entirely of public school and community college districts’ funds and therefore includes 100% involuntary participants. At June 30, 2015, the OCIP includes approximately 9.76% of involuntary participant deposits including funds for the Superior Court, certain assessment districts, and certain bond related funds for public school districts.

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Investment Disclosures

The following table presents a summary of the County's investments and the credit quality distribution and concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2015. (NR means Not Rated).

With Treasurer:	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
OCIP (2)							
U.S. Government Agencies							
FNMA Discount Notes	$ 20,525	$ 20,525	0.06 - 0.08%	7/01/15 - 7/08/15	0.008	A-1	0.58%
FNMA Bonds	515,131	511,999	0.07 - 1.24%	7/02/15 - 12/20/17	1.367	AA	14.64%
FFCB Discount Notes	25,719	25,725	0.26%	9/28/15 - 10/19/15	0.280	A-1	0.73%
FFCB Bonds	205,834	205,711	0.14 - 1.09%	7/02/15 - 6/25/18	0.602	AA	5.85%
FHLB Discount Notes	199,983	199,987	0.03 - 0.12%	7/01/15 - 8/19/15	0.071	A-1	5.68%
FHLB Bonds	448,494	447,368	0.12 - 1.64%	7/10/15 - 12/20/18	1.207	AA	12.74%
FHLMC Discount Notes	126,398	126,407	0.04 - 0.17%	7/06/15 - 11/03/15	0.123	A-1	3.59%
FHLMC Bonds	518,553	516,967	0.09 - 1.08%	7/17/15 - 6/22/18	1.481	AA	14.73%
Negotiable Certificates of Deposit	55,007	55,000	0.12 - 0.34%	7/31/15 - 12/01/15	0.092	A-1	1.56%
Medium-Term Corporate Notes							
Corporate Notes	43,895	41,998	0.90 - 1.08%	1/31/17 - 8/15/18	2.490	A	1.25%
Corporate Notes	202,844	199,623	0.35 - 1.49%	7/08/15 - 12/15/18	1.678	AA	5.76%
Corporate Notes	61,082	59,683	0.49 - 1.27%	5/15/16 - 12/05/18	1.704	AAA	1.74%
Municipal Debt	12,495	12,477	0.80%	06/30/16	1.003	AA	0.36%
U.S. Treasuries	917,948	914,767	0.24 - 0.98%	9/15/15 - 4/15/18	1.098	AA	26.08%
Money Market Mutual Funds	165,642	165,642	0.01 - 0.04%	07/01/15	0.078	AAA	4.71%
	$ 3,519,550	**$ 3,503,879**			**1.073** (4)		**100.00%**

With Treasurer:	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
OCEIP (2)							
U.S. Government Agencies							
FNMA Discount Notes	$ 109,994	$ 110,002	0.06 - 0.12%	7/02/15 - 10/07/15	0.110	A-1	2.91%
FNMA Bonds	527,828	524,492	0.10 - 1.24%	7/02/15 - 12/20/17	1.380	AA	13.96%
FFCB Discount Bonds	10,000	10,000	0.04%	08/04/15	0.096	A-1	0.26%
FFCB Bonds	193,143	192,964	0.04 - 1.09%	7/30/15 - 6/25/18	0.709	AA	5.11%
FHLB Discount Notes	194,494	194,502	0.03 - 0.15%	7/10/15 - 10/21/15	0.100	A-1	5.14%
FHLB Bonds	501,667	500,547	0.07 - 1.64%	7/23/15 - 12/20/18	1.097	AA	13.27%
FHLMC Discount Notes	222,473	222,480	0.06 - 0.19%	7/10/15 - 10/15/15	0.082	A-1	5.88%
FHLMC Bonds	483,637	482,097	0.14 - 1.08%	9/04/15 - 6/22/18	1.588	AA	12.79%
Negotiable Certificates of Deposit	58,007	58,000	0.24 - 0.34%	7/16/15 - 12/01/15	0.076	A-1	1.54%
Medium-Term Corporate Notes							
Corporate Notes	44,058	42,154	0.90 - 1.08%	1/31/17 - 8/15/18	2.490	A	1.16%
Corporate Notes	221,543	218,214	0.23 - 1.49%	7/08/15 - 12/15/18	1.782	AA	5.86%
Corporate Notes	61,310	59,905	0.48 - 1.27%	5/15/16 - 12/05/18	1.704	AAA	1.63%
Municipal Debt	12,542	12,523	0.80%	06/30/16	1.003	AA	0.33%
U.S. Treasuries	921,376	918,183	0.24 - 0.98%	9/15/15 - 4/15/18	1.098	AA	24.37%
Money Market Mutual Funds	218,950	218,950	0.01 - 0.04%	07/01/15	0.079	AAA	5.79%
	$ 3,781,022	**$ 3,765,013**			**1.016** (4)		**100.00%**

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

With Treasurer:	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
Specific Investments (2)							
U.S. Government Agencies							
FNMA Discount Notes	$ 500	$ 500	0.15%	09/30/15	0.252	A-1	0.30%
FNMA Bonds	12,406	12,361	0.09 - 0.27%	7/28/15 - 12/21/15	0.229	AA	7.34%
FFCB Bonds	7,721	7,705	0.14 - 0.28%	7/02/15 - 4/18/16	0.124	AA	4.57%
FHLB Bonds	13,866	13,860	0.07 - 0.25%	7/23/15 - 1/04/16	0.078	AA	8.21%
FHLMC Discount Notes	2,514	2,515	0.09 - 0.13%	9/30/15 - 10/09/15	0.262	A-1	1.49%
FHLMC Bonds	5,274	5,270	0.09 - 0.25%	7/17/15 -10/16/15	0.115	AA	3.12%
GNMA Bonds	94	90	6.25%	09/20/29	14.236	AA	0.05%
Negotiable Certificates of Deposit	2,000	2,000	0.24 - 0.28%	8/13/15 - 12/01/15	0.019	A-1	1.18%
Medium-Term Corporate Notes							
Corporate Notes	4,432	4,390	0.22 - 0.41%	7/01/15 - 6/01/16	0.397	AA	2.62%
Municipal Debt	73,901	73,825	0.05 - 0.12%	7/01/15 - 8/15/15	0.041	AA	43.73%
Repurchase Agreements	1,082	1,082	6.20%	08/15/19	4.129	AA	0.64%
Money Market Mutual Funds	45,199	45,199	0.01 - 0.04%	07/01/15	0.006	AAA	26.75%
	$ 168,989	**$ 168,797**			**0.101** (4)		**100.00%**

With Trustees:	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
Restricted Investments w ith Trustees (2)							
U.S. Government Agencies							
FNMA Zero Coupon Bonds	$ 135,394	$ 63,482	0.00%	09/01/16 - 09/01/21	4.189	AA	41.93%
U.S. Treasuries	16,563	16,420	0.90-9.00%	12/31/15 - 11/15/18	1.184	AA	5.13%
U.S. Treasury Strips	350	54	0.00%	11/15/18	3.381	NR	0.11%
Guaranteed Investment Contracts	14,667	14,667	5.01%	1/17/2017	1.550	NR	4.54%
Money Market Mutual Funds							
Money Market Mutual Funds	62,160	62,160	Variable	07/01/15	0.001	AAA	19.25%
Money Market Mutual Funds	84,194	84,194	Variable	07/01/15	0.002	NR	26.07%
Total Bond Mutual Fund	2,017	2,016	0.5%-3.34%	07/01/15	0.003	NR	0.62%
Stable Value Fund	7,597	7,597	Variable	07/01/15	0.003	NR	2.35%
	$ 322,942	**$ 250,590**			**1.80** (4)		**100.00%**
With External Orange County Retirement System (OCERS):							
Restricted Investments (3)	**$ 206,118**						

(1) The County obtains credit ratings from S&P, Moody's, and Fitch. The ratings indicative of the greatest degree of risk have been disclosed.
(2) Legend:
FFCB-Federal Farm Credit Bank
FNMA-Federal National Mortgage Association
FHLB-Federal Home Loan Bank
FHLMC- Federal Home Loan Mortgage Corporation
GNMA- Government National Mortgage Association
(3) The Retiree Medical Trust reports $206,118 of restricted investments with OCERS. Refer to Note 19 on obtaining OCERS Financial Statements. For more information regarding investments with OCERS, refer to their most recently issued financial statements available at http://www.ocers.org/finance/finance.htm.
(4) Portfolio weighted average maturity.

Investment in County of Orange Taxable Pension Obligation Bonds 2015, Series A

On January 13, 2015, the OCIP and the OCEIP purchased a portion of the County issued Taxable Pension Obligation Bonds 2015, Series A (2015 POBs) in the principal amount of $25,000. The 2015 POBs were issued with a fixed coupon rate and matures in June 2016. The obligation of the County to pay principal and interest on the 2015 POBs is an obligation imposed by law and is absolute and unconditional. As of June 30, 2015, the outstanding principal amount of the 2015 POBs is $25,000. The bonds are rated AA- by S&P. The County's investment in the 2015 POBs is disclosed herein as Municipal Debt. For additional information, refer to Note 10, Short-Term Obligations and Note 18, Retirement Plans.

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk - Investments

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, 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. 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 funds invested in the Pools are presented in the preceding table.

The OCIP funds of $3,519,550 and the OCEIP funds of $3,781,022 portfolio at June 30, 2015, have over 37.44% and 39.99%, respectively of the investments maturing in six months or less, 60.99% and 58.54% respectively, maturing between six months and three years and 1.57% and 1.47% respectively, maturing from three to five years.

As of June 30, 2015, variable-rate notes comprised 4.17% and 4.74% of the OCIP and OCEIP, respectively. The notes are tied to the Federal funds rate, 90-day Treasury Bill rate, one-month and three-month London Interbank Offered Rate (LIBOR) with daily, monthly and quarterly coupon resets. The fair value of variable-rate securities is generally less susceptible to changes in value because the variable-rate coupon resets back to a market rate on a periodic basis. Effectively, at each reset date, a variable-rate investment reprices back to par value, eliminating interest rate risk at each periodic reset. For purposes of computing weighted average maturity (WAM), the maturity date of variable-rate notes is the length of time until the next reset date rather than the stated maturity.

The annual average daily investment balance of the OCIP and the OCEIP was $3,457,911 and $3,684,448, respectively with an annual yield of 0.42% and 0.41% respectively for the pools, for the year ended June 30, 2015.

Interest Rate Risk-Weighted Average Maturity (Money Market Funds)

At June 30, 2015, the OCMMF and OCEMMF amounted to $916,191 and $1,167,943, respectively. In accordance with the Board formally approved IPS, the Treasurer manages the Pool's exposure to declines in fair value for deposits and investments by limiting the WAM to 60 days in the Money Market Funds. At June 30, 2015, the WAM of the OCMMF was 54 days and the OCEMMF was 58 days. At the same date, the NAV of the Money Market Funds for both pools was $1.00 (in absolute dollar amounts).

Interest Rate Risk-Duration (Extended Fund)

At June 30, 2015, the Extended Fund (which includes funds from both OCIP and OCEIP) balance was $5,216,438. Of this amount, the OCIP owned 49.9% and the OCEIP owned 50.1%. In accordance with the IPS, the Treasurer manages investment related risk for deposits and investments by limiting duration to +25% of a leading 1-3 Year index (2.34). The portfolio duration for the Extended Fund as of June 30, 2015 was 1.38 years. This was computed using the Macaulay duration method, which calculates the maturity date of callable bonds using their final maturity date.

As of June 30, 2015, the Extended Fund had the following duration by investment type:

Investment Type	Fair Value (Amounts in Thousands)	Portfolio %	Macaulay Duration (In Years)
Medium-Term Corporate Notes	$ 509,616	9.77%	1.94
Municipal Debt	25,037	0.48%	1.00
U.S. Treasuries	1,839,324	35.26%	1.09
U.S. Government Agencies	2,842,461	54.49%	1.47
Total Fair Value	$ 5,216,438		
Portfolio Duration			1.38

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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 (DVP) 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 County's external investment pools 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).

Credit Risk - Investments

This is the risk that an issuer or other counterparty to an investment may not fulfill its obligations. The IPS sets forth the minimum acceptable credit ratings for investments from any two of the following NRSROs: S&P, Moody's, or Fitch. For an issuer of short-term debt, the rating must be no less than "A-1" or "SP-1" (S&P), "P-1" or "MIG 1/VMIG 1" (Moody's), or "F1" (Fitch), while an issuer of long-term debt shall be rated no less than an "A" in the Money Market Funds and "AA" in the Extended Fund. Municipal debt issued by the County is exempt from the above credit rating requirements. As of June 30, 2015, the County's investments were in compliance with the IPS limits.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2015, all investments were in compliance with state law and the IPS single issuer limits. See the table on pages 84 and 85 for concentrations of holdings in U.S. government agencies.

Foreign Currency Risk

The IPS requires all securities to be U.S. dollar denominated. The county investments pools are not exposed to foreign currency risk.

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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 both pools are presented below as of and for the year ended June 30, 2015:

Entire Pool

Statement of Net Position

	County Investment Pool	Educational Investment Pool	Total
Net Position Held for Pool Participants	$ 3,630,316	$ 3,828,819	$ 7,459,135
Equity of Internal Pool Participants	$ 3,358,952	$ --	$ 3,358,952
Equity of External Pool Participants	276,756	3,834,291	4,111,047
Undistributed and Unrealized (Loss)	(5,392)	(5,472)	(10,864)
Total Net Position	$ 3,630,316	$ 3,828,819	$ 7,459,135

Statement of Changes in Net Position

Net Position at July 1, 2014	$ 3,255,895	$ 3,210,600	$ 6,466,495
Net Changes in Investments by Pool Participants	374,421	618,219	992,640
Net Position at June 30, 2015	$ 3,630,316	$ 3,828,819	$ 7,459,135

External Pool Portion

Combining Statement of Fiduciary Net Position

	County Investment Pool	Educational Investment Pool	Total
Assets			
Pooled Cash/Investments	$ 276,091	$ 3,822,634	$ 4,098,725
Receivables			
Interest/Dividends	741	6,402	7,143
Total Assets	276,832	3,829,036	4,105,868
Liabilities			
Due to Other Governmental Agencies	76	217	293
Total Liabilities	76	217	293
Net Position			
Restricted for Pool Participants	276,756	3,828,819	4,105,575
Total Net Position	$ 276,756	$ 3,828,819	$ 4,105,575

4. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Condensed Financial Statements (Continued)

Combining Statement of Changes in Fiduciary Net Position

	County Investment Pool	Educational Investment Pool	Total
Additions:			
Contributions to Pooled Investments	$ 442,062	$ 7,226,168	$ 7,668,230
Other Revenues	3	68	71
Interest and Investment Income	908	17,039	17,947
Less: Investment Expense	(140)	(2,786)	(2,926)
Total Additions	442,833	7,240,489	7,683,322
Deductions:			
Distributions from Pooled Investments	436,822	6,622,270	7,059,092
Total Deductions	436,822	6,622,270	7,059,092
Change in Net Position Held in Trust For External Investment Pool	6,011	618,219	624,230
Net Position, Beginning of Year	270,745	3,210,600	3,481,345
Net Position, End of Year	$ 276,756	$ 3,828,819	$ 4,105,575

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. CalOptima’s Cash and Investments

Cash and investments as of June 30, 2015, consist of the following:

	2015
Current Assets:	
Cash and Cash Equivalents	$ 25,431
Investments	745,792
Board-Designated Assets and Restricted Cash:	
Cash and Cash Equivalents	866
Investments	459,283
Restricted Deposit	300
Total	$ 1,231,672

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure CalOptima may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The CGC requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided

4. DEPOSITS AND INVESTMENTS (Continued)

D. CalOptima's Cash and Investments (Continued)

Custodial Credit Risk – Deposits (Continued)

collateral pool held by a depository regulated under the state law. At June 30, 2015, no deposits were exposed to custodial credit risk, as CalOptima has pledged collateral to cover the amounts.

Investments
CalOptima 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 manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with CalOptima's expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. CalOptima 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.

As of June 30, 2015, CalOptima's investments, including cash equivalents, had the following modified duration:

		Investment Maturities (In Years)	
	Fair Value	Less Than 1	1-5
U.S. Agencies	$ 50,937	$ -	$ 50,937
Asset-Backed Securities	111,542	21,834	89,708
Corporate Bonds	339,824	82,113	257,711
Government	30,932	1,400	29,532
Money Market Mutual Funds	216,154	216,154	--
Mortgage-Backed Securities	63,675	257	63,418
Municipal Bonds	63,109	27,467	35,642
Tax Exempt	28,068	23,062	5,006
U.S. Treasury Notes	305,693	50,052	255,641
Cash	19,194	2,165	-
Total	$ 1,229,128	$ 424,504	$ 787,595
Accrued Interest Receivable	2,544		
	$ 1,231,672		

Investments 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 portfolio are of high credit quality, with relatively short average lives that represent limited prepayment and interest rate exposure risk. CalOptima'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:

	Fair Value, June 30, 2015
Asset-Back Securities	$ 111,542
Mortgage-Backed Securities	63,675
	$ 175,217

4. DEPOSITS AND INVESTMENTS (Continued)

D. CalOptima's Cash and Investments (Continued)

Credit Risk

CalOptima's investment policy conforms to the CGC 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: Standard & Poor's Rating Services (S&P), Moody's Investors Service (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, 2015, 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-1	A-
U.S. Treasury Notes	$ 383,009	N/A	$ 383,009	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Agency Notes	135,085	N/A	-	135,085					
Corporate Bonds	341,140	A-	-	2,433	40,441	64,230	83,076	114,651	36,309
Asset-Backed Securities	111,574	AAA	-	111,574	-	-	-	-	-
Mortgage-Backed Securities	91,634	A	-	18,484	33,260	25,544	8,371	5,975	-
Municipal Bonds	63,729	AAA	-	63,729	-	-	-	-	-
Certificates of Deposit	76,528	A1/P1	-	76,528	-	-	-	-	-
Commercial Paper	9,779	A1/P1	-	9,779	-	-	-	-	-
Money Market Mutual Funds	19,194	AAA	-	19,194	-	-	-	-	-
Total	$ 1,231,672		$ 383,009	$436,806	$ 73,701	$89,774	$ 91,447	$120,626	$ 36,309

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of CalOptima's investment in a single issuer. CalOptima's investment policy limits to no more than 5 percent 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 percent may be invested in one money market mutual fund unless approved by the governing board. The investment policy also places a limit of 35 percent of the amount of investment holdings with any one government-sponsored issuer and 5 percent of all other issuers. At June 30, 2015, all holdings complied with the foregoing limitations. The following holdings exceeded 5 percent of the portfolio at June 30, 2015:

Investment Type	Issuer	Percentage of Portfolio 2015
U.S. Treasury Notes	United States Treasury	25.22

5. 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 July 1, 2014	Increases	Decreases	Adjustments	Balance June 30, 2015
Capital Assets Not Depreciated/Amortized:					
Land	$ 813,756	$ 12,585	$ (2,857)	$ --	$ 823,484
Land Use Rights (Permanent)	6,992	--	--	--	6,992
Construction in Progress	97,213	72,030	(59,454)	--	109,789
Intangible in Progress	22,273	2,847	(24,263)	--	857
Total Capital Assets Not Being Depreciated/Amortized:	940,234	87,462	(86,574)	--	941,122
Capital Assets, Depreciable/Amortizable:					
Structures and Improvements	1,214,243	17,797	(12,139)	--	1,219,901
Land Improvements	--	485	--	--	485
Equipment	357,610	48,874	(14,804)	208	391,888
Software	97,879	11,858	--	--	109,737
Infrastructure:					
Flood Channels	1,187,693	27,581	--	--	1,215,274
Roads	222,850	7,954	(643)	--	230,161
Bridges	94,585	12,137	--	--	106,722
Trails	43,838	235	--	--	44,073
Traffic Signals	11,621	--	--	--	11,621
Harbors and Beaches	41,238	--	--	--	41,238
Capital Assets, Depreciable/Amortizable	3,271,557	126,921	(27,586)	208	3,371,100
Less Accumulated Depreciation/Amortization For:					
Structures and Improvements	(609,256)	(30,958)	5,951	--	(634,263)
Land Improvements	--	(12)	--	--	(12)
Equipment	(292,961)	(17,451)	14,618	--	(295,794)
Software	(47,304)	(15,844)	--	--	(63,148)
Infrastructure:					
Flood Channels	(286,652)	(15,813)	--	--	(302,465)
Roads	(114,956)	(9,019)	418	--	(123,557)
Bridges	(34,727)	(2,173)	--	--	(36,900)
Trails	(31,236)	(1,374)	--	--	(32,610)
Traffic Signals	(10,528)	(146)	--	--	(10,674)
Harbors and Beaches	(28,117)	(1,007)	--	--	(29,124)
Total Accumulated Depreciation/Amortization	(1,455,737)	(93,797)	20,987	--	(1,528,547)
Capital Assets, Depreciable/Amortizable (Net)	1,815,820	33,124	(6,599)	208	1,842,553
	$ 2,756,054	$ 120,586	$ (93,173)	$ 208	$ 2,783,675

5. CHANGES IN CAPITAL ASSETS (Continued)

	Primary Government				
	Balance July 1, 2014	Increases	Decreases	Adjustments	Balance June 30, 2015
Business-Type Activities:					
Capital Assets Not Depreciated/Amortized:					
Land	$ 38,083	$ --	$ (241)	$ --	$ 37,842
Construction in Progress	28,084	52,652	(6,648)	--	74,088
Intangible in Progress	--	879	--	--	879
Total Capital Assets Not Being Depreciated/Amortized:	66,167	53,531	(6,889)	--	112,809
Capital Assets, Depreciable/Amortizable:					
Structures and Improvements	769,607	1,400	(4,876)	(84)	766,047
Equipment	82,196	6,397	(10,164)	84	78,513
Software	856	154	--	--	1,010
Infrastructure	531,062	5,329	--	--	536,391
Capital Assets, Depreciable/Amortizable	1,383,721	13,280	(15,040)	--	1,381,961
Less Accumulated Depreciation/Amortization For:					
Structures and Improvements	(235,924)	(23,812)	800	--	(258,936)
Equipment	(61,246)	(5,075)	9,806	--	(56,515)
Software	(47)	(72)	--	--	(119)
Infrastructure	(329,652)	(14,372)	--	--	(344,024)
Total Accumulated Depreciation/Amortization	(626,869)	(43,331)	10,606	--	(659,594)
Capital Assets, Depreciable/Amortizable (Net)	756,852	(30,051)	(4,434)	--	722,367
Business-Type Activities Total Capital Assets, Net	$ 823,019	$ 23,480	$ (11,323)	$ --	$ 835,176

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

Government Activities:	
General Government	$ 16,630
Public Protection	40,594
Public Ways and Facilities	14,151
Health and Sanitation	4,241
Public Assistance	4,971
Education	1,370
Recreation and Cultural Services	7,662
Internal Service Funds' Depreciation Expense Allocated to Various Functions	4,178
Total Governmental Activities Depreciation/Amortization Expense	93,797
Business-Type Activities:	
Airport	28,561
Waste Management	14,770
Total Business-Type Activities Depreciation/Amortization Expense	43,331
Total Depreciation/Amortization Expense	$ 137,128

5. CHANGES IN CAPITAL ASSETS (Continued)

Capital Asset Impairments

The general government activity reported an impairment loss on the Statement of Activities related to the Property Tax Management System (PTMS) upgrade, which was halted after the vendor's contract expired and the development ceased. The PTMS upgrade incurred $18,112 in capitalized costs. This amount was reported as a loss since the resulting product was incomplete and was rendered inoperable. No insurance recoveries were received for the PTMS impairment loss.

The Airport business-type activity reported an impairment loss of $4,077 on the Statement of Activities. The loss is related to the existing Common Use Passenger Processing System (CUPPS) hardware and software that are obsolete due to the new global credit card industry standards for authenticating chip and pin credit card transactions. No insurance recoveries were received for the CUPPS impairment loss.

6. 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 below:

Accounts Receivable

Accounts Receivable had a balance of $22,719 as of June 30, 2015. Of this amount, $2,097 is not expected to be collected within the next fiscal year. This primarily consists of $1,737 for animal care delinquent invoices.

Deposits Receivable

Deposits Receivable had a balance of $5,024 as of June 30, 2015. Of this amount, $4,976 is not expected to be collected within the next fiscal year. This primarily consists of $2,883 in operating accounts for Dana Point Harbor operators and Green River Golf Course.

Notes Receivable

Notes Receivable had a balance of $28,255 as of June 30, 2015. Of this amount, $27,608 is not expected to be received within the next fiscal year. This primarily consists of $25,157 for loans to build affordable, low to moderate income, and senior housing and $2,030 is for housing loans for Mental Health Services Act (MHSA) programs. The remaining $421 is for loans provided to first time home buyers.

Due from Other Governmental Agencies

Due from Other Governmental Agencies had a balance of $458,702 as of June 30, 2015. Of this amount, $47,533 is not expected to be received within the next fiscal year, which primarily consists of $39,653 owed by the State of California to the County for various Senate Bill (SB90) mandated cost reimbursements for programs and services the State requires the County to provide. In addition, $1,113 is owed by the City of Rancho Santa Margarita for amounts due under their Revenue Neutrality Agreement; it is anticipated that the amount will be collected within 3 years. $3,615 is for expected reimbursement for the Santa Ana River Subvention Revenue claims to be submitted to the State Department of Water Resources.

7. 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.

7. INTERFUND RECEIVABLES AND PAYABLES (Continued)

The composition of interfund balances as of June 30, 2015 is as follows:

Due from/to other funds:

	Receivable Funds									
Payable Funds	General Fund	Roads	Flood Control District	Other Public Protection	Other Governmental Funds	Airport	Waste Management	Compressed Natural Gas	Internal Service Funds	Total
General Fund	$ -	$ 595	$ 181	$ 3,610	$ 24,805	$ 11	$ 24	$ 2	$ 2,083	$ 31,311
Roads	2,383	-	1,324	-	2	-	16	-	4	3,729
Flood Control District	11,307	1,094	-	-	2	-	1,021	-	5	13,429
Other Public Protection	18,434	-	-	-	1,603	-	-	-	8	20,045
Teeter Plan Notes	2	-	-	-	-	-	-	-	-	2
Other Governmental Funds	49,572	72	51	1	188	-	-	-	54	49,938
Airport	2,139	27	-	1	-	-	-	-	481	2,648
Waste Management	4,630	900	2	-	1	-	-	-	21	5,554
Compressed Natural Gas	16	-	-	-	-	-	-	-	-	16
Internal Service Funds	795	12	-	-	12	-	-	-	1	820
Total	$ 89,278	$ 2,700	$ 1,558	$ 3,612	$ 26,613	$ 11	$ 1,061	$ 2	$ 2,657	$ 127,492

Interfund transactions between the Primary Government and Component Unit:

Receivable Entity	Payable Entity	Amount
Primary Government – General Fund	Component Unit – Children and Families Commision of Orange County	$ 201
Component Unit – Children and Families Commision of Orange County	Primary Government – General Fund	3
Component Unit – Children and Families Commision of Orange County	Primary Government – Other Governmental Funds	1

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.

Advances from/to other funds:

Receivable Entity	Payable Entity	Amount
General Fund	Other Governmental Fund	$ 3,800
Waste Management	General Fund	2,351

The interfund loans represent an advance to the Courthouse Construction Fund from the General Fund to backfill the deficit as a result of a state audit of court revenues for the period FY 2003-04 through FY 2011-12, and an advance made to the General Fund from Waste Management for various information technology capital projects.

8. COUNTY PROPERTY ON LEASE TO OTHERS

The County has noncancelable operating leases for certain buildings, which are not material to the County's general operations. The Airport Enterprise Fund derives a substantial portion of its revenues from noncancelable operating leases with air carriers and concessionaires, and the Waste Management Enterprise Fund derives revenue from landfill gas lease agreements, cell tower operators and a material recovery facility. The Enterprise Funds' property under operating leases, consisting primarily of structures and improvements, at June 30, 2015, approximates $56,776, net of accumulated depreciation.

The County leases real property to others under operating lease agreements for recreational boating, retail, restaurant, and other commercial operations. Future minimum rentals to be received under these noncancelable operating leases as of June 30, 2015 are as follows:

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2016	$ 13,450	$ 39,633
2017	12,827	26,604
2018	12,607	26,019
2019	11,806	16,681
2020	11,401	10,552
	62,091	119,489
2021-2025	48,678	25,107
2026-2030	43,417	15,135
2031-2035	46,372	3,092
2036-2040	41,347	--
2041-2045	629	--
2046-2050	306	--
	180,749	43,334
Total future minimum rentals	$ 242,840	$ 162,823

Total contingent rentals, which arise primarily from a percentage of lessee's gross revenues, amounted to approximately $28,172 (Enterprise Funds), $23,570 (Other Governmental Funds), $637 (Internal Service Funds) and $354 (Flood Control District) for the year ended June 30, 2015.

9. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015 were as follows:

	Transfer In Funds					
Transfer Out Funds	General Fund	Flood Control District	Other Public Protection	Other Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ -	$ 7,062	$ 90,102	$ 5,107	$ 102,271
Roads	-	-	-	-	233	233
Flood Control District	3,079	-	-	164	347	3,590
Other Public Protection	32,000	-	-	1,690	68	33,758
Other Governmental Funds	179,165	2,184	-	2,403	-	183,752
Waste Management	19,810	-	-	-	-	19,810
Compressed Natural Gas	-	149	-	-	-	149
Internal Service Funds	32	215	-	-	3	250
Total	$ 234,086	$ 2,548	$ 7,062	$ 94,359	$ 5,758	$ 343,813

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. Routine 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) make available cash distributions based on the Bankruptcy Recovery Plan, (5) contribute resources to comply with Proposition 63 Mental Health Services Act and (6) transfer excess unrestricted revenues to finance various County programs based on budgetary authorizations by the Board. The details of the significant transfers are outlined below:

Routine Transfers

From the General Fund

- $35,022 was transferred to the Other Governmental Funds in connection with debt service payments for various County debt issues.
- $20,859 was transferred to Other Governmental Funds to distribute available cash to the remaining claimants of the bankruptcy loss as part of the Bankruptcy Recovery Plan.
- $13,751 was transferred to Other Governmental Funds to finance the County's 60 percent share of the Social Services Agency Wraparound Program.
- $2,089 was transferred to Other Public Protection for the annual transfer of PSST excess revenue to meet future public protection needs.
- $1,439 was transferred to Other Governmental Funds to pay for operating costs and debt service obligations associated with parking facilities.
- $1,003 was transferred to Internal Service Funds for medical reimbursements.

From Flood Control District

- $3,079 was transferred to the General Fund for the Watershed Management Program.

From Other Public Protection

- $11,592 was transferred to the General Fund for the reimbursement of the District Attorney's programs.
- $8,848 was transferred to the General Fund to support the Sheriff Department's operations.
- $3,350 was transferred to the General Fund for the Sheriff-Coroner's Backbone Cost Sharing Program.

9. INTERFUND TRANSFERS (Continued)

Routine Transfers (Continued)

From Other Governmental Funds

- $137,284 was transferred to the General Fund for the reimbursement of various County programs as follows:
  - $103,951 for Proposition 63, Mental Health Services Act expenditures
  - $21,359 for the Social Services Agency Wraparound Program
  - $8,832 for emergency medical services
  - $2,076 for the Center for Disease Control pandemic flu H1N1 costs
  - $1,066 for the Alcohol & Drug Assessment and Automated Vital Health Statistics program
- $28,588 of tobacco settlement monies was transferred to the General Fund to finance Health Care Agency's various health care programs and Sheriff Department's operational costs.
- $4,984 was transferred to the General Fund for reimbursement of Juvenile Justice Center debt service payments.
- $2,405 was transferred to Other Governmental Funds for reimbursement of debt service obligations associated with parking facilities.

From Enterprise Funds

- $19,810 was transferred from Waste Management to the General Fund primarily to pay bankruptcy related obligations in accordance with the County's comprehensive recovery plan.

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

Non-Recurring Transfers

From the General Fund

- $13,363 was transferred to Other Governmental Funds for the estimated Orange County Transportation Authority land acquisition and equipment upgrades to HCA's parking structure.
- $3,200 was transferred to Other Public Protection for the purchase of new equipment for the 800 MHz County-wide Coordination Communication system.
- $3,000 was transferred to Other Governmental Funds primarily for the maintenance and repair of various Criminal Justice Facilities.
- $2,632 was transferred to Internal Service Funds primarily for the purchase of Sheriff vehicles.
- $1,700 was transferred to Other Governmental Funds to meet the debt service payment for the 2012 Juvenile Justice Bonds.
- $1,308 was transferred to Other Public Protection for Clerk-Recorded fee revenues restricted to Clerk-Recorder operations.

From Other Governmental Funds

- $5,674 was transferred to the General Fund for additional costs identified in the General Relief Fund.
- $2,183 was transferred to the Flood Control District Funds for the reimbursement of expenditures on the Haster Retarding Basin Pump Station and Recreational Field.

