

# CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

# FINANCIAL/OPERATING FILING (CUSIP-9 BASED)

#### Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: 2016 Annual Report, for the year ended 06/30/2016

# **Documents**

# ■ Financial Operating Filing

CFD2015-1AR2016\_FINAL.pdf posted 02/27/2017

# The following issuers are associated with this continuing disclosure submission:

CUSIP-6	State	Issuer Name
68423P	CA	ORANGE CNTY CALIF CMNTY FACS DIST SPL TAX

# The following 22 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
68423PVF4	08/15/2016
68423PVG2	08/15/2017
68423PVH0	08/15/2018
68423PVJ6	08/15/2019
68423PVK3	08/15/2020
68423PVL1	08/15/2021
68423PVM9	08/15/2022
68423PVN7	08/15/2023
68423PVP2	08/15/2024
68423PVQ0	08/15/2025
68423PVR8	08/15/2026
68423PVS6	08/15/2027
68423PVT4	08/15/2028

1
08/15/2029
08/15/2030
08/15/2031
08/15/2032
08/15/2033
08/15/2034
08/15/2035
08/15/2038
08/15/2045

# **Issuer's Contact Information**

#### Company:

Name: Susana Ortiz Address: 333 W. Santa Ana Blvd., 3rd Floor City, State Zip: Santa Ana, CA 92701 Phone Number: 714-834-3662 Email: Susana.Ortiz@ocgov.com **Obligor's Contact Information** 

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# COMMUNITY FACILITIES DISTRICT NO. 2015-1 OF THE COUNTY OF ORANGE (VILLAGE OF ESENCIA) SERIES A OF 2015 SPECIAL TAX BONDS ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2016

# Dated February 27, 2017

# Series A of 2015 CUSIP Numbers

68423PVF4	68423PVG2
68423PVH0	68423PVJ6
68423PVK3	68423PVL1
68423PVM9	68423PVN7
68423PVP2	68423PVQ0
68423PVR8	68423PVS6
68423PVT4	68423PVU1
68423PVV9	68423PVW7
68423PVX5	68423PVY3
68423PVZ0	68423PWA4
68423PWB2	68423PWC0

# Prepared at the direction of and on behalf of:

**County of Orange** 333 West Santa Ana Boulevard, 3<sup>rd</sup> Floor Santa Ana, CA 92701-4062

# Prepared by:

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

# Community Facilities District No. 2015-1 of the County of Orange Special Tax Bonds 2015 Series A (Village of Esencia) Annual Report For Fiscal Year Ended June 30, 2016

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	x.	Any Information Not Already Included Above that the Issuer is Required to File in its Annual Report Pursuant to the Provisions of the Mello-Roos Community Facilities Act of 1982, as Amended, with the California Debt and Investment Advisory Commission			

CERTAIN DISCLAIMERS	ERTAIN DISCLAIMERS
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# EXHIBIT

Exhibit A – An Update of Table 5 From	The Official Statement	and Fiscal Year	r 2016-2017 U	Jndeveloped
and Developed Special Tax F	Revenues			

- Exhibit B California Debt and Investment Advisory Commission Yearly Fiscal Report Exhibit C Comprehensive Annual Financial Report

# INTRODUCTION

The Community Facilities District No. 2015-1 of the County of Orange (Village of Esencia) (the "Issuer" or "District") hereby provides its annual report (the "Annual Report") for the fiscal year ended June 30, 2016 in connection with the following Bonds:

#### **Bond Issue:**

1. Community Facilities District No. 2015-1 of the County of Orange (Village of Esencia) Series A of 2015 Special Tax Bonds

# **Annual Report:**

The Issuer's Annual Report required by the Continuing Disclosure Certificate (the "Disclosure Certificate") dated October 1, 2015 with respect to the Series A Bonds for the Fiscal Year ended June 30, 2016 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 Issuer 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 Issuer'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 Issuer.

<u>While the financial statements of the County (which includes the District) for Fiscal</u> <u>Year ended June 30, 2016 have been incorporated herein by reference in order to comply</u> <u>with SEC Rule 15c2-12, the Bonds are a limited obligation of the District and neither the</u> <u>faith and credit nor the taxing power of the County is pledged to the payment of the Bonds.</u> <u>No income, receipts, funds (including the County general fund) or moneys of the County</u> <u>are pledged to the repayment of the Bonds.</u>

# **SECTION A**

# a. <u>Audited Financial Statements for Fiscal Year Ended June 30, 2016.</u>

The County of Orange's Audited Financial Statements for Fiscal Year 2015-2016 were filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access on February 8, 2017 (Submission ID: ES792504) are included herein as Exhibit C.

While the financial statements of the County (which includes the District) for Fiscal Year ended June 30, 2016 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.

# b. Financial and Operating Data

i. <u>The principal amount of the Bonds outstanding as of August 16, 2016.</u>

The principal amount of Bonds outstanding as of August 16, 2016 was \$89,730,000.

ii. <u>The balance in each fund under the Resolution and the Reserve Requirement as of August 16, 2016.</u>

As of August 16, 2016						
CFD No. 2015-1						
Special Tax Fund:	\$61,081.78					
Reserve Fund:	\$7,888,766.70					
Acquisition and Construction Fund:	\$44,385,529.51					
Special Reserve Fund:	-0-					
Rebate Fund:	-0-					

The Reserve Requirement as of August 16, 2016 is \$7,888,766.70.

iii. <u>Any changes to the Rates and Method of Apportionment of the Special Taxes</u> approved or submitted to the qualified electors for approval prior to the filing of the <u>Annual Report.</u>

There have been no changes made to the Rates and Method of Apportionment approved or submitted to the qualified electors for approval.

iv. An update of the estimated assessed value-to-lien ratio for the District substantially in the form of Table 5 in the Official Statement based upon the most recent Special Tax levy preceding the date of the Annual Report and on the assessed values of property for the current fiscal year.

An update of Table 5 is included in Exhibit A.

v. <u>The percentage of the maximum Special Taxes levied by the District with respect to the Bonds.</u>

Developed Property was levied at 100.00% of the Assigned Special Tax rates for Developed Property in Zones 1 through 6. Undeveloped Property was levied at 77.34% of the Maximum Special Tax rates for Undeveloped Property in all zones.

vi. <u>The status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes.</u>

CFD No. 2015-1 is not required to initiate any foreclosure proceedings at this time.

vii. <u>A statement was to whether the District participates in the Teeter Plan and in the</u> event that the Teeter Plan is terminated with respect to the District, a table showing the total Special Taxes levied and the total Special Taxes collected for the prior fiscal year and the total Special Taxes that, as of December 31, remain unpaid for each prior fiscal year in which Special Taxes were levied and the number of delinquent parcels in the District.

The District participates in the Teeter Plan.

viii. A statement as to whether the Teeter Plan remains in effect with regard to the District.

The Teeter Plan remains in effect with regard to the District.

ix. <u>If Special Taxes are levied on Undeveloped Property, the amount of Special Taxes</u> <u>levied on Undeveloped Property and the amount of Special Taxes levied on</u> <u>Developed Property.</u>

See table entitled "Fiscal Year 2016-2017 Undeveloped and Developed Special Tax Revenues" in Exhibit A.

x. <u>Any information not already included above that the Issuer is required to file in its</u> <u>annual report pursuant to the provisions of the Mello-Roos Community Facilities Act</u> <u>of 1982, as amended, with the California Debt and Investment Advisory Commission.</u>

See Exhibit B attached for copies of the Mello-Roos Community Facilities District (CFD) Yearly Fiscal Status Report for CFD No. 2015-1.

### **CERTAIN DISCLAIMERS**

The information contained in this Annual Report expresses only the views of the applicable party. An explanation of the significance of any such information may be obtained from the applicable party; provided, however, that no information provided by any party is incorporated in this Annual Report. The County and the District undertake no responsibility to oppose any revision or withdrawal of such information contained in this Annual Report.

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

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

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

No statement contained in this Annual Report should be construed as a prediction or representation about future financial performance of the County and the District. 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 and the District to be reliable but has not been independently verified by the County and the District and is not guaranteed as to accuracy by the County and the District.

# Ехнівіт А

TABLE 5, ESTIMATED ASSESSED VALUE-TO-LIEN RATIO BY LAND USE TYPEFISCAL YEAR 2016-2017 UNDEVELOPED AND DEVELOPED SPECIAL TAX REVENUES

#### TABLE 5 FROM THE OFFICIAL STATEMENT COMMUNITY FACILITIES DISTRICT NO. 2015-1 (VILLAGE OF ESENCIA) ASSESSED VALUE-TO-LIEN RATIOS

Property Classification / Owner [1]	CFD No. 2015-1 Actual FY 2016-2017 Levy [2]	CFD No. 2015-1 Bonds Oustanding [3]	Metropolitan Water District Bonds Oustanding [4]	CUSD SFID Bonds Oustanding [4]	SMWD ID 4/4C Bonds Oustanding [4]	Total Direct and Overlapping Debt	Assessed Value [1]	Estimated Assessed Value-to-Lien Ratios
Developed Property	\$2,280,071	\$42,237,644	\$5,037	\$88,686	\$1,102,275	\$43,433,642	\$174,691,310	4.02
Undeveloped Property [5]								
LT - AQ1, LLC	\$77,933	\$1,443,681	\$237	\$4,176	\$68,700	\$1,516,795	\$8,226,910	5.42
LT - MR1, LLC	\$155,722	\$2,884,699	\$273	\$4,805	\$74,796	\$2,964,573	\$9,465,876	3.19
Meritage Homes of California, Inc.	\$218,199	\$4,042,062	\$332	\$5,850	\$104,367	\$4,152,612	\$11,522,694	2.77
Ranch Plan Apartments II	\$148,992	\$2,760,038	\$26	\$464	\$8,277	\$2,768,805	\$913,821	0.33
RMV PA2 Development, LLC	\$136,369	\$2,526,187	\$19	\$331	\$5,904	\$2,532,440	\$651,790	0.26
Ryland Homes of California, Inc.	\$54,031	\$1,000,912	\$96	\$1,681	\$29,992	\$1,032,680	\$3,311,231	3.21
Ryland Homes California	\$167,608	\$3,104,881	\$216	\$3,799	\$67,781	\$3,176,676	\$7,483,392	2.36
Shea Homes Limited Partnership	\$608,813	\$11,278,085	\$1,064	\$18,728	\$334,145	\$11,632,022	\$36,891,270	3.17
Standard Pacific Corp	\$244,865	\$4,536,051	\$425	\$7,487	\$133,593	\$4,677,555	\$14,749,414	3.15
TRI Pointe Homes, Inc.	\$664,218	\$12,304,446	\$1,282	\$22,584	\$402,925	\$12,731,238	\$44,484,904	3.49
Warmington MR 14 Associates, LLC	\$86,982	\$1,611,314	\$154	\$2,709	\$48,333	\$1,662,509	\$5,336,136	3.21
TOTAL	\$4,843,803	\$89,730,000	\$9,161	\$161,300	\$2,381,088	\$92,281,547	\$317,728,748	3.44

[1] Ownership and assessed values as of January 1, 2016 provided by the Orange County Assessor. Assessed value calculated as land value plus improvement value.

[2] Based on actual FY 2016-17 levy.

[3] Allocated based on share of Fiscal Year 2016-2017 levy.

[4] As of September 2, 2016. Allocated based on Fiscal Year 2016-2017 levy.

[5] Pursuant to the Rate and Method, Undeveloped Property is any property that did not have a building permit as of January 1, 2016 for Fiscal Year 2016-17.

Source: David Taussig and Associates, Inc., Metropolitan Water District, Santa Margarita Water District, County of Orange Assessor

# COMMUNITY FACILITIES DISTRICT NO. 2015-1 (VILLAGE OF ESENCIA) FISCAL YEAR 2016-2017 UNDEVELOPED AND DEVELOPED SPECIAL TAX REVENUES

Zone	Developed Property Special Tax Revenues [1]	Undeveloped Property Special Tax Revenues [2]	Total FY 2016-2017 Special Tax Levy
1	\$212,943.64	\$155,721.72	\$368,665.36
2	\$674,406.50	\$610,728.58	\$1,285,135.08
3	\$593,328.86	\$781,403.14	\$1,374,732.00
4	\$231,838.86	\$77,932.76	\$309,771.62
5	\$331,221.54	\$436,404.52	\$767,626.06
6	\$236,331.96	\$216,179.50	\$452,511.46
7	\$0.00	\$285,360.82	\$285,360.82
Total	\$2,280,071.36	\$2,563,731.04	\$4,843,802.40

[1] Developed Property is property for which a building permit was issued as of January 1, 2016.

[2] Undeveloped Property is property for which a building permit was not issued as of January 1, 2016.

Source: David Taussig and Associates, Inc.

# Ехнівіт В

# CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION YEARLY FISCAL REPORT

		-	-	ALIFORNI/			
Submitted: Friday, October 28, 2016				ACILITIES	DISTRICT (CFD)		ce Use Only
9:20:14AM CDIAC #: 2015-1887	915 Capito P.O. Bo	l Mall, Ro x 942809	oom 400 , Sacran	-		Fiscal Year	
I. GENERAL INFORMATION							
A. Issuer		Orange	County	CFD No 2	2015-1		
B.Project Name		Series A	Ą				
C. Name/ Title/ Series of Bond Issu	e	2015 Sp	pecial T	ax Bonds			
D. Date of Bond Issue		10/8/20	15				
E. Original Principal Amount of Bon	ds	\$90,845	5,000.00	)			
F. Reserve Fund Minimum Balance	Required	Yes	Х	Amount	\$7,872,807.58		No
II. FUND BALANCE FISCAL STATUS Balances Reported as of:		6/30/20	16				
A. Principal Amount of Bonds Outst	anding	\$90,845	5,000.00	)			
B. Bond Reserve Fund		\$7,872,	807.58				
C. Capitalized Interest Fund		\$0.00					
D. Construction Fund(s)		\$52,091	,490.56	6			
III. ASSESSED VALUE OF ALL PARC	ELS IN CFD SUE	ВЈЕСТ Т	O SPE	CIAL TAX			
A. Assessed or Appraised Value Re	eported as of:	1/1	/2016				
	X	From Eq	ualized	Tax Roll			
				of Property st year or bef	ore annual tax roll billing	commences)	
B. Total Assessed Value of All Parc	cels	\$320	,030,97	75.00			
IV. TAX COLLECTION INFORMATION	1						
A. Total Amount of Special Taxes D	ue <u>Annually</u>	\$4,68	89,393.	04			
B. Total Amount of Unpaid Special	Taxes <u>Annually</u>	\$0.00	0				
C. Taxes are Paid Under the Count	y's Teeter Plan?	Y					
V. DELINQUENT REPORTING INFOR	MATION						
Delinquent Parcel Information	Reported as of Ed	qualized	Tax Ro	ll of:	6/30/2016		
A. Total Number of Delinquent	Parcels: 0						
B. Total Amount of Taxes Due (Do not include penalties, pena	-	ircels:	\$0.	.00			

### VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date) (Attach additional sheets if necessary.)

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		1	

Submitted: Friday, October 28, 2016 9:20:14AM CDIAC #: 2015-1887

#### STATE OF CALIFORNIA MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD) YEARLY FISCAL STATUS REPORT

California Debt and Investment Advisory Commission 915 Capitol Mall, Room 400, Sacramento, CA 95814 P.O. Box 942809, Sacramento, CA 94209-0001 (916) 653-3269 Fax (916) 654-7440 For Office Use Only

Fiscal Year

#### **VII. ISSUE RETIRED**

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements. (Indicate reason for retirement)

Matured		Redeemed Entirely		Other		
---------	--	-------------------	--	-------	--	--

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

#### VIII. NAME OF PARTY COMPLETING THIS FORM

Name	Gina Kim		
Title	Public Finance Accountant		
Firm/ Agency	Orange County		
Address	333 West Santa Ana Boulevard 3rd FL		
City/ State/ Zip	Santa Ana, CA 92701-4062		
Phone Number	(714) 834-3749	Date of Report	10/28/2016
E-Mail	gina.kim@ocgov.com		

#### IX. ADDITIONAL COMMENTS:

# EXHIBIT C

**COMPREHENSIVE ANNUAL FINANCIAL REPORT** 

# County of Orange, California COMPREHENSIVE ANNUAL FINANCIAL REPORT (Image) (Image) (Image)

# FOR THE YEAR ENDED JUNE 30, 2016













# ERIC H. WOOLERY, CPA, AUDITOR-CONTROLLER

# County of Orange

State of California

# Comprehensive Annual Financial Report

For the Year Ended June 30, 2016



Eric H. Woolery, CPA Auditor-Controller

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#### 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

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#### 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 15, 2016

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, 2016, 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, 2016, 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, 2016. The independent auditor's report is located at the front of the financial section of this report.