From Other Public Protection

- $4,656 was transferred to the General Fund for reimbursement of various Clerk-Recorder eligible operating expenditures.
- $3,297 was transferred to the General Fund for residual balances due to the closure of the Juvenile Justice Program Fund.
- $1,599 was transferred to Other Governmental Funds for reimbursement expenditures for various Sheriff-Coroner's construction and facility development.

10. SHORT-TERM OBLIGATIONS

Taxable Pension Obligation Bonds, 2014 Series A

On January 14, 2014, the County issued Taxable Pension Obligation Bonds, 2014 Series A (the "2014 POBs") in the principal amount of $325,405. The 2014 POBs, combined with $21,474 in County funds, were issued in order to prepay a portion of the County's FY 2014-15 pension contribution at a discount. The County issued the 2014 POBs in five fixed rate maturities with the final maturity on June 30, 2015. The County sold the 2014 POBs with interest rates between .65% and .83% depending on maturity in a direct purchase by the Orange County Treasurer on behalf of the Orange County Investment Fund. The County repaid in full the outstanding balance of the bonds on June 30, 2015.

Taxable Pension Obligation Bonds, 2015 Series A

On January 13, 2015, the County issued Taxable Pension Obligation Bonds, 2015 Series A (the "2015 POBs") in the principal amount of $339,625. The 2015 POBs were issued in order to prepay the County's FY 2015-16 pension contribution at a discount. The 2015 POBs were issued as standard bonds, with five fixed rate tranches, and a final maturity date of June 30, 2016. The obligation of the County to pay principal and interest on the 2015 POBs is imposed by law and is absolute and unconditional. As of June 30, 2015, the outstanding principal amount of the 2015 POBs reported in the General Fund was $339,625. Refer to Note 4, Deposits and Investments and Note 18, Retirement Plans for additional information.

Description	Balance July 1, 2014	Issuances & Discount/ Premium Amortization	Retirements	Balance June 30, 2015	Amounts Due within One Year
County of Orange Taxable Pension Obligation Bonds, 2014 Series A					
Date Issued: January 14, 2014					
Interest Rate: 0.65% to 0.83%					
Original Amount: $325,405					
Maturing in installments through June 30, 2015	325,405	--	(325,405)	--	--
County of Orange Taxable Pension Obligation Bonds, 2015 Series A					
Date Issued: January 13, 2015					
Interest Rate: 0.43% to 0.80%					
Original Amount: $339,625					
Maturing in installments through June 30, 2016	--	339,625	--	339,625	339,625
Total	$ 325,405	$ 339,625	$ (325,405)	$ 339,625	$ 339,625

11. LONG-TERM OBLIGATIONS

General Bonded Debt

General Obligation Bonded Debt

The amount of general obligation bonded indebtedness the County can incur is limited by law to 1.25% of the last equalized assessment property tax roll. At June 30, 2015, the County had no net general obligation bonded debt. The County's legal debt limit for the year was $5,953,791. In order for the County to issue general obligation bonds secured by ad valorem taxes on real property, California Constitution Article XIIIA, Section 1 requires the approval of 2/3 of the voters voting on the proposition.

Bankruptcy Obligations

Refunding Recovery Bonds 2005, Series A

On August 18, 2005, the County issued its $146,005 Refunding Recovery Bonds 2005 Series A (2005 Recovery Bonds) at a premium of $9,318. The proceeds of which, together with certain monies contributed by the County and other funds available to the trustee of the Recovery Refunding Bonds 1995 Series A (1995 Recovery Bonds), were used to refund and defease the outstanding 1995 Recovery Bonds and pay costs of issuance for the 2005 Recovery Bonds. As of June 30, 2015, the bonds outstanding were fully redeemed.

Lease Revenue Refunding Bonds, Series 2005

On August 16, 2005, the Orange County Public Financing Authority (OCPFA) issued its $419,755 Lease Revenue Refunding Bonds Series 2005 (Series 2005 Bonds) at a premium of $19,973. The proceeds of which, together with certain monies contributed by the County and other funds available to the trustee of the 1996 Recovery Certificates of Participation (Recovery COPs), were used to defease certain non-callable Recovery COPs, the remainder was used to fund a debt service reserve fund for the Series 2005 Bonds, and pay costs of issuance of the Series 2005 Bonds. As of June 30, 2015, the outstanding principal amount, including the premium of the Series 2005 Bonds, and interest were $70,388 and $3,995, respectively.

The Series 2005 Bonds are limited obligations of the OCPFA payable through July 2017 and are payable solely from base rental payments to be made by the County pursuant to a lease, dated as of August 1, 2005, between the OCPFA and the County, and other amounts held by the trustee in the funds and accounts established under the indenture (other than the rebate fund), except as otherwise provided in the indenture.

Revenue Bonds Payable and Certificates of Participation

Refunding Certificates of Participation (Civic Center Parking Facilities Project)

In December 1987, Certificates of Participation (COPs) representing the proportionate interests of the owners thereof in lease payments made by the County under lease agreements between the County and the Orange County Public Facilities Corporation were delivered. The proceeds were used to finance the acquisition, construction, and installation of two parking structures located in the City of Santa Ana. These certificates were refunded in August 1991 with the $33,579 Refunding COPs (Civic Center Parking Facilities Project), which are payable through December 2018. At June 30, 2015, the outstanding principal amount, interest accretion, and unaccreted interest of the Refunding COPs were $1,744, $7,036, and $1,629 respectively.

The Refunding COPs are secured by lease payments made by the County through a facilities lease with the Orange County Public Facilities Corporation.

11. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds Payable and Certificates of Participation (Continued)

Lease Revenue Refunding Bonds, Series 2012 (Juvenile Justice Center Facility)

On April 25, 2012, the South Orange County Public Financing Authority (SOCPFA) issued the Juvenile Justice Center Facility Lease Revenue Refunding Bonds, Series 2012 Bonds, in the principal amount of $34,380, payable through June 2019, with a premium of $2,927. The Lease Revenue Refunding Bonds were issued to redeem the outstanding OCPFA Juvenile Justice Center Facility Lease Revenue Refunding Bonds, Series 2002, fund a Reserve Fund, and pay costs relating to the issuance of the bonds. As of June 30, 2015, the outstanding principal amount, including the premium of the Series 2012 Bonds, and interest were $22,946 and $2,358, respectively.

The bonds are special obligations of the SOCPFA payable solely from and secured by the base rental payments to be made by the County pursuant to a lease, dated as of April 1, 2012, between the SOCPFA and the County, and other amounts held by the trustee in the funds and accounts established under the indenture (other than the rebate fund), except as otherwise provided in the indenture.

Lease Revenue Bonds, Series 2006

On October 19, 2006, the OCPFA issued its $32,700 Lease Revenue Bonds, Series 2006 (Series 2006 Bonds) at a premium of $2,140. The Lease Revenue Bonds, payable through June 2018, were issued to finance the construction of a cogeneration conversion project at the County's central utility facility, fund a debt service reserve fund for the bonds, and pay costs relating to the issuance of the bonds. As of June 30, 2015, the outstanding principal amount, including the premium of the Series 2006 Bonds, and interest were $12,546 and $1,163, respectively.

The bonds are limited obligations of the OCPFA payable solely from and secured solely by revenues of the Authority, consisting primarily of certain rental payments to be made by the County pursuant to, and as defined in, the lease.

Taxable Refunding Pension Obligation Bonds, Series 1996A and 1997A

In September 1994, the County issued its Taxable Pension Obligation Bonds, Series 1994A in the aggregate principal amount of $209,840 and Series 1994B in the aggregate principal amount of $110,200 (Series 1994 Pension Bonds). The Series 1994 Pension Bonds were partially refunded with proceeds of the County's Taxable Refunding Pension Obligation Bonds, Series 1996A and Series 1997A.

On May 11, 2000, a cash tender offer of certain outstanding Pension Obligation Bonds was completed. The County purchased and canceled $288,290 (maturity value) of Pension Obligation Bonds for a cost of $179,016. On June 22, 2000, the debt service on the outstanding Pension Obligation Bonds was provided for through the deposit with the trustee of $175,492 principal amount of "AAA" rated debt securities issued by Fannie Mae, along with $9,151 in debt service funds already being held by the trustee. In accordance with irrevocable instructions, these securities, together with other cash amounts and investments held by the trustee, will be used solely to retire the remaining Pension Obligation Bonds as they mature. Because this was an economic defeasance and not a legal defeasance, this debt will be reported in the County's financial statements until it is fully redeemed. As of June 30, 2015, the outstanding principal amounts for the Series 1996A and 1997A Pension Bonds were $11,015 and $16,212, respectively, and the interest accretion balances were $39,010 and $50,257, respectively. The unaccreted interest amounts for the Series 1996A and 1997A Pension Bonds were $4,089 and $19,132, respectively.

11. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds Payable and Certificates of Participation (Continued)

Airport Revenue Bonds, Series 2009A and 2009B

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 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 consists of numerous direct improvements to the Airport facilities such as the construction of the new Terminal C, Parking Structure C, and two new commuter/regional holdrooms at the north and south ends of the extended Terminal. For the year ended June 30, 2015, the total interest expense incurred and the amount included as part of the cost of capital assets under construction were $10,225 and $528 respectively. As of June 30, 2015, the outstanding principal amount, including net discount, of the 2009A and 2009B Bonds were $61,209 and $141,327, respectively. The interest expense of the 2009A and 2009B Bonds for the year ended June 30, 2015 were $3,148 and $7,350, respectively, including accrued interest of $1,574 and $3,675, respectively.

The 2009A and 2009B Bonds are secured by a pledge of (1) operating revenues, net of specified operating expenses, (2) interest earnings, (3) other miscellaneous revenue, and (4) available PFC revenue. The 2009A and 2009B Bonds are payable through July 2039. For each fiscal year, the pledged net operating revenues are expected to be a minimum of 125% of the aggregate debt service requirement over the life of the bonds. For the year ended June 30, 2015, the total principal and interest paid and total net revenues were $17,598 and $52,934, respectively. The total net revenues include $11,194 available PFC revenue for the year ended June 30, 2015.

Advance Refunding

In prior years, various bonds, COPs and other obligations have been advance refunded. These obligations are considered defeased, and the long-term debt liability has been removed from the related governmental funds and enterprise funds. As of June 30, 2015, $11,415 of legally defeased debt remains outstanding.

Fiscal Year 2014-15 Debt Obligation Activity

During FY 2014-15, the following events concerning County debt obligations took place:

Teeter Plan Notes

On February 1, 2013, the County issued its three-year tax exempt Teeter Plan Notes with Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Bank, National Association. The Teeter Plan Notes were authorized for a total amount of $150,000, and certain delinquent taxes (excluding penalties and interest) were pledged revenues for the Teeter Plan Notes. The rate for the Teeter Plan Notes will be based on the weekly Securities Industry and Financial Markets Association (SIFMA) index + 0.58%. All of the Teeter Plan Notes will be issued within three years of February 1, 2013, with a maturity date of January 29, 2016. The total amount of the notes issued was $57,935, which reflects the issuance of the Teeter Plan Notes and the establishment of a Cost of Issuance Fund in the amount of $188.

On June 27, 2013, the County used all of the accumulated base taxes to redeem $14,449 of the Teeter Plan Notes. On July 16, 2013, the County issued an additional $39,639 in Teeter Plan Series B Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan. On December 30, 2013

11. LONG-TERM OBLIGATIONS (Continued)

Fiscal Year 2014-15 Debt Obligation Activity (Continued)

Teeter Plan Notes (Continued)

and June 26, 2014, the County used all of the accumulated base taxes to redeem $31,268 and $12,027, respectively, of the Teeter Plan Notes.

On July 15, 2014, the County issued an additional $31,541 in Teeter Plan Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan, leaving an outstanding balance of $71,371. Proceeds of this issuance paid the participating agencies in the Teeter Plan the full amount of their taxes from the secured property tax roll.

On December 30, 2014 and June 25, 2015, the County used all of the accumulated base taxes to redeem $27,532 and $10,016, respectively, of the Teeter Plan Notes. As of June 30, 2015, the outstanding principal amount of the Teeter Plan Notes was $33,823. For additional information regarding the Teeter Plan Notes, refer to Note 21, Subsequent Events.

11. LONG-TERM OBLIGATIONS (Continued)

Schedule of Long-Term Debt Obligations, Fiscal Year 2014-15

The table below summarizes the revenue bonds and certificates outstanding and related activity for the year ended June 30, 2015.

Description	Balance July 1, 2014	Issuances and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2015	Amounts Due within One Year
Governmental Activities:						
County of Orange						
Refunding Recovery Bonds - Series 2005A:						
Date Issued: August 18, 2005 to Refund and Defease the Outstanding Refunding Recovery Bonds - Series 1995A						
Interest Rate: 3.00% to 5.00%						
Original Amount: $146,005						
Maturing in installments through June 1, 2015.	$ 19,172	$ (1,616)	$ --	$ (17,556)	$ --	$ --
Orange County Public Financing Authority						
Lease Revenue Refunding Bonds, Series 2005:						
Date Issued: August 16, 2005 to Refund and Defease the 1996 Recovery Certificates of Participation - Series 1996A.						
Interest Rate: 3.00% to 5.75%						
Original Amount: $419,755						
FY 2014-15 Principal and Interest: $24,490						
FY 2014-15 Total Pledged Revenues: $29,928						
Maturing in installments through July 1, 2017.	92,826	(1,658)	--	(20,780)	70,388	23,682
Orange County Public Facilities Corporation,						
Refunding Certificates of Participation:						
(Civic Center Parking Facilities Project)						
Date Issued: August 1, 1991 - Current Interest Rate Bonds (CIB) and Capital Appreciation Bonds (CAB) to Refund the 1987 COPs Bond Issue						
Interest Rate: CIB - 4.40% to 6.75%						
Interest Rate: CAB - 6.85% to 7.05%						
Original Amount: CIB - $24,495						
Original Amount: CAB - $9,084						
FY 2014-15 Principal and Interest: $2,607						
FY 2014-15 Total Pledged Revenues: $2,475						
Maturing in Installments Through December 1, 2018	2,262	--	--	(518)	1,744	482
Interest Accretion on CAB	8,364	--	762	(2,090)	7,036	2,121
South Orange County Public Financing Authority						
Juvenile Justice Center Facility Lease Revenue						
Refunding Bonds - Series 2012						
Date issued: April 25, 2012 to refund the 2002 Juvenile Justice Center Bonds issue						
Interest Rate: 1.00% to 5.00%						
Original Amount: $34,380						
FY 2014-15 Principal and Interest: $5,829						
FY 2014-15 Total Pledged Revenues: $5,830						
Maturing in installments through June 1, 2019.	27,975	(249)	--	(4,780)	22,946	5,370

11. LONG-TERM OBLIGATIONS (Continued)

Schedule of Long-Term Debt Obligations, Fiscal Year 2014-15 (Continued)

Description	Balance July 1, 2014	Issuances and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2015	Amounts Due within One Year
Orange County Public Financing Authority Lease Revenue Bonds, Series 2006						
Date issued: October 19, 2006						
Interest Rate: 4.00% to 5.00%						
Original Amount: $32,700						
FY 2014-15 Principal and Interest: $4,200						
FY 2014-15 Total Pledged Revenues: $29,928						
Maturing in installments through June 1, 2018	$ 16,314	$ (313)	$ --	$ (3,455)	$ 12,546	$ 3,972
County of Orange Taxable Refunding Pension Obligation Bonds - Series 1996 A:						
Date Issued: June 1, 1996 - Current Interest Rate Bonds (CIB)						
Date Issued: June 12, 1996 - Capital Appreciation Bonds (CAB)						
To Refund the Taxable POBs Series 1994 B						
Interest Rate: CIB - 7.47% to 7.72%						
Interest Rate: CAB - 8.09% to 8.26%						
Original Amount: CIB - $81,680						
Original Amount: CAB - $40,000						
Maturing in installments through September 1, 2010 (CIB) and September 1, 2016 (CAB).	13,393	--	--	(2,378)	11,015	5,944
Interest Accretion on CAB	42,675	--	4,294	(7,959)	39,010	22,115
County of Orange Taxable Refunding Pension Obligation Bonds - Series 1997 A:						
Date Issued: January 1, 1997 - Current Interest Rate Bonds (CIB)						
Date Issued: January 14, 1997 - Capital Appreciation Bonds (CAB)						
To Refund the Taxable POBs Series 1994 A						
Interest Rate: CIB - 5.71% to 7.36%						
Interest Rate: CAB - 7.33% to 7.96%						
Original Amount: CIB - $71,605						
Original Amount: CAB - $65,318						
Maturing in installments through September 1, 2010 (CIB) and September 1, 2021 (CAB).	18,800	--	--	(2,588)	16,212	2,143
Interest Accretion on CAB	52,338	--	5,354	(7,435)	50,257	6,853
County of Orange Teeter Plan Notes						
Date of Original Issuance: February 1, 2013						
Interest Rate: SIFMA Index + 0.58%						
Original Amount: $57,935	39,830	31,541	--	(37,548)	33,823	33,823
Maturing on January 29, 2016						
Subtotal - Governmental Activities	$ 333,949	$ 27,705	$ 10,410	$ (107,087)	$ 264,977	$ 106,505

11. LONG-TERM OBLIGATIONS (Continued)

Schedule of Long-Term Debt Obligations, Fiscal Year 2014-15 (Continued)

Description	Balance July 1, 2014	Issuances and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2015	Amounts Due within One Year
Business-Type Activities						
Airport Revenue Bonds - Series 2009A and 2009B: Date Issued: July 9, 2009 Interest Rate: 3.00% to 5.75% Original Amount: $233,115 FY 2014-15 Principal and Interest: $17,598 FY 2014-15 Total Pledged Revenues: $52,934 Maturing in Installments Through July 1, 2039.	209,804	(273)	--	(6,995)	202,536	7,409
Subtotal - Business-Type Activities	209,804	(273)	--	(6,995)	202,536	7,409
Total	$ 543,753	$ 27,432	$ 10,410	$ (114,082)	$ 467,513	$ 113,914

11. 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 fund type on an annual basis.

	Governmental Activities		Business-Type Activities		
Fiscal Year(s) Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**	**Total**
2016	$ 72,732	$ 35,358	$ 7,205	$ 10,339	$ 125,634
2017	54,721	35,652	7,530	9,999	107,902
2018	18,347	15,003	7,880	9,622	50,852
2019	8,193	14,688	8,275	9,239	40,395
2020	2,478	12,022	8,655	8,836	31,991
2021-2025	2,968	16,075	50,340	36,851	106,234
2026-2030	--	--	64,725	21,829	86,554
2031-2035	--	--	21,684	10,297	31,981
2036-2040	--	--	27,980	3,822	31,802
Total	159,439	128,798	204,274	120,834	613,345
Add: Premium/(Discount)	9,235	--	(1,738)	--	7,497
Add: Interest Accretion on CAB	96,303	--	--	--	96,303
Total	$ 264,977	$ 128,798	$ 202,536	$ 120,834	$ 717,145

Changes in Long-Term Liabilities:

Long-term liability activities for the year ended June 30, 2015, were as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within One Year
Governmental Activities:					
Bonds, COPs and Notes Payable:					
Revenue Bonds	$ 125,660	$ --	$ (29,015)	$ 96,645	$ 30,340
Certificates of Participation	2,262	--	(518)	1,744	482
Pension Obligation Bonds	32,193	--	(4,966)	27,227	8,087
Recovery Bonds	17,556	--	(17,556)	--	--
Teeter Plan Notes	39,830	31,541	(37,548)	33,823	33,823
Add: Premium/(Discount) on Bonds Payable	13,071	--	(3,836)	9,235	2,684
Total Bonds, COPs, and Notes Payable	230,572	31,541	(93,439)	168,674	75,416
Interest Accretion on CAB	103,377	10,410	(17,484)	96,303	31,089
Other Long-Term Liabilities:					
Compensated Employee Absences Payable	174,985	138,589	(139,188)	174,386	88,516
Arbitrage Rebate Payable	655	201	--	856	837
Capital Lease Obligations Payable	62,446	27,643	(10,921)	79,168	11,444
Insurance Claims Payable	203,099	115,291	(110,813)	207,577	51,836
SARI Line Loans	47,410	--	(11,133)	36,277	1,429
Estimated Liability - Litigation and Claims	151,129	500	(6,129)	145,500	15,500
Capital Asset Obligation	310	--	(155)	155	--
Total Other Long-Term Liabilities	640,034	282,224	(278,339)	643,919	169,562
Total Long-Term Liabilities For Governmental Activities	$ 973,983	$ 324,175	$ (389,262)	$ 908,896	$ 276,067

11. LONG-TERM OBLIGATIONS (Continued)

Changes in Long-Term Liabilities (Continued)

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within One Year
Business-Type Activities:					
Bonds Payable:					
Revenue Bonds	$ 211,269	$ --	$ (6,995)	$ 204,274	$ 7,205
Add: Premium/(Discount) on Bonds Payable	(1,465)	--	(273)	(1,738)	204
Total Revenue Bonds Payable, Net	209,804	--	(7,268)	202,536	7,409
Other Long-Term Liabilities:					
Compensated Employee Absences Payable	5,083	3,876	(4,070)	4,889	2,278
Landfill Site Closure/Postclosure Liabilities *	180,111	(19,747)	(1,319)	159,045	1,319
Pollution Remediation Obligation **	13,738	(609)	(397)	12,732	514
Total Other Long-Term Liabilities	198,932	(16,480)	(5,786)	176,666	4,111
Total Long-Term Liabilities For Business-Type Activities	$ 408,736	$ (16,480)	$ (13,054)	$ 379,202	$ 11,520

* Refer to Note 14 for additional information regarding the decrease in Landfill Site Closure/Post Closure Liabilities.
** Refer to Note 17 for additional information regarding the decrease in Pollution Remediation Obligation.

Compensated Employee Absences

The estimated compensated employee absences payable for governmental activities recorded at June 30, 2015 is $174,386. Employees are entitled to be paid annual leave, compensated time, and in some cases vacation and sick 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.

OC Flood Control District, Santa Ana Regional Interceptor (SARI) Line Loans

On June 12, 2007, the Board approved a financing agreement between the Orange County Flood Control District (OCFCD) and Orange County Sanitation District (OCSD) for an amount equivalent to 60% ($60,000) of an estimated total project cost of $100,000. Concurrently, the Board also approved a financing agreement between the OCFCD and the Santa Ana Watershed Project Authority (SAWPA) for an amount equivalent to 10% ($10,000) of the total project cost. The loan proceeds will be used for the relocation of the SARI Line between Prado Dam and Weir Canyon Road for the following public benefits: protection of the sewer line from erosion, increased Prado Dam water releases, protection of the water supply, and uninterrupted use of the sewer line by residents. Subsequently, the agreements were amended to reflect the actual total project cost based on the awarded construction contracts. The SARI Line Project cost is not expected to exceed $85,560 plus 15% contingencies in the amount of $12,834 for a total of $98,394. The OCFCD would contribute the remaining 30% ($29,518) that would be expended to complete the SARI Line Project. As part of the terms of the agreement, the OCFCD agrees to pay SAWPA and OCSD as State subvention funding for the SARI Line Project is received by OCFCD. Repayment installments will be made within 30 days of OCFCD's receipt of State subvention funding in an amount equivalent to 10% of the funds received being paid to SAWPA and 60% of the funds received being paid to OCSD. The OCFCD is required to repay the entire loan to OCSD and SAWPA no later than July 1, 2022, regardless of whether OCFCD receives any State subvention funds for the SARI Line Project. For funds loaned by OCSD, interest shall accrue on the unpaid balance from July 1, 2018, at an annual interest rate of 2% until the unpaid balance is repaid. As for funds loaned by SAWPA, interest shall accrue on any such unpaid balance from July 1, 2018, at the State of California Local Agency Investment Fund interest rate in effect on July 1, 2018. To date, OCFCD received a $51,336 (60%) loan from OCSD and $8,556 (10%) from SAWPA based on the total project cost excluding contingencies. In May 2011, the Board awarded the construction contract for the SARI Yorba Linda Spur in the amount of $7,210, and the Board awarded the construction contract for the SARI Mainline in the amount of $42,000 in August 2011. In February 2013,

11. LONG-TERM OBLIGATIONS (Continued)

OC Flood Control District, Santa Ana Regional Interceptor (SARI) Line Loans (Continued)

construction of the SARI Yorba Linda Spur was completed and the total amount paid to the contractor was $7,067. Construction of the SARI Mainline was substantially completed in August 2014 and work items that are currently being performed include warranty repairs and plant establishment and maintenance. As of June 30, 2015, the total outstanding loan principal was $36,277.

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.

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 Agency 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, 2015, amounted to $369,020

12. CONDUIT DEBT OBLIGATIONS AND SUCCESSOR AGENCY DEBT

Single and Multi-Family Housing Bonds

From 1980 through 2015, 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 is 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.

12. CONDUIT DEBT OBLIGATIONS AND SUCCESSOR AGENCY DEBT (Continued)

Single and Multi-Family Housing Bonds (Continued)

As of June 30, 2015, there were 23 series of bonds outstanding with an aggregate principal amount payable of $251,562.

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 Redevelopment Agencies (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 FY 2014-15 Neighborhood Development and Preservation Project (NDAPP) and Santa Ana Heights Project (SAHP) Refunding Bonds debt service obligations appeared on the OCDA Successor Agency Recognized Obligation Payment Schedule (ROPS) 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 reflect the custodial role accepted by the successor agency. As of June 30, 2015, the outstanding principal amount, including the premium of the OCDA Successor Agency bonds and interest were $33,628 and $5,925, respectively.

The bonds do not constitute a liability of the County. Neither the County, the State of California, nor any political subdivisions thereof is 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 reported as liabilities in the private-purpose trust fund.

13. LEASES

Operating Leases

The County is committed under various operating leases, primarily for office buildings, office equipment, and other equipment. The following is a schedule of future minimum payments required under operating leases entered into by the County that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2015:

Fiscal Year Ending June 30	Equipment	Real Property	Total
2016	$ 909	$ 26,984	$ 27,893
2017	320	19,158	19,478
2018	152	15,461	15,613
2019	--	13,156	13,156
2020	--	12,668	12,668
2021 - 2025	--	45,950	45,950
2026 - 2030	--	6,696	6,696
Total	$ 1,381	$ 140,073	$ 141,454

Total expenditures for equipment rentals and building and improvements incurred for FY 2014-15 was $44,480.

13. LEASES (Continued)

Capital Leases

This year, the County entered into various lease agreements as lessee for financing the acquisition of equipment valued at $27,643. The equipment has a five-year estimated useful life. This year, $997 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The following is an analysis of property leased under capital leases:

Land	$	14,831
Equipment		27,643
Less: Accumulated Depreciation		(997)
Structures and Improvements		64,180
Less: Accumulated Depreciation		(29,982)
Total	$	75,675

The following are the future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2015:

Fiscal Year Ending June 30		
2016	$	15,677
2017		15,902
2018		16,076
2019		9,351
2020		9,510
2021-2025		34,646
2026-2030		980
Total Minimum Lease Payments		102,142
Less: Amount Representing Interest		(22,974)
Present Value of Net Minimum Lease Payments	$	79,168

14. LANDFILL SITE CLOSURE AND POSTCLOSURE CARE COSTS

State laws and regulations require OCWR to place final covers on its landfill sites when the landfills stop accepting waste and 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, OCWR will report a portion of these closure and postclosure care costs as an operating expense in each period based on the landfill capacity used as of each balance sheet date.

OCWR 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)

14. LANDFILL SITE CLOSURE AND POSTCLOSURE CARE COSTS (Continued)

The total landfill closure and postclosure care liability at June 30, 2015 was $159,045. The total liability represents the cumulative amount accrued based on the percentage of the active landfill capacities that have been used to date (30.41% for FRB, 76.61% for Olinda Alpha and 19.87% for Prima Deshecha), less actual costs disbursed related to both closure and postclosure of the Santiago and Coyote Canyon landfills. OCWR will recognize the remaining estimated cost of closure and postclosure care of $177,745 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014 dollars (using the 2014 inflation factor of 1.015). OCWR has enough landfill capacity to operate the system for a minimum of twenty-five years. However, OCWR 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, OCWR makes annual cash contributions 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. Also in compliance with regulations, OCWR has executed pledge of revenue agreements to provide financial assurance for estimated future landfill postclosure costs. The agreements state that OCWR pledges revenue from future gate fees deposited to pay for estimated postclosure maintenance or shall obtain alternative coverage within sixty (60) days if OCWR ceases at any time to retain control of its ability to allocate pledged revenue to pay postclosure maintenance costs. OCWR 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, 2015, a total of $90,201 has been set aside for estimated closure and postclosure costs and is included in the accompanying Proprietary Funds Statement of Net Position as Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs. This amount, which is less than FY 2013-14, decreased because of a revision/reduction in the Cost Estimate number used to calculate the closure/ postclosure cost.

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, "*Fund Balance Reporting and Governmental Fund Type Definitions*," the County's total significant encumbrances for governmental funds in the aggregate are reported as follows, at June 30, 2015:

15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Encumbrances (Continued)

General Fund	$	42,657
Roads		22,824
Flood Control District		38,521
Other Public Protection		2,331
Teeter Plan Notes		27
Other Governmental Funds		23,438
Total Encumbrances for Governmental Funds	$	129,798

Construction Commitments

At June 30, 2015, the County's total commitments for major contracts entered into for equipment, land, and structures and improvements were as follows, listed by fund within governmental or business-type activities:

Project Title		Significant Commitments
Governmental Activities:		
Roads		
Cow Camp Road Segment I Phase 1A and 1B, Antonio Parkway to "I" Street	$	3,385
La Pata Avenue Gap Closure/Widening		42,195
Gilbert Street Improvements Phase II, Katella Avenue		2,181
		47,762
Flood Control District		
Newland Storm Channel Confluence to Bolsa		6,406
Santa Ana River Interceptor Line Project		6,282
Greenville-Banning Channel Improvement Project		5,627
Los Alamitos Pump Station and Pump House		3,338
Fletcher Channel and Retarding Basin - From Santa Ana River to Upstream		2,973
Edinger Storm Channel Improvement		2,016
		26,642
Other Governmental Funds		
Purchase of Law Enforcement Vehicles		2,991
Los Pinos Closure Costs		2,443
		5,434
Business-Type Activities:		
Airport		
Parking Structure C, Phase 2		2,652
Main Street and Employee Lot Resurfacing		2,583
Terminals A & B Improvements		1,329
Campus Drive/Bristol Street Right Turn Lane		1,178
Other		1,146
		8,888
Waste Management		
Olinda Alpha Landfill Phase I Partial Final Closure Construction and Utility Improvements		6,280
Frank R. Bowerman East Flank Excavation and Drainage Improvement and Design		2,401
		8,681
Total Commitments	$	97,407

15. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments (Continued)

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/Project is to prevent the 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 impacts to the 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 COE's estimated combined cost of all project components is $2,375,000. OCFCD's combined cost share is estimated to be $785,229 for the entire Santa Ana River Project. As of June 30, 2015, the OCFCD has expended about $597,158 on the entire Santa Ana River Project.

The construction of Seven Oaks Dam and most channel improvements in Riverside, San Bernardino, and Orange counties have been completed. The relocation and protection of State Route (SR) 71 adjacent to Prado Dam (a joint OCFCD and Caltrans project) and construction to raise the Prado Dam embankments and install new outlet gates is complete. Landscaping along the Santa Ana River in Orange County was completed in May 2010. Design for the construction of interior dikes in the Prado Dam reservoir, and for improvements and protection of SR-91 in the Santa Ana River canyon are also underway. The COE completed construction of National Housing Tract Dike and Sewage Treatment Plant in 2008. Landscaping for these dikes began in September 2009 and were completed in June 2011. Several environmental mitigation studies and restoration/preservation projects are underway in all three counties. All property right acquisitions for the Seven Oaks Dam and along the lower Santa Ana River in Orange County up to Weir Canyon Road are completed. The escrow for purchase of the Green River Golf Course was closed on September 29, 2006. This property is required for construction of protection along SR-91 and nearby mobile homes, open space/recreation mitigation and to accommodate increased flooding when the Prado Dam outlet gates are constructed and operational. The first phase of SR-91 protection (Reach 9 Phase 2B Project) was completed in September 2014. The second phase (Reach 9 Phase 3) started construction in January 2014 and was completed in March 2015. The OCFCD awarded the construction contract on August 9, 2011 for the four miles of Santa Ana River Interceptor Line (SARI) relocation project, which was completed by August 2014. Phase I of the Auxiliary Embankment (an extension of Prado Dam) was completed in September 2012, and the earliest date for construction of Phase II to start would be September 2017. As an alternative, the COE may elect to make Phase II part of the contract awarded to construct the Prado Dam Spillway, which is planned for some time in the year 2020. A contract for the construction of the Yorba-Slaughter Adobe Dike was awarded in December of 2012 at a cost of $6,000 and is expected to be completed in November 2015. The Women's Prison Dike (to protect the California Institute for Women) was awarded September 2014 for $12,700 and is expected to be completed February 2016 with a $3,400 modification which was awarded August 2015.The OCFCD continues to acquire property rights for the Prado Dam Project, subject to the availability of funding.