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

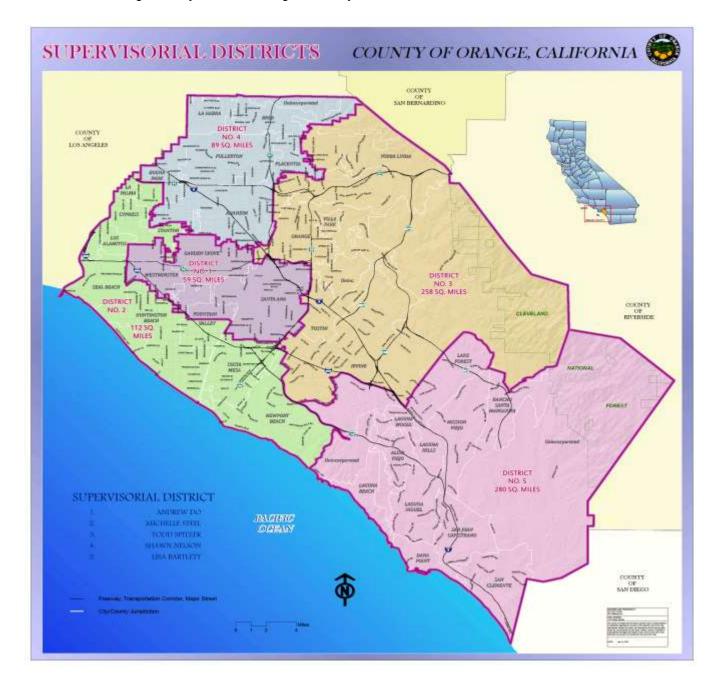
#### PROFILE OF THE GOVERNMENT

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

The County 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 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 June 2016, voters approved Measure B, which requires the County Auditor-Controller to review any countywide measure placed on the ballot and prepare a fiscal impact statement.

The County is like a general law county and 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 15 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 services for cities. These services are outlined in the following table:

Countywide Services		Unincorporated Area Services	
Affordable Housing (Housing Authority)	Veterans Services	Animal Care & Control	Libraries
Agricultural Commissioner	Indigent Medical Services	Flood Control	Parks
Airport	Jails & Juvenile Facilities	Land Use	Waste Disposal Collection
Child Protection & Social Services	Juvenile Justice Commission	Law Enforcement	
Child Support Services	Landfills & Solid Waste Disposal		
Clerk-Recorder	Law Enforcement		
Coroner & Forensic Services	Probationary Supervision	Contract Services for Cities	
District Attorney	Public Assistance	Animal Care & Control	Libraries
Elections & Voter Registration	Public Defender/ Alternate Defense	Law Enforcement	Public Works & Engineering
Environmental / Regulatory Health	Public & Mental Health	Utility Billing and Chec Remittance Processing	
Flood Control &	Senior Services	Sources: County department	S
Transportation			
OC Parks	Collection & Appeals		
	Collection & Appeals Weights & Measures		

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, County of Orange Redevelopment Successor Agency (Successor Agency), 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, 2016: the Orange County Flood Control District, Orange County Housing Authority, Orange County Public Financing Authority, South Orange County Public Financing Authority, South Orange County Public Financing Authority, 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 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's eGovernment website portal at <a href="http://www.ocgov.com">http://www.ocgov.com</a> provides online services and extensive information about the County government to Orange County residents, businesses, partners, and visitors. 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, pay property taxes, and subscribe to receive emergency alerts. The County continuously strives to improve our constituent's ability to conduct business online.

#### 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.

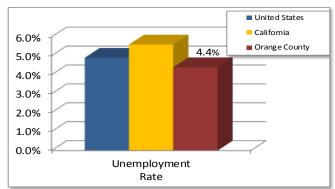
In terms of the external indicators, Orange County's economy continues to out-perform local surrounding counties, the state and national economies (in annual percentage growth), and, in fact, ranks higher (in absolute growth rate dollars) than the economies of the majority of the world's countries.

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, inflation, as measured by the increase of the Consumer Price Index (CPI) in 2016, is expected to be 2.2% for Orange County, which equals the State of California and is higher than the U.S. at 1.4% (see Table 2).

#### **Table 1: Unemployment Rate Comparison**

Primary Government Entity	August 2016 Unemployment Rate
United States	4.9%
California	5.6%
Los Angeles County	5.3%
Riverside County	6.9%
San Bernardino County	6.2%
San Diego County	5.0%
Orange County	4.4%



# Unemployment Rate

#### Table 2: 2016 - Projected Increase of the CPI

United States	California	Orange County
1.4%	2.2%	2.2%

 Sources:
 State of California, Employment Development Department

 Economic & Business Review, Chapman University, June 2016

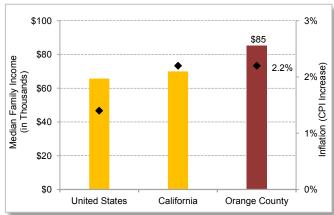
 Note:
 Unemployment rates are for the month of August 2016

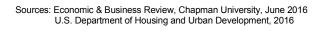
According to the Department of Housing and Urban Development, Orange County's median family income is expected to be \$85,000 (absolute dollars) in 2016, compared to \$85,900 (absolute dollars) in 2015. Median family incomes in Orange County continue to exceed all surrounding Southern California counties, the State of California and the nation (see Table 3).

#### Table 3: Median Family Income Comparison

Primary Government Entity	Median Family Income (absolute dollars)
United States	\$65,700
California	\$70,000
Orange County	\$85,000
San Diego County	\$73,500
Los Angeles County	\$62,400
Riverside County	\$61,400

Sources: U.S. Department of Housing and Urban Development, 2016





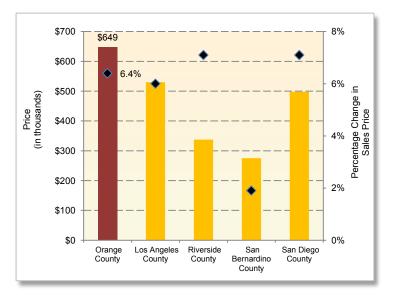
According to CoreLogic Information Systems, the median home sales price for new and existing homes in Orange County was \$649,000 (absolute dollars) in August 2016, representing a 6.4% increase relative to August 2015. The median sales price in Orange County continues to exceed all surrounding counties (see Table 4).

In terms of internal trends, current and projected indicators suggest that the Orange County economy will continue to gradually improve with job growth expected to be 2.6% in 2016.

#### Table 4: Median Home Sales Price Comparison-Southern California Counties – August 2016

Primary Government Entity	Median Home Sales Price Change increase	Median Home Sales Price (absolute dollars)
Orange County	6.4%	\$649,000
Los Angeles County	6.0%	\$530,000
San Diego County	7.1%	\$498,000
Riverside County	7.1%	\$337,500
San Bernardino Count	y 1.9%	\$275,000

# Table 4: Comparison of Median Home Sales Price and Price Changes Among Counties



Sources: CoreLogic Information System, August 2016

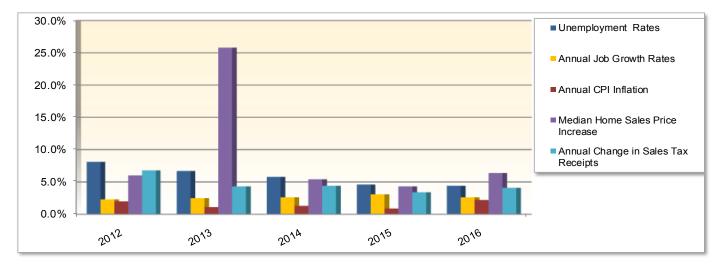
# Comparisons of Inflation and Median Family Income

Table 5 shows various internal indicators reflecting steady growth of Orange County's economy. The unemployment rate decreased to 4.4% for the month of August 2016 relative to 4.6% for the month of August 2015. Job growth is expected to decrease to 2.6% in 2016 compared to 3.1% for 2015. Median home prices increased by 6.4% in August 2016, relative to 4.3% in August 2015. Annual change in sales tax receipts is forecasted to be 4.1% in 2016.

#### **Table 5: Orange County Historical Data**

Historical Indicators	2012	2013	2014	2015	2016
Unemployment Rates	8.1%	6.7%	5.4%	4.6%	4.4%
Annual Job Growth Rates	2.3%	2.5 %	2.6%	3.1%	2.6%
Annual CPI Inflation	2.0%	1.1%	1.3%	0.9%	2.2%
Median Home Sales Price Increase	6.0%	25.8%	5.4%	4.3%	6.4%
Annual Change in Sales Tax Receipts	6.8%	4.3%	4.4%	3.4%	4.1%

Orange County Historical Data Comparison (Shown as a year-to-year percentage increase/decrease) Data in Table 5 for prior years may be different from previous years CAFR due to the timing of obtaining data. Data for 2016 is based on forecasted data



Sources: State of California, Employment Development Department Economic & Business Review, Chapman University, June 2016 Corelogic Information Systems, August 2016 California Board of Equalization

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

# Long–Term Financial Planning

<u>Strategic Plan:</u> 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 assessed to ensure the ability to pay for long-term operational costs.

The 2016 Strategic Financial Plan (SFP) was presented to the Board on December 6, 2016. The 2016 SFP is the foundation in planning for continued financial stability and will be augmented by the monitoring and establishment of budgetary control 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 2.8% for the first year of the plan with growth rates averaging 2.3% 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 2016 SFP reflects only a 1% increase in Net County Cost limits in Fiscal Years (FY) 2017-18 and 2018-19, increasing to 2% in FYs 2019-20 through 2021-22, with the remaining excess funds distributed and/or setaside to address the most critical strategic needs for the County
- Continuation of the policy to not backfill State budget reductions
- Position Policy: delete aged 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 and implementing several other projects. Financial plans are in place for the 800 MHz Countywide Coordinated Communications System, replacement of Central Utility Facility infrastructure, new Animal Care Center, Homeless Shelter and the first phase of the Civic Center Master Plan. Development of the County property at the former Marine Corps Air Station El Toro in Irvine 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.

<u>Santa Ana River Mainstem Project</u>: 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 Army 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 14, Construction and Other Significant Commitments. To learn more about the SARMP, visit the Orange County Flood Control Division's website at <a href="http://www.ocflood.com">http://www.ocflood.com</a>.

<u>OC Dana Point Harbor Revitalization Plan</u>: The OC Dana Point Revitalization Plan (Plan) includes revitalization of Dana Point Harbor's commercial core, marinas, and hotel. The Plan is a multi-phased and long-term public-private partnership project, where total development costs have been estimated in excess of \$150,000 pending final project design approvals. The Plan is a phased and systematic long-term rehabilitation and/or replacement of the commercial core, hotel, and waterside elements. The initial phases of improvement have begun with phase one focusing on infrastructure elements being funded by the Dana Point Tidelands Fund. County Executive Office staff are managing the process for selection of a potential private partner for the project and will work with OC Parks staff to finalize the financial strategy for the complete Plan that will meet the long-term needs and expectations of the community and the County.

In addition, OC Dana Point Harbor continues to budget for the maintenance dredging of the Dana Point Harbor, with the most recent dredging occurring in FY 2015-16. In general, the dredging takes place every seven years and is budgeted from the reserves each year.

<u>James A. Musick Facility Expansion</u>: On March 8, 2012, the State approved \$100,000 in funds for the County for expansion of the James A. Musick Facility (AB900). This project is currently in the final stage of design with construction estimated for completion in FY 2019-20. The County must front costs initially until the notice to proceed for construction is approved by the State. At that time, all past eligible 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 2017-18.

On March 13, 2014, the State approved \$80,000 in funds for the County for further expansion of the James A. Musick Facility (Senate Bill 1022). This project is also in the final stage of design and will be completed in parallel with the AB900 project. Because of schedule compaction during design, the State approved executing both project phases into a single construction project. The financial requirements for this second phase are consistent with those described above.

La Pata Avenue Gap Closure and 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, La Pata Fee Program, OC Waste & Recycling, developer agreement, and community facility district revenues. A construction contract for \$72,741 was awarded by the Board to Sukut Construction, Inc. on December 10, 2013. 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 ribbon cutting ceremony for the initial phase took place on August 13, 2016, and the roadway opened to the public on August 14, 2016. The tentative completion date for this phase is December of 2016. The remaining two phases, La Pata Widening and Camino Del Rio Extension, began construction in August 2016. Completion of the Camino Del Rio Extension Phase is anticipated in April 2017. Completion of the La Pata Widening Phase is anticipated in February 2018.

<u>Homeless Shelter</u>: On November 17, 2015, the Board approved the acquisition of 1000 N. Kraemer Place for \$4,250 as the site of a new 200-bed Year Round Emergency Shelter and Multi-Service Center to serve the homeless with \$1,100 in funding support from the cities of Anaheim, Fullerton, and Brea.

<u>Animal Shelter</u>: In December 2015, the Board approved negotiated terms for a land swap between the County, the South Orange County Community College District, and the City of Tustin regarding ten acres of land for the construction of a new, state-of-the-art animal shelter to replace the existing shelter in the City of Orange. A preliminary cost estimate for the new shelter is \$35,000, with up to \$7,200 paid by the County, and the remaining cost paid by fourteen contract cities. The expected opening date of the new shelter is in late 2017.

# 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 promote financial soundness, efficiency in government and solvency in public finance.

# General Fund Reserves Policy

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

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

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

- Capacity to fund capital investments
- Capacity to minimize borrowing costs
- Capacity to provide some level of protection against statutory changes to County revenues and impacts from federal and state actions

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

- Fund Balance Assigned for Contingencies
- Fund Balance Assigned for 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 fiscal year (Government Code Section 29130).