The 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, 2015, OCFCD has submitted $393,528 in claims and received $354,573 in reimbursements. An additional $6,463 in claims is in the process of being prepared for submittal to the DWR. Of the total amount outstanding, $10,207 was accrued as revenue, $27,593 was reported as a deferred inflow of resources at the fund level and recognized as revenue 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.

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 Internal Service Funds (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 $100,000 in liability coverage. In the past three fiscal years, there were no losses that impacted the County's excess insurance coverage.

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 3.50% in the Workers' Compensation ISF and 2.50% 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, actual number of positions from a biweekly County payroll report, 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.

The County's Premier Wellwise, Choice Wellwise, Wellwise Retiree, Premier Sharewell, Choice Sharewell, and Sharewell Retirees have no lifetime coverage maximums. The dental insurance coverage is up to $1,500 annually (absolute dollars) 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. Unemployment benefits covered by law is up to 26 weeks per individual or when the employee returns to work or no longer meets the requirements for the benefit. The self-insured AD&D benefit is for Reserve Deputy Sheriffs only and has a maximum benefit of $5,000 (absolute dollars).

16. SELF-INSURANCE (Continued)

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 Insurance	Total
Unpaid Claims, Beginning of FY 2013-14	$ 154,237	$ 42,577	$ 1,713	$ 10,697	$ 209,224
Claims and Changes in Estimates	33,438	6,708	165	64,407	104,718
Claim Payments	(36,934)	(10,037)	(1,095)	(62,777)	(110,843)
Unpaid Claims, End of FY 2013-14	150,741	39,248	783	12,327	203,099
Claims and Changes in Estimates	40,937	14,392	1,112	58,850	115,291
Claim Payments	(36,104)	(14,349)	(943)	(59,417)	(110,813)
Unpaid Claims, End of FY 2014-15	$ 155,574	$ 39,291	$ 952	$ 11,760	$ 207,577

17. POLLUTION REMEDIATION

GASB Statement No. 49, *"Accounting and Financial Reporting for Pollution Remediation Obligations,"* requires state and local governments to provide the public with better 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 John Wayne Airport (JWA) and OC Waste and Recycling (OCWR) 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 JWA and OCWR.

John Wayne Airport (JWA)

In 1988 and 2006, JWA was named as the responsible party in a cleanup and abatement order for two sites on Airport property by the California Regional Water Quality Control Board (RWQCB). The sites, the Old Fuel Farm and the Former Fire Station #33, were identified as having chemical impacts to the soil and groundwater. In 1994 and 2002, JWA began to monitor and remediate the Old Fuel Farm and the Former Fire Station #33 sites, respectively.

In 2008, the sites were sampled as part of an assessment and the results revealed that the soil and groundwater were still impacted by chemical pollutants. In 2011, JWA started implementing a new remediation method, and the sites were estimated to be remediated in about six to ten years. JWA is still performing tests on the sites and the results could possibly affect the estimated pollution remediation liability as well as a change to the remedial technologies used to remediate the sites. As of June 30, 2015, JWA has a liability of $994 based on management's assessment and the results of the consultant's evaluation.

In 1995, JWA entered into Memorandum of Understanding (MOU) with one of its fixed-base operator (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 Statement of Net Position as part of accounts receivable, the total expected recovery for the Old Fuel Farm site is $299 as of June 30, 2015.

The estimated pollution remediation obligation as of June 30, 2015 is:

Old Fuel Farm Site	$ 785
Former Fire Station #33 Site	692
Less: Remediation Activity	(483)
JWA Pollution Remediation Obligation	$ 994

17. POLLUTION REMEDIATION (Continued)

Orange County Waste and Recycling (OCWR)

Five closed sites were identified. 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 ending balance as of June 30, 2015 after deducting actual pollution remediation expenses incurred is $11,738.

Cannery Former Refuse Disposal Station A park owned by the City of Huntington Beach (City) 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 the City requiring the City to remedy the landfill gas exceedences and to control potential offsite migration of landfill gases. In response to the LEA's Notice and Order, the City and the Huntington Beach City School District (School District) issued the Notices of Intent to sue under the Resource Conservative and Recovery Act, and the Comprehensive Environmental Response, Compensation, and Liability Act to the County in 2004. The City's and School District's claims were tolled until June 2006 under a tolling agreement with the County. The City, County and School District entered into a Settlement Agreement in 2007, whereby the City 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 that the wastes have been buried, and other factors, the County anticipates that the landfill gas collection system will operate fully for 15 years.

The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is $58.

Lane Road Former Refuse Disposal Station The site located in the City of Irvine 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 its closure in 1964. An investigation revealed that landfill gas is present above regulatory limits in close proximity to residential housing units. The LEA issued a Notice and Order to the property owners requiring them to remedy the landfill gas exceedences 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 owners 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, then will most likely either be inactive or 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 need more regular replacement. For each subsequent year of operation, the cost will be reduced due to less frequent carbon swapping and fewer anticipated alternative monitoring requirements. The cost to operate and maintain the landfill gas collection system at the site for the next year of operation is $306.

The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is $2,958.

San Joaquin Former Refuse Disposal Station The site, owned by the University of California at Irvine, was leased and operated by the County as a refuse disposal facility from 1954 to 1961. In 1996, a portion of the site

17. POLLUTION REMEDIATION (Continued)

Orange County Waste and Recycling (OCWR) (Continued)

San Joaquin Former Refuse Disposal Station (Continued)

was sold to the United States 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 the University that was approved by the Board in May 2005. 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. The cost to operate and maintain the landfill gas collection system at the site for the next year of operation is $149.

The remaining obligation for landfill gas remediation at the San Joaquin site over the anticipated operational period is $1,222.

La Veta Former Refuse Disposal Station Located in the City of Orange, La Veta is a former burn, dump and refuse disposal station leased to and operated by the County from 1946 to 1956. The site has multiple owners and was developed into a YMCA facility, apartments, a mobile home park and a small amount of open space. Recently, the County learned that the California Department of Toxic Substances Control (DTSC) and the United States Environmental Protection Agency had previously performed limited soil and groundwater testing at the site. According to DTSC, the results of these tests indicated that further site assessment was warranted.

DTSC requested that the County enter into a Voluntary Cleanup Agreement with DTSC. In lieu of entering into a Voluntary Cleanup Agreement, the County conducted a series of additional site investigations and assessments. Based on the findings of the site investigations, the YMCA is performing required methane monitoring. The County reimburses the YMCA for the costs associated with the monitoring efforts and are accrued as estimable at June 30, 2015.

In addition, the findings of site investigations identified the existence of subsurface refuse extending laterally onto a single-family residence located within the lease boundaries of the former La Veta solid waste disposal site and immediately adjacent to land owned by the YMCA (also covering a portion of the former disposal site). Buried waste was discovered under part of the back yard of the residence, which includes a swimming pool. Since then, CalRecycle and the LEA have required continuous methane monitoring at the property. The current owners have previously filed suit against the County. Although their claims were dismissed, the owners have not cooperated with County or regulator attempts to monitor or remediate potential pollution of the property.

The County will attempt to negotiate the purchase of the property. The amount paid for such purchase would include the value of the property, relocation costs (which would be required by law in an eminent domain proceeding), and a mutual release and waiver of all potential legal claims arising from the property. Acquisition of the property by the County would also ensure that the property is maintained and monitored in a manner that is consistent with the former use of the property as a municipal solid waste disposal facility.

Forster Former Refuse Disposal Station The site, located in the City of San Juan Capistrano, was formerly leased and operated as a refuse disposal station by the County from 1958 to 1976. The current owner, Advanced Group 99-SJ, proposed a change in land use for the property and notified the County of its position that the County was responsible for re-closure of the site to meet current commercial and redevelopment requirements. The County disputed responsibility for site development related costs. In early 2010, the City of 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 the City approval of the proposed development plan, Advanced Group 99-SJ and the County

17. POLLUTION REMEDIATION (Continued)

Orange County Waste and Recycling (OCWR) (Continued)

Forster Former Refuse Disposal Station (Continued)

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 California Environmental Quality Act (CEQA) approvals. The settlement and release permitted 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 the site for its actual development. In exchange, indemnification and environmental releases were provided by the developer to the County.

Total 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 expected to be released within a five year period, but is dependent upon actions by the owner and regulatory approvals for the project. As of June 30, 2015, the County has not released payment. 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.

The remaining balance for landfill gas remediation at the Forster site is $7,500. Distribution of these funds will occur over time, based on specific milestones in the development of the site.

The estimated pollution remediation obligation as of June 30, 2015 is:

Cannery	$	58
Lane Road		2,958
San Joaquin		1,222
Forster		7,500
OCWR Pollution Remediation Obligation	$	11,738

18. RETIREMENT PLANS

Orange County Employees Retirement System (OCERS)

Plan Description: Substantially all County employees participate in the Orange County Employees Retirement System (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, California Government Code 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 County Board of Supervisors (the Board), three members plus one alternate are elected from active County employees, one member is elected from retirees, and the County Treasurer-Tax Collector is a statutory 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.

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Plan Description (Continued)

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 the end of the OCERS fiscal year.

According to OCERS most recent public report, entities paying into the OCERS, also known as plan sponsors, include the County of Orange, City of San Juan Capistrano, Orange County Cemetery District, Children and Families Commission of Orange County, Orange County Department of Education (closed to new members), OCERS, Orange County Fire Authority, Orange County In-Home Supportive Services Public Authority, Orange County Local Agency Formation Commission, Orange County Public Law Library, Orange County Sanitation District, Orange County Superior Court, Orange County Transportation Authority, Transportation Corridor Agencies, and the University of California, Irvine Medical Center and Campus (closed to new members).

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. The OCERS Board does not set the benefit amounts. An OCERS member may be eligible for a Disability Retirement allowance. The member will be asked to designate a beneficiary or beneficiaries, who may be entitled to received 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. OCERS administers benefits that are set by the 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 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 of Orange (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 "final compensation" for each year of service rendered at age 57 for Tier I General members and 1.667% 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 (see section below) 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 Government Code Section 31874.3 of the County Employees Retirement Law of 1937, the OCERS Board has the sole authority to grant STAR COLA

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Benefits Provided (Continued)

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 this issue. Retirees who have lost more than 20% of their purchasing power since retirement are eligible for this benefit, and currently, approximately 397 retirees (of which 388 are County retirees) who retired before April 1, 1980, 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. The OCERS Board has to prior to voting approve the benefits annually.

Contributions: In accordance with various Board's 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. Orange 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.

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 2014-15, employer's contributions, as a percentage of covered payrolls, were 37.34% for General members, 57.28% for Safety-Law Enforcement members and 40.52% for Safety-Probation members, as determined by the December 31, 2012, actuarial valuation.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension: At June 30, 2015, the County reported a liability of $3,897,233 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability (TPL) used to calculate the net pension liability was determined by rolling forward the December 31, 2013 valuation to December 31, 2014. At December 31, 2014, the County's proportion was 76.68%, which was a decrease of 1.737% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the County recognized pension expense of $410,127. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 175,546	$ -
Differences Between Expected and Actual Experience	-	205,446
Changes of Assumptions	116,441	188,787
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	4,068	15
County contributions subsequent to the measurement date	188,826	-
County Prepaid Pension Contribution	181,585	-
Total	$ 666,466	$ 394,248

$188,826 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, 2016.

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)

The County reported the full amount of prepaid pension contribution as a part of the prepaid cost at fund level. However, due to the difference in the County's fiscal year end date and the net pension liability measurement date, half of the prepaid pension contribution of $181,585 is recognized as deferred outflows of resources, and the other half will remain as a prepaid cost on the government-wide statement.

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, 2015, $112,544 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, 2015, the County did not utilize funds available in the County Investment Account to meet its annual required contribution.

On January 13, 2015, the County issued its short-term Taxable Pension Obligation Bonds, 2015 Series A in the amount of $339,625. The Bond proceeds were combined with $23,958 in contributions from certain County agencies and departments to prepay the estimated FY 2015-16 actuarially required contribution related to both the amortization of the UAAL and the normal annual contribution to OCERS. In return, the County received a 5.80% discount or $21,058 on the required employer contribution amount. The discount, combined with the interest and issuance costs, resulted in a net savings of $17,918 to the County. Refer to Note 4, Deposits and Investments, and Note 10, Short-term Obligations, for additional information.

Amounts, which 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:	
2016	$ (8,958)
2017	(8,958)
2018	(8,958)
2019	(8,958)
2020	(52,849)
2021	(9,512)
Thereafter	-

Actuarial Assumptions: The actuarial assumptions included a 3.0% inflation rate, 4.25 to 13.5% projected salary increases to general members and 5.00% to 17.50% to safety members, and a 7.25% 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, 2011 through December 31, 2013 using the RP-2000 Combined Healthy Mortality Table projected with the Society of Actuaries Scale BB to 2020.

Discount Rate: The discount rate used to measure the total pension liability was 7.25%, the long-term expected rate of return on plan assets. 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.

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Discount Rate (Continued)

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.25% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 16 basis points. An investment return excluding administrative expenses would have been 7.41%. 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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and 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 and by adding expected inflation and deducting expected investment expenses.

The target allocation (approved by the Board) 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:

Asset class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	14.90%	5.92%
Small/Mid Cap U.S. Equity	2.73%	6.49%
Developed International Equity	10.88%	6.90%
Emerging International Equity	6.49%	8.34%
Core Bonds	10.00%	0.73%
Global Bonds	2.00%	0.30%
Emerging Market Debt	3.00%	4.00%
Real Estate	10.00%	4.96%
Diversified Credit (US Credit)	8.00%	4.97%
Diversified Credit (Non-US Credit)	2.00%	6.76%
Hedge Funds	7.00%	4.13%
GTAA	7.00%	4.22%
Real Return	10.00%	5.86%
Private Equity	6.00%	9.60%
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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	$ 5,613,735	$ 3,897,233	$ 2,485,847

18. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

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, 2223 Wellington Avenue, Santa Ana, CA 92701, or by calling (714) 558-6200.

County Administered Pension Plans

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 retirement formula for certain eligible employees. Effective May 7, 2010, as amended and restated on July 1, 2011, the Board approved the County of Orange 1.62% Defined Contribution Plan for the benefit of employees in the 1.62% at 65 retirement formula.

On September 12, 2012, the Governor signed the Public Employees' Pension Reform Act (PEPRA) of 2013. PEPRA created a new pension retirement formula, commonly referred to as 2% @ 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% @ 62 PEPRA retirement formula. On December 18, 2012, the Board approved and adopted the 1.62% @ 65 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 the Internal Revenue Code (IRC) Section 401(a) and is intended for retirement. The employee acquires a vested interest in the employer contribution account upon attaining normal retirement age, or early retirement age because of death or disability. If an employee terminates prior to early or normal retirement date for any other reason than death or disability, the employee is only entitled to a vested interest of 100% of the employer contribution after five years of service.

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, 2015, the plan had 515 active participants and 0 inactive participants.

Funding Policy: This plan is a defined contribution plan funded entirely by employer contributions. As of June 30, 2015, 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 employer contributions for the year ended June 30, 2015, were $368.

Great West Retirement Services serves on behalf of the County as the third party administrator of the plan and will hold all plan assets in trust. Plan participants will self-direct the investment of plan contributions into any of a number of eligible investment options offered under the plan. As of June 30, 2015, the value of plan assets was $542.

Administrative Cost: There is an annual administrative fee of 0.18% charged to participants (at a monthly rate of 0.015%), which is capped for account balances at $100,000. 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 May 1, 2013, the Board established the County of Orange 401(a) Plan for the benefit of eligible employees, elected officials, which includes

18. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

County of Orange 401(a) Defined Contribution Plan (Continued)

Plan Description (Continued)

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 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 included in the Executive Policy Unit effective June 23, 2006. 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, 2015, the plan had 649 active participants and 29 inactive participants.

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 3% to 8% of bi-weekly compensation. Additional County contributions equal to 1.5% of compensation are made on behalf of elected officials electing not to participate in OCERS. Individuals elected or appointed to the Board on or after June 5, 2012 are required by Orange County Ordinance to participate in OCERS and may not receive the additional 1.5% of compensation. Total contributions for the year ended June 30, 2015, were $913 by the County and zero by the employees.

Great West Retirement Services serves on behalf of the County as the third party administrator of the plan and holds all plan assets in trust. Plan participants self-direct the investment of plan contributions into any of a number of eligible investment options offered under the plan. As of June 30, 2015, the value of plan assets was $14,005.

Administrative Cost: There is an annual administrative fee of 0.18% charged to participants (at a monthly rate of 0.015%), which is capped for account balances at $100,000. 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.

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 two percent of the participant's career earnings during the final 30 years of credited service. 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, which is equal to the actuarial equivalent of the 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 County Board of Supervisors 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

18. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Plan Description (Continued)

retirement benefit. As of June 30, 2015, the plan consists of 44 active plan participants, 233 terminated plan participants entitled to but not yet receiving benefits, and 40 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 County Treasurer charges its normal investment management fee related to the Pension Trust Fund's participation in the County Pool.

Contributions: The County has the authority to determine Plan contributions. GASB Statement No. 67 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 and assets as of June 30, 2013, rolled forward to June 30, 2014 and June 30, 2015 using actual benefit payments for the fiscal years 2013-14 and 2014-15. In both the 2013 valuation and the 2014 and 2015 roll forward calculations the actuarial assets are valued at market value. The actuary has determined the County's actuarially determined contribution using the entry age normal actuarial cost method, which is (a) normal cost, plus (b) 10-year amortization of the UAAL. Further information on the County's net pension liability and contributions can be found in the Required Supplementary Information (RSI) section following the notes to the basic financial statements. 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 $4,904. For the fiscal year ended June 30, 2015, the County and six (6) cost-sharing agencies contributed the total actuarially determined contribution of $421, which is equal to normal cost plus 10-year amortization of the UAAL. The County's proportionate share of the contribution was $413.

Plan participants do not contribute to the fund effective November 21, 2008 (the date of the freeze). Note that effective November 21, 2008, the normal cost is $0 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).

Concentrations: The Plan held 100% of its investments in the Orange County Investment Pool (OCIP). See Note 4, Deposits and Investments for information about OCIP. The Plan has stated its investments in OCIP at fair value based on information provided by OCIP.

Discount Rate: For the year ended June 30, 2015, the annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was 0.346%. 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 3.25%, the long-term expected rate of return on plan assets. Since this expected long-term rate of return is less than the 20-year AA municipal bond rate on June 30, 2015, 3.25% was used as the discount rate for all years.

18. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Discount Rate (Continued)

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 3.25% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 8 basis points. An investment return excluding administrative expenses would have been 3.33%. 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 plan investments was determined using a building-block method equal to the expected future real rate of return on the OCIP plus expected inflation, rounded to the nearest 0.25%. As of June 30, 2015, OCIP was invested 100% in the major asset class of Cash & Equivalents. The best estimate of the long-term expected arithmetic real rate of return for this asset class (net of investment expense and inflation) is 0.37%.

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, 2015 were as follows:

Collective Total Pension Liability	$	8,341
Plan's Collective Fiduciary Net Position		(5,117)
Collective Net Pension Liability	$	3,224
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		61.35%

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 and rolled forward to the measurement date of June 30, 2015. The County's proportionate share of the June 30, 2015 net pension liability is $3,163. The County's proportion of 98.12% is based on an employer contribution allocation and has not changed since June 30, 2014.

For the year ended June 30, 2015, the County recognized pension expense of $131. At June 30, 2015, the County reported deferred outflows of resources of $118, which represents the net difference between projected and actual earnings on plan investments.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ 118	$ -
Total	$ 118	$ -

The deferred outflows of resources related to this pension plan will be recognized as pension expense for the County as follows:

Year ended June 30:		
2016	$	29
2017		29
2018		30
2019		30

18. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Actuarial Assumptions: The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement: (a) 3% inflation, (b) 3.25% 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 5.0%, (d) RP-2000 Combined Healthy Mortality Table with a three year set back, and (e) a 50% participation assumption for vested terminations deemed unlikely to be found. 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 3.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.25%) or 1-percentage-point higher (4.25%) than the current rate:

Net Pension Liability	1% Decrease (2.25%)	Current Discount Rate (3.25%)	1% Increase (4.25%)
Collective plan	$ 3,360	$ 3,224	$ 3,113
County's proportionate share	$ 3,297	$ 3,163	$ 3,054

Extra-Help Defined Contribution Plan

Plan Description: Effective March 1, 2002, as amended and restated on July 1, 2011, the Board established the Extra-Help Defined Contribution Plan to replace the Extra-Help Defined Benefit Retirement Plan for 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. 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, 2015, there were 3,625 active participants and 392 inactive participants in the plan.

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 Stable Value Fund offered through Great West Retirement Services, which is designed to protect principal and maximize earnings. Great West Retirement Services serves on behalf of the County as the third party administrator of the plan and holds all plan assets in trust. There is no additional contribution made by the County. Total employee contributions for the year ended June 30, 2015, were $1,018 by the employees and zero by the County. As of June 30, 2015 the value of plan assets was $7,597.

Administrative Cost: There is an annual administrative fee of 0.18% charged to participants (at a monthly rate of 0.015%), which is capped for account balances at $100,000. 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)

County Administered Pension Plans (Continued)

Extra-Help Defined Contribution Plan (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 year ended June 30, 2015:

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	$ 5,115	$ 5,115	$ --	$ --	$ --
Restricted Cash/Investments with Trustee	22,117	--	7,597	14,005	515
Receivables:					
Interest/Dividends	10	10	--	--	--
Due from Other Governmental Agencies	27	-	--	--	27
Total Assets	27,269	5,125	7,597	14,005	542
Liabilities					
Salaries and Employee Benefits Payable	8	8	--	--	--
Total Liabilities	8	8	--	--	--
Net Position					
Restricted for Pension Benefits	27,261	5,117	7,597	14,005	542
Total Net Position	$ 27,261	$ 5,117	$ 7,597	$ 14,005	$ 542

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	$ 1,702	$ 421	$ --	$ 913	$ 368
Employee	1,018	--	1,018	--	--
Interest and Investment Income	726	29	161	528	8
Less: Investment Expense	(32)	(8)	(9)	(15)	--
Total Additions	3,414	442	1,170	1,426	376
Deductions:					
Benefits Paid to Participants	2,438	522	1,175	741	--
Administrative Expense	4	4	--	--	--
Total Deductions	2,442	526	1,175	741	--
Change in Net Position for Employees' Retirement	972	(84)	(5)	685	376
Net Position at July 1, 2014	26,289	5,201	7,602	13,320	166
Net Position at June 30, 2015	$ 27,261	$ 5,117	$ 7,597	$ 14,005	$ 542

19. POSTEMPLOYMENT HEALTH CARE BENEFITS

County of Orange Retiree Medical Plan

Plan Description: The County of Orange Third Amended Retiree Medical Plan (the Retiree Medical Plan) is a single employer defined benefit Other Postemployment Benefit (OPEB) plan, intended to assist career employees in maintaining health insurance coverage following retirement from County service. The Retiree Medical Plan was established by the County Board of Supervisors (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.

In order to be eligible to receive the Grant upon retirement, the employee must have completed at least 10 years of continuous County 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 the Orange County Employees Retirement System (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 calendar year 2014 was $20.51 (absolute dollars) per year of County service, and the maximum base monthly Grant was $512.75 (absolute dollars). The base number for calendar year 2015 is $21.13 (absolute dollars) per year of County service, and the maximum monthly Grant is $528.25 (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.

The Grant is reduced by 50% once the retiree becomes Medicare A and B eligible. Retirees who were age 65 and/or Medicare 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 increased by 7.5% for each year of age worked after age 60 up to age 70. The effective date varies by labor agreement. Safety employees and disability retirements are exempt from the age adjustment.

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%. 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.

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.

Employees represented by the American Federation of State, County and Municipal Employees (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 if they meet the minimum plan requirements.

19. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Plan Description (Continued)

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) was established to replace the Grant for new employees, and to supplement the frozen grants for current employees.

Law enforcement management 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 law enforcement management 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 (Health Reimbursement Arrangement) 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 July 1, 2008, retiree health insurance premium rates for retired employees enrolled in the AOCDS health plans have been 10% higher than active employees.

Funding Policy: The County implemented an employer contribution in an amount equal to the Annual Required Contribution (ARC) for the affected labor groups except AOCDS. 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 Internal Revenue Code section 115 trust for which the County Chief Financial Officer is the Trustee. In addition, OCERS has established an Internal Revenue Code section 401(h) account to invest monies and acts as Trustee for the 401(h) account which is used to pay the Grant. OCERS issues a Comprehensive Annual Financial Report (CAFR) for each fiscal year ending on December 31, which includes the Retiree Medical Trust. The CAFR can be obtained online at www.ocers.org. by request, in writing, to the Orange County Employees Retirement System, 2223 Wellington Avenue, Santa Ana, CA 92701, or by calling (714) 558-6200.

The County is currently setting aside contributions of 0.6% for AFSCME, 1.8% for AOCDS, 4.8% for law enforcement management, 3.6% for the Probation Department safety personnel and 3.5% of payroll for all other labor groups, which is the estimated ARC for those groups. Additionally, employees represented by AOCDS and law enforcement management employees hired before April 4, 2009 contribute 3.6% of base payroll while employees hired on or after April 4, 2009 contribute 2%. Effective July 25, 2014, contributions for employees represented by AOCDS were reduced to 2.6% and 1%, respectively.

Funds were initially deposited into the Trust in December 2007, with subsequent deposits made throughout each fiscal year. The costs to administer the Trust are paid from the Trust.

Actuarial Methods and Assumptions: The County contracts with an outside actuarial consultant to prepare a biennial actuarial valuation in conformance with GASB Statement No. 45. The County received a June 30, 2013 valuation for fiscal years 2013-14 and 2014-15 for the Retiree Medical Plan (the Report). Among the actuarial methods and assumptions used in the Report are:

- The entry age normal actuarial cost method
- Closed period amortization of the UAAL over 30 years as a level percentage of payroll (23 years remaining as of June 30, 2015)
- A 7.25% long-term expected rate of return on funds held in the Trusts
- A 3.75% per annum payroll increase assumption

19. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Actuarial Methods and Assumptions (Continued):

- A 3.25% per annum general inflation rate assumption
- The assumed annual increases in the monthly grant of 3% for non-AFSCME employees and 5% for AFSCME employees. The healthcare trend was assumed to be greater than or equal to the annual increase to the Grant through 2021 and beyond. Therefore, it is the Grant annual increase rather than the healthcare trend that affects the projected benefits and the UAAL.
- There are an estimated 25,682 participants in the plan of which 17,705 are employees, 38 are deferred retirees, and 7,939 are retirees.

Annual OPEB Cost and Net OPEB Obligation/(Asset): The County's annual OPEB cost is calculated based on the ARC, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of time not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost, the amount actually contributed to the 115 and 401(h) Trusts and changes in the County's Net OPEB Obligation (NOO) for the current year:

	FY 2014-15
Total Annual Required Contribution	$ 44,921
Interest on Net OPEB Asset	(3,043)
Amortization on Net OPEB Asset	2,976
Annual OPEB Cost	44,854
Contributions Made	(41,181)
Decrease in Net OPEB Asset	3,673
Net OPEB Asset, Beginning of year	(48,729)
Net OPEB Asset, End of year	$ (45,056)

The County's annual OPEB Cost, the percentage of annual OPEB cost contribution to the plan, and the NOO for FY 2014-15 and two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset)
6/30/2013	$ 42,497	114%	$ (41,805)
6/30/2014	43,136	116%	(48,729)
6/30/2015	44,854	92%	(45,056)

Funded Status and Funding Progress: The funded status of the OPEB Plan as of June 30, 2013 is as follows:

Actuarial Accrued Liability (AAL)	$ 573,763
Actuarial Value of Plan Assets	155,702
Unfunded Actuarial Accrued Liability (UAAL)	$ 418,061
Funded Ratio (Actuarial Value of Plan Assets/AAL)	27.1%
Covered Payroll	$ 1,217,052
UAAL as Percentage of Covered Payroll	34.4%

19. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

County of Orange Retiree Medical Plan (Continued)

Funded Status and Funding Progress (Continued):

The preceding noted actuarial accrued liability was based on the June 30, 2013 actuarial valuation. 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 contained in the Report 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. Assumptions used in the Report also include techniques designed to reduce short-term volatility in AAL and the actuarial value of assets. Current estimates of the funded status and trend information about the funding progress and the employer contributions are presented in the Required Supplementary Information section following the notes to the basic financial statements.

County of Orange Health Reimbursement Arrangement (HRA)

Plan Description: On October 23, 2007, the Board approved and adopted a Memorandum of Understanding (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.

On June 24, 2008, the Board approved the County of Orange Health Reimbursement Arrangement (HRA) Plan with an effective date of October 12, 2007. The HRA Plan is not required by California Public Employees' Retirement Law (CERL). The plan 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 24, 2009, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for law enforcement management employees effective June 19, 2009. The HRA replaces the Retiree Medical Plan for new employees, and supplements the current law enforcement management employees' frozen service hour accruals for the Grant.

The HRA is intended to comply with the requirements of Internal Revenue Code (IRC) Sections 105 and 106, and meets the requirements of a health reimbursement arrangement as defined under Internal Revenue Service (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 employer or the plan administrator to comply with federal, state, or local laws, statues, regulations, or guidelines. Reimbursement of qualified medical expenses was deferred until the selection and implementation of the third party administrator. Administration of the HRA by the third party administrator began in August 2009. As of June 30, 2015, the plan had 2,055 active and 532 inactive participants.

Funding Policy: Employer and mandatory employee contributions were effective October 12, 2007 for employees represented by AOCDS and were effective June 19, 2009 for law enforcement management employees. All contributions to the HRA are deemed to be employer contributions whether made directly by the employer or as a mandatory employee contribution. Employee contributions for employees represented by AOCDS are mandatory pursuant to the MOU and mandatory pursuant to Board action for law enforcement management employees. For employees represented by AOCDS, the County contributes 3.0% of compensation each pay period. Employees represented by AOCDS are required to contribute 2.0% of compensation each pay period. For law enforcement management employees, the County contributes 1.0% of compensation each pay period. Law enforcement management employees in the HRA are required to contribute 1.0% of compensation each pay period.

19. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

County of Orange Health Reimbursement Arrangement (HRA) (Continued)

Funding Policy (Continued)

ICMA Retirement Corporation serves on behalf of the County as the third party administrator of the HRA and holds HRA assets in trust. HRA participants self-direct the investment of plan contributions into any of a number of eligible investment options offered under the HRA. As of June 30, 2015, the value of HRA assets was $72,143.

Administrative Cost: Annual administrative fees include a Plan Asset Fee of 0.25% & Annual Account Fee of $20. Each quarter, twenty-five percent (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.

Condensed Financial Statements

In lieu of separately issued financial statements for the County administered postemployment health care benefit trust funds, condensed financial statements are presented below as of and for the year ended June 30, 2015:

Statement of Fiduciary Net Position	Total	Retiree Medical Plan	Health Reimbursement Arrangement Plan
Assets			
Pooled Cash/Investments	$ 4,182	$ 4,137	$ 45
Restricted Cash and Investments with Trustee	277,809	206,118	71,691
Interest Receivable	18	18	--
Due from Other Governmental Agencies	2,761	2,354	407
Total Assets	284,770	212,627	72,143
Liabilities			
Due to Other Governmental Agencies	--	--	--
Total Liabilities	--	--	--
Net Position			
Restricted for OPEB Benefits	284,770	212,627	72,143
Total Net Position	$ 284,770	$ 212,627	$ 72,143

Statement of Changes in Fiduciary Net Position	Total	Retiree Medical Plan	Health Reimbursement Arrangement Plan
Additions:			
Employer Contributions	$ 49,424	$ 41,181	$ 8,243
Employee Contributions	2,798	2,798	--
Interest and Investment Income	6,002	4,668	1,334
Less: Investment Expense	(212)	(7)	(205)
Total Additions	58,012	48,640	9,372
Deductions:			
Benefits Paid to Participants	31,190	29,874	1,316
Administrative Expense	33	33	--
Total Deductions	31,223	29,907	1,316
Change in Net Position	26,789	18,733	8,056
Net Position at July 1, 2014	257,981	193,894	64,087
Net Position at June 30, 2015	$ 284,770	$ 212,627	$ 72,143

20. CONTINGENCIES

Grants

The County participates in a number of Federal and State grant programs subject to financial and compliance audits by the grantors or representatives. Audits of certain grant programs for or including the year ended June 30, 2015 have not yet been conducted or settled. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures that may be disallowed by the grantor cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

Third Party Payor Agreement and the Medical Services Initiative

California's Section 1115 Medicaid Waiver (Waiver), titled the "Bridge to Health Care Reform" began in November 2010. Under the Waiver, the County received payments under the Low Income Health Program (LIHP). The non-Federal share of these payments was provided by the County's Medical Services Initiative (MSI) primarily through certified public expenditures, whereby the County would expend its local funding for services to draw down the federal financial participation. The LIHP is a coverage program for low-income uninsured adults that was included as part of California's Section 1115 Medicaid Waiver. The program expanded the previous Health Care Coverage Initiative (HCCI) and allowed for a transition to the anticipated health reform.

The MSI Program ended December 31, 2013 with the majority of the MSI population eligible for either the Medi-Cal expansion or subsidized commercial insurance through the health insurance exchange. While administering the LIHP, the MSI program contracted with all of the County's key clinics and hospitals and provided integrated care through contractual relationships with surgery centers, skilled nursing facilities, urgent care facilities, "Minute Clinics" and a variety of diagnostic centers and programs. The County used a third party administrator to process claims for LIHP and MSI participants related to services provided by all health care providers. The third party administrator invoiced the County monthly for claims processed and had six months after the end of each contract year to reconcile and submit a final settlement invoice followed by a final State reconciliation. As the State processed LIHP claims, additional services were made allowable for certain years. As such, supplemental invoices were still being submitted and processed that resulted in revenue pertaining to prior periods. As the MSI program and LIHP ended in FY 2013-14, estimates have been recorded as deferred inflows of resources for amounts anticipated for remaining final settlements as well as for allowable administrative claims that total approximately $8,488.

Laws and regulations governing Medi-Cal programs are complex and subject to interpretation. The County believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from Medi-Cal programs.

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. For information regarding accrued liabilities for self-insurance claims incurred but not reported, refer to Note 16, Self-Insurance.

21. SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2015:

Teeter Plan Notes: On July 15, 2015, the County issued an additional $30,542 in Teeter Plan Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan, leaving an outstanding balance of $64,365. Proceeds of this issuance paid the participating agencies in the Teeter Plan the full amount of their taxes from the secured property tax roll. For additional information regarding the Teeter Plan Notes, refer to Note 11, Long-Term Obligations.

Airport Terminal Improvements Project: On December 8, 2015, the Board awarded a design-build contract in the amount of $101,837 for the Terminal Improvements Project. The Board also authorized the Airport to file a PFC Amendment with the Federal Aviation Administration (FAA) to allow the Airport to be reimbursed for eligible costs expended on approved and completed PFC projects. Upon approval by the FAA, funds will be available for the Airport to fund a significant portion of the Terminal Improvements Project. The Terminal Improvement Project will enhance efficiency and extend the useful lives of the Terminal components, provide patrons of the Airport with numerous safety, code compliance, comfort, convenience, and aesthetic improvements, and allow patrons to experience a uniform level of quality and service throughout the Thomas F. Riley Terminal.

Passage of Senate Bill 107: In September 2015, the State passed Senate Bill 107 (Bill), which contains additional provisions and provides specifically to existing law governing the dissolution of redevelopment agencies and the wind-down of their existing activities and obligations. The Successor Agency's management is still evaluating the impact of the Bill to the Successor Agency.

COUNTY OF ORANGE
CALIFORNIA

Required Supplementary Information
(Dollar Amounts in Thousands)

Orange County Extra-Help Defined Benefit Plan

Schedule of Changes in the Collective Plan Net Pension Liability and Related Ratios

	2015	2014
Total Pension Liability		
Service cost	$ -	$ -
Interest	271	282
Changes of benefit terms	-	-
Difference between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(522)	(695)
Net change in Total Pension Liability	(251)	(413)
Total Pension Liability-beginning	8,592	9,005
Total Pension Liability-ending (a)	$ 8,341	$ 8,592
Plan Fiduciary Net Position		
Contributions-employer	$ 421	$ 421
Contributions-member	-	-
Net investment income	17	15
Benefit payments, including refunds of member contributions	(522)	(695)
Administrative expense	-	-
Other	-	-
Net change in Plan Fiduciary Net Position	(84)	(259)
Plan Fiduciary Net Position- beginning	5,201	5,460
Plan Fiduciary Net Position-ending (b)	$ 5,117	$ 5,201
Plan Net Pension Liability-ending (a) – (b)	$ 3,224	$ 3,391
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	61.35%	60.53%
Covered employee payroll	$ 1,829	$ 1,876
Plan Net Pension Liability as a percentage of covered employee payroll	176.27%	180.76%

Schedule of Investment Returns

	2015	2014
Actual money-weighted rate of return, net of investment expense	0.35%	0.26%

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.

Orange County Extra-Help Defined Benefit Plan (Continued)

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

	2015
County's proportion of the net pension liability	98.12%
County's proportionate share of the net pension liability	$ 3,163
County's covered-employee payroll	$ 1,829
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	172.94%
Plan fiduciary net position as a percentage of the total pension liability	61.35%

Schedule of Collective Plan Contributions

	2015	2014
Actuarially determined contribution	$ 421	$ 421
Contributions in relation to the actuarially determined contribution	421	421
Contribution deficiency (excess)	$ -	$ -
Covered-employee payroll	$ 1,829	$ 1,876
Contributions as a percentage of covered-employee payroll	23.02%	22.44%

Schedule of County Contributions

	2015	2014
Actuarially determined contribution	$ 413	$ 421
Contributions in relation to the actuarially determined contribution	413	421
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 1,829	$ 1,876
Contributions as a percentage of covered - employee payroll	22.58%	22.44%

The schedules are 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.

Orange County Extra-Help Defined Benefit Plan (Continued)

Notes to Schedule	
Valuation date	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age
Amortization method	Level dollar, open
Remaining amortization period	10 years
Asset valuation method	Market Value
Inflation	3.00%
Salary increases	n/a
Investment rate of return	3.25%
Retirement age	100% retirement at age 65
Participation assumption	100% for Actives, and 50% for Vested Terminations deemed unlikely to be found
Mortality	RP-2000 Combined Healthy Mortality Table set back 3 years
Actuarial Equivalence for Lump Sums – Mortality	417(e) lump sum table
Actuarial Equivalence for Lump Sums – Interest Rate	30-year Treasury rate with look-back month of November, current rates grading into 5% long-term assumption

Orange County Employees Retirement System (OCERS)

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

	2015	2014
County's proportion of the net pension liability	76.68%	74.20%
County's proportionate share of the net pension liability	$ 3,897,233	$ 3,925,919
County's covered-employee payroll	$ 1,198,458	$ 1,176,008
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	325.19%	333.83%
Plan fiduciary net position as a percentage of the total pension liability	68.16%	66.88%

For GASB purposes, covered employee payroll represents gross salary.

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.

Orange County Employees Retirement System (OCERS) (Continued)

Schedule of County Contributions

	2015
Actuarially determined contribution	$ 340,626
Contributions in relation to the actuarially determined contribution	340,626
Contribution deficiency (excess)	$ -
Covered employee payroll	$ 1,198,458
Contributions as a percentage of covered - employee payroll	28.42%

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.

Orange County Retiree Medical Plan

Schedule of Funding Progress
For Years Ended June 30

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)
2009	$ 94,110	$ 456,005	$ 361,895	20.6%	$ 1,267,427	28.6%
2011	116,804	528,639	411,835	22.1%	1,273,636	32.3%
2013	155,702	573,763	418,061	27.1%	1,217,052	34.4%

(1) The County's outside actuarial consultant prepares a biennial actuarial valuation in conformance with GASB Statement No. 43 and 45.

COUNTY OF ORANGE
CALIFORNIA

MAJOR GOVERNMENTAL FUNDS DEBT SERVICE

GASB Statement No. 34 requires budgetary comparisons in Required Supplementary Information (RSI) for the General Fund and for each Major Special Revenue Fund that has a legally adopted annual budget. Governments may elect to report the budgetary comparison information in a budgetary comparison statement as part of the basic financial statements, rather than as RSI, which is where the County of Orange has elected to present those required budgetary comparisons. However, GASB Statement No. 34 clearly limits the budgetary comparison requirements to only the General Fund and the Major Special Revenue Funds. Governments do not have the option of presenting budgetary comparisons for other funds in conjunction with the basic financial statements or RSI, which is why the following budgetary comparison schedule for the Major Governmental Debt Service fund is located in Supplemental Information.

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.

BUDGETARY COMPARISON SCHEDULE
MAJOR 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	$ 11,500	$ 11,500	$ --	$ (11,500)
Use of Money and Property	250	250	161	(89)
Other	--	--	1	1
Bond Issuance Proceeds	38,000	38,000	31,541	(6,459)
Total Revenues and Other Financing Sources	49,750	49,750	31,703	(18,047)
Expenditures and Other Financing Uses				
General Government:				
Teeter Series A Debt Service	81,250	81,250	38,186	43,064
Total Expenditures and Other Financing Uses	81,250	81,250	38,186	43,064
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(31,500)	(31,500)	(6,483)	$ 25,017
Fund Balances - Beginning of Year	58,952	58,952	58,952	
Fund Balances - End of Year	$ 27,452	$ 27,452	$ 52,469	

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 and Hall of Administration lots, 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 (LRA) 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 health care services*
- *20% for public safety*

Community and Welfare Services
This group of funds is used to account for the Orange County Workforce Investment 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 is comprised of two funds. The operating fund accounts for monies received primarily through rent and concession revenues which are dedicated to providing public coastal access, environmental stewardship, and a diverse regional recreational facility so all users and visitors may experience the unique Dana Point Harbor resource in a safe and enjoyable way. The other fund is an emergency repair fund to be used only for extraordinary, non-routine repairs as required by the California Department of Boating and Waterways (DBW) loan documents. Maintaining compliance with the DBW loan documents through this emergency repair fund allows OC Dana Point Harbor to utilize low interest loans to finance the Dana Point Marina Revitalization Project.

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.

Schedule I County-Administered Accounts

These funds are used to account for the portion of the 1996 Recovery Certificates of Participation which were used to reimburse certain County-administered accounts for their allocated share of the Orange County Investment Pool loss, in accordance with the County's Modified Second Amended Plan of Adjustment ("Plan of Adjustment"), Exhibit 8 - "Schedule I - County-Administered Accounts." In addition, on February 2, 2000, the Bankruptcy Court ordered a segregation of litigation proceeds to ensure indemnification of the representative, Tom Hayes, and others pursuant to the plan, to pay future expenses, fees, and charges incurred by the representative, and to pay litigation costs.

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 provide most of the fund's revenue and licenses, permits, federal and state aid, and charges for services provide the remaining revenue.

Plan of Adjustment Available Cash

This group of funds is used to account for monies set aside, pursuant to the Plan of Adjustment, for specified parties to the 1994 bankruptcy and for County-Administered Accounts. These monies are then distributed from these funds in accordance with the provisions in the Plan of Adjustment.

Health Care Programs

This group of funds is used to account for Board-approved Realignment reserves for health care, Mental Health Services Act revenues, 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 health care programs. Revenues consist primarily of State grants and allocations, and Federal grants passed through the State.

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.

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.

Orange County Public Facilities Corporation Bonds, Master Lease
This fund is used to account for Orange County Public Facilities Corporation Revenue Bonds (governmental fund type components only) and for Master Lease Obligations.

Pension Obligation Bonds
This fund is used to account for the debt service expenditures for the Orange County Taxable Pension Obligation Bonds.

South OC Public Financing Authority
This fund was established to account for the debt service expenditures for the South Orange County Financing Authority (SOCPFA). The SOCPFA was formed to provide for the financing of public capital improvements.

Orange County Public Financing Authority
This fund was established to account for the debt service expenditures for the Orange County Public Financing Authority (OCPFA). On August 16, 2005, OCPFA issued Lease Revenue Refunding Bonds Series 2005 to defease certain non-callable Recovery COPs, refund the remaining COPs, fund a debt service reserve fund, and pay the cost of issuance of the Series 2005 Bonds.

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.

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.

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

	Total Nonmajor Governmental Funds	Special Revenue		
		Parking Facilities	Service Areas, Lighting, Maintenance, & Assessment Districts	Other Environmental Management
ASSETS				
Pooled Cash/Investments	$ 656,422	$ 1,312	$ 3,836	$ 3,475
Imprest Cash Funds	61	--	--	--
Restricted Cash and Investments with Trustee	185,577	--	--	--
Investments	1,347	--	1,257	--
Deposits In-Lieu of Cash	35	--	--	--
Receivables				
Accounts	1,925	21	--	--
Taxes	1,764	--	17	--
Interest/Dividends	805	4	5	5
Deposits	2,113	--	--	--
Allowance for Uncollectible Receivables	(34)	--	--	--
Due from Other Funds	26,613	48	--	4
Due from Other Governmental Agencies	25,107	309	--	40
Prepaid Costs	10,527	40	--	--
Notes Receivable, Net	28,255	--	--	474
Total Assets	$ 940,517	$ 1,734	$ 5,115	$ 3,998
LIABILITIES				
Accounts Payable	$ 11,642	$ 244	$ --	$ 3
Retainage Payable	1,842	1	--	--
Salaries and Employee Benefits Payable	2,973	17	--	--
Deposits from Others	4,472	--	--	--
Due to Other Funds	49,938	153	6	1
Due to Component Unit	1	--	--	--
Due to Other Governmental Agencies	9,314	400	--	--
Unearned Revenue	8,541	--	--	52
Advances from Other Funds	3,800	--	--	--
Total Liabilities	92,523	815	6	56
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Intergovernmental Revenues	3,255	--	--	40
Unavailable Revenue - Property Taxes	1,274	--	7	--
Unavailable Revenue - Long-Term Notes Receivables	473	--	--	473
Unavailable Revenue - Other	21	--	--	--
Total Deferred Inflows of Resources	5,023	--	7	513
FUND BALANCES				
Nonspendable	10,715	40	--	--
Restricted	748,491	359	5,102	1,391
Assigned	83,765	520	--	2,038
Total Fund Balances	842,971	919	5,102	3,429
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 940,517	$ 1,734	$ 5,115	$ 3,998

Tobacco Settlement	Community & Welfare Services	OC Parks	OC Dana Point Harbor	
				ASSETS
$ 16,943	$ 105,388	$ 87,611	$ 64,605	Pooled Cash/Investments
--	8	--	--	Imprest Cash Funds
--	--	--	--	Restricted Cash and Investments with Trustee
--	90	--	--	Investments
--	--	--	35	Deposits In-Lieu of Cash
				Receivables
--	97	948	310	Accounts
--	--	1,010	--	Taxes
--	126	122	90	Interest/Dividends
--	--	30	2,083	Deposits
--	--	--	--	Allowance for Uncollectible Receivables
--	3,971	68	--	Due from Other Funds
--	5,989	255	85	Due from Other Governmental Agencies
--	262	4,108	320	Prepaid Costs
--	6,464	--	--	Notes Receivable, Net
$ 16,943	$ 122,395	$ 94,152	$ 67,528	Total Assets
				LIABILITIES
$ --	$ 3,902	$ 2,852	$ 1,433	Accounts Payable
--	--	863	381	Retainage Payable
--	60	1,196	69	Salaries and Employee Benefits Payable
--	11	1,238	2,780	Deposits from Others
4,864	20,769	1,893	520	Due to Other Funds
--	--	--	--	Due to Component Unit
--	1,394	19	102	Due to Other Governmental Agencies
--	126	670	7	Unearned Revenue
--	--	--	--	Advances from Other Funds
4,864	26,262	8,731	5,292	Total Liabilities
				DEFERRED INFLOWS OF RESOURCES
--	3,195	--	--	Unavailable Revenue - Intergovernmental Revenues
--	--	745	--	Unavailable Revenue - Property Taxes
--	--	--	--	Unavailable Revenue - Long-Term Notes Receivables
--	--	--	--	Unavailable Revenue - Other
--	3,195	745	--	Total Deferred Inflows of Resources
				FUND BALANCES
--	262	4,108	320	Nonspendable
12,079	50,361	68,629	61,916	Restricted
--	42,315	11,939	--	Assigned
12,079	92,938	84,676	62,236	Total Fund Balances
$ 16,943	$ 122,395	$ 94,152	$ 67,528	Total Liabilities, Deferred Inflows of Resources and Fund Balances

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

	Special Revenue				
	Housing Asset	Schedule I County - Administered Accounts	OC Public Libraries	Plan of Adjustment Available Cash	Health Care Programs
ASSETS					
Pooled Cash/Investments	$ 13,093	$ 6,028	$ 30,703	$ 17	$ 286,807
Imprest Cash Funds	--	--	53	--	--
Restricted Cash and Investments with Trustee	--	--	--	--	--
Investments	--	--	--	--	--
Deposits In-Lieu of Cash	--	--	--	--	--
Receivables					
Accounts	--	--	50	--	--
Taxes	--	--	737	--	--
Interest/Dividends	18	8	42	--	350
Deposits	--	--	--	--	--
Allowance for Uncollectible Receivables	--	--	--	--	--
Due from Other Funds	--	--	57	20,860	--
Due from Other Governmental Agencies	--	--	27	--	16,624
Prepaid Costs	--	--	4,382	--	--
Notes Receivable, Net	19,187	--	--	--	--
Total Assets	$ 32,298	$ 6,036	$ 36,051	$ 20,877	$ 303,781
LIABILITIES					
Accounts Payable	$ 9	$ --	$ 735	$ --	$ --
Retainage Payable	--	--	133	--	--
Salaries and Employee Benefits Payable	--	--	1,272	--	--
Deposits from Others	--	--	443	--	--
Due to Other Funds	147	--	4,631	--	15,304
Due to Component Unit	--	--	--	--	1
Due to Other Governmental Agencies	--	--	220	--	7,172
Unearned Revenue	--	--	20	--	7,666
Advances from Other Funds	--	--	--	--	--
Total Liabilities	156	--	7,454	--	30,143
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Intergovernmental Revenues	--	--	17	--	--
Unavailable Revenue - Property Taxes	--	--	522	--	--
Unavailable Revenue - Long-Term Notes Receivables	--	--	--	--	--
Unavailable Revenue - Other	--	--	--	--	--
Total Deferred Inflows of Resources	--	--	539	--	--
FUND BALANCES					
Nonspendable	--	--	4,382	--	--
Restricted	32,142	6,036	23,676	20,877	260,050
Assigned	--	--	--	--	13,588
Total Fund Balances	32,142	6,036	28,058	20,877	273,638
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 32,298	$ 6,036	$ 36,051	$ 20,877	$ 303,781

Special Revenue		Debt Service		
Orange County Housing Authority	Other Governmental Resources	Orange County Public Facilities Corporation Bonds, Master Lease	Pension Obligation Bonds	
				ASSETS
$ 12,064	$ 932	$ --	$ 149	Pooled Cash/Investments
--	--	--	--	Imprest Cash Funds
2,371	--	3,287	135,400	Restricted Cash and Investments with Trustee
--	--	--	--	Investments
--	--	--	--	Deposits In-Lieu of Cash
				Receivables
499	--	--	--	Accounts
--	--	--	--	Taxes
16	1	--	--	Interest/Dividends
--	--	--	--	Deposits
(34)	--	--	--	Allowance for Uncollectible Receivables
4	--	--	2	Due from Other Funds
1,334	--	--	--	Due from Other Governmental Agencies
1,415	--	--	--	Prepaid Costs
2,130	--	--	--	Notes Receivable, Net
$ 19,799	$ 933	$ 3,287	$ 135,551	Total Assets
				LIABILITIES
$ 639	$ --	$ --	$ --	Accounts Payable
--	--	--	--	Retainage payable
359	--	--	--	Salaries and Employee Benefits Payable
--	--	--	--	Deposits from Others
1,601	--	--	3	Due to Other Funds
--	--	--	--	Due to Component Unit
7	--	--	--	Due to Other Governmental Agencies
--	--	--	--	Unearned Revenue
--	--	--	--	Advances from Other Funds
2,606	--	--	3	Total Liabilities
				DEFERRED INFLOWS OF RESOURCES
3	--	--	--	Unavailable Revenue - Intergovernmental Revenues
--	--	--	--	Unavailable Revenue - Property Taxes
--	--	--	--	Unavailable Revenue - Long-Term Notes Receivable
--	--	--	--	Unavailable Revenue - Other
3	--	--	--	Total Deferred Inflows of Resources
				FUND BALANCES
1,415	--	--	--	Nonspendable
15,775	933	3,287	135,548	Restricted
--	--	--	--	Assigned
17,190	933	3,287	135,548	Total Fund Balances
$ 19,799	$ 933	$ 3,287	$ 135,551	Total Liabilities, Deferred Inflows of Resources and Fund Balances

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

	Debt Service		Capital Projects		Permanent
	South OC Public Financing Authority	Orange County Public Financing Authority	Criminal Justice Facilities	Countywide Capital Projects Non-General Fund	Regional Park Endowment
ASSETS					
Pooled Cash/Investments	$ --	$ --	$ 9,765	$ 13,365	$ 329
Imprest Cash Funds	--	--	--	--	--
Restricted Cash and Investments with Trustee	3,744	40,775	--	--	--
Investments	--	--	--	--	--
Deposits In-Lieu of Cash	--	--	--	--	--
Receivables					
Accounts	--	--	--	--	--
Taxes	--	--	--	--	--
Interest/Dividends	--	--	18	--	--
Deposits	--	--	--	--	--
Allowance for Uncollectible Receivables	--	--	--	--	--
Due from Other Funds	--	--	1,599	--	--
Due from Other Governmental Agencies	--	--	444	--	--
Prepaid Costs	--	--	--	--	--
Notes Receivable, Net	--	--	--	--	--
Total Assets	$ 3,744	$ 40,775	$ 11,826	$ 13,365	$ 329
LIABILITIES					
Accounts Payable	$ --	$ --	$ 1,825	$ --	$ --
Retainage payable	--	--	464	--	--
Salaries and Employee Benefits Payable	--	--	--	--	--
Deposits from Others	--	--	--	--	--
Due to Other Funds	--	--	46	--	--
Due to Component Unit	--	--	--	--	--
Due to Other Governmental Agencies	--	--	--	--	--
Unearned Revenue	--	--	--	--	--
Advances from Other Funds	--	--	3,800	--	--
Total Liabilities	--	--	6,135	--	--
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Intergovernmental Revenues	--	--	--	--	--
Unavailable Revenue - Property Taxes	--	--	--	--	--
Unavailable Revenue - Long-Term Notes Receivables	--	--	--	--	--
Unavailable Revenue - Other	--	--	21	--	--
Total Deferred Inflows of Resources	--	--	21	--	--
FUND BALANCES					
Nonspendable	--	--	--	--	188
Restricted	3,744	40,775	5,670	--	141
Assigned	--	--	--	13,365	--
Total Fund Balances	3,744	40,775	5,670	13,365	329
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,744	$ 40,775	$ 11,826	$ 13,365	$ 329

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

		Special Revenue		
	Total Nonmajor Governmental Funds	Parking Facilities	Service Area, Lighting, Maintenance, & Assessment Districts	Other Environmental Management
Revenues				
Taxes	$ 107,378	$ --	$ 555	$ --
Licenses, Permits, and Franchises	1,011	--	--	--
Fines, Forfeitures and Penalties	14,424	--	--	--
Use of Money and Property	60,928	8,643	24	460
Intergovernmental	327,873	820	4	247
Charges for Services	15,463	240	29	649
Other	31,113	33	71	163
Total Revenues	558,190	9,736	683	1,519
Expenditures				
Current				
General Government	32,571	--	14,831	171
Public Protection	19	--	--	19
Public Ways and Facilities	7,640	7,273	154	213
Health and Sanitation	1,189	--	--	--
Public Assistance	178,916	--	--	--
Education	41,949	--	--	--
Recreation and Cultural Services	98,001	--	--	--
Capital Outlay	21,405	--	--	--
Debt Service				
Principal Retirement	34,507	--	--	--
Interest	22,989	--	--	--
Total Expenditures	439,186	7,273	14,985	403
Excess (Deficit) of Revenues Over Expenditures	119,004	2,463	(14,302)	1,116
Other Financing Sources (Uses)				
Transfers In	94,359	1,439	--	100
Transfers Out	(183,752)	(3,775)	(1)	(200)
Capital Leases	43	--	--	--
Total Other Financing Sources (Uses)	(89,350)	(2,336)	(1)	(100)
Net Change in Fund Balances	29,654	127	(14,303)	1,016
Fund Balances - Beginning of Year	813,317	792	19,405	2,413
Fund Balances - End of Year	$ 842,971	$ 919	$ 5,102	$ 3,429

Tobacco Settlement	Community & Welfare Services	OC Parks	OC Dana Point Harbor	
				Revenues
$ --	$ --	$ 62,390	$ --	Taxes
--	753	248	10	Licenses, Permits, and Franchises
--	--	59	121	Fines, Forfeitures and Penalties
89	806	10,165	24,927	Use of Money and Property
--	28,091	1,577	--	Intergovernmental
--	2,987	8,002	1,013	Charges for Services
26,241	590	1,819	155	Other
26,330	33,227	84,260	26,226	Total Revenues
				Expenditures
				Current
14	--	--	--	General Government
--	--	--	--	Public Protection
--	--	--	--	Public Ways and Facilities
--	--	--	--	Health and Sanitation
--	22,642	--	--	Public Assistance
--	--	--	--	Education
--	--	76,804	21,197	Recreation and Cultural Services
--	145	8,511	133	Capital Outlay
				Debt Service
--	--	--	--	Principal Retirement
--	--	--	--	Interest
14	22,787	85,315	21,330	Total Expenditures
26,316	10,440	(1,055)	4,896	Excess (Deficit) of Revenues Over Expenditures
				Other Financing Sources (Uses)
14	14,248	164	--	Transfers In
(28,670)	(27,277)	(2,183)	(22)	Transfers Out
--	--	--	--	Capital Leases
(28,656)	(13,029)	(2,019)	(22)	Total Other Financing Sources (Uses)
(2,340)	(2,589)	(3,074)	4,874	Net Change in Fund Balances
14,419	95,527	87,750	57,362	Fund Balances - Beginning of Year
$ 12,079	$ 92,938	$ 84,676	$ 62,236	Fund Balances - End of Year

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

	Special Revenue				
	Housing Asset	Schedule I County - Administered Accounts	OC Public Libraries	Plan of Adjustment Available Cash	Health Care Programs
Revenues					
Taxes	$ --	$ --	$ 44,433	$ --	$ --
Licenses, Permits, and Franchises	--	--	--	--	--
Fines, Forfeitures and Penalties	--	--	6	--	9,724
Use of Money and Property	291	26	331	14	1,251
Intergovernmental	--	--	689	--	143,796
Charges for Services	--	--	1,144	--	1,373
Other	116	--	1,020	--	5
Total Revenues	407	26	47,623	14	156,149
Expenditures					
Current					
General Government	--	4	--	16,932	--
Public Protection	--	--	--	--	--
Public Ways and Facilities	--	--	--	--	--
Health and Sanitation	--	--	--	--	1,189
Public Assistance	877	--	--	--	--
Education	--	--	41,949	--	--
Recreation and Cultural Services	--	--	--	--	--
Capital Outlay	--	--	2,353	--	--
Debt Service					
Principal Retirement	--	--	8	--	--
Interest	--	--	1	--	--
Total Expenditures	877	4	44,311	16,932	1,189
Excess (Deficit) of Revenues Over Expenditures	(470)	22	3,312	(16,918)	154,960
Other Financing Sources (Uses)					
Transfers In	--	--	--	20,859	107
Transfers Out	--	--	--	--	(116,208)
Capital Leases	--	--	43	--	--
Total Other Financing Sources (Uses)	--	--	43	20,859	(116,101)
Net Change in Fund Balances	(470)	22	3,355	3,941	38,859
Fund Balances - Beginning of Year	32,612	6,014	24,703	16,936	234,779
Fund Balances - End of Year	$ 32,142	$ 6,036	$ 28,058	$ 20,877	$ 273,638

Special Revenue		Debt Service		
Orange County Housing Authority	Other Governmental Resources	Orange County Public Facilities Corporation Bonds, Master Lease	Pension Obligation Bonds	
				Revenues
$ --	$ --	$ --	$ --	Taxes
--	--	--	--	Licenses, Permits, and Franchises
--	--	--	--	Fines, Forfeitures and Penalties
113	4	70	12,914	Use of Money and Property
152,649	--	--	--	Intergovernmental
5	21	--	--	Charges for Services
607	226	--	--	Other
153,374	251	70	12,914	Total Revenues
				Expenditures
				Current
--	580	--	39	General Government
--	--	--	--	Public Protection
--	--	--	--	Public Ways and Facilities
--	--	--	--	Health and Sanitation
155,397	--	--	--	Public Assistance
--	--	--	--	Education
--	--	--	--	Recreation and Cultural Services
50	--	--	--	Capital Outlay
				Debt Service
--	--	518	4,966	Principal Retirement
--	--	2,090	15,394	Interest
155,447	580	2,608	20,399	Total Expenditures
(2,073)	(329)	(2,538)	(7,485)	Excess (Deficit) of Revenues Over Expenditures
				Other Financing Sources (Uses)
--	--	2,405	--	Transfers In
--	(15)	--	--	Transfers Out
--	--	--	--	Capital Leases
--	(15)	2,405	--	Total Other Financing Sources (Uses)
(2,073)	(344)	(133)	(7,485)	Net Change in Fund Balances
19,263	1,277	3,420	143,033	Fund Balances - Beginning of Year
$ 17,190	$ 933	$ 3,287	$ 135,548	Fund Balances - End of Year

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS

	Debt Service		Capital Projects		Permanent
	South OC Public Financing Authority	Orange County Public Financing Authority	Criminal Justice Facilities	Countywide Capital Projects Non-General Fund	Regional Park Endowment
Revenues					
Taxes	$ --	$ --	$ --	$ --	$ --
Licenses, Permits, and Franchises	--	--	--	--	--
Fines, Forfeitures and Penalties	--	--	4,514	--	--
Use of Money and Property	1	735	58	5	1
Intergovernmental	--	--	--	--	--
Charges for Services	--	--	--	--	--
Other	--	--	64	--	3
Total Revenues	1	735	4,636	5	4
Expenditures					
Current					
General Government	--	--	--	--	--
Public Protection	--	--	--	--	--
Public Ways and Facilities	--	--	--	--	--
Health and Sanitation	--	--	--	--	--
Public Assistance	--	--	--	--	--
Education	--	--	--	--	--
Recreation and Cultural Services	--	--	--	--	--
Capital Outlay	--	--	10,213	--	--
Debt Service					
Principal Retirement	4,780	24,235	--	--	--
Interest	1,049	4,455	--	--	--
Total Expenditures	5,829	28,690	10,213	--	--
Excess (Deficit) of Revenues Over Expenditures	(5,828)	(27,955)	(5,577)	5	4
Other Financing Sources (Uses)					
Transfers In	5,829	29,193	6,638	13,363	--
Transfers Out	--	(895)	(3,627)	(879)	--
Capital Leases	--	--	--	--	--
Total Other Financing Sources (Uses)	5,829	28,298	3,011	12,484	--
Net Change in Fund Balances	1	343	(2,566)	12,489	4
Fund Balances - Beginning of Year	3,743	40,432	8,236	876	325
Fund Balances - End of Year	$ 3,744	$ 40,775	$ 5,670	$ 13,365	$ 329

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	$ 3,038	$ 3,049	$ 3,305	$ 256
Charges for Services	231	517	240	(277)
Other	15	15	33	18
Transfers In	1,439	1,439	1,439	--
Total Revenues and Other Financing Sources	4,723	5,020	5,017	(3)
Expenditures and Other Financing Uses				
Public Ways and Facilities:				
Parking Facilities	4,900	5,197	4,932	265
Total Expenditures and Other Financing Uses	4,900	5,197	4,932	265
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(177)	(177)	85	$ 262
Fund Balances - Beginning of Year	1,207	1,207	1,207	
Fund Balances - End of Year	$ 1,030	$ 1,030	$ 1,292	
Service Area, Lighting, Maintenance and Assessment Districts				
Revenues and Other Financing Sources				
Taxes	$ 537	$ 537	$ 555	$ 18
Use of Money and Property	17	23	25	2
Intergovernmental	4	4	4	--
Charges for Services	28	28	29	1
Other	86	136	71	(65)
Total Revenues and Other Financing Sources	672	728	684	(44)
Expenditures and Other Financing Uses				
General Government:				
Special Assessment-Top of the World Improvement	54	54	--	54
CFD 2002-1 Ladera Construction	65	1,022	285	737
CFD 2003-1, Ladera Construction	46	160	159	1
CFD 2004-1 Ladera Construction	17,385	12,201	11,426	775
Newport Ridge Construction 92-1	27	38	38	--
Newport Ridge Construction Series B	256	2,923	2,923	--
Public Ways and Facilities:				
North Tustin Landscaping and Lighting Assessment District	2,591	2,591	110	2,481
County Service Area No. 13 - La Mirada	15	17	9	8
County Service Area No. 20 - La Habra	200	200	1	199
County Service Area No. 22 - East Yorba Linda	110	118	35	83
Total Expenditures and Other Financing Uses	20,749	19,324	14,986	4,338
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(20,077)	(18,596)	(14,302)	$ 4,294
Fund Balances - Beginning of Year	19,402	19,402	19,402	
Fund Balances - End of Year	$ (675)	$ 806	$ 5,100	
Other Environmental Management				
Revenues and Other Financing Sources				
Use of Money and Property	$ 386	$ 386	$ 459	$ 73
Intergovernmental	245	245	247	2
Charges for Services	75	75	649	574
Other	148	148	163	15
Transfers In	--	100	100	--
Total Revenues and Other Financing Sources	854	954	1,618	664
Expenditures and Other Financing Uses				
General Government:				
Real Estate Development Program	426	1,022	332	690
Air Quality Improvement	534	534	39	495
Public Protection:				
Survey Monument Preservation	450	456	19	437
Public Ways and Facilities:				
El Toro Improvement Fund	282	282	213	69
Total Expenditures and Other Financing Uses	1,692	2,294	603	1,691
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(838)	(1,340)	1,015	$ 2,355
Fund Balances - Beginning of Year	2,412	2,412	2,412	
Fund Balances - End of Year	$ 1,574	$ 1,072	$ 3,427	

BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (Continued)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Tobacco Settlement				
Revenues and Other Financing Sources				
Other	$ 25,179	$ 25,179	$ 26,241	$ 1,062
Total Revenues and Other Financing Sources	25,179	25,179	26,241	1,062
Expenditures and Other Financing Uses				
General Government:				
Orange County Tobacco Settlement Fund	40,211	39,571	28,588	10,983
Total Expenditures and Other Financing Uses	40,211	39,571	28,588	10,983
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(15,032)	(14,392)	(2,347)	$ 12,045
Fund Balances - Beginning of Year	14,391	14,391	14,391	
Fund Balances - End of Year	$ (641)	$ (1)	$ 12,044	
Community and Welfare Services				
Revenues and Other Financing Sources				
Licenses, Permits, and Franchises	$ 815	$ 815	$ 753	$ (62)
Use of Money and Property	601	601	790	189
Intergovernmental	41,620	41,920	30,030	(11,890)
Charges for Services	2,889	3,193	2,987	(206)
Other	259	259	590	331
Transfers In	17,846	17,993	14,394	(3,599)
Total Revenues and Other Financing Sources	64,030	64,781	49,544	(15,237)
Expenditures and Other Financing Uses				
Public Assistance:				
MHSA Housing Fund	1,531	1,531	25	1,506
Dispute Resolution Program	905	905	656	249
Domestic Violence Program	816	899	783	116
Facilities Development and Maintenance	11,877	18,977	7,623	11,354
Workforce Investment Act	23,469	22,613	14,285	8,328
County Executive Office - Single Family Housing	8,922	8,922	276	8,646
OC Housing	6,398	7,101	5,591	1,510
Strategic Priority Affordable Housing	66	66	5	61
In-Home Support Services Public Authority	1,326	1,441	1,222	219
SSA Donations and Fees	1,230	1,377	856	521
SSA Wraparound	23,515	25,513	18,539	6,974
CalHome Program Reuse Fund	1,275	1,275	274	1,001
SARC Lease Conveyance	72	72	70	2
Total Expenditures and Other Financing Uses	81,402	90,692	50,205	40,487
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(17,372)	(25,911)	(661)	$ 25,250
Fund Balances - Beginning of Year	96,658	96,658	96,658	
Fund Balances - End of Year	$ 79,286	$ 70,747	$ 95,997	
OC Parks				
Revenues and Other Financing Sources				
Taxes	$ 59,681	$ 59,681	$ 62,614	$ 2,933
Licenses, Permits, and Franchises	205	205	248	43
Fines, Forfeitures and Penalties	20	20	59	39
Use of Money and Property	9,520	9,520	10,165	645
Intergovernmental	2,462	2,462	1,425	(1,037)
Charges for Services	6,599	6,599	8,002	1,403
Other	2,382	2,382	1,512	(870)
Transfers In	15,226	15,390	15,389	(1)
Total Revenues and Other Financing Sources	96,095	96,259	99,414	3,155
Expenditures and Other Financing Uses				
Recreation and Cultural Services:				
County Tidelands - Newport Bay	5,916	5,916	3,491	2,425
OC Parks	101,305	101,305	85,843	15,462
OC Capital	23,208	23,511	13,438	10,073
Total Expenditures and Other Financing Uses	130,429	130,732	102,772	27,960
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(34,334)	(34,473)	(3,358)	$ 31,115
Fund Balances - Beginning of Year	87,069	87,069	87,069	
Fund Balances - End of Year	$ 52,735	$ 52,596	$ 83,711	

BUDGETARY COMPARISON SCHEDULE
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				
Licenses, Permits, and Franchises	$ 10	$ 10	$ 10	$ --
Fines, Forfeitures and Penalties	108	108	121	13
Use of Money and Property	23,255	23,255	25,182	1,927
Charges for Services	694	694	1,013	319
Other	78	78	146	68
Transfers In	302	302	292	(10)
Total Revenues and Other Financing Sources	24,447	24,447	26,764	2,317
Expenditures and Other Financing Uses				
Recreation and Cultural Services:				
OC Dana Point Harbor	30,377	30,377	21,517	8,860
Dana Point Marina Department of Boating and Waterways				
Emergency Repair Fund	2,948	2,946	2	2,944
Total Expenditures and Other Financing Uses	33,325	33,323	21,519	11,804
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(8,878)	(8,876)	5,245	$ 14,121
Fund Balances - Beginning of Year	57,346	57,346	57,346	
Fund Balances - End of Year	$ 48,468	$ 48,470	$ 62,591	
Housing Asset				
Revenues and Other Financing Sources				
Taxes	$ 150	$ 150	$ --	$ (150)
Use of Money and Property	202	202	290	88
Other	50	50	117	67
Total Revenues and Other Financing Sources	402	402	407	5
Expenditures and Other Financing Uses				
Public Assistance:				
Orange County Development Agency Housing Asset	10,720	10,720	837	9,883
Total Expenditures and Other Financing Uses	10,720	10,720	837	9,883
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(10,318)	(10,318)	(430)	$ 9,888
Fund Balances - Beginning of Year	32,564	32,564	32,564	
Fund Balances - End of Year	$ 22,246	$ 22,246	$ 32,134	
Schedule 1 County-Administered Accounts				
Revenues and Other Financing Sources				
Use of Money and Property	$ 16	$ 16	$ 25	$ 9
Total Revenues and Other Financing Sources	16	16	25	9
Expenditures and Other Financing Uses				
General Government:				
Indemnification Reserve	4	4	1	3
Litigation Reserve	12	12	3	9
Total Expenditures and Other Financing Uses	16	16	4	12
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	--	--	21	$ 21
Fund Balances - Beginning of Year	6,011	6,011	6,011	
Fund Balances - End of Year	$ 6,011	$ 6,011	$ 6,032	

BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE (Continued)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
OC Public Libraries				
Revenues and Other Financing Sources				
Taxes	$ 41,530	$ 41,530	$ 44,572	$ 3,042
Licenses, Permits, and Franchises	657	--	--	--
Fines, Forfeitures and Penalties	19	19	6	(13)
Use of Money and Property	150	150	324	174
Intergovernmental	1,056	869	689	(180)
Charges for Services	1,059	1,059	1,144	85
Other	676	676	1,021	345
Transfers In	1,335	1,335	792	(543)
Total Revenues and Other Financing Sources	46,482	45,638	48,548	2,910
Expenditures and Other Financing Uses				
Education:				
OC Public Libraries - Capital	3,954	3,954	2,344	1,610
OC Public Libraries	50,551	55,413	42,509	12,904
Total Expenditures and Other Financing Uses	54,505	59,367	44,853	14,514
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(8,023)	(13,729)	3,695	$ 17,424
Fund Balances - Beginning of Year	24,187	24,187	24,187	
Fund Balances - End of Year	$ 16,164	$ 10,458	$ 27,882	
Plan of Adjustment Available Cash				
Revenues and Other Financing Sources				
Use of Money and Property	$ 11	$ 11	$ 13	$ 2
Transfers In	9,492	18,936	20,859	1,923
Total Revenues and Other Financing Sources	9,503	18,947	20,872	1,925
Expenditures and Other Financing Uses				
General Government:				
Recovery Plan of Adjustment Available Cash	9,503	26,381	16,932	9,449
Total Expenditures and Other Financing Uses	9,503	26,381	16,932	9,449
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	--	(7,434)	3,940	$ 11,374
Fund Balances - Beginning of Year	16,936	16,936	16,936	
Fund Balances - End of Year	$ 16,936	$ 9,502	$ 20,876	
Health Care Programs				
Revenues and Other Financing Sources				
Fines, Forfeitures and Penalties	$ 9,794	$ 9,394	$ 9,724	$ 330
Use of Money and Property	920	975	1,088	113
Intergovernmental	122,498	123,266	143,796	20,530
Charges for Services	1,277	1,277	1,373	96
Other	260	260	5	(255)
Transfers In	410	410	91	(319)
Total Revenues and Other Financing Sources	135,159	135,582	156,077	20,495
Expenditures and Other Financing Uses				
Health and Sanitation:				
Medi-Cal Administrative Activities Targeted Case Management	1,932	1,932	1,184	748
Emergency Medical Services	9,834	9,834	8,837	997
HCA Purpose Restricted Revenues	2,266	2,266	1,042	1,224
HCA Interest Bearing Purpose Restricted Revenue	84	84	26	58
HCA Realignment	4,444	4,444	--	4,444
Mental Health Services Act	144,023	144,038	104,115	39,923
Bioterrorism Center for Disease Control	4,549	5,357	2,077	3,280
Total Expenditures and Other Financing Uses	167,132	167,955	117,281	50,674
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(31,973)	(32,373)	38,796	$ 71,169
Fund Balances - Beginning of Year	234,644	234,644	234,644	
Fund Balances - End of Year	$ 202,671	$ 202,271	$ 273,440	

BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS - SPEICAL 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	$ 145	$ 145	$ 113	$ (32)
Intergovernmental	159,281	159,281	152,465	(6,816)
Charges for Services	--	--	5	5
Other	868	868	607	(261)
Total Revenues and Other Financing Sources	160,294	160,294	153,190	(7,104)
Expenditures and Other Financing Uses				
Public Assistance:				
Orange County Housing Authority-Operating Reserve	3,343	3,343	573	2,770
Orange County Housing Authority	167,155	165,945	154,875	11,070
Total Expenditures and Other Financing Uses	170,498	169,288	155,448	13,840
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(10,204)	(8,994)	(2,258)	$ 6,736
Fund Balances - Beginning of Year	19,444	19,444	19,444	
Fund Balances - End of Year	$ 9,240	$ 10,450	$ 17,186	
Other Governmental Resources				
Revenues and Other Financing Sources				
Use of Money and Property	$ 3	$ 3	$ 4	$ 1
Charges for Services	30	30	21	(9)
Other	212	212	226	14
Transfers In	86	86	--	(86)
Total Revenues and Other Financing Sources	331	331	251	(80)
Expenditures and Other Financing Uses				
General Government:				
Remittance Processing Equipment Replacement	550	550	6	544
Assessor Property Characteristic	400	400	399	1
Deferred Compensation Reimbursement - CEO	202	214	189	25
Total Expenditures and Other Financing Uses	1,152	1,164	594	570
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(821)	(833)	(343)	$ 490
Fund Balances - Beginning of Year	1,275	1,275	1,275	
Fund Balances - End of Year	$ 454	$ 442	$ 932	

BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Pension Obligation Bonds				
Revenues and Other Financing Sources				
Use of Money and Property	$ 11,036	$ 11,036	$ 11,037	$ 1
Total Revenues and Other Financing Sources	11,036	11,036	11,037	1
Expenditures and Other Financing Uses				
General Government:				
Pension Obligation Bonds Debt Service	20,406	20,406	20,399	7
Total Expenditures and Other Financing Uses	20,406	20,406	20,399	7
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(9,370)	(9,370)	(9,362)	$ 8
Fund Balances - Beginning of Year	72,996	72,996	72,996	
Fund Balances - End of Year	$ 63,626	$ 63,626	$ 63,634	

BUDGETARY COMPARISON SCHEDULE
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Criminal Justice Facilities				
Revenues and Other Financing Sources				
Fines, Forfeitures and Penalties	$ 4,512	$ 4,515	$ 4,514	$ (1)
Use of Money and Property	27	27	55	28
Other	35	35	64	29
Transfers In	16,068	15,206	6,638	(8,568)
Total Revenues and Other Financing Sources	20,642	19,783	11,271	(8,512)
Expenditures and Other Financing Uses				
Public Protection:				
Criminal Justice Facilities Accumulated Capital Outlay	9,783	9,994	4,749	5,245
Courthouse Temporary Construction	3,939	3,942	3,939	3
Sheriff-Coroner Construction and Facility Development	11,412	10,161	5,007	5,154
Total Expenditures and Other Financing Uses	25,134	24,097	13,695	10,402
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(4,492)	(4,314)	(2,424)	$ 1,890
Fund Balances - Beginning of Year	8,230	8,230	8,230	
Fund Balances - End of Year	$ 3,738	$ 3,916	$ 5,806	
Countywide Capital Projects Non General Fund				
Revenues and Other Financing Sources				
Transfers In	$ --	$ 12,691	$ 13,363	$ 672
Total Revenues and Other Financing Sources	--	12,691	13,363	672
Expenditures and Other Financing Uses				
Capital Improvements:				
Countywide Capital Projects Non General	884	7,340	876	6,464
Total Expenditures and Other Financing Uses	884	7,340	876	6,464
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(884)	5,351	12,487	$ 7,136
Fund Balances - Beginning of Year	876	876	876	
Fund Balances - End of Year	$ (8)	$ 6,227	$ 13,363	

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	$ 1	$ 1	$ 1	$ --
Other	2	2	4	2
Total Revenues and Other Financing Sources	3	3	5	2
Expenditures and Other Financing Uses				
Public Ways and Facilities:				
Limestone Regional Park Mitigation Maintenance Endowment	5	3	--	3
Total Revenues and Other Financing Sources	5	3	--	3
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(2)	--	5	$ 5
Fund Balances - Beginning of Year	168	168	168	
Fund Balances - End of Year	$ 166	$ 168	$ 173	

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, or to other governmental entities, 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, and group dental insurance programs.

Health Maintenance Organization (HMO) Health Insurance
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-funded workers' compensation insurance program.

Unemployment Insurance
This fund is used to account for the County's self-funded unemployment insurance program.

Property and Casualty Risk
This fund is used to account for the County's self-funded property and casualty risk insurance 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.

Publishing Services
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 voice and data services to departments and agencies on a cost-reimbursement basis.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

	Total	Health and Other Self-Insured Employee Benefits	HMO Health Insurance
ASSETS			
Current Assets			
Pooled Cash/Investments	$ 213,905	$ 28,439	$ 4,012
Imprest Cash Funds	133	125	--
Restricted Cash and Investments with Trustee	10	10	--
Receivables			
Accounts	137	13	23
Interest/Dividends	300	41	--
Allowance for Uncollectible Receivables	(91)	--	--
Due from Other Funds	2,657	--	--
Due from Other Governmental Agencies	586	292	--
Inventory of Materials and Supplies	453	--	--
Prepaid Costs	1,657	--	--
Total Current Assets	219,747	28,920	4,035
Noncurrent Assets			
Capital Assets			
Construction in Progress	824	--	--
Structures and Improvements	11,788	--	--
Accumulated Depreciation	(5,807)	--	--
Equipment	115,167	--	--
Accumulated Depreciation	(70,639)	--	--
Total Capital Assets	51,333	--	--
Total Assets	271,080	28,920	4,035
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pension	6,417	--	--
Total Deferred Outflows of Resources	6,417	--	--
LIABILITIES			
Current Liabilities			
Accounts Payable	26,566	107	--
Retainage Payable	3	--	--
Salaries and Employee Benefits Payable	901	--	--
Due to Other Funds	820	1	--
Due to Other Governmental Agencies	5	--	--
Insurance Claims Payable	51,836	11,760	--
Compensated Employee Absences Payable	971	--	--
Capital Lease Obligations Payable	6,900	--	--
Total Current Liabilities	88,002	11,868	--
Noncurrent Liabilities			
Insurance Claims Payable	155,741	--	--
Compensated Employee Absences Payable	1,133	--	--
Capital Lease Obligations Payable	13,800	--	--
Net Pension Liability	37,220	--	--
Total Noncurrent Liabilities	207,894	--	--
Total Liabilities	295,896	11,868	--
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pension	3,763	--	--
Total Deferred Inflows of Resources	3,763	--	--
NET POSITION			
Net Investment in Capital Assets	51,333	--	--
Unrestricted	(73,495)	17,052	4,035
Total Net Position	$ (22,162)	$ 17,052	$ 4,035

Life Insurance	Workers' Compensation	Unemployment Insurance	
			ASSETS
			Current Assets
$ 151	$ 72,388	$ 10,924	Pooled Cash/Investments
--	--	--	Imprest Cash Funds
--	--	--	Restricted Cash and Investments with Trustee
			Receivables
--	--	--	Accounts
--	109	15	Interest/Dividends
--	--	--	Allowance for Uncollectible Receivables
--	--	--	Due from Other Funds
--	1	--	Due from Other Governmental Agencies
--	--	--	Inventory of Materials and Supplies
--	183	--	Prepaid Costs
151	72,681	10,939	Total Current Assets
			Noncurrent Assets
			Capital Assets
--	--	--	Construction in Progress
--	--	--	Structures and Improvements
--	--	--	Accumulated Depreciation
--	8	--	Equipment
--	(8)	--	Accumulated Depreciation
--	--	--	Total Capital Assets
151	72,681	10,939	Total Assets
			DEFERRED OUTFLOWS OF RESOURCES
--	1,173	--	Deferred Outflows of Resources Related to Pension
--	1,173	--	Total Deferred Outflows of Resources
			LIABILITIES
			Current Liabilities
--	1,244	--	Accounts Payable
--	--	--	Retainage Payable
--	103	--	Salaries and Employee Benefits Payable
--	6	1	Due to Other Funds
--	--	--	Due to Other Governmental Agencies
--	28,313	952	Insurance Claims Payable
--	110	--	Compensated Employee Absences Payable
--	--	--	Capital Lease Obligations Payable
--	29,776	953	Total Current Liabilities
			Noncurrent Liabilities
--	127,261	--	Insurance Claims Payable
--	135	--	Compensated Employee Absences Payable
--	--	--	Capital Lease Obligations Payable
--	7,184	--	Net Pension Liability
--	134,580	--	Total Noncurrent Liabilities
--	164,356	953	Total Liabilities
			DEFERRED INFLOWS OF RESOURCES
--	727	--	Deferred Inflows of Resources Related to Pension
--	727	--	Total Deferred Inflows of Resources
			NET POSITION
--	--	--	Net Investment in Capital Assets
151	(91,229)	9,986	Unrestricted
$ 151	$ (91,229)	$ 9,986	Total Net Position

COMBINING STATEMENT OF NET POSITION (Continued)
INTERNAL SERVICE FUNDS

	Property & Casualty Risk	Transportation	Publishing Services	Information & Technology
ASSETS				
Current Assets				
Pooled Cash/Investments	$ 37,662	$ 13,761	$ 2,443	$ 44,125
Imprest Cash Funds	5	--	--	3
Restricted Cash and Investments with Trustee	--	--	--	--
Receivables				
Accounts	14	57	--	30
Interest/Dividends	60	18	3	54
Allowance for Uncollectible Receivables	(11)	(56)	--	(24)
Due from Other Funds	469	1,335	--	853
Due from Other Governmental Agencies	9	54	66	164
Inventory of Materials and Supplies	--	453	--	--
Prepaid Costs	131	570	113	660
Total Current Assets	38,339	16,192	2,625	45,865
Noncurrent Assets				
Capital Assets				
Construction in Progress	--	91	--	733
Structures and Improvements	--	8,986	--	2,802
Accumulated Depreciation	--	(5,115)	--	(692)
Equipment	--	38,646	1,536	74,977
Accumulated Depreciation	--	(24,668)	(1,174)	(44,789)
Total Capital Assets	--	17,940	362	33,031
Total Assets	38,339	34,132	2,987	78,896
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	474	2,092	400	2,278
Total Deferred Outflows of Resources	474	2,092	400	2,278
LIABILITIES				
Current Liabilities				
Accounts Payable	2,114	303	170	22,628
Retainage Payable	--	--	--	3
Salaries and Employee Benefits Payable	71	331	59	337
Due to Other Funds	2	389	288	133
Due to Other Governmental Agencies	--	--	5	--
Insurance Claims Payable	10,811	--	--	--
Compensated Employee Absences Payable	85	329	73	374
Capital Lease Obligations Payable	--	--	--	6,900
Total Current Liabilities	13,083	1,352	595	30,375
Noncurrent Liabilities				
Insurance Claims Payable	28,480	--	--	--
Compensated Employee Absences Payable	120	370	80	428
Capital Lease Obligations Payable	--	--	--	13,800
Net Pension Liability	2,757	12,090	2,342	12,847
Total Noncurrent Liabilities	31,357	12,460	2,422	27,075
Total Liabilities	44,440	13,812	3,017	57,450
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pension	279	1,223	235	1,299
Total Deferred Inflows of Resources	279	1,223	235	1,299
NET POSITION				
Net Investment in Capital Assets	--	17,939	362	33,032
Unrestricted	(5,906)	3,250	(227)	(10,607)
Total Net Position	$ (5,906)	$ 21,189	$ 135	$ 22,425

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

	Total	Health and Other Self-Insured Employee Benefits	HMO Health Insurance
Operating Revenues			
Use of Money and Property	$ 1,970	$ --	$ --
Charges for Services	88,104	--	--
Insurance Premiums	297,564	64,717	158,107
Total Operating Revenues	387,638	64,717	158,107
Operating Expenses			
Salaries and Employee Benefits	18,665	--	--
Services and Supplies	31,171	1,758	--
Professional Services	45,471	3,898	6
Operating Leases	2,472	--	--
Insurance Claims and Premiums	275,732	59,255	159,038
Other Charges	196	196	--
Taxes and Other Fees	10	--	--
Depreciation	4,178	--	--
Total Operating Expenses	377,895	65,107	159,044
Operating Income (Loss)	9,743	(390)	(937)
Nonoperating Revenues			
Intergovernmental Revenues	1,115	1,115	--
Interest Revenue	778	124	33
Gain on Disposition of Capital Assets	212	--	--
Other Revenue, Net	5,196	2,139	250
Total Nonoperating Revenues	7,301	3,378	283
Income (Loss) Before Contributions and Transfers	17,044	2,988	(654)
Capital Contributions	112	--	--
Transfers In	5,758	1,003	5
Transfers Out	(250)	--	(31)
Change in Net Position	22,664	3,991	(680)
Net Position - Beginning of Year	(9,033)	13,061	4,715
Adjustment Due to Change in Accounting Principle	(35,793)	--	--
Net Position - Beginning of Year, as Restated	(44,826)	13,061	4,715
Net Position - End of Year	$ (22,162)	$ 17,052	$ 4,035

Life Insurance	Workers' Compensation	Unemployment Insurance	
			Operating Revenues
$ --	$ --	$ --	Use of Money and Property
--	--	--	Charges for Services
996	41,162	--	Insurance Premiums
996	41,162	--	Total Operating Revenues
			Operating Expenses
--	2,146	--	Salaries and Employee Benefits
--	280	--	Services and Supplies
--	4,778	138	Professional Services
--	205	--	Operating Leases
998	40,937	1,112	Insurance Claims and Premiums
--	--	--	Other Charges
--	--	--	Taxes and Other Fees
--	--	--	Depreciation
998	48,346	1,250	Total Operating Expenses
(2)	(7,184)	(1,250)	Operating Income (Loss)
			Nonoperating Revenues
--	--	--	Intergovernmental Revenues
1	266	49	Interest Revenue
--	--	--	Gain on Disposition of Capital Assets
--	1,756	7	Other Revenue, Net
1	2,022	56	Total Nonoperating Revenues
(1)	(5,162)	(1,194)	Income (Loss) Before Contributions and Transfers
--	--	--	Capital Contributions
--	677	--	Transfers In
(1)	--	--	Transfers Out
(2)	(4,485)	(1,194)	Change in Net Position
153	(79,959)	11,180	Net Position - Beginning of Year
--	(6,785)	--	Adjustment Due to Change in Accounting Principle
153	(86,744)	11,180	Net Position - Beginning of Year, as Restated
$ 151	$ (91,229)	$ 9,986	Net Position - End of Year

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (Continued)
INTERNAL SERVICE FUNDS

	Property & Casualty Risk	Transportation	Publishing Services	Information & Technology
Operating Revenues				
Use of Money and Property	$ --	$ --	$ --	$ 1,970
Charges for Services	--	20,526	4,613	62,965
Insurance Premiums	32,582	--	--	--
Total Operating Revenues	32,582	20,526	4,613	64,935
Operating Expenses				
Salaries and Employee Benefits	1,455	7,130	1,297	6,637
Services and Supplies	9,110	9,327	1,876	8,820
Professional Services	664	2,241	591	33,155
Operating Leases	188	28	526	1,525
Insurance Claims and Premiums	14,392	--	--	--
Other Charges	--	--	--	--
Taxes and Other Fees	--	10	--	--
Depreciation	--	2,656	67	1,455
Total Operating Expenses	25,809	21,392	4,357	51,592
Operating Income (Loss)	6,773	(866)	256	13,343
Nonoperating Revenues				
Intergovernmental Revenues	--	--	--	--
Interest Revenue	118	62	8	117
Gain on Disposition of Capital Assets	--	212	(1)	1
Other Revenue, Net	584	180	220	60
Total Nonoperating Revenues	702	454	227	178
Income (Loss) Before Contributions and Transfers	7,475	(412)	483	13,521
Capital Contributions	--	112	--	--
Transfers In	--	3,280	3	790
Transfers Out	--	(218)	--	--
Change in Net Position	7,475	2,762	486	14,311
Net Position - Beginning of Year	(10,716)	30,104	1,908	20,521
Adjustment Due to Change in Accounting Principle	(2,665)	(11,677)	(2,259)	(12,407)
Net Position - Beginning of Year, as Restated	(13,381)	18,427	(351)	8,114
Net Position - End of Year	$ (5,906)	$ 21,189	$ 135	$ 22,425

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

	Total	Health and Other Self-Insured Employee Benefits	HMO Health Insurance	Life Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 90,719	$ 232	$ --	$ --
Cash Received for Premiums Within the County's Entity	297,564	64,717	158,107	996
Payments to Suppliers for Goods and Services	(330,423)	(65,492)	(159,044)	(998)
Payments to Employees for Services	(19,620)	--	--	--
Payments for Interfund Services	(2,178)	--	--	--
Receipts for Interfund Services	231	--	--	--
Taxes and Other Fees	(10)	--	--	--
Other Operating Receipts (Payments) - Net	2,520	1,943	241	--
Net Cash Provided (Used) by Operating Activities	38,803	1,400	(696)	(2)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	5,758	1,003	5	--
Transfers Out	(250)	--	(31)	(1)
Intergovernmental Revenues	1,115	1,115	--	--
Net Cash Provided (Used) by Noncapital Financing Activities	6,623	2,118	(26)	(1)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(14,188)	--	--	--
Net Cash Used by Capital and Related Financing Activities	(14,188)	--	--	--
CASH FLOW FROM INVESTING ACTIVITIES				
Interest on Investments	633	107	33	1
Net Cash Provided by Investing Activities	633	107	33	1
Net Increase (Decrease) in Cash and Cash Equivalents	31,871	3,625	(689)	(2)
Cash and Cash Equivalents - Beginning of Year	182,177	24,949	4,701	153
Cash and Cash Equivalents - End of Year	$ 214,048	$ 28,574	$ 4,012	$ 151
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$ 9,743	$ (391)	$ (938)	$ (2)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	4,178	--	--	--
Other Revenue - Net	5,196	2,139	250	--
(Increases) Decreases In:				
Accounts Receivable	125	(3)	(23)	--
Due from Other Funds	(14)	--	--	--
Due from Other Governmental Agencies	512	235	15	--
Inventory of Materials and Supplies	36	--	--	--
Prepaid Costs	1,559	--	--	--
Deferred Outflows and Inflows of Resources from Pension Contributions	(3,590)	--	--	--
Increases (Decreases) In:				
Accounts Payable	16,068	(13)	--	--
Retainage Payable	3	--	--	--
Salaries and Employee Benefits Payable	262	--	--	--
Due to Other Funds	(1,933)	--	--	--
Due to Other Governmental Agencies	(193)	--	--	--
Insurance Claims Payable	4,478	(567)	--	--
Compensated Employee Absences Payable	7	--	--	--
Net Pension Liability from Pension Contributions and Expenses	2,366	--	--	--
Total Adjustments	29,060	1,791	242	--
Net Cash Provided (Used) by Operating Activities	$ 38,803	$ 1,400	$ (696)	$ (2)
Reconciliation of Cash and Cash Equivalents to Statement of Net Position				
Pooled Cash/Investments	$ 213,905	$ 28,439	$ 4,012	$ 151
Imprest Cash Funds	133	125	--	--
Restricted Cash and Investments with Trustee	10	10	--	--
Total Cash and Cash Equivalents	$ 214,048	$ 28,574	$ 4,012	$ 151

Workers' Compensation	Unemployment Insurance	Property & Casualty Risk	
			CASH FLOWS FROM OPERATING ACTIVITIES
$ --	$ --	$ 3	Receipts from Customers
41,162	--	32,582	Cash Received for Premiums Within the County's Entity
(40,781)	(1,081)	(23,981)	Payments to Suppliers for Goods and Services
(2,159)	--	(1,540)	Payments to Employees for Services
(112)	(27)	(183)	Payments for Interfund Services
--			Receipts for Interfund Services
--	--	--	Taxes and Other Fees
1,551	7	396	Other Operating Receipts (Payments) - Net
(339)	(1,101)	7,277	Net Cash Provided (Used) by Operating Activities
			CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
677	--	--	Transfers In
--	--	--	Transfers Out
--	--	--	Intergovernmental Revenues
677	--	--	Net Cash Provided (Used) by Noncapital Financing Activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
--	--	--	Acquisition of Capital Assets
--	--	--	Net Cash Used by Capital and Related Financing Activities
			CASH FLOW FROM INVESTING ACTIVITIES
224	44	87	Interest on Investments
224	44	87	Net Cash Provided by Investing Activities
562	(1,057)	7,364	Net Increase (Decrease) in Cash and Cash Equivalents
71,826	11,981	30,303	Cash and Cash Equivalents - Beginning of Year
$ 72,388	$ 10,924	$ 37,667	Cash and Cash Equivalents - End of Year
			Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities
$ (7,184)	$ (1,250)	$ 6,773	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
--	--	--	Depreciation
1,756	7	584	Other Revenue - Net
			(Increases) Decreases In:
--	--	1	Accounts Receivable
261	--	71	Due from Other Funds
--	--	2	Due from Other Governmental Agencies
--	--	--	Inventory of Materials and Supplies
178	--	124	Prepaid Costs
(627)	--	(265)	Deferred Outflows and Inflows of Resources from Pension Contributions
			Increases (Decreases) In:
225	--	33	Accounts Payable
--	--	--	Retainage Payble
36	--	24	Salaries and Employee Benefits Payable
(373)	(27)	(254)	Due to Other Funds
(22)	--	(15)	Due to Other Governmental Agencies
4,833	169	43	Insurance Claims Payable
(2)	--	(6)	Compensated Employee Absences Payable
580	--	162	Net Pension Liability from Pension Contributions and Expenses
6,845	149	504	Total Adjustments
$ (339)	$ (1,101)	$ 7,277	Net Cash Provided (Used) by Operating Activities
			Reconciliation of Cash and Cash Equivalents to Statement of Net Position
$ 72,388	$ 10,924	$ 37,662	Pooled Cash/Investments
--	--	5	Imprest Cash Funds
--	--	--	Restricted Cash and Investments with Trustee
$ 72,388	$ 10,924	$ 37,667	Total Cash and Cash Equivalents

COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS

	Transportation	Publishing Services	Information & Technology
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	$ 20,625	$ 4,583	$ 65,276
Cash Received for Premiums Within the County's Entity	--	--	--
Payments to Suppliers for Goods and Services	(11,175)	(2,358)	(25,513)
Payments to Employees for Services	(7,455)	(1,357)	(7,109)
Payments for Interfund Services	--	(11)	(1,845)
Receipts for Interfund Services	231	--	--
Taxes and Other Fees	(10)	--	--
Other Operating Receipts (Payments) - Net	152	(305)	(1,465)
Net Cash Provided (Used) by Operating Activities	2,368	552	29,344
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	3,280	3	790
Transfers Out	(218)	--	--
Intergovernmental Revenues	--	--	--
Net Cash Provided (Used) by Noncapital Financing Activities	3,062	3	790
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(6,232)	--	(7,956)
Net Cash Used by Capital and Related Financing Activities	(6,232)	--	(7,956)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest on Investments	56	4	77
Net Cash Provided by Investing Activities	56	4	77
Net Increase (Decrease) in Cash and Cash Equivalents	(746)	559	22,255
Cash and Cash Equivalents - Beginning of Year	14,507	1,884	21,873
Cash and Cash Equivalents - End of Year	$ 13,761	$ 2,443	$ 44,128
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$ (866)	$ 256	$ 13,345
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	2,656	67	1,455
Other Revenue - Net	180	220	60
(Increases) Decreases In:			
Accounts Receivable	56	--	94
Due from Other Funds	164	--	(510)
Due from Other Governmental Agencies	43	(30)	247
Inventory of Materials and Supplies	36	--	--
Prepaid Costs	557	145	555
Deferred Outflows and Inflows of Resources from Pension Contributions	(1,174)	(222)	(1,302)
Increases (Decreases) In:			
Accounts Payable	(134)	(24)	15,981
Retainage Payble	--	--	3
Salaries and Employee Benefits Payable	96	15	91
Due to Other Funds	67	(11)	(1,335)
Due to Other Governmental Agencies	(66)	(11)	(79)
Insurance Claims Payable	--	--	--
Compensated Employee Absences Payable	36	5	(26)
Net Pension Liability from Pension Contributions and Expenses	717	142	765
Total Adjustments	3,234	296	15,999
Net Cash Provided (Used) by Operating Activities	$ 2,368	$ 552	$ 29,344
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Pooled Cash/Investments	$ 13,761	$ 2,443	$ 44,125
Imprest Cash Funds	--	--	3
Restricted Cash and Investments with Trustee	--	--	--
Total Cash and Cash Equivalents	$ 13,761	$ 2,443	$ 44,128

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the County in a trustee or agency capacity on behalf of outside parties, including employees, individuals, private organizations or other governments. These funds cannot be used to support the County's programs. When these assets are held under a formal trust agreement, a trust fund is used. Agency funds are generally used to account for assets that the County holds on behalf of others as their agent in a purely custodial capacity.