# **Reserve Targets and Descriptions**

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

In implementing the GFOA's best practice, the County elected to establish a funding target based upon two months of General Fund operating revenues. Analysis of the historical average of two months of operating revenues, as well as FY 2016-17 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.
Information Technology Projects	The five-year Information Technology Plan (ITP) is a compilation of significant IT projects including upgrades or replacements of existing systems, greater or equal to \$150 and less than \$1,000 in any one fiscal year of the five years in the plan. Costs for ongoing system support and maintenance are included. The ITP is a tool used by the County to assess IT projects, leverage overlap, and prioritize the use of County General Funds available to IT projects.
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.
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 \$108,438. This compares to the GFOA guidelines for funding contingencies at 15% or higher. The November 29, 2016 balance is \$62,300, approximately \$46,138 below the 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 debt 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.

	Relevant Financial Policies (Continued)
Pay-as–you-go Capital Funding	The County's long-term practice has been to use pay-as-you-go funding for capital projects whenever possible. The use of systematic long range financial planning assists in making fiscal decisions such as debt vs. pay-as-you-go capital project financing. The SFP forecasts sources of the County's revenue and operating expenses and incorporates a list of previously identified and prioritized projects that will benefit the citizens of the County. The financial planning for capital projects considers the County's limited funding sources, the capital and operating costs, useful life of projects, and good business practices.
Credit and Debt Management Policy	The County's long-term practice has been to rapidly repay debt when practicable. The Policy is intended to maintain long-term financial stability by ensuring that its long-term financing commitments are affordable and do not create undue risk or burden, achieve and maintain high credit ratings, minimize debt service interest expense and issuance costs, provide accurate and timely financial disclosure and reporting, and comply with applicable State and Federal laws and financing covenants.
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 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 discusses the adequacy of the County's internal control structure. The AOC membership includes the Chair and Vice-Chair of the Board, the County Executive Officer, and five private sector members appointed by the Board. The private sector members shall be appointed by the Board for a term of four years and may be reappointed or removed by the Board.
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

<u>Funding Equity</u>: The County 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. Therefore, the answer to assuring funding equity for Orange County lies in increasing funding, programs, and partnerships that specifically benefit County programs and services. When the state shifts or adds responsibilities at the county level, the County will seek enough funding for those programs to ensure their success. The County's robust legislative agenda seeks creative and substantive ways to assure our residents are provided with their fair share of the taxes they pay to support the programs and services they deserve.

<u>State Prison Realignment:</u> With the passage of Assembly Bill 109 in 2011, California 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. The County accounts for 8.1% of the state's population and 6.4% of the total prison population. In FY 2015-16, the County spent \$72,100 and carried over \$0 surplus to FY 2016-17.

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 resentencing hearings.

<u>Labor Agreements:</u> Most County employees are represented by one of 17 bargaining units, which are separated into eight labor organizations. The principal organization is the Orange County Employees Association (OCEA), which represents eight bargaining units totaling about 10,684 permanent filled employee positions. The next largest unions are the Association of County Deputy Sheriffs at about 1,871 members and the American Federation of State and Municipal Employees at about 1,419 members. All but one contract have been successfully negotiated and County employees continue to work under their contract terms with no interruption.

### AWARDS AND ACKNOWLEDGEMENTS

<u>GFOA Awards:</u> The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the year ended June 30, 2015; this represents the County's 21<sup>st</sup> 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 13<sup>th</sup> consecutive Popular Annual Financial Report (PAFR) titled the "OC Citizens' Report" for the year ended June 30, 2015. 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

County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2016 (Dollar Amounts in Thousands)

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://acdcweb01.ocgov.com/acInternet/Reports/CitizensReports.aspx

<u>Counties Financial Transactions Reporting Award:</u> The County received the Financial Transactions Reporting Award from the State Controller's Office for its Year-End Financial Transaction Report for the fiscal year ended June 30, 2015. The award is in recognition of the professionalism demonstrated by Counties in preparing accurate and timely financial reports and for those counties that meet the review criteria of the award program.

<u>Acknowledgments:</u> 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 activities of the County of Orange.

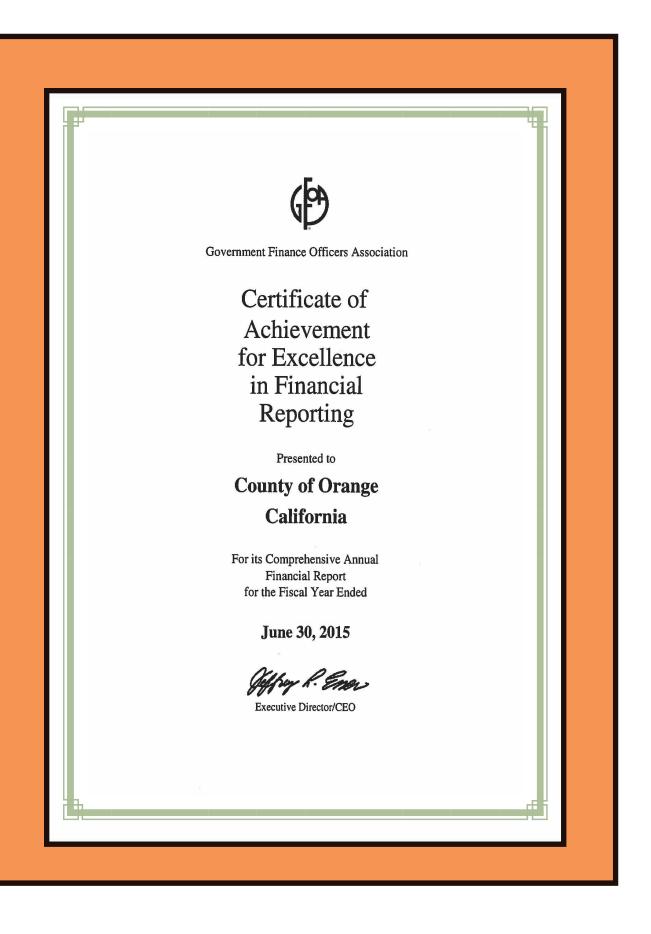
Respectfully submitted,

En H. Wooley

Eric H. Woolery, CPA Auditor-Controller

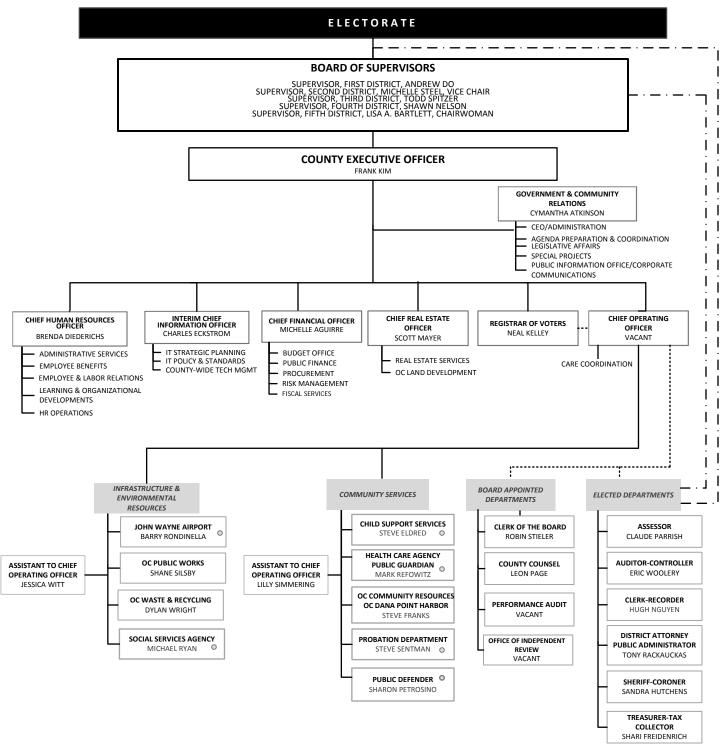
Maure

Michelle Aguirre Chief Financial Officer



ORGANIZATIONAL CHART

(As of September 30, 2016)



DIRECT REPORT     ADMINISTRATIVE COORDINATION AND BUDGET OVERSIGHT     APPOINTED BY THE BOARD OF SUPERVISORS – REPORTS TO THE CHIEF OPERATING OFFICER     ELECTED OFFICIALS: STATUTORILY – REQUIRED BOARD ADMINISTRATIVE AND BUDGET OVERSIGHT	LEGEND	
		ADMINISTRATIVE COORDINATION AND BUDGET OVERSIGHT APPOINTED BY THE BOARD OF SUPERVISORS – REPORTS TO THE CHIEF OPERATING OFFICER



Civic Center Plan 1952





### **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, 2016, 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.

Los Angeles Newport Beach Oakland Sacramento San Diego San Francisco Walnut Creek

Woodland Hills

Century City

# 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Flood Control District Fund, Other Public Protection Fund, and Mental Health Services Act 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 1 to the basic financial statements, effective July 1, 2015, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the basic financial statements, the total net pension liability of the County as of June 30, 2016, which was measured as of December 31, 2015, was \$4.4 billion for the Orange County Employees Retirement System (OCERS). The fiduciary net position as a percentage of the total pension liability as of December 31, 2015, was 65.66% for OCERS. The actuarial valuation is very sensitive to the underlying actuarial assumptions, including a discount rate of 7.25%, which represents the long-term expected rate of return for OCERS. 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 OCERS, 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 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

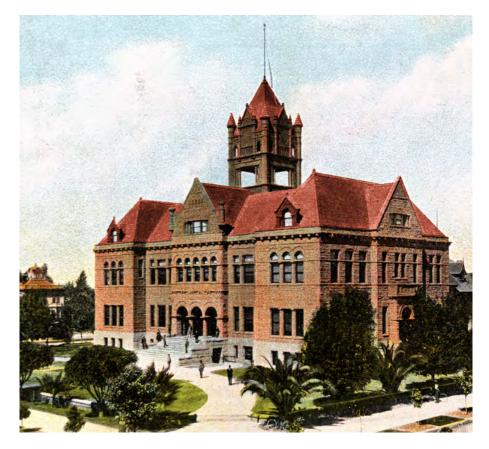
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules included in supplemental 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 É O'Connell LP

Newport Beach, California December 15, 2016



Courthouse 1901



# 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, 2016. 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

- The total change in net position, which is the difference between total revenues (including transfers in) and expenses (including transfers out), was \$177,959 for the fiscal year and it increased net position by 9% from the prior year.
- Long-term bonded debt decreased by \$6,722 or 1% during the current fiscal year.
- The County's governmental funds reported combined ending fund balances of \$2,357,526, an increase of \$170,835, or 8% in comparison with the prior year.
- General Fund revenues and other financing sources ended the year 5% 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

Government-wide		Fund Financial Statements										
Financial Statements	Governmental Funds	Fiduciary Funds										
Statement of Net Position Statement of Activities	Balance Sheet	Statement of Net Position	Statement of Fiduciary									
	Statement of Revenues, Expenditures, and	Statement of Revenues, Expenses, and Changes in	Net Position Statement of									
	Changes in Fund Balances	Fund Net Position										
	Budgetary Comparison Statement	Changes in Fiduciary Net Position										

	Government-wide		Fund Financial Statement	s
	Financial StatementsGovernmental FullcialStatement of Net PositionBalance SheetStatement of ActivitiesStatement of Revent Expenditures, and Changes in Fund BalancesStatement of Revent Expenditures, and Changes in Fund Balancesasis fiduciary funds)Entire entity (except fiduciary funds)Day-to-day operating activities for basic servicesasis nentAccrual accounting and economic resources measurement focusModified accrual accounting and current financial resources measurement focusflows of inflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short term and long-termCurrent assets, liabil and deferred inflows resources that come during the year or so thereafterAll revenues and expenses during the year, regardless of when cash is received or paidRevenues for which services have been or services have been		Proprietary Funds	Fiduciary Funds
Type of Financial Statement		Balance Sheet	Statement of Net Position	Statement of Fiduciary Net Position
		Changes in Fund Balances Budgetary Comparison	Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statement of Changes in Fiduciary Net Position
Scope			Day-to-day operating activities for business- type services	Resources on behalf of others
Accounting Basis and Measurement Focus	economic resources	accounting and current financial resources	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	outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-	Current assets, liabilities, and deferred inflows of resources that come due during the year or soon thereafter	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short- term and long-term	All assets, deferred outflows of resources, and deferred inflows of resources held in a trustee or agency capacity for others
Type of Inflow and Outflow Information	expenses during the year, regardless of when cash		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 <u>accrual basis of accounting</u> and the <u>economic resources measurement focus</u>. The **Statement of Net Position** provides information regarding <u>all</u> 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 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 the County's website at the following address: <a href="http://acdcweb01.ocgov.com/acInternet/">http://acdcweb01.ocgov.com/acInternet/</a>. A separate stand-alone annual financial report can be obtained for CalOptima by accessing the website at <a href="http://www.http://wwww.http://www.http://ww

# 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.

<u>Governmental Funds</u> - 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 <u>modified accrual basis of accounting</u> and <u>current financial resources measurement focus</u>.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are prepared for the governmental funds' Balance Sheet and the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances to facilitate comparisons between governmental funds and governmental activities. The

primary differences between the government-wide and fund financial statements relate to noncurrent assets, such as land and structures and improvements, and noncurrent liabilities, such as bonded debt and amounts owed for compensated absences 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 in the Supplemental Information Section of 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.

<u>Proprietary Funds</u> - 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 activities. 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 fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport and 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 fund financial statements with the individual fund data provided in combining statements, which can be found in the Supplemental Information Section of this report.

<u>Fiduciary Funds</u> - 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 are <u>not</u> reported in the government-wide financial statements because the resources of these funds are not available to support the County's programs. The combining statements for fiduciary funds are included in the Supplemental Information Section of this 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, 2016, the County's combined net position (governmental and business-type activities) totaled \$2,185,709 an increase of 9% from FY 2014-15.

The largest component of the County's net position, which totals \$3,370,773, was **net investment in capital assets**, which represents the County's investment in capital assets, less any related outstanding debt used to acquire those assets and debt-related deferred outflows and inflows of resources. The County's capital assets are used to provide needed services to its citizens. Since the capital assets themselves cannot be used to liquidate the associated debt, the resources needed to repay the debt must be provided from other sources.

# **COMPONENTS OF NET POSITION**

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The County's **restricted** net position totals \$1,329,878. 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, 2016, the County's unrestricted net position totals a deficit of \$2,514,942. Among governmental activities the deficit was \$2,979,945 in unrestricted net position, compared to its deficit of \$2,991,814 at June 30, 2015. The main contributor of the deficit continues to be the reporting of the County's proportionate share of net pension liability on the financial statements.

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

NET POSITION – Primary Government June 30, 2016 and 2015						
	Gover	nmental	Busir	ess-Type		
	Acti	vities	Ac	tivities	T	otal
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
ASSETS						
Current and Other Assets	\$ 3,451,250	\$ 3,216,086	\$ 878,99	1 \$ 827,258	\$ 4,330,241	\$ 4,043,344
Capital Assets	2,808,923	2,783,675	848,92	835,176	3,657,852	3,618,851
Total Assets	6,260,173	5,999,761	1,727,92	1,662,434	7,988,093	7,662,195
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charge on Refunding	3,871	6,225			3,871	6,225
Deferred Outflows of Resources Related to						
Pension	1,093,168	652,309	22,95	1 14,275	1,116,119	666,584
Total Deferred Outflows of Resources	1,097,039	658,534	22,95	1 14,275	1,119,990	672,809
LIABILITIES						
Long-term Liabilities	5,197,639	4,724,559	466,57	5 462,586	5,664,214	5,187,145
Other Liabilities	724,748	666,496	78,92	79,365	803,668	745,861
Total Liabilities	5,922,387	5,391,055	545,49	5 541,951	6,467,882	5,933,006
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources Related to						
Pension	444,828	385,819	9,66	4 8,429	454,492	394,248
Total Deferred Inflows of Resources	444,828	385,819	9,66	4 8,429	454,492	394,248
NET POSITION						
Net Investment in Capital Assets	2,707,493	2,670,577	663,28	642,427	3,370,773	3,313,004
Restricted	1,262,449	1,202,658	67,42	9 121,356	1,329,878	1,324,014
Unrestricted	(2,979,945)	(2,991,814)	465,00	3 362,546	(2,514,942)	(2,629,268)
Total Net Position	\$ 989,997	\$ 881,421	\$ 1,195,71	2 \$ 1,126,329	\$ 2,185,709	\$ 2,007,750

As of June 30, 2016, the County's total assets and deferred outflows of resources increased by 9% or \$773,079 during the current fiscal year. Deferred outflows of resources related to pension increased by \$449,535 due to the changes in net pension liability measurements as required by GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27,*" (GASB Statement No. 68) and employer pension contributions made after the measurement date as required by 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). In addition, an increase of \$231,765 in cash and equivalents is another contributing factor. This increase was primarily due to increased passenger facility charge revenues, receipt of grants for capital improvement projects, and bond proceeds to construct the new community facility district (CFD), Village of Esencia; the debt will be paid by a special tax levied on properties within the CFD.

Total liabilities and deferred inflows of resources for FY 2015-16 increased by 9% or \$595,120. Long-term liabilities increased by 9% or \$477,069, as a result of recording the County's proportionate share of the net pension liability. Deferred inflows of resources related to pension increased \$60,244 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:

		nmental		ss-Type				
		/ities		vities	Total			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>		
REVENUES								
Program Revenues:	¢ 557.450	¢ 500.040	¢ 007.000	¢ 004.000	¢ 054.740	¢ 044.004		
Charges for Services Operating Grants and Contributions	\$ 557,450 2,037,311	\$ 563,013 1,996,861	\$ 297,293 171	\$ 281,368 255	\$ 854,743 2,037,482	\$ 844,381 1,997,116		
Capital Grants and Contributions	105,776	33,241	2,174	9,215	107,950	42,456		
General Revenues:	105,770	55,241	2,174	5,215	107,950	42,450		
Property Taxes	500,507	505 400			500,507	FOF 400		
Property Taxes in Lieu of	500,507	505,189			500,507	505,189		
Motor Vehicle License Fees	222 505	214.057			222 505	214.057		
Other Taxes	333,595	314,957	 72		333,595	314,957		
Grants and Contributions not Restricted	78,184	71,613	12	109	78,256	71,722		
to Specific Programs	4,583	49,476			4,583	49,476		
State Allocation of Motor	.,	,			1,000	,		
Vehicle License Fees	1,100	764			1,100	764		
Other General Revenues	80,857	76,585	8,696	4,639	89,553	81,224		
Total Revenues	3,699,363	3,611,699	308,406	295,586	4,007,769	3,907,285		
EXPENSES	-,,	-,,	,		.,,	-,,		
General Government	203,394	191,793			203,394	191,793		
Public Protection	1,433,421	1,326,028			1,433,421	1,326,028		
Public Ways and Facilities	142,071	114,398			142,071	114,398		
Health and Sanitation	554,872	537,580			554,872	537,580		
Public Assistance	· · · · · · · · · · · · · · · · · · ·				1,097,129			
Education	1,097,129 46,170	1,049,665 43,314			46,170	1,049,665 43,314		
Recreation and Cultural Services	46,170	43,314			46,170	43,314 102,069		
	20,112	23,560			20,112	23,560		
Interest on Long-Term Debt	20,112	23,500	 120,921	 124,778	120,921	23,500		
Airport Waste Management			96,301	69,307	96,301	69,307		
Compressed Natural Gas			283	331	283	331		
Total Expenses	2 612 205	2 200 407						
Excess before Transfers	<b>3,612,305</b> 87,058	<b>3,388,407</b> 223,292	<b>217,505</b> 90,901	<b>194,416</b> 101,170	<b>3,829,810</b> 177,959	<b>3,582,823</b> 324,462		
Transfers	21,518	19,959	(21,518)	,	177,909	524,402		
Change in Net Position	108,576	243,251	<b>69,383</b>	(19,939) <b>81,211</b>	177,959	324,462		
Net Position - Beginning of the Year	881,421	638,170	1,126,329	1,045,118	2,007,750	1,683,288		
Net Position - End of the Year	\$ 989,997							

The County's net position increased by \$177,959 during the current fiscal year. Revenues for the year totaled \$4,007,769, an increase of \$100,484 from prior year's total revenues. Expenses totaled \$3,829,810, an increase of \$246,987 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 2015-16, total revenues for governmental activities, including transfers from the business-type activities, were \$3,720,881, an increase of \$89,223 from the previous year. Expenses totaled \$3,612,305, an increase of \$223,898 from the prior year. During the current fiscal year, net position for governmental activities increased by \$108,576 from the prior fiscal year for an ending balance of \$989,997. Key elements of the increase are as follows:

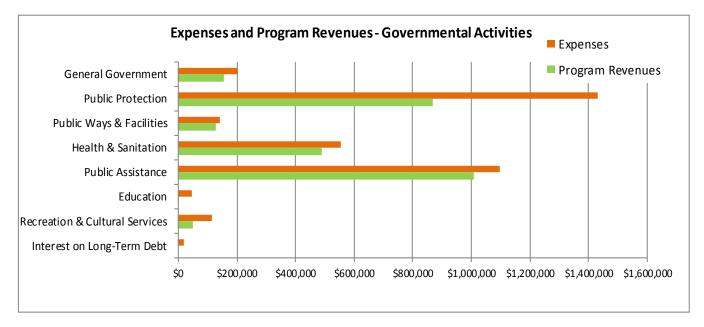
### **Revenues**

- Operating Grants and Contributions increased by \$40,450, due primarily to a \$29,822 increase in revenues for social services related to the Medi-Cal program, CalFresh program, and In-Home Supportive Services.
- Capital Grants and Contributions increased by \$72,535, primarily due to increase of \$88,700 for the development of CFD, Village of Esencia, to provide acquisition and construction of public facilities and improvements. Offsetting this was a \$20,653 decrease in revenues related to construction projects due to the completion of construction for projects such as Cow Camp Road.
- Partially offsetting the increase in revenue was a decrease in Grants and Contributions not restricted to Specific Programs of \$44,893, primarily for a one-time windfall that was only received by the County in FY 2014-15 where the State fully paid pre-2004 Senate Bill 90 (SB90) mandated cost claims.

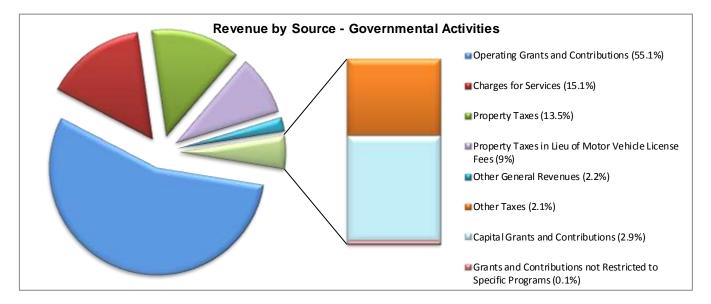
#### Expenses

- Expenses in public protection increased by \$107,393, primarily due to an increase in Salaries and Employee Benefits (S&EB) which was the result of salary adjustments based on contracts, additional positions added to support ongoing operations and increases in pension related expense items. The increase was partially offset by a reduction in employer paid pickup contributions of the safety members retirement plan (3% at 50) that is now being 100% paid by employees. In addition, there were increases in utility costs and a negative adjustment made to an infrastructure capital asset project due to a settlement for the Los Alamitos Pump Station project.
- Expenses in public assistance increased by \$47,464, primarily due to an increase in S&EB which include salary
  adjustments based on contracts, additional positions added to support new and ongoing demands in social
  services programs and increases in pension expense. In addition, there was an increase in Services and
  Supplies (S&S) due to new office rent expenses, increases in contract services, facility improvements and other
  services required to ensure continued and more efficient operations.
- Expenses in public ways and facilities increased by \$27,673, which was primarily attributable to the issuance of South County Roadway Improvement Program (SCRIP) fee credits paid to the developer.
- Expenses in health and sanitation increased by \$17,292 due to an increase in S&EB for additional positions to support ongoing services, pension related expense items, and increases in the Mental Health Services Act (MHSA) program expenses. Partially offsetting the increase was a continued decrease in expenses related to the Medical Services Initiative and a decrease in the loss on disposition of assets in FY 2015-16.

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

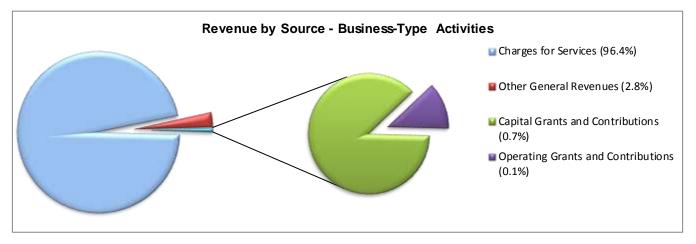


The chart below presents the percentage of total revenues by source for governmental activities:



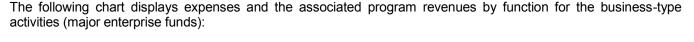
# **Business-Type Activities**

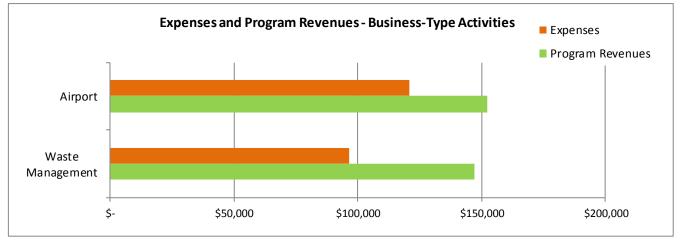
The County has three business-type activities: Airport, Waste Management, and Compressed Natural Gas. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported charges for services as their largest source of revenues.



At the end of FY 2015-16, the business-type activities' total revenues exceeded expenses and transfers resulting in an increase of \$69,383 in net position compared to the prior year's increase in net position of \$81,211. Revenues totaled \$308,406, an increase of \$12,820 from the previous fiscal year, which is attributable to a \$6,737 increase in revenues received by the Airport for terminal space rental, concessions, landing fees and use of property and also an increase of \$2,847 for interest income and Passenger Facilities Charges (PFC). Another contributing factor to the increase in revenue was Waste Management's importation disposal tonnage and fees which increased by \$2,863 and in-county disposal tonnage and fees which increased by \$4,738. Partially offsetting the increase in revenue was a decrease of \$7,041 in capital grants related to the Airport's Terminal A and B Baggage Handling System project which was completed in FY 2014-15.

Expenses, including transfers to governmental activities, totaled \$239,023, representing an increase of \$24,648 from the previous year. This increase is primarily due to Waste Management's one-time adjustment in FY 2014-15 to decrease the closure and postclosure care costs relating to Frank R. Bowerman, Olinda Alpha, and Coyote Landfills. In FY 2015-16, there was an additional \$2,729 in closure and postclosure care costs. These resulted in a total increase in expenses of \$24,772 between the two fiscal years. However, partially offsetting the increase was a decrease for the Airport of \$3,857 for non-operating expenses and a decrease in expenses for capital asset impairment loss due to a one-time impairment that occurred in FY 2014-15 for 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."





# FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

#### **Governmental Funds**

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

At June 30, 2016, the County's governmental funds reported total fund balances of \$2,357,526, which is an increase of \$170,835 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, 2016 and 2015

		Revenues and Other Financing Sources				Expenditure Financi			Net Change in Fund Balances				
		<u>2016</u> <u>2015</u> *			<u>2016</u> <u>2015</u> *					<u>2016</u>		<u>2015</u> *	
General Fund	\$	3,038,491	\$	3,001,243	\$	2,975,161	\$	2,853,121	\$	63,330	\$	148,122	
Flood Control District		128,929		163,096		116,206		121,287		12,723		41,809	
Other Public Protection		63,506		66,846		63,656		66,747		(150)		99	
Mental Health Services Act		116,978		141,713		115,244		104,115		1,734		37,598	
Other Governmental Funds		904,098		641,234		810,900		649,795		93,198		(8,561)	
Tota	I \$	4,252,002	\$	4,014,132	\$	4,081,167	\$	3,795,065	\$	170,835	\$	219,067	

\* The balances shown in FY 2014-15 reflect the change of major funds in FY 2015-16.

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 2015-16, revenues and other financing sources exceeded expenditures and other financing uses resulting in an increase in fund balances of \$63,330 compared to last year's increase in fund balances of \$148,122. Revenues and other financing sources increased by \$37,248 and expenditures and other financing uses increased by \$122,040. 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 2015-16:

#### **Revenues**

 Tax revenue increased by \$41,760, 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. Additionally, there was an increase in supplemental and other property tax revenues.

- Fines, Forfeitures, and Penalties revenue decreased by \$37,688, primarily due to the adoption of Board Resolution 14-096 that changed the minimum reserve requirements for the Teeter Plan Loss Reserve. The change resulted in a significant one-time increase in revenues in FY 2014-15.
- Use of Money and Property increased by \$13,046, primarily due to the revenue distribution for the recognition of interest paid by the State related to the SB90 State Mandated Cost Program reimbursement.
- Transfers to the General Fund increased by \$13,575, due to transfers for multi-year capital projects, reimbursements for Shelter Costs, and increases in Proposition 63 drawdowns from the MHSA. The increase in transfers to the General Fund was partially offset by a decrease in transfers in from the Facilities Development and Maintenance Fund for General Relief Assistance. There was also a decrease in transfers in from the Juvenile Justice Reform fund due to its prior year closure.

### Expenditures

- Expenditures in public protection increased by \$55,580. Factors contributing to this increase in expenditures
  were ongoing operational cost increases in the Sheriff-Coroner's Department for S&EB, Workers' Compensation
  Insurance, Property & Liability Insurance, and S&S due to expenditures for utilities.
- Transfers from the General Fund increased by \$43,386 due to higher expenditures related to the new Animal Care Shelter, Central Utility Facility (CUF) infrastructure upgrades, Probation's hot red radio mobile expenditures, and Sheriff-Coroner's Department one-time equipment purchases. The increase in transfers was partially offset by lower transfers to the Plan of Adjustment Available Cash fund used to amortize bankruptcy related losses to County administered accounts.