PRIVATE-PURPOSE TRUST FUNDS

Public Administration Trust Funds

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.

OCDA Redevelopment Successor Agency

The Orange County Development Agency was dissolved effective February 1, 2012 in accordance with Health and Safety Code 34172. A successor agency was designated as the successor entity to the former redevelopment agency in accordance with Health and Safety Code 34173. The OCDA Redevelopment Successor Agency holds the assets of the dissolved Orange County Development Agency pending liquidation and distribution.

PENSION AND OTHER EMPLOYEE BENEFITS 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 the Orange County Employees Retirement System.

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 the Orange County Employees Retirement System ("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 the Orange County Employees Retirement System.

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 of Supervisors, 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 new administrative managers effective June 23, 2006.

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@65" Retirement (OCERS) formula who voluntarily contribute to the "1.62@65" Retirement, 457(b) defined contribution plan. The Plan was established on May 7, 2010.

Retiree Medical Plan

This fund is used to account for the annual required contributions, benefit payments, and investment losses and gains in the Retiree Medical Trust which was established effective July 2, 2007. The Retiree Medical Trust was established exclusively for the Retiree Medical Plan which is a single employer Other Postemployment Benefit plan that was established on August 1, 1993 for eligible employees as defined in the plan document.

Health Reimbursement Arrangement Plan

This fund is used to account for the employer contributions to the Health Reimbursement Arrangement, a defined contribution plan, which was established on June 17, 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.

AGENCY 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 fiduciary capacity. Disbursements are made from these funds by checks issued by the County Auditor-Controller upon requisition of the responsible officer.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS

	Total	Public Administration Trust Funds	OCDA Redevelopment Successor Agency
ASSETS			
Pooled Cash/Investments	$ 57,364	$ 41,701	$ 15,663
Restricted Cash and Investments			
Restricted Cash	4,630	--	4,630
Receivables			
Interest/Dividends	143	100	43
Due from Other Governmental Agencies	2	2	--
Land and Improvemtents Held for Resale	619	--	619
Total Assets	62,758	41,803	20,955
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	305	--	305
Total Deferred Outflows of Resources	305	--	305
LIABILITIES			
Bonds Payable	33,628	--	33,628
Interest Payable	429	--	429
Due to Other Governmental Agencies	644	622	22
Total Liabilities	34,701	622	34,079
NET POSITION			
Restricted for Private-Purpose Trust Funds	28,362	41,181	(12,819)
Net Position	$ 28,362	$ 41,181	$ (12,819)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Total	Public Administration Trust Funds	OCDA Redevelopment Successor Agency
Additions:			
Contributions to Private-Purpose Trust	$ 83,033	$ 83,033	$ --
Intergovernmental Revenues	17,568	--	17,568
Other Revenues	786	--	786
Interest and Investment Income	112	65	47
Less: Investment Expense	(7)	--	(7)
Total Additions	101,492	83,098	18,394
Deductions:			
Distributions from Private-Purpose Trust	78,892	78,892	--
Professional Services	274	24	250
Bond Issuance Costs	183	--	183
Tax Pass-Throughs	4,000	--	4,000
Interest Expense	1,539	--	1,539
Total Deductions	84,888	78,916	5,972
Change in Net Position	16,604	4,182	12,422
Net Position, Beginning of Year	11,758	36,999	(25,241)
Net Position, End of Year	$ 28,362	$ 41,181	$ (12,819)

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

	Total	Extra-Help Defined Benefit Plan	Extra-Help Defined Contribution Plan	401(a) Defined Contribution Plan
ASSETS				
Pooled Cash/Investments	$ 9,297	$ 5,115	$ --	$ --
Restricted Cash and Investments with Trustee	299,926	--	7,597	14,005
Receivables				
Interest/Dividends	28	10	--	--
Due from Other Governmental Agencies	2,788	--	--	--
Total Assets	312,039	5,125	7,597	14,005
LIABILITIES				
Salaries and Employee Benefits Payable	8	8	--	--
Total Liabilities	8	8	--	--
NET POSITION				
Restricted for Pension and OPEB Benefits	312,031	5,117	7,597	14,005
Net Position	$ 312,031	$ 5,117	$ 7,597	$ 14,005

1.62% at 65 Retirement, 401(a) Defined Contribution Plan	Retiree Medical Plan	Health Reimbursement Arrangement Plan	
			ASSETS
$ --	$ 4,137	$ 45	Pooled Cash/Investments
515	206,118	71,691	Restricted Cash and Investments with Trustee
			Receivables
--	18	--	Interest/Dividends
27	2,354	407	Due from Other Governmental Agencies
542	212,627	72,143	Total Assets
			LIABILITIES
--	--	--	Salaries and Employee Benefits Payable
--	--	--	Total Liabilities
			NET POSITION
542	212,627	72,143	Restricted for Pension and OPEB Benefits
$ 542	$ 212,627	$ 72,143	Net Position

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

	Total	Extra-Help Defined Benefit Plan	Extra-Help Defined Contribution Plan	401(a) Defined Contribution Plan
Additions:				
Contributions to Pension and Other Employee Benefits Trust:				
Employer	$ 51,126	$ 421	$ --	$ 913
Employee	3,816	--	1,018	--
Interest and Investment Income	6,728	29	161	528
Less: Investment Expense	(244)	(8)	(9)	(15)
Total Additions	61,426	442	1,170	1,426
Deductions:				
Benefits Paid to Participants	33,628	522	1,175	741
Administrative Expense	37	4	--	--
Total Deductions	33,665	526	1,175	741
Change in Net Position	27,761	(84)	(5)	685
Net Position, Beginning of Year	284,270	5,201	7,602	13,320
Net Position, End of Year	$ 312,031	$ 5,117	$ 7,597	$ 14,005

1.62%@65 Retirement, 401(a) Defined Contribution Plan	Retiree Medical Plan	Health Reimbursement Arrangement Plan	
			Additions:
			Contributions to Pension and Other Employee Benefits Trust:
$ 368	$ 41,181	$ 8,243	Employer
--	2,798	--	Employee
8	4,668	1,334	Interest and Investment Income
--	(7)	(205)	Less: Investment Expense
376	48,640	9,372	Total Additions
			Deductions:
--	29,874	1,316	Benefits Paid to Participants
--	33	--	Administrative Expense
--	29,907	1,316	Total Deductions
376	18,733	8,056	Change in Net Position
166	193,894	64,087	Net Position, Beginning of Year
$ 542	$ 212,627	$ 72,143	Net Position, End of Year

COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS

	Total	Unapportioned Tax and Interest Funds	Departmental Funds
ASSETS			
Pooled Cash/Investments	$ 338,086	$ 189,325	$ 148,761
Cash/Cash Equivalents	326	--	326
Restricted Cash and Investments with Trustee	31,075	--	31,075
Investments	1,082	--	1,082
Deposits In-Lieu of Cash	19,247	--	19,247
Receivables			
Accounts	3	--	3
Taxes	317,620	317,620	--
Interest/Dividends	7,328	6,995	333
Allowance For Uncollectible Receivables	(154,807)	(154,805)	(2)
Due from Other Governmental Agencies	5,565	2,126	3,439
Notes Receivable	30,376	--	30,376
Total Assets	595,901	361,261	234,640
LIABILITIES			
Interest Payable	6,015	6,015	--
Deposits from Others	30,386	--	30,386
Monies Held for Others	155,775	--	155,775
Due to Other Governmental Agencies	50,808	2,329	48,479
Unapportioned Taxes	352,917	352,917	--
Total Liabilities	595,901	361,261	234,640
NET POSITION	$ --	$ --	$ --

COMBINING STATEMENT OF CHANGES ASSETS AND LIABILITIES
ALL AGENCY FUNDS

UNAPPORTIONED TAX AND INTEREST FUNDS	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Pooled Cash/Investments	$ 158,931	$ 7,643,015	$ 7,612,621	$ 189,325
Receivables				
Taxes	304,568	16,512,040	16,498,988	317,620
Interest	4,686	46,900	44,591	6,995
Allowance for Uncollectible Receivables	(137,072)	--	17,733	(154,805)
Due from Other Governmental Agencies	9	29,776	27,659	2,126
Total Assets	$ 331,122	$ 24,231,731	$ 24,201,592	$ 361,261
LIABILITIES				
Interest Payable	$ 3,436	$ 19,070	$ 16,491	$ 6,015
Due to Other Governmental Agencies	4,683	81,784	84,138	2,329
Unapportioned Taxes	323,003	10,342,523	10,312,609	352,917
Total Liabilities	$ 331,122	$ 10,443,377	$ 10,413,238	$ 361,261

DEPARTMENTAL FUNDS	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Pooled Cash/Investments	$ 139,343	$ 3,482,403	$ 3,472,985	$ 148,761
Cash/Cash Equivalents	253	557	484	326
Restricted Cash and Investments with Trustee	38,726	90,525	98,176	31,075
Investments	1,082	--	--	1,082
Deposits In-Lieu of Cash	11,891	9,914	2,558	19,247
Receivables				
Accounts	8	63	68	3
Taxes	--	6	6	--
Interest	204	812	683	333
Allowance for Uncollectible Receivables	(1)	--	1	(2)
Due from Other Governmental Agencies	24,030	601,510	622,101	3,439
Prepaid Costs	--	2,559	2,559	--
Notes Receivable	28,233	2,372	229	30,376
Total Assets	$ 243,769	$ 4,190,721	$ 4,199,850	$ 234,640
LIABILITIES				
Deposits From Others	$ 17,312	$ 46,663	$ 33,589	$ 30,386
Monies Held for Others	181,297	5,988,410	6,013,932	155,775
Due to Component Unit	--	13	13	--
Due to Other Governmental Agencies	45,160	1,101,674	1,098,355	48,479
Total Liabilities	$ 243,769	$ 7,136,760	$ 7,145,889	$ 234,640

TOTAL - ALL AGENCY FUNDS	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Pooled Cash/Investments	$ 298,274	$ 11,125,418	$ 11,085,606	$ 338,086
Cash/Cash Equivalents	253	557	484	326
Restricted Cash and Investments with Trustee	38,726	90,525	98,176	31,075
Investments	1,082	--	--	1,082
Deposits In-Lieu of Cash	11,891	9,914	2,558	19,247
Receivables				
Accounts	8	63	68	3
Taxes	304,568	16,512,040	16,498,988	317,620
Interest	4,890	47,712	45,274	7,328
Allowance for Uncollectible Receivables	(137,073)	--	17,734	(154,807)
Due from Other Governmental Agencies	24,039	631,286	649,760	5,565
Prepaid Costs	--	2,559	2,559	--
Notes Receivable	28,233	2,372	229	30,376
Total Assets	$ 574,891	$ 28,422,446	$ 28,401,436	$ 595,901
LIABILITIES				
Interest Payable	$ 3,436	$ 19,070	$ 16,491	$ 6,015
Deposits from Others	17,312	46,663	33,589	30,386
Monies Held for Others	181,297	5,988,410	6,013,932	155,775
Due to Component Unit	--	13	13	--
Due to Other Governmental Agencies	49,843	1,183,458	1,182,493	50,808
Unapportioned Taxes	323,003	10,342,523	10,312,609	352,917
Total Liabilities	$ 574,891	$ 17,580,137	$ 17,559,127	$ 595,901

COUNTY OF ORANGE
CALIFORNIA

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 Comprehensive Annual 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.

Contents **Page**

Financial Trends
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. 190

Revenue Capacity
These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax. 202

Debt Capacity
These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place. 206

Economic and Demographic Information
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. 211

Operating Information
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. 213

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2014-15	2013-14[4]	2012-13	2011-12[4]	2010-11
Governmental Activities					
Net Investment in Capital Assets	$ 2,670,577	$ 2,646,812	$ 2,563,976	$ 2,699,809	$ 2,626,281
Restricted for:					
Expendable					
Other Postemployment Benefits	--	--	--	-- [1]	41,609
Pension Benefits	112,544	109,986	105,900	96,604	107,807
Capital Projects	6,154	8,661	11,904	16,269	56,219
Debt Service	37,734	37,639	31,965	-	87,253
Legally Segregated for Grants and Other Purposes	1,045,897	1,190,106	1,174,791	1,077,117	1,133,256
Regional Park Endowment	141	140	139	--	--
Nonexpendable					
Regional Park Endowment	188	185	183	319	315
Unrestricted	(2,991,814)	331,408	196,850	37,790	(73,741)
Total Governmental Activities Net Position	$ 881,421	$ 4,324,937	$ 4,085,708	$ 3,927,908	$ 3,978,999
Business-Type Activities					
Net Investment in Capital Assets	$ 642,427	$ 624,621	$ 587,934	$ 574,982	$ 591,664
Restricted for:					
Expendable					
Debt Service	7,324	7,090	58,772	--	--
Passenger Facility Charges				--	--
Approved Capital Projects	70,538	62,522	55,331	--	--
Capital Projects - Replacements and Renewals	1,000	1,000	1,000	--	--
Landfill Closure/Postclosure	33,337	37,412	40,355	--	--
Landfill Corrective Action	8,174	7,141	6,109	--	--
Wetland	879	879	879	--	--
Prima Deshecha/La Pata Closure	104	104	104	--	--
Airport [3]	--	--	--	58,149	50,899
Waste Management [3]	--	--	--	82,205	84,070
Unrestricted [2]	362,546	384,871	335,122	350,474	313,568
Total Business-Type Activities Net Position	$ 1,126,329	$ 1,125,640	$ 1,085,606	$ 1,065,810	$ 1,040,201

Notes:
(1) In FY 2011-12, it was determined that the Restricted Net Position for Other Postemployment Benefits does not meet the definition of restriction and should be reported as unrestricted.
(2) In accordance with GASB Statement No. 54, which was implemented in FY 2010-11, net positions for business-type activities have been reclassified in the government-wide statements to be consistent with the classification of net position in the enterprise fund financial statements.
(3) Starting in FY 2012-13, Restricted Net Position for Business-Type Activities will be shown by activity detail.
(4) The balances shown have not been restated to include the prior period adjustments.

Fiscal Year					
2009-10	2008-09	2007-08	2006-07	2005-06	
					Governmental Activities
					Net Investment
$ 2,560,468	$ 2,445,397	$ 2,302,926	$ 2,273,891	$ 2,306,178	in Capital Assets
					Restricted for:
					Expendable
43,580	57,322	46,442	--	--	Other Postemployment Benefits
--	--	--	--	--	Pension Benefits
58,947	85,197	211,426	247,277	255,201	Capital Projects
76,936	66,515	168,468	155,918	121,840	Debt Service
1,069,801	1,047,284	990,198	916,563	738,515	Legally Segregated for Grants and Other Purposes
--	--	--	--	--	Regional Park Endowment
					Nonexpendable
154	149	139	125	109	Regional Park Endowment
(9,986)	(1,271)	57,812	135,826	(33,051)	Unrestricted
					Total Governmental Activities
$ 3,799,900	$ 3,700,593	$ 3,777,411	$ 3,729,600	$ 3,388,792	Net Position
					Business-Type Activities
					Net Investment
$ 537,375	$ 493,658	$ 395,227	$ 359,544	$ 343,390	in Capital Assets
					Restricted for:
					Expendable
--	--	--	--	--	Debt Service
--	--	--	--	--	Passenger Facility Charges
--	--	--	--	--	Approved Capital Projects
--	--	--	--	--	Replacements and Renewals
--	--	--	--	--	Landfill Closure/Postclosure
--	--	--	--	--	Landfill Corrective Action
--	--	--	--	--	Wetland
--	--	--	--	--	Prima Deshecha/La Pata Closure
48,225	176,225	218,293	194,038	146,332	Airport
86,943	284,943	294,068	292,847	264,502	Waste Management
321,778	--	--	--	--	Unrestricted
					Total Business-Type Activities
$ 994,321	$ 954,826	$ 907,588	$ 846,429	$ 754,224	Net Position

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting) (Continued)

	Fiscal Year				
	2014-15	2013-14[1]	2012-13	2011-12[1]	2010-11
Primary Government					
Net Investment in Capital Assets	$ 3,313,004	$ 3,271,433	$ 3,151,910	$ 3,274,791	$ 3,217,945
Restricted for:					
Expendable					
Other Postemployment Benefits	--	--	--	--	41,609
Pension Benefits	112,544	109,986	105,900	96,604	107,807
Capital Projects	6,154	8,661	11,904	16,269	56,219
Debt Service	45,058	44,729	90,737	--	87,253
Legally Segregated for Grants and Other Purposes	1,045,897	1,190,106	1,174,791	1,077,117	1,133,256
Regional Park Endowment	141	140	139	--	--
Passenger Facility Charges Approved Capital Projects	70,538	62,522	55,331	--	--
Replacements and Renewals	1,000	1,000	1,000	--	--
Landfill Closure/Postclosure	33,337	37,412	40,355	--	--
Landfill Corrective Action	8,174	7,141	6,109	--	--
Wetland	879	879	879	--	--
Prima Deshecha/La Pata Closure	104	104	104	--	--
Airport [3]	--	--	--	58,149	50,899
Waste Management [3]	--	--	--	82,205	84,070
Nonexpendable					
Regional Park Endowment	188	185	183	319	315
Unrestricted [2]	(2,629,268)	716,279	531,972	388,264	239,827
Total Primary Government Net Position	$ 2,007,750	$ 5,450,577	$ 5,171,314	$ 4,993,718	$ 5,019,200

Notes:
(1) The balances shown have not been restated to include prior period adjustments.
(2) In accordance with GASB Statement No. 54, which was implemented in FY 2010-11, net positions for business-type activities have been reclassified in the government-wide statements to be consistent with the classification of net position in the enterprise fund financial statements.
(3) Starting in FY 2012-13, Restricted Net Position for Business-Type Activities will be shown by activity detail.

Fiscal Year					
2009-10	2008-09	2007-08	2006-07	2005-06	
					Primary Government
					Net Investment
$ 3,097,843	$ 2,939,055	$ 2,698,153	$ 2,633,435	$ 2,649,568	in Capital Assets
					Restricted for:
					Expendable
					Other Postemployment
43,580	57,322	46,442	--	--	Benefits
--	--	--	--	--	Pension Benefits
58,947	85,197	211,426	247,277	255,201	Capital Projects
76,936	66,515	168,468	155,918	121,840	Debt Service
					Legally Segregated
					for Grants and
1,069,801	1,047,284	990,198	916,563	738,515	Other Purposes
--	--	--	--	--	Regional Park Endowment
					Passenger Facility Charges
--	--	--	--	--	Approved Capital Projects
--	--	--	--	--	Replacements and Renewals
--	--	--	--	--	Landfill Closure/Postclosure
--	--	--	--	--	Landfill Corrective Action
--	--	--	--	--	Wetland
					Prima Deshecha/La Pata
--	--	--	--	--	Closure
48,225	176,225	218,293	194,038	146,332	Airport
86,943	284,943	294,068	292,847	264,502	Waste Management
					Nonexpendable
154	149	139	125	109	Regional Park Endowment
311,792	(1,271)	57,812	135,826	(33,051)	Unrestricted
					Total Primary Government
$ 4,794,221	$ 4,655,419	$ 4,684,999	$ 4,576,029	$ 4,143,016	Net Position

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2014-15	2013-14 (1)	2012-13	2011-12 (1)	2010-11
Expenses					
Governmental Activities:					
General Government	$ 191,793	$ 131,026	$ 221,110	$ 161,615	$ 223,710
Public Protection	1,326,028	1,261,984	1,264,354	1,231,925	1,174,859
Public Ways and Facilities	114,398	127,561	137,651	144,382	136,017
Health and Sanitation	537,580	626,063	621,381	593,657	586,525
Public Assistance	1,049,665	988,735	944,230	930,348	931,263
Education	43,314	41,240	38,548	41,226	39,788
Recreation and Cultural Services	102,069	96,820	101,232	102,762	101,993
Interest on Long-Term Debt	23,560	28,028	31,269	56,765	53,806
Subtotal Governmental Activities	3,388,407	3,301,457	3,359,775	3,262,680	3,247,961
Business-Type Activities:					
Airport	124,778	120,731	122,568	107,120	88,059
Waste Management	69,307	94,161	94,737	94,553	93,985
Compressed Natural Gas	331	379	305	306	349
Subtotal Business-Type Activities	194,416	215,271	217,610	201,979	182,393
Total Primary Government Expenses	$ 3,582,823	$ 3,516,728	$ 3,577,385	$ 3,464,659	$ 3,430,354
Program Revenues					
Governmental Activities:					
Charges for Services					
General Government	$ 36,924	$ 32,016	$ 32,127	$ 26,942	$ 33,561
Public Protection	286,644	273,215	283,031	271,423	310,773
Public Ways and Facilities	53,834	53,071	39,981	62,653	53,960
Health and Sanitation	102,599	93,470	81,039	86,027	93,815
Public Assistance	37,650	42,300	34,780	35,036	36,304
Education	1,480	2,059	1,327	1,437	1,576
Recreation and Cultural Cultural Services	43,882	39,251	39,637	38,888	37,560
Operating Grants and Contributions	1,996,861	2,033,550	1,904,858	1,800,296	1,706,231
Capital Grants and Contributions	33,241	54,478	62,893	39,010	170,516
Subtotal Governmental Activities Program Revenues	2,593,115	2,623,410	2,479,673	2,361,712	2,444,296
Business-Type Activities:					
Charges for Services					
Airport	141,563	136,359	132,941	129,213	124,298
Waste Management	139,493	125,106	106,876	99,249	102,595
Compressed Natural Gas	312	392	385	293	242
Operating Grants and Contributions	255	900	200	212	657
Capital Grants and Contributions	9,215	5,277	3,839	5,216	6,544
Subtotal Business-Type Activities Program Revenues	290,838	268,034	244,241	234,183	234,336
Total Primary Government Program Revenues	$ 2,883,953	$ 2,891,444	$ 2,723,914	$ 2,595,895	$ 2,678,632

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

(2) In FY 2006-07, the Unrestricted Investment Earnings were reclassified from Program Revenues to General Revenues for Business-Type Activities.

Fiscal Year 2009-10	2008-09	2007-08	2006-07	2005-06	
					Expenses
					Governmental Activities:
$ 165,489	$ 268,092	$ 264,049	$ 281,739	$ 227,536	General Government
1,160,823	1,230,894	1,164,458	1,055,593	972,996	Public Protection
120,135	108,748	131,563	96,776	105,342	Public Ways and Facilities
578,983	593,331	576,160	527,541	467,640	Health and Sanitation
931,469	898,668	862,709	794,862	773,109	Public Assistance
41,009	41,265	37,728	32,722	40,452	Education
90,649	81,896	75,612	80,279	72,535	Recreation and Cultural Services
53,782	59,751	76,210	65,961	64,680	Interest on Long-Term Debt
3,142,339	3,282,645	3,188,489	2,935,473	2,724,290	Subtotal Governmental Activities
					Business-Type Activities:
92,068	91,959	86,750	90,524	84,362	Airport
84,754	79,374	101,990	85,378	76,771	Waste Management
95	--	--	--	--	Compressed Natural Gas
176,917	171,333	188,740	175,902	161,133	Subtotal Business-Type Activities
$ 3,319,256	$ 3,453,978	$ 3,377,229	$ 3,111,375	$ 2,885,423	Total Primary Government Expenses
					Program Revenues
					Governmental Activities:
					Charges for Services
$ 27,452	$ 44,782	$ 40,659	$ 45,647	$ 38,645	General Government
278,355	289,014	295,740	283,215	275,703	Public Protection
45,809	47,283	45,898	41,014	42,483	Public Ways and Facilities
86,430	82,059	95,069	85,305	79,493	Health and Sanitation
30,914	26,636	6,360	5,372	4,709	Public Assistance
1,449	1,338	1,349	4,743	1,353	Education
38,223	40,138	40,449	39,028	34,974	Recreation and Cultural Cultural Services
1,741,762	1,641,501	1,735,820	1,759,887	1,605,063	Operating Grants and Contributions
16,828	94,031	46,308	69,340	18,178	Capital Grants and Contributions
2,267,222	2,266,782	2,307,652	2,333,551	2,100,601	Subtotal Governmental Activities Program Revenues
					Business-Type Activities:
					Charges for Services
126,656	125,095	126,139	127,747	101,775	Airport
82,442	93,456	99,548	111,362	114,239	Waste Management
129	--	--	--	--	Compressed Natural Gas
1,432	171	569	691 (2)	22,846	Operating Grants and Contributions
8,077	7,466	15,188	6,731	1,720	Capital Grants and Contributions
218,736	226,188	241,444	246,531	240,580	Subtotal Business-Type Activities Program Revenues
$ 2,485,958	$ 2,492,970	$ 2,549,096	$ 2,580,082	$ 2,341,181	Total Primary Government Program Revenues

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting) (Continued)

	Fiscal Year				
	2014-15	2013-14 (4)	2012-13	2011-12 (4)	2010-11
Net (Expense)/Revenue					
Governmental Activities	$ (795,292)	$ (678,047)	$ (880,102)	$ (900,968)	$ (803,665)
Business-Type Activities	96,422	52,763	26,631	32,204	51,943
Total Primary Government Net Revenue/(Expense)	$ (698,870)	$ (625,284)	$ (853,471)	$ (868,764)	$ (751,722)
General Revenue and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes, Levied for General Fund	$ 328,500	$ 277,591	$ 313,299	$ 311,779	$ 298,953
Property Taxes, Levied for Flood Control District	77,090	72,737	69,321	68,184	73,260
Property Taxes, Levied for OC Parks	57,266	54,042	51,550	51,168	51,554
Property Taxes, Levied for OC Public Libraries	42,333	39,734	37,961	37,389	37,590
Property Tax Increments (3)	--	--	--	18,308	30,755
Property Taxes in-Lieu of Motor Vehicle License Fees	314,957	295,798	309,745	303,955	228,421
Other Taxes	71,613	73,178	108,430	43,568	83,938
Grants and Contributions Not Restricted to Specific Programs	49,476	14,192	6,711	9,377	27,457
State Allocation of Motor Vehicle License Fees	764	895	1,659	2,667	49,889
Unrestricted Investment Earnings	6,796	18,459	11,559	4,195	23,703
Miscellaneous	69,789	54,412	48,478	57,125	64,563
Gain on Sale of Capital Assets	--	--	--	34	--
Transfers	19,959	17,557	10,276	11,767	12,681
Subtotal Governmental Activities	1,038,543	918,595	968,989	919,516	982,764
Extraordinary Gain/(Loss)					
Dissolution of OCDA (1)	--	--	1,800	(69,639)	--
Business-Type Activities:					
Other Taxes	109	101	93	134	-
Unrestricted Investment Earnings	3,042	3,064	2,113	3,530	5,509
Miscellaneous Revenues	1,597	3,177	1,235	1,508	1,109
Special Items	--	--	--	--	--
Transfers	(19,959)	(17,557)	(10,276)	(11,767)	(12,681)
Subtotal Business-Type Activities	(15,211)	(11,215)	(6,835)	(6,595)	(6,063)
Total Primary Government	$ 1,023,332	$ 907,380	$ 963,954	$ 843,282	$ 976,701
Change in Net Position					
Governmental Activities	$ 243,251	$ 240,548	$ 90,687	$ (51,091)	$ 179,099
Business-Type Activities	81,211	41,548	19,796	25,609	45,880
Total Primary Government	$ 324,462	$ 282,096	$ 110,483	$ (25,482)	$ 224,979

Notes:
(1) Extraordinary item results from dissolution of OCDA which is now reported as a private-purpose trust fund.
(2) In FY 2006-07, the Unrestricted Investment Earnings were reclassified from Program Revenues to General Revenues for Business-Type Activities.
(3) Starting in FY 2012-13, there were no property tax increment revenue due to dissolution of OCDA.
(4) The balances shown have not been restated to include prior period adjustments.

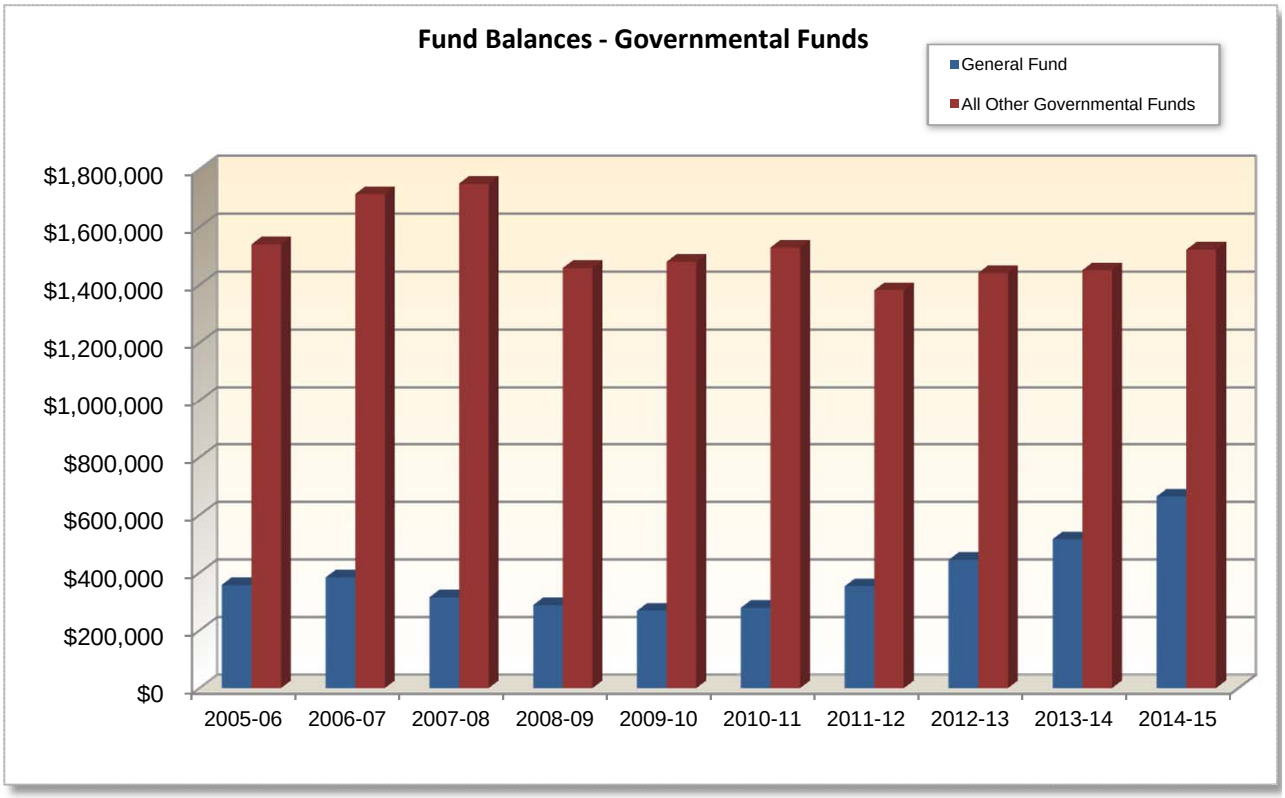
	Fiscal Year				
	2009-10	2008-09	2007-08	2006-07	2005-06
Net (Expense)/Revenue					
Governmental Activities	$ (875,117)	$ (1,015,863)	$ (880,837)	$ (601,922)	$ (623,689)
Business-Type Activities	41,819	54,855	52,704	70,629	79,447
Total Primary Government Net Revenue/(Expense)	$ (833,298)	$ (961,008)	$ (828,133)	$ (531,293)	$ (544,242)
General Revenue and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes, Levied for General Fund	$ 290,054	$ 263,893	$ 273,259	$ 283,112	$ 271,925
Property Taxes, Levied for Flood Control District	67,103	68,747	68,042	63,209	53,662
Property Taxes, Levied for OC Parks	49,857	51,076	50,551	46,965	39,869
Property Taxes, Levied for OC Public Libraries	37,057	37,932	37,454	34,427	31,408
Property Tax Increments	31,917	35,276	32,376	25,828	26,580
Property Taxes in-Lieu of Motor Vehicle License Fees	229,635	232,760	224,210	206,933	158,240
Other Taxes	93,024	94,184	84,434	54,644	50,676
Grants and Contributions Not Restricted to Specific Programs	10,299	27,637	23,434	1,917	1,881
State Allocation of Motor Vehicle License Fees	46,697	50,390	54,656	58,487	56,873
Unrestricted Investment Earnings	15,541	13,583	27,773	60,856	38,588
Miscellaneous	54,496	49,438	66,887	60,762	66,239
Gain on Sale of Capital Assets	--	--	--	31,460	--
Transfers	11,188	14,129	16,802	14,130	11,435
Subtotal Governmental Activities	936,868	939,045	959,878	942,730	807,376
Extraordinary Gain/(Loss) Dissolution of OCDA	--	--	--	--	--
Business-Type Activities:					
Other Taxes	--	--	--	--	--
Unrestricted Investment Earnings	6,411	17,332	29,206	34,500 (2)	--
Miscellaneous Revenues	2,453	786	2,886	1,206	3,016
Special Items	--	--	(6,835)	--	--
Transfers	(11,188)	(14,129)	(16,802)	(14,130)	(11,435)
Subtotal Business-Type Activities	(2,324)	3,989	8,455	21,576	(8,419)
Total Primary Government	$ 934,544	$ 943,034	$ 968,333	$ 964,306	$ 798,957
Change in Net Position					
Governmental Activities	$ 61,751	$ (76,818)	$ 79,041	$ 340,808	$ 183,687
Business-Type Activities	39,495	58,844	61,159	92,205	71,028
Total Primary Government	$ 101,246	$ (17,974)	$ 140,200	$ 433,013	$ 254,715

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2014-15	2013-14	2012-13[2]	2011-12	2010-11
General Fund					
Reserved	$ --	$ --	$ --	$ --	$ --
Unreserved	--	--	--	--	--
Nonspendable [1]	336,606	321,022	263,446	225,460	266,328
Restricted [1]	31,486	42,028	34,679	26,336	10,872
Assigned [1]	269,529	153,336	68,157	100,448	1,394
Unassigned [1]	26,887	--	78,264	990	--
Total General Fund	$ 664,508	$ 516,386	$ 444,546	$ 353,234	$ 278,594
All Other Governmental Funds					
Reserved	$ --	$ --	$ --	$ --	$ --
Unreserved,					
Reported in:					
Special Revenue Funds	--	--	--	--	--
Debt Service Funds	--	--	--	--	--
Capital Projects Funds	--	--	--	--	--
Permanent Fund	--	--	--	--	--
Nonspendable [1]	21,296	21,207	18,929	23,057	20,802
Restricted [1]	1,417,122	1,362,102	1,357,556	1,318,071	1,482,755
Assigned [1]	83,765	67,929	65,556	43,900	34,173
Unassigned [1]	--	--	--	(3,016)	(8,074)
Total All Other Governmental Funds	$ 1,522,183	$ 1,451,238	$ 1,442,041	$ 1,382,012	$ 1,529,656

Note:
(1) In accordance with GASB Statement No. 54, which was implemented in FY 2010-11, the classification of fund balance was redefined.
(2) The balances shown have not been restated to include prior period adjustments.

Fiscal Year					
2009-10	2008-09	2007-08	2006-07	2005-06	
					General Fund
$ 53,190	$ 49,423	$ 99,877	$ 89,001	$ 68,082	Reserved
215,094	238,621	215,096	294,739	290,053	Unreserved
--	--	--	--	--	Nonspendable (1)
--	--	--	--	--	Restricted (1)
--	--	--	--	--	Assigned (1)
--	--	--	--	--	Unassigned (1)
$ 268,284	$ 288,044	$ 314,973	$ 383,740	$ 358,135	**Total General Fund**
					All Other Governmental Funds
$ 540,745	$ 517,375	$ 671,739	$ 626,134	$ 594,090	Reserved
					Unreserved, Reported in:
894,148	878,113	880,288	838,291	694,973	Special Revenue Funds
(1,813)	(9,903)	--	17,456	5,323	Debt Service Funds
47,362	73,045	198,348	232,317	245,770	Capital Projects Funds
154	149	139	125	110	Permanent Fund
--	--	--	--	--	Nonspendable (1)
--	--	--	--	--	Restricted (1)
--	--	--	--	--	Assigned (1)
--	--	--	--	--	Unassigned (1)
$ 1,480,596	$ 1,458,779	$ 1,750,514	$ 1,714,323	$ 1,540,266	**Total All Other Governmental Funds**



Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Basis of Accounting)

	Fiscal Year				
	2014-15	2013-14	2012-13	2011-12 (2)	2010-11
Revenues					
Taxes	$ 822,511	$ 778,936	$ 854,587	$ 784,797	$ 738,109
Licenses, Permits and Franchises	24,583	24,920	15,213	18,046	16,831
Fines, Forfeitures and Penalties	108,115	62,081	79,267	80,180	93,461
Use of Money and Property	73,700	63,611	58,441	81,088	89,514
Intergovernmental	2,064,354	2,070,245	1,940,687	1,846,311	1,745,066
Charges for Services	480,023	470,899	439,224	435,920	478,916
Contributions from Property Owners	--	--	--	--	--
Other	71,207	54,406	77,464	66,920	64,125
Total Revenues	3,644,493	3,525,098	3,464,883	3,313,262	3,226,022
Expenditures					
General Government	212,805	172,195	186,145	170,156	207,193
Public Protection	1,230,878	1,194,069	1,157,676	1,125,831	1,068,267
Public Ways and Facilities	102,732	127,506	112,294	126,809	110,789
Health and Sanitation	515,560	621,891	611,369	580,791	576,793
Public Assistance	1,030,404	972,156	932,414	909,296	911,704
Education	41,949	40,008	37,239	37,621	37,671
Recreation and Cultural Services	98,001	98,388	94,051	91,753	84,506
Capital Outlay	102,863	125,781	122,639	105,207	84,311
Debt Service					
Principal Retirement	104,756	111,486	72,499	95,429	87,685
Escrow Bond Agent	--	--	--	--	--
Interest	31,513	35,107	43,777	46,152	40,634
Debt Issuance Costs	--	200	--	--	--
Total Expenditures	3,471,461	3,498,787	3,370,103	3,289,045	3,209,553
Excess (Deficit) of Revenues Over Expenditures	173,032	26,311	94,780	24,217	16,469
Other Financing Sources (Uses)					
Transfers In	338,055	294,374	274,363	345,692	395,752
Transfers Out	(323,604)	(279,287)	(268,110)	(336,157)	(388,274)
Bonds Issued	31,541	39,639	78,419	10,000	36,000
Premium on Bonds Issued	--	--	--	2,927	--
Principal Payment on Demand Bonds	--	--	--	--	--
Refunding Bonds Issued	--	--	--	34,380	--
Payment to Refunded Bond Escrow	--	--	--	(40,491)	(710)
Provisions for Increase in Land Held for Resale	--	--	--	43	--
Capital Leases	43	--	--	-	133
Total Other Financing Sources	46,035	54,726	84,672	16,394	42,901
Extraordinary Gain/(Loss)	--	--	1,800	(113,615)	--
Net Change in Fund Balances	$ 219,067	$ 81,037	$ 181,252	$ (73,004)	$ 59,370
Debt Service as a Percentage of Noncapital Expenditures:	4.04%	4.34%	3.60%	4.44%	4.12%

Notes:
(1) In FY 2005-06, the County eliminated the effect of intra-departmental billings and expenditures for annual required pension contribution. Prior years have not been restated.
(2) The balances shown have not been restated to include prior period adjustments.

	Fiscal Year				
	2009-10	2008-09	2007-08	2006-07	2005-06
Revenues					
Taxes	$ 741,850	$ 727,159	$ 719,742	$ 674,278	$ 618,429
Licenses, Permits and Franchises	14,976	17,965	20,516	23,289	18,011
Fines, Forfeitures and Penalties	102,959	112,882	89,700	73,353	70,624
Use of Money and Property	88,350	69,667	146,983	165,042	100,207
Intergovernmental	1,769,253	1,697,017	1,743,637	1,722,951	1,614,484
Charges for Services	418,373	443,456	423,611	406,071	386,332
Contributions from Property Owners	--	--	--	--	18,094
Other	65,727	89,064	91,197	104,046	90,721 (1)
Total Revenues	3,201,488	3,157,210	3,235,386	3,169,030	2,916,902
Expenditures					
General Government	211,434	277,369	252,781	204,585	303,827 (1)
Public Protection	1,054,947	1,117,882	1,103,442	1,005,737	910,531
Public Ways and Facilities	106,985	110,548	117,963	90,683	95,161
Health and Sanitation	559,315	576,964	564,335	516,901	458,741
Public Assistance	903,733	878,436	851,836	788,326	664,723
Education	38,921	39,666	37,091	35,904	40,061
Recreation and Cultural Services	82,826	79,889	70,084	73,386	67,776
Capital Outlay	124,077	155,286	143,468	154,373	99,519
Debt Service					
Principal Retirement	88,962	205,268	301,066	191,012	67,602
Escrow Bond Agent	--	--	--	--	230,719
Interest	39,565	46,697	53,478	58,586	57,028
Debt Issuance Costs	--	--	--	799	4,402
Total Expenditures	3,210,765	3,488,005	3,495,544	3,120,292	3,000,090
Excess (Deficit) of Revenues Over Expenditures	(9,277)	(330,795)	(260,158)	48,738	(83,188)
Other Financing Sources (Uses)					
Transfers In	382,154	793,528	359,791	298,138	245,441
Transfers Out	(370,820)	(781,397)	(345,674)	(288,045)	(239,834)
Bonds Issued	--	--	--	32,700	--
Premium on Bonds Issued	--	--	--	2,140	29,290
Principal Payment on Demand Bonds	--	--	211,065	105,991	--
Refunding Bonds Issued	--	--	--	--	565,762
Payment to Refunded Bond Escrow	--	--	--	--	(568,409)
Provisions for Increase in Land Held for Resale	--	--	--	--	--
Capital Leases	--	--	2,400	--	396
Total Other Financing Sources	11,334	12,131	227,582	150,924	32,646
Extraordinary Loss	--	--	--	--	--
Net Change in Fund Balances	$ 2,057	$ (318,664)	$ (32,576)	$ 199,662	$ (50,542)
Debt Service as a Percentage of Noncapital Expenditures:	4.18%	7.54%	10.43%	8.44%	12.40%

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]
2014-15	$ 352,800,864	$ 105,523,254	$ 3,694,094	$ 20,902,660
2013-14	328,138,473	102,580,010	3,792,261	19,281,087
2012-13	315,635,908	100,074,695	3,489,057	19,905,480
2011-12	310,211,002	96,431,670	2,848,162	20,634,672
2010-11	304,895,403	97,097,750	3,038,747	21,198,638
2009-10	302,855,181	100,686,715	2,814,952	21,516,171
2008-09	310,398,180	97,515,067	3,125,331	21,026,522
2007-08	302,853,813	89,547,612	2,772,022	20,318,430
2006-07	277,879,918	82,230,790	2,948,207	20,831,767
2005-06	249,353,174	74,875,049	2,282,746	18,341,319

Notes:

(1) Article XIIIA, 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 market value at time of ownership change and the market 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.

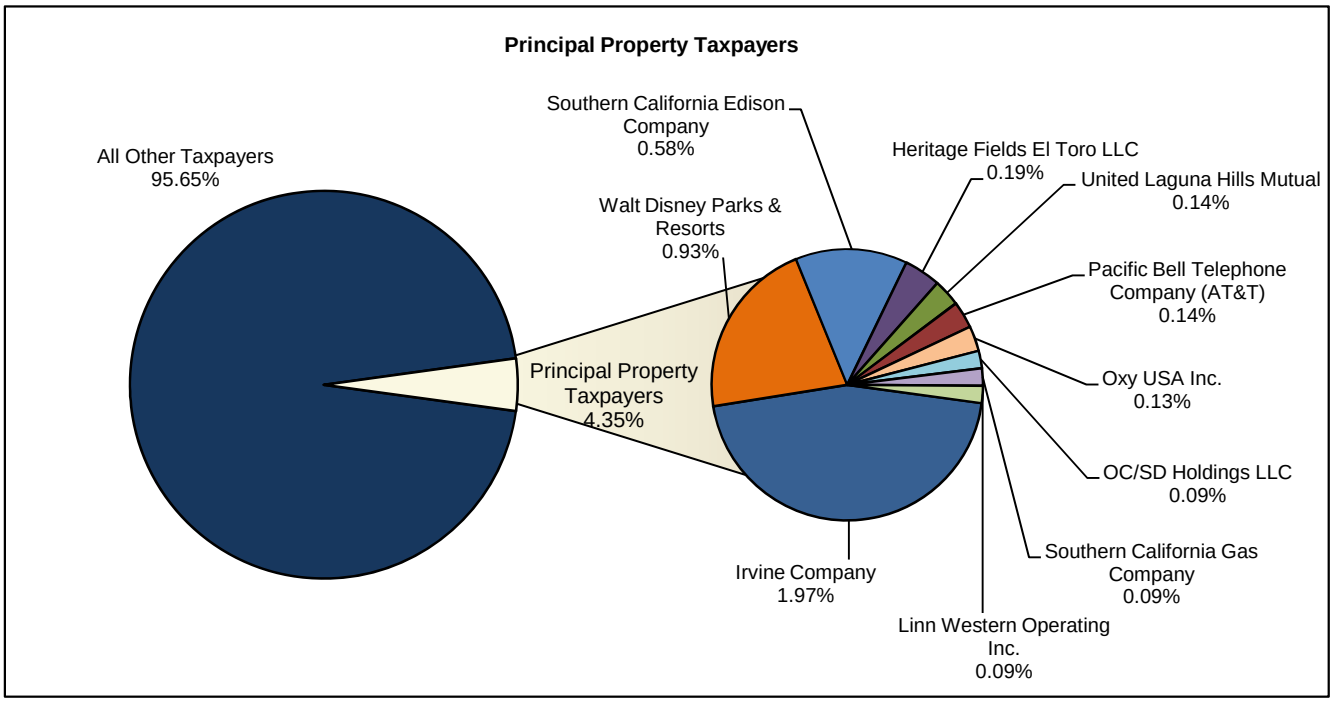
(3) Unsecured roll includes properties for which taxes assessed are not a lien on real property and are not sufficient, in the opinion of the Assessor, to secure payment of taxes. It consists of improvements, business personal property, boats and aircrafts, and it can also include land and improvements 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]
$ 482,920,872	$ (11,661,965)	$ 471,258,907	1.00
453,791,831	(10,943,554)	442,848,277	1.00
439,105,140	(10,634,193)	428,470,947	1.00
430,125,506	(9,729,486)	420,396,020	1.00
426,230,538	(9,452,472)	416,778,066	1.00
427,873,019	(9,063,739)	418,809,280	1.00
432,065,100	(8,051,290)	424,013,810	1.00
415,491,877	(6,757,810)	408,734,067	1.00
383,890,682	(6,613,199)	377,277,483	1.00
344,852,288	(5,615,327)	339,236,961	1.00

Principal Property Taxpayers
Current Year and Nine Years Ago

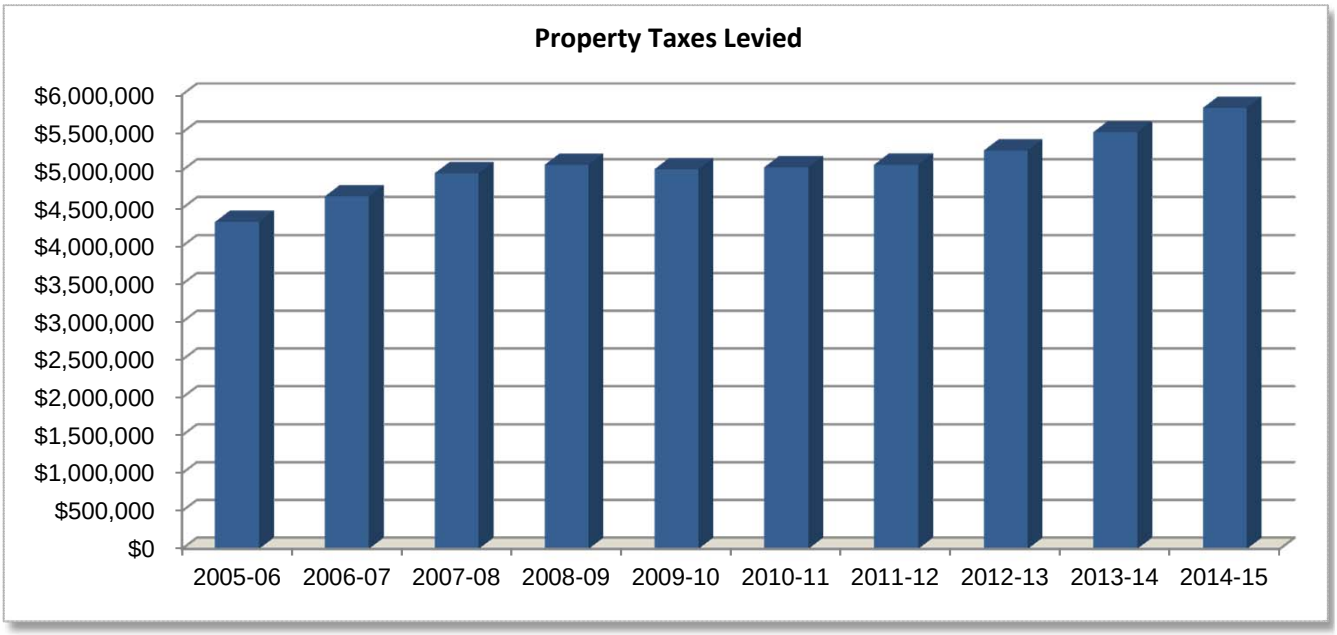
	2015			2006		
Taxpayer	Actual Taxes Levied	Rank	Percentage of Total Taxes Levied	Actual Taxes Levied	Rank	Percentage of Total Taxes Levied
Irvine Company	$ 106,692	1	1.97%	$ 48,788	1	1.28%
Walt Disney Parks & Resorts	50,529	2	0.93%	35,813	2 & 6	0.94%
Southern California Edison Company	31,303	3	0.58%	17,776	4	0.47%
Heritage Fields El Toro LLC	10,503	4	0.19%			
United Laguna Hills Mutual	7,825	5	0.14%	6,792	7	0.18%
Pacific Bell Telephone Company (AT&T)	7,672	6	0.14%			
Oxy USA Inc.	6,977	7	0.13%			
OC/SD Holdings LLC	5,091	8	0.09%			
Southern California Gas Company	4,727	9	0.09%			
Linn Western Operating Inc.	4,611	10	0.09%			
Irvine Apartment Communities				18,995	3	0.50%
SBC California				7,727	5	0.20%
Irvine Co. of W VA				5,309	8	0.14%
Maguire Properties-Park Place				4,318	9	0.11%
Irvine Community Development				4,127	10	0.11%
Total	$ 235,930		4.35%	$ 149,645		3.93%



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[4]	Total Collections for the Fiscal Year[3]	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014-15	$ 5,828,106	$ 5,759,699	98.83%	$ -	$ 5,759,699	98.83%
2013-14	5,509,379	5,444,912	98.83%	35,142	5,480,054	99.47%
2012-13	5,265,844	5,194,193	98.64%	36,579	5,230,772	99.33%
2011-12	5,079,589	5,002,490	98.48%	58,963	5,061,453	99.64%
2010-11	5,045,802	4,960,748	98.31%	17,752	4,978,500	98.67%
2009-10	5,019,061	4,904,188	97.71%	8,628	4,912,816	97.88%
2008-09	5,076,796	4,901,574	96.55%	6,882	4,908,456	96.68%
2007-08	4,965,990	4,784,438	96.34%	4,088	4,788,526	96.43%
2006-07	4,661,169	4,499,537	96.53%	1,333	4,500,870	96.56%
2005-06	4,323,550	4,133,562	95.61%	425	4,133,987	95.62%



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 in FY 2014-15 because the property taxes levied will be collected in the following year.

Source: Auditor-Controller, County of Orange

Ratios of Outstanding Debt [1] by Type
Last Ten Fiscal Years (in Thousands Except Per Capita)
(Accrual Basis of Accounting)

	Governmental Activities					
Fiscal Year	Refunding Recovery Bonds [6]	Redevelopment Bonds [2]	Certificates of Participation [5]	Pension Obligation Bonds [5]	Teeter Plan Revenue Bonds	Teeter Plan Notes
2014-15	$ -	$ --	$ 8,780	$ 116,494	$ --	$ 33,823
2013-14	19,172	--	10,626	127,206	--	39,830
2012-13	35,317	--	12,347	138,484	--	43,486
2011-12	51,600	--	3,422	47,523	--	--
2010-11	67,028	47,009	4,064	54,680	--	--
2009-10	81,619	49,729	4,758	59,331	--	--
2008-09	95,206	52,306	5,502	69,711	--	--
2007-08	108,175	54,750	6,306	72,728	123,725	--
2006-07	120,019	57,122	7,165	89,891	123,725	--
2005-06	131,420	58,994	8,092	99,714	123,725	--

Notes:
(1) Details regarding the County's outstanding debt can be found in Note 11, Long-Term Obligations.
(2) Redevelopment Bonds are no longer County debt due to the dissolution of Redevelopment Agency on February 1, 2012. Details regarding the Redevelopment Bonds can be found in Note 12, Conduit Debt Obligations and Successor Agency Debt.
(3) Capital lease obligations arise from lease agreements which are in-substance like purchases. The agreements convey property rights to the lessee and the lessee assumes substantially all the risks and benefits of ownership.
(4) See demographic and economic statistics schedule for personal income and population data. For years prior to FY 2012-13, the personal income ratio and the debt per capita amounts were calculated using personal income and population from the prior fiscal year.
(5) Beginning FY 2012-13, outstanding debt includes accreted interest on capital appreciation bonds.
(6) Beginning FY 2013-14, outstanding debt does not include deferred amount on refunding due to implementation of GASB Statement No. 65. Prior years have not been restated.

Source: Auditor-Controller, County of Orange

		Business-Type Activities				
Lease Revenue Bonds [6]	Capital Lease Obligations [3]	Airport Revenue Bonds	Waste Management System Revenue Bonds	Total Primary Government	Percentage of Personal Income [4]	Per Capita [4]
$ 105,880	$ 79,168	$ 202,536	$ --	$ 546,681	0.29%	$ 174
137,115	62,446	209,804	-	606,199	0.34%	195
155,828	67,353	240,540	7,018	700,373	0.41%	227
181,097	71,755	248,900	13,666	617,963	0.37%	202
249,924	76,074	256,683	19,921	775,383	0.49%	258
309,517	80,114	264,099	25,738	874,905	0.57%	276
365,850	84,952	33,502	31,144	738,173	0.50%	235
420,668	90,769	89,897	36,177	1,003,195	0.65%	321
470,616	93,533	101,925	40,881	1,104,877	0.72%	357
486,020	101,546	113,156	45,272	1,167,939	0.81%	380

Ratios of Net General Bonded Debt [1] Outstanding
Last Ten Fiscal Years (in Thousands Except Per Capita)
(Accrual Basis of Accounting)

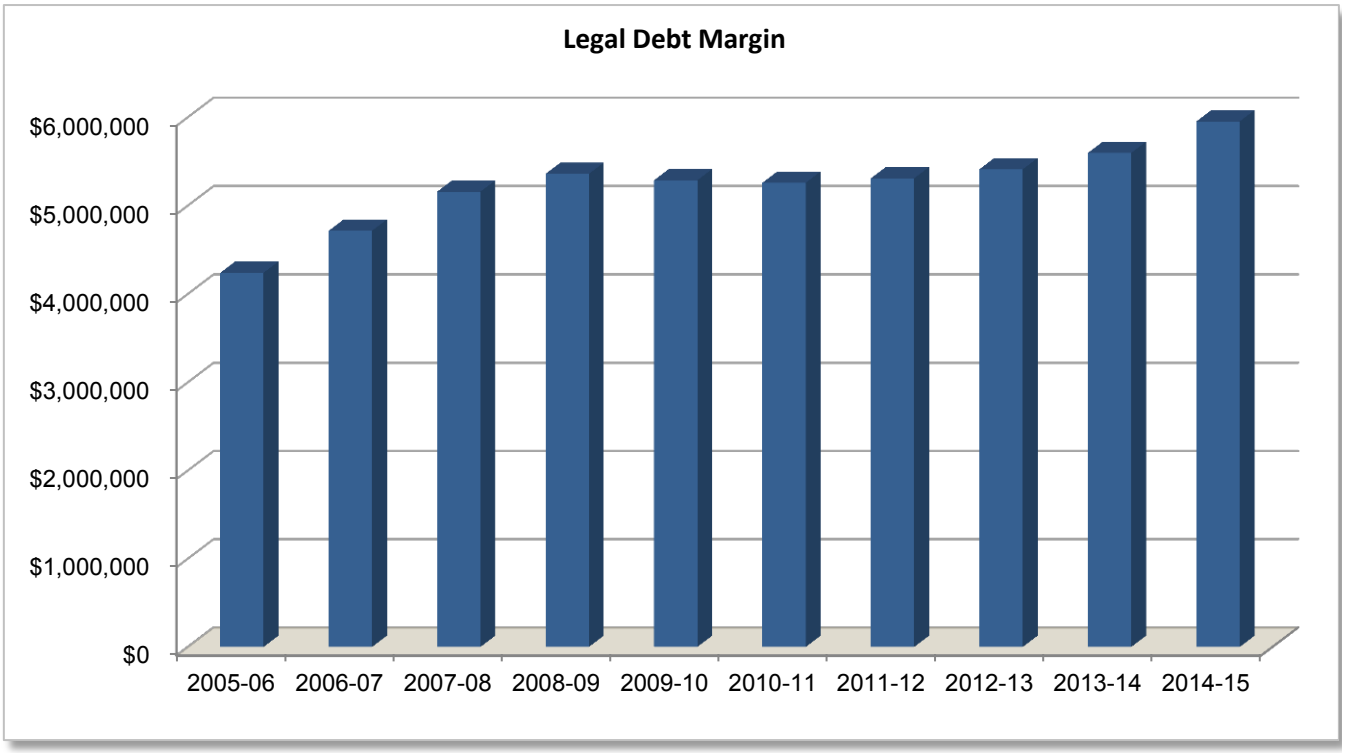
	General Debt Outstanding					
Fiscal Year	Refunding Recovery Bonds	Pension Obligation Bonds [3]	Restricted for Debt Payments [3]	Total (Excess)/ Under	Percentage of Assessed Value	Per Capita [2]
2014-15	$ -	$ 116,494	$ 116,494	$ -	0.00%	$ -
2013-14	19,172	127,206	127,206	19,172	0.00%	6
2012-13	35,317	138,484	138,484	35,317	0.01%	11
2011-12	51,600	47,523	47,523	51,600	0.01%	17
2010-11	67,028	54,680	54,680	67,028	0.02%	22
2009-10	81,619	59,331	59,331	81,619	0.02%	26
2008-09	95,206	69,711	69,711	95,206	0.02%	30
2007-08	108,175	72,728	72,728	108,175	0.03%	35
2006-07	120,019	89,891	89,891	120,019	0.04%	39
2005-06	131,420	99,714	99,714	131,420	0.04%	43

Notes:
(1) Details regarding the County's outstanding debt can be found in Note 11, Long-Term Obligations.
(2) See demographic and economic statistics schedule for population data. For years prior to FY 2012-13, the debt per capita amount was calculated using the population for the prior fiscal year.
(3) Beginning in FY 2012-13, outstanding debt includes accreted interest on capital appreciation bonds.

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]
2014-15	$ 476,303,290	$ 5,953,791	$ --	$ 5,953,791	0%
2013-14	447,749,156	5,596,864	--	5,596,864	0%
2012-13	432,902,274	5,411,278	--	5,411,278	0%
2011-12	424,769,642	5,309,621	--	5,309,621	0%
2010-11	420,751,575	5,259,395	--	5,259,395	0%
2009-10	422,965,596	5,287,070	--	5,287,070	0%
2008-09	428,809,224	5,360,115	--	5,360,115	0%
2007-08	412,669,779	5,158,372	--	5,158,372	0%
2006-07	377,277,483	4,715,969	--	4,715,969	0%
2005-06	339,236,961	4,240,462	--	4,240,462	0%



Note: (1) Starting from FY 2007-08, Assessed Value includes values for 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 XIIIA, section 1 requres the approval of 2/3 of the voting on the proposition.

Source: Auditor-Controller, County of Orange

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 Principal	Debt Service Interest	Coverage
2014-15	$ 5,830	$ --	$ 5,830	$ 4,780	$ 1,049	1.00
2013-14	5,825	--	5,825	4,680	1,143	1.00
2012-13	5,841	--	5,841	4,520	1,307	1.00
2011-12	--	262	(262)	--	--	--
2010-11	--	--	--	--	--	--
2009-10	--	--	--	--	--	--
2008-09	--	--	--	--	--	--
2007-08	--	--	--	--	--	--
2006-07	--	--	--	--	--	--
2005-06	--	--	--	--	--	--

Orange County Public Facilities Corporation Bonds

Funding Source: Interest Earnings and Transfers

Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2014-15	$ 2,475	$ --	$ 2,475	$ 518	$ 2,090	0.95
2013-14	2,459	--	2,459	560	2,045	0.94
2012-13	2,403	44	2,359	600	2,005	0.91
2011-12	2,770	--	2,770	642	1,958	1.07
2010-11	2,525	--	2,525	694	1,906	0.97
2009-10	2,743	--	2,743	744	1,861	1.05
2008-09	2,700	--	2,700	804	1,801	1.04
2007-08	2,789	--	2,789	859	1,741	1.07
2006-07	2,605	--	2,605	927	1,678	1.00
2005-06	2,234	--	2,234	992	1,615	0.86

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 Principal	Debt Service Interest	Coverage
2014-15	$ 29,928	--	$ 29,928	$ 24,235	$ 4,455	1.04
2013-14	29,949	--	29,949	23,115	5,605	1.04
2012-13	29,952	--	29,952	22,160	6,638	1.04
2011-12	35,697	--	35,697	61,630	10,837	0.49
2010-11	74,725	--	74,725	58,990	13,643	1.03
2009-10	74,838	--	74,838	56,580	16,151	1.03
2008-09	77,027	--	77,027	56,225	18,385	1.03
2007-08	77,308	--	77,308	51,680	20,283	1.07
2006-07	76,162	2,137	74,025	52,050	21,656	1.00
2005-06	73,479	--	73,479	5,340	10,422	4.66

Teeter Plan Notes [3]

Funding Source: Delinquent Property Taxes Collected

Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2014-15	$ 174	$ 2,954	$ (2,780)[4]	$ 37,548	$ 352	(0.07)
2013-14	11,147	251	10,896	43,295	413	0.25
2012-13	15,706	1,032	14,674	14,449	327	0.99
2011-12	17,094	1,769	15,325	--	267	57.40
2010-11	25,679	1,989	23,690	--	654	36.22
2009-10	35,113	2,203	32,910	--	917	35.89
2008-09	35,117	45,284	(10,167)[2]	--	1,170	(8.69)
2007-08	--	--	--	--	--	--
2006-07	--	--	--	--	--	--
2005-06	--	--	--	--	--	--

Airport Revenue Bonds

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

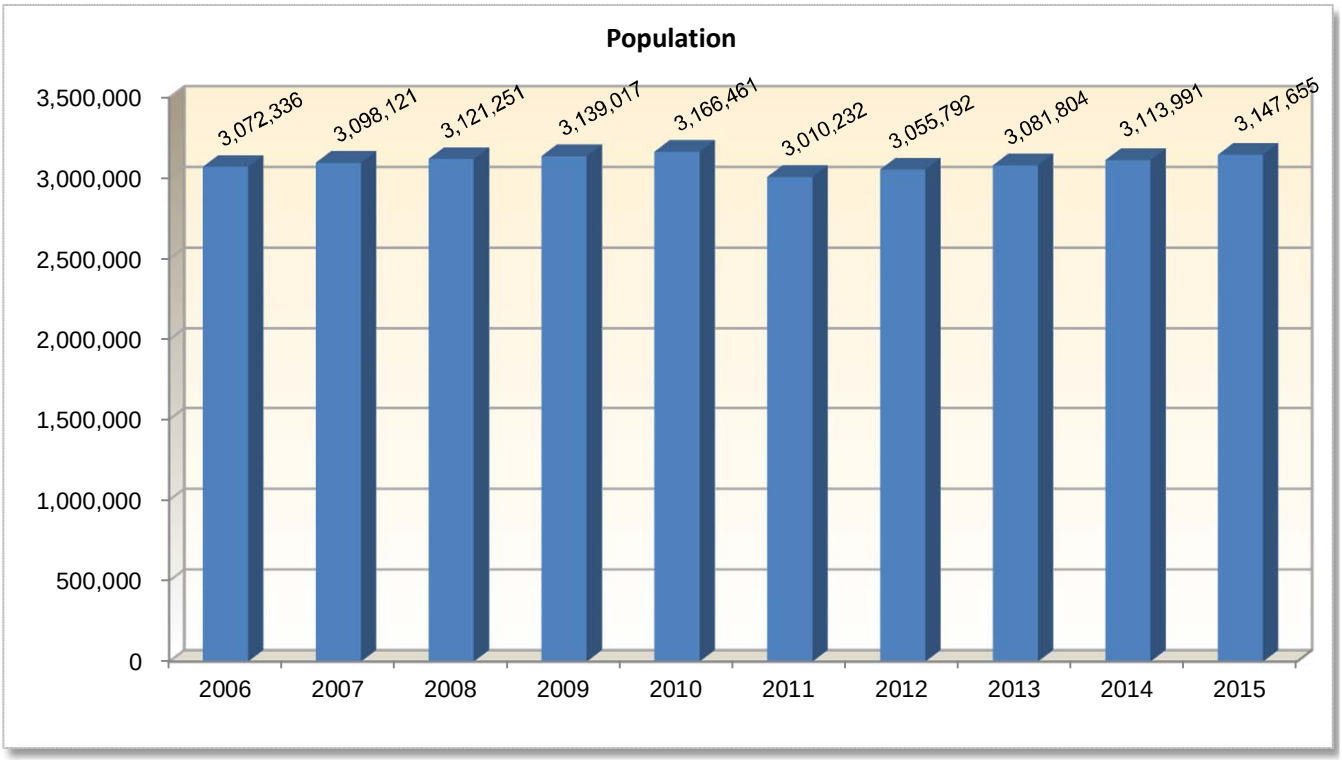
Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2014-15	$ 135,491	$ 82,558	$ 52,933	$ 6,995	$ 10,603	3.01
2013-14	131,285	84,708	46,577	30,473	11,395	1.11
2012-13	126,966	79,739	47,227	9,250	12,250	2.20
2011-12	124,403	77,628	46,775	7,851	12,592	2.29
2010-11	120,088	70,521	49,567	7,460	12,906	2.43
2009-10	121,761	68,771	52,990	2,865	7,163	5.28
2008-09	115,026	67,749	47,277	13,480	4,567	2.62
2007-08	118,105	63,174	54,931	12,765	5,280	3.04
2006-07	117,879	82,383	35,496	12,120	6,249	1.93
2005-06	111,324	75,992	35,332	11,500	6,866	1.92

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 2008-09, there is a deficit balance for Net Available Revenue due to additional expenditures resulting from the establishment of the Teeter tax loss reserves in the Tax Loss Reserve Agency Fund during the first year of the program.
(3) Teeter Plan Notes were converted from short-term commercial paper to long-term note in FY 2012-13.
(4) For FY 2014-15, there is a deficit balance for Net Available Revenue due to the change in Teeter Plan Reserve methodology.