### 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 2015-16, there was an increase in fund balance of \$12,723, compared to last year's increase of \$41,809. Revenues and other financing sources decreased by \$34,167, mainly due to a decrease in intergovernmental revenues related to a reduction in SAR Subvention claims and a reduction in revenue from the Department of Water Resources for the Santa Ana River Interceptor (SARI) Line project claims. Refer to Note 10 for detailed information regarding the SARI project and financing agreement. Expenditures and other financing uses decreased by \$5,081, primarily due to a decrease in capital outlay expenditures related to property acquisitions for the Prado Dam and a decrease in the repayment of SARI Line Project loans to the Orange County Sanitation District (OCSD) and Santa Ana Watershed Project Authority (SAWPA).

# Other Public Protection

This group of funds is used to account for safety and law enforcement activities. At the end of FY 2015-16, there was a decrease in fund balance of \$150 compared to last year's increase in fund balance of \$99. Revenues and other financing sources decreased by \$3,340, which was attributable to a decrease in fines, forfeitures and penalties of \$6,788, primarily for penalty and settlement collections in the District Attorney's Consumer Protection funds. Offsetting the decrease in revenues and other financing sources was an increase in transfers in of \$4,479, mainly to fund a mass notification system. Expenditures and other financing uses decreased by \$3,091 primarily due to transfers out of \$4,774 from the DA Consumer Prosecution Fund and the James A. Musick Facility construction costs. Offsetting the decrease in expenditures and other financing uses was an increase in capital outlay and public protection of \$1,683, which was primarily due to public protection expenses incurred by program members for services rendered in support of the Regional Narcotics Suppression Program (RNSP) and payments for charges related to the preservation of County Archival Property Records.

# Mental Health Services Act

This fund accounts for MHSA revenues earned by the Health Care Agency (HCA) that are purpose restricted. At the end of FY 2015-16, fund balance increased by \$1,734 compared to last year's increase in fund balances of \$37,598. Revenues and other financing sources decreased by \$24,735, primarily due to a decreased allocation of the Mental Health Services Fund apportionments from the State. Expenditures increased by \$11,129, primarily due to an increase in transfers out to the General Fund for reimbursement of eligible expenditures.

# 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 2015-16, fund balances increased by \$93,198 in comparison to prior year's decrease in fund balances of \$8,561. Revenues and other financing sources increased by \$262,864 primarily due to an increase in intergovernmental revenues caused by the reclass of transfers for debt service activity related to the Village of Esencia, an increase in transfers in from the General Fund for multi-year countywide capital projects, an increase in bonds issued to finance the new Central Utilities Facility (CUF) Lease Revenue Bonds, Series 2016 and the issuance of the Teeter Plan Obligations Notes, Series B. Expenditures and other financing uses increased by \$161,105 primarily due to an increase in construction costs for Cow Camp Road Phase 1A & 1B Bridge project, the La Pata Avenue Gap Closure project, the Central Utilities Facility Infrastructure Upgrade and reimbursements to Santa Margarita Water District for construction of water facilities for CFD, Village of Esencia. In addition, there were increased SCRIP fee credits paid to the developer for the I-5/Ortega Highway Interchange project and La Pata Avenue Improvements and increased debt service costs for principal retirement of Teeter Plan Obligations Notes, Series B.

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, 2016 and 2015				
		2016	2015 *	Increase/(Decrease) %
General Fund		\$ 727,838	\$ 664,508	10 %
Flood Control District		431,668	418,945	3 %
Other Public Protection		145,810	145,960	
Mental Health Services Act		241,958	240,224	1 %
Other Governmental Funds		810,252	717,054	13 %
	Total	\$ 2,357,526	\$ 2,186,691	8 %

\* The balances shown in FY 2014-15 reflect the change of major funds in FY 2015-16.

# **Proprietary Funds**

The proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Airport and 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' 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, 2016 and 2015

	R	Revenues, Contributions and Transfers			Expe and Tra		Change in Fund Net Position			
		<u>2016</u>		<u>2015</u>	2016	2015		2016		2015
Airport	\$	155,495	\$	152,732	\$ 121,023	\$ 125,072	\$	34,472	\$	27,660
Waste Management		152,630		142,250	117,667	89,117		34,963		53,133
Compressed Natural Gas		345		423	534	480		(189)		(57)
Total	\$	308,470	\$	295,405	\$ 239,224	\$ 214,669	\$	69,246	\$	80,736

### <u>Airport</u>

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 2015-16, there was an increase in fund net position of \$34,472, which was a higher increase when compared to the prior year increase of \$27,660. Revenues and contributions increased by \$2,763 primarily due to an increase in revenues received for terminal space rental, concessions, landing fees, use of property, interest income, and PFC revenue, partially offset by a decrease in capital grant contributions. Expenses decreased by \$4,049 primarily due to a decrease in other nonoperating expense and a decrease in loss on disposition of capital assets compared to the prior year increase which was due to an impairment loss of a capital asset related to the Common Use Passenger Processing System (CUPPS) hardware and software. The Airport reported expense of capital asset impairment loss in FY 2014-15, but no asset impairment in FY 2015-16.

### 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 2015-16, there was an increase in fund net position of \$34,963, which was a smaller increase when compared to the prior year increase of \$53,133. Revenues and transfers increased by \$10,380 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 increased by \$28,550 primarily due to an increase in provision for closure and postclosure care costs and pollution remediation expenses.

### Compressed Natural Gas (CNG)

This fund 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. At the end of FY 2015-16, there was a decrease in fund net position of \$189, which was a decrease when compared to the prior year increase of \$57. Revenues decreased by \$78 due to a decrease in CNG fuel sales and CNG/Propane tax refunds and credits. Expenditures increased by \$54 due to an increase in transfers out to reimburse the OC Flood Control District Fund for the annual payment for the construction of the compressed natural gas station. This increase in expenses was partially offset by decreases in utility charges, fuel excise taxes, and vendor use fuel tax.

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 Amended 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:

#### Intergovernmental Revenue

- An increase of \$8,682 in the Social Services Agency (SSA) in anticipation of the FY 2015-16 State and Federal allocations received for various programs, such as Medi-Cal, CalFresh, Non-Medical Out-of-Home Care, Work Incentive Nutrition Supplement.
- An increase of \$4,340 in the Probation Department for the funding of Probation's maintenance projects and the multipurpose rehabilitation center.
- An increase of \$1,696 in the Sheriff-Coroner department, primarily from an increase in federal revenues for expenditures eligible for reimbursement from carryover grant funds as well as an increase in Federal monies from the Homeland Security Grant for the purchase of equipment for the Air Support Unit.

Transfers In

- An increase of \$8,235 in the 2005 Lease Revenue Refunding due to an agreement with the OC Waste and Recycling (OCWR) Department to transfer net imported waste revenue to the General Fund in support of the County Bankruptcy Recovery Plan.
- An increase of \$5,430 in the HCA to cover increased eligible program costs and to also account for increased monies from the Tobacco Settlement Fund.
- An increase of \$1,797 is primarily due from the DNA Identification Fund to the District Attorney for DNA Database software and sample collection site upgrades.
- A decrease of \$3,463 in Capital Projects due to funding for the year-round homeless shelter being reallocated to the Countywide Capital Projects Non-General Fund.

Use of Money and Property

• An increase of \$10,193 to recognize interest payments received from the State for the Mandated Costs Reimbursement program.

Charges for Services

• An increase of \$6,314 in the Sheriff-Coroner department as a result of an increase in law enforcement services provided to various cities and under the Selective Traffic Enforcement program.

# 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:

### Transfers In

- A \$98,354 less than budgeted amount was primarily comprised of the following:
  - \$43,288 lower than budgeted amount in HCA caused by a lower amount received for eligible expenditures associated with the MHSA Fund and a delay in transfers from the OC Tobacco Settlement Revenue Fund.
  - \$21,488 less than budgeted in SSA was largely due to lower amounts claimed for eligible expenditures as a result of higher than anticipated vacancy rate, as well as deferrals of IT and facility projects. In addition, there was lower than budgeted spending in the Wraparound program, which provides a process to connect and support youth who have emotional health needs and their families with community-based services and other valuable resources.
  - \$11,000 lower than budget from the Teeter Tax Loss Reserve Fund which was determined to be unnecessary.
  - \$10,737 lower than budgeted amount in Capital Projects was mainly due to redirection of money for the year-round emergency shelter to another governmental fund where the expenditures were incurred. In addition, there were higher than anticipated transfers for carryover projects to the Countywide Capital Projects Non-General Fund.

# Intergovernmental

- A \$42,354 less than budgeted amount was primarily comprised of the following:
  - A \$33,115 less than budget amount in SSA is due to a lower amount of monies claimed from State and Federal assistance programs such as CalWorks, Work Incentive Nutritional Supplement and Low Income Energy Assistance Program.
  - A \$8,377 less than budgeted amount in the Sheriff-Coroner was caused by monies received for Prop 172 for Public Safety Sales Tax.

# Charges for Services

- A \$37,267 less than budgeted amount was primarily comprised of the following:
  - A \$9,030 variance in OC Community Resources due to lower revenues for computer aided architectural designs (CAAD).
  - A \$6,898 less than budgeted amount for revenues received for mental health services under the Short-Doyle/Medi-Cal program.
  - A \$6,416 less than budgeted amount in OC Public Works for monies received from the quarterly indirect cost billings to other County units.

- A \$5,120 less than budgeted amount in billings for utility and maintenance services performed by Utilities.

# Original Expenditure Budget vs. Final Amended 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 what was originally budgeted:

Sheriff-Coroner

 An increase of \$15,560 in budgeted appropriations primarily due to higher costs associated with providing law enforcement services to cities, traffic safety, forensic science and homeland security, as well as an increase in budget appropriations for transportation vehicles to carry out law enforcement activities.

#### Social Services Agency

An increase of \$8,813 in budgeted appropriations due to anticipated higher costs for Medi-Cal, CalWORKs
and various other State programs, as well as added positions to support new federal overtime regulations per
the provisions of the Fair Labor Standards Act.

### 2005 Lease Revenue Refunding

 An increase of \$8,325 in budgeted appropriations to transfer the anticipated increase in importation revenues that will be used to amortize bankruptcy related losses to County Administered Accounts in accordance with the Bankruptcy Second Amended Modified Plan of Adjustment.

### Health Care Agency

• An increase of \$5,770 which mostly consisted of an increase to transfers out for multi-year projects and the purchase of the former Santa Ana Transit Terminal.

### Final Expenditure Budget vs. Actual Expenditure Amounts

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

# Social Services Agency

• A \$66,642 lower than budgeted amount due to lower than anticipated caseloads and associated assistance payments, as well as lower S&S due to lower contracts, IT expenditures and facility projects.

#### Health Care Agency

A \$67,425 lower than budgeted amount caused by lower costs of contracted services associated with MHSA programs. Additionally, expenditures for Medical Services Network claims and contract pharmacy expenditures were lower than anticipated and there was a decrease in expenditures in the Emergency Medical Services fund due to lower funding.

# OC Community Resources

• A \$14,441 lower than budgeted amount mostly as a result of keeping positions vacant throughout the year in support services and lower professional service contracts. Furthermore, there was a delay in the timing of operation for the emergency and homeless shelter.

#### Capital Projects

• A \$11,504 lower than budgeted amount was primarily the result of various structure and improvement projects being delayed to future fiscal years, such as the year-round shelter and HCA lab and clinic facilities.

#### Sheriff-Coroner

• A \$11,269 lower than budgeted amount was primarily the result of less expenditures in S&EB benefits. In addition, there were less expenditures than anticipated for the purchase of a helicopter and IT equipment costs.

### Capital Assets

At June 30, 2016, the County's capital assets for both the governmental and business-type activities amounted to \$3,657,852, net of accumulated depreciation. The investment in capital assets includes land, structures and improvements, land improvements, equipment, intangibles (software, land use rights, water and mineral rights), infrastructure (roads, bridges, flood channels, trails, traffic signals, and harbors), intangible in progress, 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, 2016 and 2015	2015 Governmental Business-Type												Increase	
	Activities				Activ	/iti	es		То	tal		(Decrease)		
		<u>2016</u>		<u>2015</u>		<u>2016</u>		<u>2015</u>		<u>2016</u>		<u>2015</u>	% Change	
Land	\$	834,406	\$	823,484	\$	37,842	\$	37,842	\$	872,248	\$	861,326	1 %	
Structures and														
Improvements		572,331		585,638		499,151		507,111		1,071,482		1,092,749	(2)%	
Land Improvements		2,436		473						2,436		473	415 %	
Equipment		109,997		96,094		23,898		21,998		133,895		118,092	13 %	
Software		38,713		46,589		1,126		891		39,839		47,480	(16)%	
Infrastructure		1,121,121		1,113,759		244,289		192,367		1,365,410		1,306,126	5 %	
Intangible in														
Progress		3,453		857		2,068		879		5,521		1,736	218 %	
Land Use Rights		7,602		6,992						7,602		6,992	9 %	
Construction in														
Progress		118,864		109,789		40,555		74,088		159,419		183,877	(13)%	
Total	\$	2,808,923	\$	2,783,675	\$	848,929	\$	835,176	\$	3,657,852	\$	3,618,851	1 %	

The following lists the significant expenditures for capital assets in FY 2015-16:

#### General Fund

- \$3,317 for the acquisition of Santa Ana Transit Terminal that was converted into a transitional center for the Civic Center homeless
- \$3,154 for the purchase of property in Anaheim, to use as a year-round temporary shelter and multi-service center
- \$3,039 for the purchase of the Airbus helicopter for the Sheriff-Coroner
- \$1,309 for the replacement of the roof, heating, ventilation, and air conditioning units of a Social Services Agency building located in the City of Orange

#### Flood Control District

- \$7,242 for the Newland Storm Channel Improvement Project
- \$6,641 for the purchase of two properties for the Prado Dam Project to support flood control protection for the residents of Orange County
- \$2,284 for the Glassell Yard Campus Stormwater Low Impact Development Retrofit Project
- \$1,704 for the Fletcher Basin Improvement Project

#### Other Public Protection

- \$3,717 for the replacement of obsolete radio equipment
- \$3,560 for the purchase of communications equipment
- \$2,786 for the purchase of laptops, tablets, and integrated control systems to provide better equipped vehicles

# Other Governmental Funds

- \$22,592 for the construction of La Pata Avenue Gap Closure/Camino Del Rio Extension
- \$9,355 for the Central Utility Facility Infrastructure Upgrade Project
- \$6,965 for the Sunset/Huntington Harbor Maintenance Dredging & Waterline Installation Project
- \$3,385 for the Cow Camp Road Construction Project
- \$2,957 for the Dana Point Harbor Maintenance & Dredging Project
- \$2,682 for the Musick master plan and design services at James A. Musick facility
- \$2,674 for the renovation project at Los Pinos Conservation Camp
- \$2,406 for the Gilbert Street Improvements Project

### <u>Airport</u>

- \$12,162 for the Terminals A and B Improvements Project
- \$3,929 for system upgrades, equipment and support of the Common Use Passenger Processing Project which will
  provide improved customer service and ensure compliance with new credit card processing and fraud-protection
  standards
- \$3,042 for the Main Street & Employee Parking Lot Project

### Waste Management

- \$8,149 for Phase VIIB-1 Soil Buttress and Composite Liner Construction Project
- \$6,800 for Olinda Alpha Landfill Front Slope Improvement Project Phase I Partial Final Closure
- \$2,477 for heavy equipment at the South Regional Landfill
- \$2,163 for East Flank Landside Remediation Project at Frank R. Bowerman Landfill
- \$2,138 for heavy equipment at the North Regional Landfill

Additional information on the County's capital assets can be found in Note 4, Changes in Capital Assets.

### Commitments for Capital Expenditures

At the end of FY 2015-16, significant commitments for capital expenditures included the following:

- \$94,053 for the Airport's Terminals A and B Improvements
- \$31,034 for the Animal Care Shelter
- \$19,637 for the La Pata Avenue Gap Closure/Widening
- \$11,158 for the purchase of law enforcement vehicles
- \$7,150 for the Civic Center Building 16-Phase 1A project
- \$6,282 for the Santa Ana River Interceptor Line Project
- \$4,968 for the Greenville-Banning Channel Improvement Project
- \$4,893 for the Airport's Common Use Passenger Processing System Hardware and Software
- \$4,475 for the County Operations Center-Building A-Replace Air Handlers 1-3
- \$3,900 for the Edinger Storm Channel Improvement
- \$3,338 for the Los Alamitos Pump Station and Pump House
- \$3,043 for the Frank R. Bowerman Landfill Soil Buttress and Liner project
- \$2,652 for the Airport's Parking Structure C, Phase 2 project

Additional information on the County's commitments for capital expenditures can be found in Note 14, Construction and Other Significant Commitments.

#### Long-Term Debt

At June 30, 2016, the County had total debt obligations outstanding of \$460,791 excluding capital lease obligations, compensated absences and other liabilities. During the year, the County's outstanding bond obligations decreased by 1%, which is attributable to the retirement of \$154,652, of bond obligations. The decrease primarily is due to the redemption of \$74,561 of the Teeter Plan Notes, the redemption of \$37,545 of the revenue bonds, and a decrease of \$31,089 in Interest Accretion on Capital Appreciation Bonds (CAB). Partially offsetting the decrease was the addition of \$56,565 in Revenue Bonds, primarily due to the issuance of the CUF Lease Revenue Bonds, Series 2016, and the addition of \$70,929 in 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, 2016:

LONG-TERM DEBT BOND OF June 30, 2016 and 2015	BLIG	ATIONS									
		Govern	mer	ntal	Busine	S	s-Type				
		Activ	/ities	S	Activ	vit	ties	Тс	otal		(Decrease)
		<u>2016</u>		<u>2015</u>	<u>2016</u>		<u>2015</u>	<u>2016</u>		<u>2015</u>	% Change
Revenue Bonds	\$	122,870	\$	96,645	\$ 197,069	\$	204,274	\$ 319,939	\$	300,919	6 %
Certificates of Participation		1,262		1,744				1,262		1,744	(28)%
Pension Obligation Bonds		19,140		27,227				19,140		27,227	(30)%
Teeter Plan Notes		30,191		33,823				30,191		33,823	(11)%
Add: Premium/(Discount)											
on Bonds Payable		18,275		9,235	(1,942)		(1,738)	16,333		7,497	118 %
Add: Interest Accretion											
on CABs		73,926		96,303				73,926		96,303	(23)%
Total	\$	265,664	\$	264,977	\$ 195,127	\$	5 202,536	\$ 460,791	\$	467,513	(1)%

The following summarizes the County's long-term debt issuance during FY 2015-16:

<u>Central Utility Facility Lease Revenue Bonds, Series 2016</u> On June 2, 2016, the SOCPFA issued its \$56,565 Lease Revenue Bonds, Series 2016 at a premium of \$11,724. The Lease Revenue Bonds, payable through April 2036, were issued to finance the acquisition, construction and installation of certain capital improvements to be owned by the County, and pay costs relating to the issuance of the bonds. As of June 30, 2016, the outstanding principal amount, including the premium of the Series 2016 Bonds, and remaining interest were \$68,289 and \$33,190, respectively.

The bonds are special obligations of the SOCPFA payable from and secured by the base rental payments to be made by the County under the lease and the amounts held in all funds and accounts (other than the rebate fund) under the indenture.

<u>Teeter Plan Notes</u> 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. On December 30, 2015, the County used all of the accumulated base taxes to redeem \$23,978 of the Teeter Plan Notes. On January 29, 2016, the Note Purchase and Reimbursement Agreement was extended. Teeter Plan Obligation Notes, Series B were issued for \$40,387 to retire the old Teeter Notes maturing January 29, 2016.

On June 28, 2016, the County used all of the accumulated base taxes to redeem \$10,196 of the Teeter Plan Notes. As of June 30, 2016, the outstanding principal amount of the Teeter Plan Notes was \$30,191.

Additional information on the County's long-term debt activity can be found in Note 10, Long-Term Obligations and Note 20, Subsequent Events.

# Bond Ratings

The County maintained its issuer rating of Aa1 from Moody's Investors Service and currently Fitch Ratings does not provide issuer ratings. In FY 2015-16, the following changes occurred in the County's underlying debt:

On December 28, 2015, Standard & Poor's Global Ratings (S&P) raised its issuer credit rating for the County to AA+ from AA. S&P also raised its long-term rating and underlying rating on the County's 2005 Lease Revenue Bonds, 2006 Lease Revenue Bonds, and 2012 Lease Revenue Bonds to AA from AA-.

On June 2, 2016, the County issued the 2016 Lease Revenue Bonds with an AA rating from S&P.

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

LONG-TERM DEBT RATINGS June 30, 2016									
	Standard & Poor's	Moody's	Fitch						
2005 Lease Revenue Bonds	AA	Aa3	AA						
2006 Lease Revenue Bonds	AA	Aa3	AA						
2012 Lease Revenue Bonds	AA	Aa3	NR						
2016 Lease Revenue Bonds	AA	NR	NR						
1991 Parking COPs	NR	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 the 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, the 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 the 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. As of June 30, 2016, the remaining obligation to the state is \$130,000.

### 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. 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 a vendor to conduct a needs assessment and to document the requirements of the new PTMS, with the needs assessment project being completed in July 2007. On July 15, 2008, the Board approved a contract to develop and implement the new PTMS based on the requirement specifications documented during the needs assessment. However, only two out of twenty-seven modules were implemented and remain in partial operation. The software development vendor tried to complete the remaining modules until their contract expired and the project was placed on hold on January 9, 2013. The County filed charges against the vendor a few months later.

In August 2016, the PTMS development vendor settled the litigation and the County received \$26,000 in litigation settlement revenue.

In looking into the solution for Property Tax Management, the PTMS Steering Committee directed its staff to issue a Request for Proposal (RFP) to re-platform the current legacy system. As opposed to a complete development from new specifications, this would take the existing system and transform it to operate on an open system platform with similar functionality. An RFP was issued on September 14, 2016.

#### 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, 2015, the funded ratio was 71.72%. An increase in funding status is caused by multiple factors, including: (1) additional UAAL (Unfunded Actuarial Accrued Liability) payments by certain plan sponsors, (2) lower than expected salary growth, and (3) lower than expected cost of living adjustment (COLA) increases, offset slightly by (1) actual contributions less than expected, (2) unfavorable investment returns (after smoothing), and (3) higher than expected retirement experience.

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 November 18, 2013, the OCERS Board adopted the actuarial funding policy to reduce the amortization period for future Unfunded Actuarial Accrued Liability (UAAL) from 30 years to 20 years, which included combining and reamortizing the entire outstanding UAAL balance as of December 31, 2012, over a single 20-year period. 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 and 2013 valuations were impacted by economic assumption changes, which flowed from the 2012 Review of Economic Actuarial Assumptions. These changes included 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 <a href="http://acdcweb01.ocgov.com/acInternet/Default.aspx">http://acdcweb01.ocgov.com/acInternet/Default.aspx</a>.



Orange County's Finance Building, 1970



		Primary Governme	ent	Component Units		
	Governmental Activities	Business-Type Activities	Total	Governmental CFCOC	Proprietary CalOptima	
ASSETS						
Cash and Cash Equivalents	\$ 2,156,927	\$ 646,860	\$ 2,803,787	\$ 53,178	\$ 268,978	
Restricted Cash and Cash Equivalents	226,814	141,632	368,446		300	
Investments	221,856	25,246	247,102		1,484,979	
Deposits In-Lieu of Cash	25	48,000	48,025			
Internal Balances	11,207	(11,207)				
Due from Component Unit	375		375			
Due from Primary Government				2		
Prepaid Costs	287,051	3,935	290,986	144	23,296	
Inventory of Materials and Supplies	1,986		1,986			
Receivables, Net of Allowances						
Accounts	8,275	17,842	26,117		470,264	
Taxes	32,336		32,336	4,647		
Interest/Dividends	4,230	1,372	5,602	36		
Deposits	4,667	100	4,767	6,998		
Advances	30		30			
Due from Other Governmental Agencies, Net	424,464	5,211	429,675	1,474		
Notes Receivable, Net	27,900		27,900			
Net Other Postemployment Benefits Capital Assets	43,107		43,107			
Not Depreciable/Amortizable	964,325	80,465	1,044,790		12,132	
Depreciable/Amortizable, Net	1,844,598	768,464	2,613,062		42,864	
Total Capital Assets	2,808,923	848,929	3,657,852		54,996	
Total Assets	6,260,173	1,727,920	7,988,093	66,479	2,302,813	

#### DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	3,871		3,871		
Deferred Outflows of Resources Related to Pension	1,093,168	22,951	1,116,119	863	5,003
Total Deferred Outflows of Resources	1,097,039	22,951	1,119,990	863	5,003

		Primary Governm	ent	Component Units			
	Governmental Activities	Business-Type Activities	Total	Governmental CFCOC	Proprietary CalOptima		
LIABILITIES							
Accounts Payable	\$ 117,760	\$ 13,983	\$ 131,743	\$ 5,044	\$ 10,607		
Salaries and Employee Benefits Payable	111,546	2,430	113,976	78	11,837		
Retainage Payable	4,366	1,183	5,549	1,401			
Interest Payable	3,074	5,090	8,164				
Deposits from Others Due to Primary Government	63,141	49,405	112,546	 375			
Due to Component Unit			2				
Due to Other Governmental Agencies	36,118	3,246	39,364	3,665	179		
Unearned Revenue	54,466	3,583	58,049		586,186		
Short-Term Bonds Payable	334,275		334,275				
Long-Term Liabilities							
Due Within One Year							
SARI Line Loans	5,365		5,365				
Estimated Liability - Litigation and Claims	25,000		25,000				
Interest Accretion on Capital Appreciation Bonds Payable	33,355		33,355				
Insurance Claims Payable	60,214		60,214				
Medical Claims Payable					598,695		
Capitation and Withholds					401,826		
Compensated Employee Absences Payable	103,758	2,550	106,308	50			
Capital Lease Obligations Payable	12,098 61,164	7,656	12,098 68,820				
Bonds Payable Pollution Remediation Obligation	01,104	449	449				
Capital Asset Obligation		108	108				
Landfill Site Closure/Postclosure Liability		2,659	2,659				
Due in More than One Year		2,000	2,000				
SARI Line Loans	22,657		22,657				
Estimated Liability - Litigation and Claims	105,000		105,000				
Interest Accretion on Capital Appreciation Bonds Payable	40,571		40,571				
Insurance Claims Payable	159,282		159,282				
Compensated Employee Absences Payable	81,190	2,243	83,433	14			
Arbitrage Rebate Payable	233		233				
Capital Lease Obligations Payable	55,830		55,830				
Notes Payable	30,191		30,191				
Bonds Payable	100,383	187,471	287,854				
Pollution Remediation Obligation		11,735	11,735				
Capital Asset Obligation	71	153	224				
Landfill Site Closure/Postclosure Liability		158,016	158,016				
Net Pension Liability Orange County Employees Retirement System	4,298,494	93,473	4,391,967	4,067	6,537		
Extra-Help Defined Benefit Plan	4,290,494	93,473 62	4,391,907				
Net Other Postemployment Benefit Obligation	2,705		2,045		27,327		
Total Liabilities	5,922,387	545,495	6,467,882	14,694	1,643,194		
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources Related to Pension	444,828	9,664	454,492	1,026	2,155		
Total Deferred Inflows of Resources	444,828	9,664	454,492	1,026	2,155		
NET POSITION							
Net Investment in Capital Assets	2,707,493	663,280	3,370,773		54,996		
Restricted for:	2,707,100	000,200	0,010,110		01,000		
Expendable							
Pension Benefits	111,639		111,639				
Capital Projects	10,836		10,836				
Debt Service	36,380	8,499	44,879				
Legally Segregated for Grants and Other Purposes	1,103,257		1,103,257				
Regional Park Endowment	144		144				
CalOptima					89,283		
Passenger Facility Charges Approved Capital Projects		14,705	14,705				
Capital Projects - Replacements and Renewals		1,000	1,000				
Landfill Closure/Postclosure		33,997	33,997				
Landfill Corrective Action		8,245	8,245				
Wetland		879	879				
Prima Deshecha/La Pata Closure		104	104				
Nonexpendable			100				
Regional Park Endowment	(2 070 045)	465.002	(2 514 042)		 E40.400		
Unrestricted (Deficit) Total Net Position	(2,979,945) \$ 989,997	465,003 \$ 1,195,712	(2,514,942) \$ 2,185,709	51,622 \$ 51,622	518,188 \$ 662,467		
	a 909.99/	a i 1907/17	J 2.100./09	J 21.022	JU DD/ 40/		

## County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2016 (Dollar Amounts in Thousands)

		Expe	ense	s	Program Revenues					
Functions/Programs		Direct Expenses		Indirect Expenses Allocation		Charges for Services		Operating Grants and Contributions		Capital rants and ntributions
Primary Government										
Governmental Activities										
General Government	\$	254,490	\$	(51,096)	\$	34,048	\$	32,091	\$	88,700
Public Protection		1,402,113		31,308		288,185		564,282		15,782
Public Ways and Facilities		144,713		(2,642)		63,487		63,984		
Health and Sanitation		547,847		7,025		85,392		403,332		
Public Assistance		1,086,488		10,641		37,975		970,212		
Education		45,227		943		1,426		444		
Recreation and Cultural Services		113,325		1,811		46,937		2,966		1,294
Interest on Long-Term Debt		20,112								
Total Governmental Activities		3,614,315	_	(2,010)	_	557,450		2,037,311		105,776
Business-Type Activities										
Airport		120,025		896		149,894		153		2,174
Waste Management		95,207		1,094		147,130		18		
Compressed Natural Gas		263		20		269				
Total Business-Type Activities		215,495		2,010		297,293		171		2,174
Total Primary Government	\$	3,829,810	\$		\$	854,743	\$	2,037,482	\$	107,950
Component Units										
Children and Families										
Commission of Orange County	\$	32,598	\$		\$		\$	28,877	\$	
CalOptima		3.145.426				3.163.753		13.881		