Source: Auditor-Controller, County of Orange

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population [1]	Personal Income [2]	Per Capita Personal Income (Absolute Dollars) [2]	Median Age [3]	Public School Enrollment (In Thousands) [4]	Unemployment Rate [5]
2015	3,147,655	$ 185,500,000	$ 58,933	N/A	497,116	4.0%
2014	3,113,991	177,412,900	56,973	36.4	500,487	5.4%
2013	3,081,804	168,966,400	54,827	36.2	501,801	6.2%
2012	3,055,792	166,345,500	54,436	36.7	502,195	7.7%
2011	3,010,232	159,007,100	52,822	37.3	502,895	8.6%
2010	3,166,461	153,098,600	48,350	37.2	502,239	9.6%
2009	3,139,017	148,372,600	47,267	36.9	504,136	9.6%
2008	3,121,251	155,068,400	49,681	36.1	503,225	5.7%
2007	3,098,121	153,446,600	49,529	35.9	503,955	3.8%
2006	3,072,336	143,949,044	48,209	35.3	510,114	3.4%



N/A means Not Available

Sources:

(1) California Department of Finance, Demographic Research Unit, http://www.dof.ca.gov

(2) For years prior to 2007, source is U.S. Department of Commerce, Bureau of Economic Analysis, http://www.bea.gov. From 2007 to current, the source for personal income is from the Chapman University Economic & Business Review. Starting in 2007, per capita personal income was calculated by dividing personal income by the population.

(3) U.S. Census Bureau, American Community Survey, http://www.census.gov, 2015 N/A

(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

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%

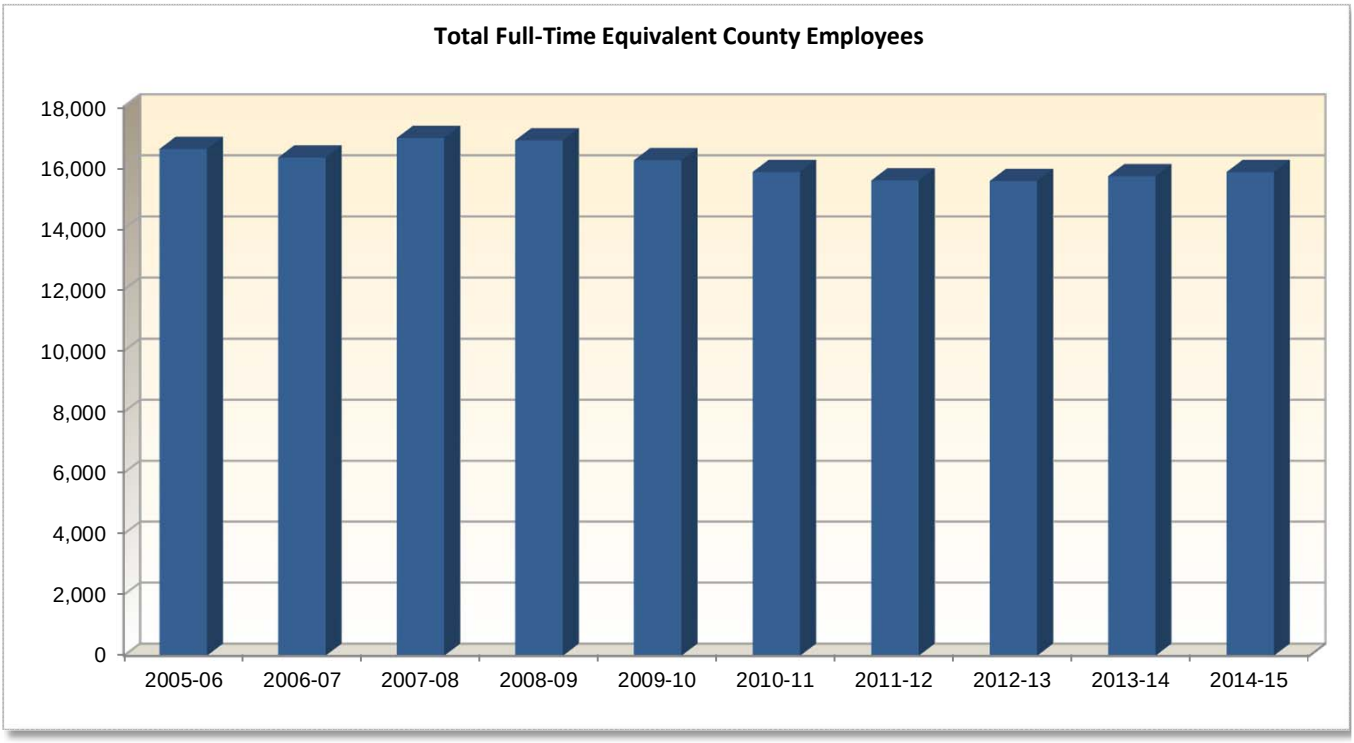
2006

Employer	Number of Employees	Rank	Percentage of Total County Employment
Walt Disney Co.	21,000	1	1.37%
County of Orange	17,785	2	1.16%
University of California, Irvine	16,229	3	1.06%
Boeing Co.	12,042	4	0.79%
St. Joseph Health System	9,385	5	0.61%
Yum! Brands Inc.	6,600	6	0.43%
Ameriquest Capital Corporation	6,300	7	0.41%
California State University, Fullerton	5,256	8	0.34%
PacifiCare Health System	5,074	9	0.33%
Home Depot, Incorporated	5,000	10	0.33%

Source: Source: Orange County Business Journal Book of Lists - County of Orange
http://www.labormarketinfo.edd.ca.gov

Full-time Equivalent County Employees by Function
Last Ten Fiscal Years

Function/Program	2014-15	2013-14	2012-13[2]	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
General Government	1,341	1,322	1,273	1,279	1,314	1,346	1,383	1,377	1,334	1,384
Public Protection	6,674	6,760	6,781	6,653	6,692	6,879	7,298	7,226	6,943	7,068
Public Ways and Facilities	440	478	508	542	569	585	622	621	579	598
Health and Sanitation	2,198	2,128	2,137	2,209	2,292	2,346	2,507	2,550	2,441	2,478
Public Assistance	4,239	4,043	3,876	3,867	3,935	4,023	4,000	4,123	3,992	4,029
Education	286	290	286	307	324	325	350	360	351	359
Recreation and Cultural Services	265	274	268	283	289	285	277	264	257	265
Airport	159	162	167	168	168	169	168	161	157	150
Waste Management	241	249	255	257	261	267	272	270	258	263
Children and Families Commission of Orange County	11	11	11	13	14	16	17	17	16	15
Total Full-time Equivalent Employees [1]	15,854	15,717	15,562	15,578	15,858	16,241	16,894	16,969	16,328	16,609



Note: (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) Updated FY 2012-13 numbers due to revaluation of methodology. It was subsequently determined that prior methodology was appropriate.

Source: County Executive Office, County of Orange

Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2014-15	2013-14	2012-13	2011-12	2010-11
General Government					
Auditor-Controller					
Property Tax Bills Prepared	1,216,325	1,220,750	1,186,238	1,153,816	1,189,320
Assessor					
Number of Real Property Valued	924,791	918,672	914,489	901,840	899,644
Number of Unsecured Property Assessed	145,151	135,551	139,865	159,464	161,005
New Parcels Created and Mapped	6,918	4,519	8,175	3,649	2,739
New Construction Events	18,530	16,904	17,173	17,129	9,372
County Executive Office					
Volunteer Program Service Hours	638,230	700,759	815,407	885,416	935,284
Clerk-Recorder					
Marriage Licenses Issued	23,553	25,244	22,502	22,415	20,868
Marriage Ceremonies Performed	11,213	12,056	*	*	*
Copies of Birth Certificates Issued	79,826	82,268	81,775	83,611	85,773
Property-Related Document Recordings	651,866	580,899	839,353	741,935	725,323
Passport Applications Filed	5,016	2,686	*	*	*
Treasurer-Tax Collector					
Orange County Investment Pool Income	$ 14,581	$ 11,298	$ 12,958	$ 17,978	$ 22,295
Assets Under Management	$ 7,604,246	$ 6,566,145	$ 6,490,056	$ 5,922,768	$ 6,183,195
Number of Property Tax Bills	1,381,808	1,421,654	1,347,596	1,257,709	1,382,198
Percentage of Secured Tax Bill Collection	99.21%	99.16%	98.94%	98.51%	98.35%
Number of Incoming Phone Calls	121,461	115,123	150,830	148,463	162,955
Percentage of Electronic Payments	54.2%	53.8%	49.4%	51.1%	49.3%
Secured Tax Bill Reminders	35,917	31,988	28,664	25,451	21,027
Property Tax Payments by eCheck	285,932	248,908	213,146	181,151	143,136
Registrar of Voters					
Registered Voters	1,424,216	1,411,232	1,683,001	1,612,145	1,621,934
Highest Number of Ballots Cast	640,358	340,187	1,133,204	145,474	898,205
Elections Conducted	7	3	2	2	5
Public Protection					
Sheriff-Coroner					
Patrolled Cities Population	637,261	631,934	627,447	557,403	553,148
Patrolled Unincorporated Areas Population	124,014	121,473	120,396	119,698	121,488
Number of Bookings to Orange County Jail System	56,135	61,262	63,439	65,256	63,615
Average Daily Jail Head Count	6,055	7,039	6,805	6,265	5,721
District Attorney					
Defendants Prosecuted - Adult	56,233	55,906	57,873	61,759	64,418
Defendants Prosecuted - Juvenile	4,482	5,103	6,651	6,743	7,907
Probation					
Physical Arrests - Adult	*	*	2,947	2,307	1,926
Physical Arrests - Juvenile	*	*	640	467	488
Probationers under Supervision as of June 30th-Adult	10,725	14,425	14,186	14,788	13,243
Probationers under Supervision as of June 30th-Juvenile	3,124	4,156	4,984	5,399	5,792
Avg. Daily Juvenile Hall Population	150	229	320	315	417
Avg. Daily Camp Population	203	182	193	169	194
Public Defender					
Cases Appointed Annually	79,119	74,101	77,073	73,487	77,661

Fiscal Year 2009-10	2008-09	2007-08	2006-07	2005-06	Function/Program
					General Government
					Auditor-Controller
1,144,933	1,148,720	1,149,007	1,164,584	1,155,562	Property Tax Bills Prepared
					Assessor
897,547	888,770	881,233	872,439	859,112	Number of Real Property Valued
168,208	169,821	176,584	171,542	168,342	Number of Unsecured Property Assessed
9,413	9,185	10,252	14,760	13,800	New Parcels Created and Mapped
13,172	16,565	19,380	19,991	16,730	New Construction Events
					County Executive Office
882,680	839,125	675,285	923,689	1,021,153	Volunteer Program Service Hours
					Clerk-Recorder
20,292	21,339	20,894	21,088	21,198	Marriage Licenses Issued
*	*	*	*	*	Marriage Ceremonies Performed
87,999	98,231	117,226	120,817	99,792	Copies of Birth Certificates Issued
669,332	629,373	658,005	849,739	979,733	Property-Related Document Recordings
*	*	*	*	*	Passport Applications Filed
					Treasurer-Tax Collector
$ 35,656	$ 67,242	$ 141,824	$ 167,107	$ 119,561	Orange County Investment Pool Income
$ 5,975,392	$ 5,963,577	$ 6,064,067	$ 6,186,614	$ 5,537,981	Assets Under Management
1,362,221	1,367,901	1,472,466	1,477,237	1,421,439	Number of Property Tax Bills
97.61%	96.30%	96.13%	97.18%	98.35%	Percentage of Secured Tax Bill Collection
160,067	178,420	175,149	161,832	*	Number of Incoming Phone Calls
43.8%	40.8%	41.2%	*	*	Percentage of Electronic Payments
*	*	*	*	*	Secured Tax Bill Reminders
126,942	112,114	105,396	*	*	Property Tax Payments by eCheck
					Registrar of Voters
1,603,312	1,607,989	1,566,951	1,497,397	1,491,009	Registered Voters
482,708	1,167,657	748,910	756,348	653,077	Highest Number of Ballots Cast
5	4	5	3	8	Elections Conducted
					Public Protection
					Sheriff-Coroner
584,947	581,109	575,909	571,648	571,456	Patrolled Cities Population
120,088	119,480	118,136	120,174	118,664	Patrolled Unincorporated Areas Population
58,322	61,778	64,596	66,869	67,062	Number of Bookings to Orange County Jail System
5,171	6,090	6,183	6,571	6,517	Average Daily Jail Head Count
					District Attorney
64,969	70,058	69,507	74,010	71,094	Defendants Prosecuted - Adult
6,894	7,740	9,076	8,763	7,670	Defendants Prosecuted - Juvenile
					Probation
1,822	1,725	2,470	3,000	3,052	Physical Arrests - Adult
685	595	1,051	1,363	1,421	Physical Arrests - Juvenile
13,476	15,022	16,223	16,646	16,656	Probationers under Supervision as of June 30th-Adult
6,527	6,492	6,569	6,112	5,912	Probationers under Supervision as of June 30th-Juvenile
428	455	490	502	522	Avg. Daily Juvenile Hall Population
191	310	438	333	328	Avg. Daily Camp Population
					Public Defender
76,191	83,029	79,052	83,299	79,785	Cases Appointed Annually

* means Not Available
Sources: County Departments

Operating Indicators by Function/Program
Last Ten Fiscal Years (Continued)

	Fiscal Year				
Function/Program	2014-15	2013-14	2012-13	2011-12	2010-11
Recreation					
OC Community Resources					
Exotic Invasive Plant Removal (acres)	1,466	1,154	4,102	4,042	629
Native Vegetation Restoration (acres)	312	368	843	994	2,448
New Open Space Management (acres)	--	--	--	--	--
Dana Point Harbor					
Slip and Dry Storage Tenants	3,204	2,679	2,700	2,237	2,748
Boat Launches	15,511	15,606	15,037	14,327	15,150
Sailing and Event Center Participants	75,000	111,838	115,996	111,959	108,070
Ocean Institute Students	41,000	100,000	108,668	110,059	125,000
Hotel Guests	43,073	42,887	41,141	36,800	26,972
Catalina Express Passengers	123,688	123,257	123,257	120,945	114,176
Special Events at the Harbor	12	15	16	16	16
Public Ways and Facilities					
OC Public Works (OCPW)					
Building and Home Inspections	30,324	31,772	19,368	15,591	13,215
Health and Sanitation					
OC Community Resources					
Animal Licenses	198,358	192,320	191,098	200,755	173,570
Health Care Agency					
911 Emergency Medical Services Responses	183,794	170,804	171,420	168,172	156,638
Retail Food Facility Inspections Conducted	31,397	32,689	34,953	35,025	34,962
Hazardous Waste Inspections Conducted	5,950	4,616	6,058	5,444	6,237
Number of Home Visits by Public Health Nurses	31,258	35,101	34,953	32,498	29,260
Number of Low Income Children Dental Health Services	755	1,225	1,107	1,344	1,533
Number of Ocean Water Days of Closure (In Beach-Miles)	24	20	8	0.93	61
Public Assistance					
OC Community Resources					
Adult Day Care Hours of Service	43,010	50,944	49,129	70,267	93,425
Elderly Nutrition Program Meals Delivered	1,406,526	1,347,251	1,360,601	1,636,379	1,846,571
One-Way Transportation Trips Provided to Seniors	180,899	187,864	155,003	184,476	287,611
Social Service Agency					
Average Monthly Medi-Cal Recipients	718,061	521,078	430,559	418,649	403,142
Average Monthly Child Abuse Hotline Calls	4,049	3,674	3,009	2,880	3,003
Average Monthly CalFresh (formerly Food Stamp) Recipients	258,676	247,517	230,964	213,919	185,489
Average Monthly In-Home Supportive Services	20,787	19,652	19,663	19,240	18,335
Average Persons Receiving Cash Assistance	55,921	55,225	55,008	56,847	58,770
Average Children in Foster Care/Relative Care	1,924	2,119	2,213	2,128	2,148
Average Elder and Adult Abuse Unduplicated Reports Received	815	710	636	630	604
Education					
OC Community Resources					
Total Volumes Borrowed at Library Branches	6,411,127	6,642,739	6,564,262	6,741,380	7,796,954
Airport					
Passengers	9,608,873	9,304,295	9,124,172	8,642,116	8,611,054
Air Cargo Tonnage	16,997	17,564	17,821	16,831	15,150
Takeoffs & Landings	264,726	252,166	252,506	251,191	260,466
Waste Management					
Solid Waste Tonnage	4,581,359	4,070,238	3,428,657	3,304,643	3,495,649
Gallons of Leachate and Impacted Ground Water Collected	5,510,821	3,854,530	3,116,108	3,448,964	3,209,725

Fiscal Year					
2009-10	2008-09	2007-08	2006-07	2005-06	Function/Program
					Recreation
					OC Community Resources
61	1,475	*	30	15	Exotic Invasive Plant Removal (acres)
82	144	*	13	0.5	Native Vegetation Restoration (acres)
--	--	250	--	--	New Open Space Management (acres)
					Dana Point Harbor
2,750	2,836	2,932	2,932	2,932	Slip and Dry Storage Tenants
18,759	19,903	22,247	22,159	19,719	Boat Launches
83,738	66,163	54,371	54,539	54,496	Sailing and Event Center Participants
125,060	126,957	116,218	149,220	136,926	Ocean Institute Students
25,252	28,650	26,940	29,580	28,366	Hotel Guests
106,305	111,648	114,000	114,708	114,567	Catalina Express Passengers
16	16	16	16	16	Special Events at the Harbor
					Public Ways and Facilities
					OC Public Works (OCPW)
11,222	24,731	31,363	32,365	38,945	Building and Home Inspections
					Health and Sanitation
					OC Community Resources
176,123	158,202	155,875	166,137	167,340	Animal Licenses
					Health Care Agency
158,863	160,369	150,545	147,067	141,850	911 Emergency Medical Services Responses
36,445	33,146	33,451	31,475	31,216	Retail Food Facility Inspections Conducted
6,600	5,847	6,194	6,223	6,122	Hazardous Waste Inspections Conducted
30,091	29,505	30,447	38,245	42,646	Number of Home Visits by Public Health Nurses
1,520	979	660	1,055	993	Number of Low Income Children Dental Health Services
20	26	11	3	19	Number of Ocean Water Days of Closure (In Beach-Miles)
					Public Assistance
					OC Community Resources
92,964	101,732	89,584	76,005	85,116	Adult Day Care Hours of Service
1,796,596	1,725,058	1,736,877	1,606,272	1,665,392	Elderly Nutrition Program Meals Delivered
213,832	233,382	225,783	242,415	226,689	One-Way Transportation Trips Provided to Seniors
					Social Service Agency
376,101	343,222	326,506	317,771	316,949	Average Monthly Medi-Cal Recipients
3,165	3,242	3,427	3,049	2,782	Average Monthly Child Abuse Hotline Calls
150,141	109,491	88,284	82,132	79,487	Average Monthly CalFresh (formerly Food Stamp) Recipients
17,595	16,364	14,425	12,765	11,877	Average Monthly In-Home Supportive Services
53,214	44,115	38,840	38,790	40,886	Average Persons Receiving Cash Assistance
2,336	2,466	2,797	2,692	2,531	Average Children in Foster Care/Relative Care
598	531	549	509	444	Average Elder and Adult Abuse Unduplicated Reports Received
					Education
					OC Community Resources
7,629,378	7,314,615	6,908,477	6,767,502	6,919,627	Total Volumes Borrowed at Library Branches
					Airport
8,812,169	8,552,590	9,566,043	9,910,016	9,600,753	Passengers
14,870	15,197	21,084	22,853	24,246	Air Cargo Tonnage
213,404	215,585	319,791	343,572	348,993	Takeoffs & Landings
					Waste Management
3,502,715	3,876,902	4,207,649	4,706,367	5,063,988	Solid Waste Tonnage
3,390,965	3,441,343	3,766,898	3,695,743	3,922,890	Gallons of Leachate and Impacted Ground Water Collected

* means Not Available
Sources: County Departments

Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2014-15	2013-14	2012-13	2011-12	2010-11
General Government					
Auditor-Controller					
Hall of Finance and Records	1	1	1	1	1
Clerk-Recorder					
OC Archives Building	1	1	1	1	1
Registrar of Voters					
Trailer	1	1	1	1	1
Vehicle/Truck	4	3	3	3	3
Public Protection					
Probation Department					
Juvenile Institutions	4	4	4	5	5
Vehicles/Trucks	159	156	*	*	*
Equipment	16	12	*	*	*
District Attorney					
Justice Center Offices	5	5	5	5	5
Sheriff-Coroner					
Crime/Forensic Lab	1	1	1	1	1
Jail Facilities	3	3	3	3	3
Vehicles	916	911	918	838	844
Buses	11	11	11	11	13
Helicopters	3	3	2	2	2
Boats	10	10	9	9	5
Robot Andros	3	3	3	3	3
Haz-mat Vehicles	4	4	4	4	4
K-9 units	22	18	13	10	14
Public Assistance					
Social Service Agency					
Vehicles	5	5	6	10	10
Office Locations	20	19	20	20	19
Parks and Recreation					
OC Community Resources					
Park Land (acres)	62,900	60,500	59,318	57,688	57,688
Recreational Trails (in miles)	295	295	295	295	295
Zoo	1	1	1	1	1
Urban Regional Parks	15	15	15	12	12
Wilderness Parks	5	5	5	5	5
Nature Preserves	4	4	4	4	4
Harbors	3	3	3	2	2
Beaches	11	11	11	9	9
Historical Sites	7	7	7	7	7
Boats	7	7	9	21	15
Tractors	26	28	24	26	22
Trailers	27	29	33	30	24
Vehicles/Trucks	174	170	211	188	233

Fiscal Year					
2009-10	2008-09	2007-08	2006-07	2005-06	Function/Program
					General Government
					Auditor-Controller
1	1	1	1	1	Hall of Finance and Records
					Clerk-Recorder
1	1	1	-	-	OC Archives Building
					Registrar of Voters
1	1	1	1	1	Trailer
3	3	3	2	2	Vehicle/Truck
					Public Protection
					Probation Department
5	5	6	6	5	Juvenile Institutions
*	*	*	*	*	Vehicles/Trucks
*	*	*	*	*	Equipment
					District Attorney
5	5	6	6	6	Justice Center Offices
					Sheriff-Coroner
1	1	1	1	1	Crime/Forensic Lab
3	3	3	3	3	Jail Facilities
844	859	855	777	646	Vehicles
13	13	12	14	16	Buses
2	2	2	3	3	Helicopters
5	5	5	3	3	Boats
3	3	3	3	2	Robot Andros
4	4	4	4	4	Haz-mat Vehicles
14	14	13	12	20	K-9 units
					Public Assistance
					Social Service Agency
8	7	8	7	7	Vehicles
20	21	27	27	30	Office Locations
					Parks and Recreation
					OC Community Resources
39,490	39,490	32,000	32,000	32,000	Park Land (acres)
292	300	300	300	300	Recreational Trails (in miles)
1	1	1	1	1	Zoo
12	12	12	12	12	Urban Regional Parks
5	5	5	5	5	Wilderness Parks
4	3	3	3	3	Nature Preserves
2	2	2	2	2	Harbors
9	9	9	9	9	Beaches
7	7	7	7	7	Historical Sites
14	14	15	9	17	Boats
18	17	9	16	9	Tractors
20	17	15	21	15	Trailers
208	176	165	135	119	Vehicles/Trucks

* means Not Available
Source: County Departments

Capital Asset Statistics by Function
Last Ten Fiscal Years (Continued)

	Fiscal Year				
Function/Program	2014-15	2013-14	2012-13	2011-12	2010-11
Parks and Recreation (Continued)					
Dana Point Harbor					
Harbor	1	1	1	1	1
Marinas	2	2	2	2	2
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	23	23	23	25	25
Restaurants	16	16	16	16	15
Fuel Dock	1	1	1	1	1
Shipyard	1	1	1	1	1
Boater Service Buildings	15	15	15	15	15
Parcel 11 (Former Restaurant)	*	*	*	*	1
Parcel 23 (Yacht Club)	*	*	*	*	1
Public Ways and Facilities					
OC Public Works					
Hall of Administration	1	1	1	1	1
Data Center	1	1	1	1	1
Alternate Fuel Vehicles	51	60	60	59	59
Vehicles/Trucks	53	54	51	50	50
OC Flood Control District					
Watersheds	13	13	13	13	19
Dams	3	3	3	3	3
Dump Trucks	7	12	5	5	13
Tractors	14	19	5	5	10
Trailers	24	17	8	12	15
Vehicles/Trucks	156	156	156	165	161
Roads					
Street Miles	320	320	319	320	320
Dump Trucks	11	9	4	11	9
Tractors	18	9	6	3	4
Trailers	30	18	10	5	9
Vehicles/Trucks	146	165	151	146	151
Education					
Library Branches	33	33	33	33	33
Library Headquarters	*	*	*	*	1
Health					
Clinics (1)	4	3	3	3	2
Laboratories (1)	2	2	2	2	2
Trailers (1)	12	8	11	27	27
Vehicles and Trucks (1)	24	25	25	24	27
OC Communtiy Resources					
Animal Care Center	1	1	1	1	1
Trailers	3	3	3	3	3

Fiscal Year					
2009-10	2008-09	2007-08	2006-07	2005-06	Function/Program
					Parks and Recreation (Continued)
					Dana Point Harbor
1	1	1	1	1	Harbor
2	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
25	26	26	26	26	Shops
16	15	15	15	15	Restaurants
1	1	1	1	1	Fuel Dock
1	1	1	1	1	Shipyard
15	15	15	15	15	Boater Service Buildings
*	*	*	*	*	Parcel 11 (Former Restaurant)
*	*	*	*	*	Parcel 23 (Yacht Club)
					Public Ways and Facilities
					OC Public Works
1	1	1	1	1	Hall of Administration
1	1	1	1	1	Data Center
59	59	59	50	31	Alternate Fuel Vehicles
50	47	47	48	34	Vehicles/Trucks
					OC Flood Control District
11	11	11	13	13	Watersheds
3	3	3	3	3	Dams
13	13	14	14	14	Dump Trucks
19	19	20	20	19	Tractors
14	14	13	13	13	Trailers
122	166	162	154	150	Vehicles/Trucks
					Roads
320	320	320	317	312	Street Miles
1	8	8	8	8	Dump Trucks
3	12	13	13	11	Tractors
11	14	14	14	12	Trailers
144	158	157	143	138	Vehicles/Trucks
					Education
33	33	33	32	32	Library Branches
1	1	1	1	1	Library Headquarters
					Health
2	2	49	37	15	Clinics (1)
2	1	2	2	2	Laboratories (1)
27	27	25	25	-	Trailers (1)
26	25	68	68	-	Vehicles and Trucks (1)
					OC Communtiy Resources
1	1	1	1	1	Animal Care Center
3	3	2	2	*	Trailers

Note: (1) Presentation changed in FY 2014-15 to summarize by asset

(2) * means Not Available

Source: County Departments

Capital Asset Statistics by Function
Last Ten Fiscal Years (Continued)

	Fiscal Year				
Function/Program	2014-15	2013-14	2012-13	2011-12	2010-11
Airport					
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	1
Fire Trucks	4	4	4	4	4
Waste Management					
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	7	7	7	8	8
Dump Trucks	10	10	12	12	14
Loaders	20	20	20	21	22
Scrapers	8	8	8	8	11
Excavator	2	2	2	2	2
Tractors	28	29	28	29	29
Graders	4	4	4	4	4
Compactors	8	8	8	8	8
Water/Fuel Trucks	13	13	11	11	11

Fiscal Year					
2009-10	2008-09	2007-08	2006-07	2005-06	Function/Program
					Airport
501	501	501	501	501	Acres
2	2	2	2	2	Runways
5	5	5	5	5	Public Parking Structures/Lots
1	1	1	1	1	Terminals
4	4	4	4	4	Fire Trucks
					Waste Management
3	3	3	3	3	Active Landfills
2	2	2	2	2	Inactive Landfills
4	4	4	4	4	Household Hazardous Waste Collection Centers
10	10	10	12	15	Dozers
14	14	14	14	4	Dump Trucks
21	21	21	21	12	Loaders
13	13	15	15	10	Scrapers
-	-	-	-	-	Excavator
29	28	27	26	34	Tractors
3	6	5	5	5	Graders
5	5	6	5	8	Compactors
12	13	12	12	12	Water/Fuel Trucks

* means Not Available

Source: County Departments

Your County Working for You

Total County Employees: 17,151

1st District	8
2nd District	8
3rd District	7
4th District	8
5th District	8
Assessor	319
Auditor-Controller	404
CEO	227
Child Support Services	509
Clerk of the Board	26
Clerk-Recorder	103
OC Community Resources	1,177
County Counsel	98
OC Dana Point Harbor	12
District Attorney	808
Health Care Agency	2,403
Human Resource Services	157
John Wayne Airport	157
Performance Audit	1
Probation	1,178
Public Administrator	16
Public Defender	401
Public Guardian	36
OC Public Works	826
Registrar of Voters	56
Sheriff-Coroner	3,735
Social Services Agency	4,144
Treasurer-Tax Collector	75
OC Waste & Recycling	244

John Wayne Airport

OC Parks

OC Public Works

Sheriff-Coroner

Auditor - Controller
County of Orange

12 Civic Center Plaza
Santa Ana, CA 92702
www.ac.ocgov.com