Total Component Units

General Revenues

Taxes

3,178,024 \$

\$

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

3,163,753 \$

42,758 \$

Other Taxes

Grants and Contributions Not Restricted to Specific Programs

State Allocation of Motor Vehicle License Fees

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

	F	Primary Governme	ent			Compone	ent	Units	
	vernmental Activities	Business-Type Activities		Total	G	overnmental CFCOC		Proprietary	- Functions/Programs
									Primary Government Governmental Activities
\$	(48,555)	¢		\$ (48,555)	¢		\$		General Government
φ	(48,555)	φ		(565,172)	φ		φ		Public Protection
	(14,600)	·		(14,600)					Public Ways and Facilities
	(66,148)			(66,148)					Health and Sanitation
	(88,942)		_	(88,942)					Public Assistance
	(44,300)			(44,300)					Education
	(63,939)			(63,939)					Recreation and Cultural Services
	(20,112)			(20,112)					Interest on Long-Term Debt
	(911,768)			(911,768)					
									Business-Type Activities
		31,30	0	31,300					Airport
		50,84	7	50,847					Waste Management
		(1	4)	(14)					Compressed Natural Gas
		82,13	3	82,133					Total Business-Type Activities
	(911,768)	82,13	3	(829,635)	_				Total Primary Government
									Component Units
									Children and Families
						(3,721)			Commission or Orange County
						-		32,208	
						(3,721)		32,208	Total Component Units
									General Revenues Taxes
	311,902			311,902					Property Taxes, Levied for General Fund
	82,193			82,193					Property Taxes, Levied for Flood Control District
	61,048			61,048					Property Taxes, Levied for OC Parks
	45,364			45,364					Property Taxes, Levied for OC Public Libraries
	333,595	-		333,595					Property Taxes in-Lieu of Motor Vehicle License Fees
	78,184	7		78,256					Other Taxes
	4,583			4,583					Grants and Contributions Not Restricted to Specific Programs State Allocation of Motor Vehicle License Fees
	1,100 17,032	6,52		1,100 23,558		442			Unrestricted Investment Earnings
	63,825	2,17		23,558 65,995		442		304	Miscellaneous
	21,518	(21,51				429			
	1,020,344	(12,75		1,007,594		871		304	
		69.38		177.959		(2,850)		32.512	
	108,576	09.30		111,909					
	108,576 881,421	1,126,32		2,007,750		54,472		629,955	

## Net (Expense) Revenue and Change in Net Position

ASSETS Pooled Cash/Investments Imprest Cash Funds Restricted Cash and Investments with Trustee Investments Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets  LLABILITIES Accounts Payable Retainage Payable Interest Payable Deposits from Others Due to Other Funds Due to Other	1,834 15 221,772  10,486 10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	\$ 439,245    500 1,798 723 1,946  (191) 1,787  37,724 393 4,358   488,283	\$	182,014      343   5,174  2,042 290 1,180   191,119 2,819
Imprest Cash Funds Restricted Cash and Investments with Trustee Investments Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets	1,834 15 221,772  10,486 10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	\$      (191) 1,787  37,724 393 4,358   488,283	\$	   343  5,174  2,042 290 1,180   191,119
Restricted Cash and Investments with Trustee Investments Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets <b>LLABILITIES</b> Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Funds Due to Other Funds Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities <b>DEFERRED INFLOWS OF RESOURCES</b>	15 221,772  10,486 10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	  500 1,798 723 1,946  (191) 1,787  37,724 393 4,358  488,283		 343  5,174  2,042 290 1,180  191,119
Investments Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Advances Advances Advance for Uncollectible Receivables Due from Other Funds Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets   LIABILITIES Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds DEFERRED INFLOWS OF RESOURCES	221,772  10,486 10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	  500 1,798 723 1,946  (191) 1,787  37,724 393 4,358   488,283		 343  5,174  2,042 290 1,180  191,119
Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets	10,486 10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	  500 1,798 723 1,946  (191) 1,787  37,724 393 4,358  - 488,283		 343  5,174  2,042 290 1,180  191,119
Receivables         Accounts         Taxes         Interest/Dividends         Deposits         Advances         Allowance for Uncollectible Receivables         Due from Other Funds         Due from Other Funds         Due from Other Governmental Agencies, Net         Inventory of Materials and Supplies         Prepaid Costs         Advances to Other Funds         Notes Receivable, Net         Total Assets         Z         LIABILITIES         Accounts Payable         Retainage Payable         Salaries and Employee Benefits Payable         Interest Payable         Deposits from Others         Due to Other Funds         Due to Component Unit         Due to Component Unit         Due to Other Funds         Due to Other Funds         Due to Other Governmental Agencies         Unearmed Revenue         Bonds Payable         Advances from Other Funds         Total Liabilities         DEFERRED INFLOWS OF RESOURCES	10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	 1,798 723 1,946  (191) 1,787  37,724 393 4,358  488,283		 343  5,174  2,042 290 1,180  191,119
Accounts Taxes Interest/Dividends Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Component Unit Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets   LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Governmental Agencies Unearmed Revenue Bonds Payable Advances from Other Funds	10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	 1,798 723 1,946  (191) 1,787  37,724 393 4,358  488,283		 343  5,174  2,042 290 1,180  191,119
Taxes Interest/Dividends Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets  LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Sudden Agencies Unearned Revenue Bonds Payable Advances from Other Funds DEFERRED INFLOWS OF RESOURCES	10,367 1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	 1,798 723 1,946  (191) 1,787  37,724 393 4,358  488,283		 343  5,174  2,042 290 1,180  191,119
Interest/Dividends Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets  LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds DEFERRED INFLOWS OF RESOURCES	1,454 562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858	 723 1,946  (191) 1,787  37,724 393 4,358  488,283		  5,174  2,042 290 1,180   191,119
Deposits Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets   LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds  DEFERRED INFLOWS OF RESOURCES	562 30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858 56,689	 1,946  (191) 1,787  37,724 393 4,358  488,283		  5,174  2,042 290 1,180   191,119
Advances Allowance for Uncollectible Receivables Due from Other Funds Due from Component Unit Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets  LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds DEFERRED INFLOWS OF RESOURCES	30 (4,844) 78,793 375 353,668 891 327,198 3,800  1,425,858 56,689	 (191) 1,787  37,724 393 4,358  488,283		5,174  2,042 290 1,180  191,119
Due from Other Funds Due from Component Unit Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets   LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities  DEFERRED INFLOWS OF RESOURCES	78,793 375 353,668 891 327,198 3,800  1,425,858 56,689	 1,787  37,724 393 4,358   488,283		 2,042 290 1,180   191,119
Due from Component Unit Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets   LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities  DEFERRED INFLOWS OF RESOURCES	375 353,668 891 327,198 3,800  1,425,858 56,689	  37,724 393 4,358   488,283		 2,042 290 1,180   191,119
Due from Other Governmental Agencies, Net Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets	353,668 891 327,198 3,800  1,425,858 56,689	 37,724 393 4,358   488,283		290 1,180  191,119
Inventory of Materials and Supplies Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets  LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities  DEFERRED INFLOWS OF RESOURCES	891 327,198 3,800  1,425,858 56,689	 393 4,358   488,283		290 1,180  191,119
Prepaid Costs Advances to Other Funds Notes Receivable, Net Total Assets  LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities  DEFERRED INFLOWS OF RESOURCES	327,198 3,800  1,425,858 56,689	 4,358   488,283		1,180   191,119
Advances to Other Funds Notes Receivable, Net Total Assets  LIABILITIES  Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities  DEFERRED INFLOWS OF RESOURCES	3,800  1,425,858 56,689	   488,283		  191,119
Notes Receivable, Net         Total Assets         LIABILITIES         Accounts Payable         Retainage Payable         Salaries and Employee Benefits Payable         Interest Payable         Deposits from Others         Due to Other Funds         Due to Other Governmental Agencies         Unearned Revenue         Bonds Payable         Advances from Other Funds         Total Liabilities	<u>1,425,858</u> 56,689	  488,283		
Total Assets       Image: Second	56,689	 488,283		
LIABILITIES Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	56,689			
Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	,	\$ 2.351	٩	2,819
Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	,	\$ 2.351	\$	2,819
Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	,			_,
Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	1,495	450	Ť	
Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	103,724	1,523		381
Due to Other Funds Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	1,671			
Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	1,615	6,127		16,335
Due to Other Governmental Agencies Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	35,954	7,026		18,474
Unearned Revenue Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES				
Bonds Payable Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	20,410	499		5,908
Advances from Other Funds Total Liabilities DEFERRED INFLOWS OF RESOURCES	25,450	986		1,102
Total Liabilities  DEFERRED INFLOWS OF RESOURCES	334,275			
DEFERRED INFLOWS OF RESOURCES	1,567	 		
	582,850	 18,962		45,019
Unavailable Revenue - Intergovernmental Revenues				
	68,501	36,545		290
Unavailable Revenue - Senate Bill 90 Mandated Claims, Net	28,404			
Unavailable Revenue - Property Taxes	8,878	1,108		
Unavailable Revenue - Long-Term Notes Receivables				
Unavailable Revenue - Other	9,387	 	·	
Total Deferred Inflows of Resources	115,170	 37,653	·	290
FUND BALANCES				
Nonspendable	331,889	4,751		1,470
Restricted	49,230	426,917		144,340
Assigned	321,064			
Unassigned	25,655	 		
Total Fund Balances	727,838	 431,668		145,810
Total Liabilities, Deferred Inflows of Resources and Fund Balances	,		\$	191,119

	Mental		Other	Total	
	Health	Go	overnmental	Governmental	
Se	rvices Act		Funds	Funds	
					ASSETS
\$	240,571	\$	642,887	\$ 1,924,174	Pooled Cash/Investments
				1,834	Imprest Cash Funds
			226,789	226,804	Restricted Cash and Investments with Trustee
			84	221,856	Investments
			25	25	Deposits In-Lieu of Cash
					Receivables
			2,276	13,338	Accounts
			20,171	32,336	Taxes
	404		923	3,847	Interest/Dividends
			2,159	4,667	Deposits
				30	Advances
			(84)	(5,119)	Allowance for Uncollectible Receivables
			29,316	115,070	Due from Other Funds Due from Component Unit
	 18,904			375	Due from Other Governmental Agencies, Net
	10,904		11,471	423,809 1,574	Inventory of Materials and Supplies
			 14,087	346,823	Prepaid Costs
				3,800	Advances to Other Funds
			27,900	27,900	Notes Receivable, Net
\$	259,879	\$	978,004	\$ 3,343,143	Total Assets
					LIABILITIES
\$		\$	34,889	\$ 96,748	Accounts Payable
			2,418	4,363	Retainage Payable
			4,764	110,392	Salaries and Employee Benefits Payable
			24	1,695	Interest Payable
			39,064	63,141	Deposits from Others
	10,466		42,882	114,802	Due to Other Funds
			2	2	Due to Component Unit
	248		9,048	36,113	Due to Other Governmental Agencies
	7,207		19,721	54,466	Unearned Revenue
			 7,800	334,275 9,367	Bonds Payable Advances from Other Funds
	17,921		160,612	825,364	Total Liabilities
					DEFERRED INFLOWS OF RESOURCES
			5,140	110,476	Unavailable Revenue - Intergovernmental Revenues
				28,404	Unavailable Revenue - Senate Bill 90 Mandated Claims, Net
			1,620	11,606	Unavailable Revenue - Property Taxes
			368	368	Unavailable Revenue - Long-Term Notes Receivables
			12	9,399	Unavailable Revenue - Other
			7,140	160,253	Total Deferred Inflows of Resources
					FUND BALANCES
			14,280	352,390	Nonspendable
	241,958		666,190	1,528,635	Restricted
			129,782	450,846	Assigned
				25,655	Unassigned
	241,958		810,252	2,357,526	Total Fund Balances
\$	259,879	\$	978,004	\$ 3,343,143	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 (\$1,367,529) 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	\$	2,357,526
Capital assets used in the operations of the County are not reported in the governmental funds financial statements:		
Land Structures and Improvements Equipment Software Infrastructure Land Use Rights Land Improvements Construction/Intangible in Progress Accumulated Depreciation/Amortization	834,406 1,223,825 297,992 110,156 1,687,354 7,602 2,629 121,418 (1,528,778)	2,756,604
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 Prepaid Bond Insurance	111,639 199	111,838
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		9,840
Deferred outflows of resources are similar to assets, but they do not meet the definition of an asset at June 30, 2016. When all the recognition criteria are met, the deferred outflows of resources will become an expense. The counterpart to deferred outflows of resources are deferred inflows of resources, which are not technically liabilities at June 30, 2016. When all recognition criteria 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 Employer retirement contribution subsequent to measurement date		3,871
and deferred recognition of changes to the net pension liability Reclassification of prepaid pension contribution from prepaid costs to deferred outflows of resources for the portion to be recognized in the next measurement period. Refer to Note 17, Retirement Plans for futher information.		908,461
Prepaid Pension Contribution Deferred Outflows of Resources		(173,223) 173,223

43,107

989,997

\$

Deferred Inflows of Resources:

Deferred Inflows of Resources that have been earned but not	
available to finance expenditures in the current period	160,253
Deferred Inflows of Resources Related to Pension	(440,418)

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

Bonds and COPs Payable, Net	(161,547)	
SARI Line Loans Payable	(28,022)	
Teeter Plan Notes Payable	(30,191)	
Compensated Employee Absences Payable	(182,834)	
Capital Lease Obligations Payable	(54,128)	
Capital Asset Obligation	(71)	
Arbitrage Rebate Payable	(233)	
Interest Payable on Bonds	(1,379)	
Interest Accreted on Capital Appreciation Bonds	(73,926)	
Estimated Liability - Litigation and Claims	(130,000)	
County's Net Pension Liability	(4,258,754)	(4,921,085)

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.

Net Position of Governmental Activities

Devenue		General Fund		Flood Control District	F	Other Public Protection
Revenues	¢	074 000	¢	00 749	¢	
Taxes	\$	671,363	\$	90,748	\$	
Licenses, Permits, and Franchises		25,154		159 14		361
Fines, Forfeitures and Penalties		44,375				4,821
Use of Money and Property		18,318		4,981		5,779 17,768
Intergovernmental		1,626,855 386,117		11,041		
Charges for Services Other				14,103		14,362
Total Revenues		18,648 2,790,830		7,162		8,874 51,965
Expenditures						
Current		170.000				
General Government		176,002				
Public Protection		1,182,458		80,970		23,949
Public Ways and Facilities		30,792				
Health and Sanitation		526,216				
Public Assistance		881,261				
Education						
Recreation and Cultural Services						
Capital Outlay		20,794		22,468		10,724
Debt Service		4 500		0.005		
Principal Retirement		4,530		8,305		
Interest		7,451		10		
Total Expenditures		2,829,504		111,753		34,673
Excess (Deficit) of Revenues Over Expenditures		(38,674)		16,455		17,292
				,		,
Other Financing Sources (Uses)						
Transfers In		247,661		467		11,541
Transfers Out		(145,657)		(4,453)		(28,983)
Debt Issued						
Premium on Debt Issued						
Capital Leases				(2, 722)		
Total Other Financing Sources (Uses)		102,004		(3,732)		(17,442)
Net Change in Fund Balances		63,330		12,723		(150)
Fund Balances - Beginning of Year		664,508		418,945		145,960
Fund Balances - End of Year	\$	727,838	\$	431,668	\$	145,810

\$          \$         114,697         \$         876,808         Taxes            1,985         27,659         Licenses, Permits, and Franchises            12,459         61,669         Fines, Forfeitures and Penalties           2,121         57,012         88,211         Use of Money and Property           114,852         354,620         2,125,136         Intergovernmental            52,077         466,659         Charges for Services           5         34,747         69,436         Other            2,525         1,289,902         Public Protection            2,525         1,289,902         Public Ways and Facilities            2,525         1,289,902         Public Ways and Facilities            92,348         123,140         Public Ways and Facilities           163         1,103         527,482         Health and Sanitation            43,928         43,928         Education            62,583         116,569         Capital Outlay           Debt Service          62,583         116,569         Capital Outlay            137,283         396	Mental Health Services Act	Other Governmental Funds	Total Governmental Funds	Devenues
-         1,985         27,659         Licenses, Permits, and Franchises           -         12,459         61,669         Fines, Forfeitures and Penalties           2,121         57,012         88,211         Use of Money and Property           114,852         354,620         2,125,136         Intergovernmental           -         52,077         466,659         Charges for Services           5         34,747         69,436         Other           116,978         627,597         3,715,578         Total Revenues           -         85,385         261,387         General Government           -         2,525         1,289,902         Public Protection           -         92,348         123,140         Public Ways and Facilities           163         1,103         527,482         Health and Sanitation           -         180,386         1,061,647         Public Ways and Facilities           -         100,381         100,381         Recreation and Cultural Services           -         62,583         116,569         Capital Outlay           Debt Service         -         113,484         126,319         Principal Retirement           -         35,578         43,039         Interes	<b>^</b>	¢ 444.007	¢ 070.000	Revenues
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	\$ -			
2,121       57,012       88,211       Use of Money and Property         114,852       354,620       2,125,136       Intergovernmental         -       52,077       466,659       Charges for Services         5       34,747       69,436       Other         116,978       627,597       3,715,578       Total Revenues         -       85,385       261,387       General Government         -       92,348       123,140       Public Protection         -       92,348       123,140       Public Assistance         -       180,386       1,061,647       Public Assistance         -       43,928       43,928       Education         -       62,583       116,569       Capital Outlay         -       113,484       126,319       Principal Retirement         -       35,578       43,039       Interest         -       113,484       126,319       Principal Retirement         -       35,578       43,039       Interest         -       116,815       (90,104)       21,784       Over Expenditures         -       137,283       396,952       Transfers In       Transfers Out         -       127,494	-		,	
114,852       354,620       2,125,136       Intergovernmental         -       52,077       466,659       Charges for Services         5       34,747       69,436       Other         116,978       627,597       3,715,578       Total Revenues         -       85,385       261,387       General Government         -       2,525       1,289,902       Public Protection         -       92,348       123,140       Public Protection         -       92,348       123,140       Public Notection         -       92,348       123,140       Public Notection         -       92,348       123,140       Public Notection         -       180,386       1,061,647       Public Assistance         -       130,381       100,381       Recreation and Cultural Services         -       103,814       126,319       Principal Retirement         -       35,578       43,039       Interest         -       116,815       (90,104)       21,784       Over Expenditures         -       137,283       396,952       Transfers In       Transfers Out         -       137,283       396,952       Transfers N       Transfers Out <t< td=""><td>-</td><td></td><td></td><td></td></t<>	-			
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$				
5         34,747         69,436         Other           116,978         627,597         3,715,578         Total Revenues           Expenditures            85,385         261,387         General Government            2,525         1,289,902         Public Protection            92,348         123,140         Public Ways and Facilities           163         1,103         527,482         Health and Sanitation            180,386         1,061,647         Public Assistance            43,928         43,928         Education            100,381         100,381         Recreation and Cultural Services            113,484         126,319         Principal Retirement            35,578         43,039         Interest           116,815         (90,104)         21,784         Over Expenditures           Excess (Deficit) of Revenues         Excess (Deficit) of Revenues            137,283         396,952         Transfers In            117,724         11,724         Transfers In            127,494         127,494         Debt Issued </td <td>-</td> <td></td> <td></td> <td>5</td>	-			5
116,978         627,597         3,715,578         Total Revenues            85,385         261,387         General Government            2,525         1,289,902         Public Protection            92,348         123,140         Public Protection            92,348         123,140         Public Protection            92,348         123,140         Public Assistance            180,386         1,061,647         Public Assistance            43,928         43,928         Education            100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay           Debt Service          113,484         126,319         Principal Retirement            35,578         43,039         Interest         Exxcess (Deficit) of Revenues           116,815         (90,104)         21,784         Over Expenditures         Exxcess (Deficit) of Revenues            137,283         396,952         Transfers In         Transfers In           (115,081)         (93,199)         (387,373)         Transfers In            127,494				-
85,385         261,387         General Government            2,525         1,289,902         Public Protection            92,348         123,140         Public Ways and Facilities           163         1,103         527,482         Health and Sanitation            180,386         1,061,647         Public Assistance            43,928         43,928         Education            100,381         100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay           Debt Service          113,484         126,319         Interest            35,578         43,039         Interest         Total Expenditures            35,578         43,039         Interest         Scoces (Deficit) of Revenues           116,815         (90,104)         21,784         Over Expenditures         Excess (Deficit) of Revenues            137,283         396,952         Transfers In				
	116,978	627,597	3,715,578	Total Revenues
85,385         261,387         General Government            2,525         1,289,902         Public Protection            92,348         123,140         Public Ways and Facilities           163         1,103         527,482         Health and Sanitation            180,386         1,061,647         Public Assistance            43,928         43,928         Education            100,381         100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay           Debt Service          113,484         126,319         Principal Retirement            35,578         43,039         Interest         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            11,724         11,724         Debt Issued            -         254         Capital Leases <td></td> <td></td> <td></td> <td>Expenditures</td>				Expenditures
2,525         1,289,902         Public Protection            92,348         123,140         Public Ways and Facilities           163         1,103         527,482         Health and Sanitation            180,386         1,061,647         Public Assistance            43,928         43,928         Education            43,928         43,928         Education            100,381         100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay           Debt Service          113,484         126,319            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            -254				Current
92,348         123,140         Public Ways and Facilities           163         1,103         527,482         Health and Sanitation            180,386         1,061,647         Public Assistance            43,928         43,928         Education            43,928         43,928         Education            100,381         100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay           Debt Service          113,484         126,319            35,578         43,039         Interest            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures            137,283         396,952         Transfers In           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers Out            127,494         127,494         Debt Issued            -         254         Capital Leases           (115,081)         183,302         149,051         Tota	-	- 85,385	261,387	General Government
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	-	- 2,525	1,289,902	Public Protection
180,386         1,061,647         Public Assistance            43,928         43,928         Education            100,381         100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay            113,484         126,319         Principal Retirement            35,578         43,039         Interest            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued            -         254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198<	-	- 92,348	123,140	Public Ways and Facilities
43,928         43,928         Education            100,381         100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay Debt Service            113,484         126,319         Principal Retirement            35,578         43,039         Interest            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	163	3 1,103	527,482	Health and Sanitation
100,381         100,381         Recreation and Cultural Services            62,583         116,569         Capital Outlay            113,484         126,319         Principal Retirement            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            117,724         117,724         Debt Issued            117,744         117,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	-	- 180,386	1,061,647	Public Assistance
62,583         116,569         Capital Outlay Debt Service            113,484         126,319         Principal Retirement            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            11,724         11,724         Debt Issued            254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	-	- 43,928	43,928	Education
113,484         126,319         Principal Retirement            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	-	- 100,381	100,381	Recreation and Cultural Services
113,484         126,319         Principal Retirement            35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In            137,283         396,952         Transfers Sources (Uses)            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	-	- 62,583	116,569	Capital Outlay
35,578         43,039         Interest           163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances				Debt Service
163         717,701         3,693,794         Total Expenditures           116,815         (90,104)         21,784         Over Expenditures           116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	-	- 113,484	126,319	Principal Retirement
116,815         (90,104)         21,784         Excess (Deficit) of Revenues Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	-	- 35,578	43,039	Interest
116,815         (90,104)         21,784         Excess (Deficit) of Revenues Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	163	3 717,701	3,693,794	Total Expenditures
116,815         (90,104)         21,784         Over Expenditures            137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances				•
137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	116,815	5 (90,104)	21,784	
137,283         396,952         Transfers In           (115,081)         (93,199)         (387,373)         Transfers Out            127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances				Other Financing Sources (Uses)
(115,081)       (93,199)       (387,373)       Transfers Out          127,494       127,494       Debt Issued          11,724       11,724       Premium on Debt Issued           254       Capital Leases         (115,081)       183,302       149,051       Total Other Financing Sources (Uses)         1,734       93,198       170,835       Net Change in Fund Balances	-	- 137,283	396 952	c ( )
127,494         127,494         Debt Issued            11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	(115.08)			
11,724         11,724         Premium on Debt Issued             254         Capital Leases           (115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	(110,00		( ,	
254Capital Leases(115,081)183,302149,051Total Other Financing Sources (Uses)1,73493,198170,835Net Change in Fund Balances	-			
(115,081)         183,302         149,051         Total Other Financing Sources (Uses)           1,734         93,198         170,835         Net Change in Fund Balances	-			
	(115,082	183,302		•
	1,734	93,198	170,835	Net Change in Fund Balances
	240,224	717,054	2,186,691	Fund Balances - Beginning of Year
\$ 241,958 \$ 810,252 \$ 2,357,526 Fund Balances - End of Year	\$ 241,958	8 810,252	\$ 2,357,526	Fund Balances - End of Year

The Net Change in Fund Balances for governmental funds of \$170,835 in the Statement of Revenues, Expenditures, and Changes in Fund Balances differs from the Change in Net Position for governmental activities of \$108,576 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	\$ 170,835

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	10,922	
Structures and Improvements		
and Construction in Progress	75,380	
Equipment	23,179	
Software	4,173	
Net of Gains/Losses on Capital Assets Dispositions	(10,013)	
Depreciation/Amortization Expense	(83,796)	
Capital Contributions	4,497	24,342

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	(70,929)	
Proceeds From Issuance of Bonds Payable	(68,289)	
Capital Lease Addition	(254)	
Principal and Other Long-Term Liability Payments:		
Bonds Payable	38,909	
Teeter Plan Notes Payable	74,561	
SARI Line Loans Payable	8,255	
Capital Lease Obligations	4,594	
Arbitrage Rebate Payable	623	(12,530)

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 Property Tax Revenues	(17,619) 2,217	(15,402)
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 Amortization of Deferred Charges Compensated Employee Absences Expense OCERS Investment Loss Estimated Litigation and Claims Expense Interest Accretion on Capital Appreciation Bonds	346 31,292 (10,552) (905) 15,000 (8,712)	26,469
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 Loss to Governmental Activities, net of Business-Type Activities	(2,986)	
Consolidation of Nonoperating Revenues, Expenses and Transfers to Governmental Activities	19,941	16,955
For FY 2015-16, the OPEB cost was \$44,439, and the County contributed \$42,490, 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.		(1,949)
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.		(100,144)
Change in Net Position of Governmental Activities	<u>\$</u>	108,576

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

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Revenues and Other Financing Sources	¢ 050.750	¢ 050.750		¢ 40.704
Taxes Licenses, Permits, and Franchises	\$ 652,756 23,776	\$ 652,756 24,802	\$ 671,490 24,451	\$ 18,734 (351)
Fines, Forfeitures and Penalties	33,974	33,974	44,981	11,007
Use of Money and Property	5,768	15,961	17,295	1,334
Intergovernmental	1,631,370	1,648,932	1,606,578	(42,354)
Charges for Services	431,861	441,372	404,105	(37,267)
Other	24,067	25,639	23,790	(1,849)
Transfers In	328,549	343,503	245,149	(98,354)
Bond Issuance Proceeds Total Revenues and Other Financing Sources	<u>1,185</u> 3,133,306	1,735 3,188,674	3,037,839	(1,735) (150,835)
Total Revenues and Other Financing Sources	3,133,300	5,100,074	3,037,039	(150,655)
Expenditures and Other Financing Uses				
General Government:				
Assessor	37,855	38,205	37,185	1,020
Auditor-Controller	16,581	18,148	17,340	808
Board of Supervisors - 1st District Board of Supervisors - 2nd District	984 984	1,172 1,172	1,138 930	34 242
Board of Supervisors - 2nd District	904 984	1,172	1,037	135
Board of Supervisors - 4th District	984	1,172	1,017	155
Board of Supervisors - 5th District	984	1,172	972	200
Capital Acquisition Financing	5,853	5,853	5,845	8
Capital Projects	43,405	47,512	36,008	11,504
CAPS Program	17,021	17,021	13,252	3,769
Clerk of the Board	4,377	4,377	4,245	132
County Counsel	12,251	16,007	13,628	2,379
County Executive Office	21,651	21,878	18,505	3,373
Data Systems Development Project	9,320	10,320	5,193	5,127
Employee Benefits	1,793	2,133	1,482	651
Human Resources	6,112	6,112	5,564	548
Internal Audit IBM Mainframe	2,818 3,171	995 3,171	1,010 3,171	(15)
IT Support Services	3,171	972	967	
Miscellaneous	35,989	36,695	32,935	3,760
Prepaid Pension Obligation		550	1	549
Property Tax System Centralized O & M Support	3,426	3,426	3,158	268
Registrar of Voters	13,993	14,739	13,664	1,075
The Office of the Performance Audit	795	795	259	536
Treasurer-Tax Collector	13,503	13,503	12,555	948
Utilities	18,690	18,690	13,967	4,723
2005 Lease Revenue Refunding Bonds	43,721	51,956	51,623	333
Public Protection:	E 700	E 600	4 363	1 226
Alternate Defense Building & Safety	5,702 11,167	5,698	4,362 12,295	1,336 272
Child Support Services	57,500	12,567 57,500	55,384	2.116
Clerk-Recorder	14,567	14,567	12,740	1,827
Detention Release	1,666	1,666	1,272	394
District Attorney	132,040	135,439	131,724	3,715
District Attorney - Public Administrator	3,161	3,161	2,393	768
Emergency Management Division	3,164	4,364	3,717	647
Grand Jury	529	529	529	
HCA Public Guardian	6,133	6,133	5,288	845
Juvenile Justice Commission	177	179	177	2
Office of Independent Review	450	450	259	191
Probation	175,157	179,512	174,035	5,477
Public Defender	74,203	74,240	72,008	2,232
Sheriff-Coroner Sheriff-Coroner Communications	597,735	613,295	602,026	11,269 881
Sheriff Court Operations	11,483 56,354	13,868 57,633	12,987 57,473	160
Trial Courts	64,109	64,867	64,187	680
Public Ways and Facilities:	04,100	04,007	04,107	000
OC Public Works	48,955	49,595	43,933	5,662
Health and Sanitation:	,	,	,	-,
Health Care Agency	583,192	588,962	521,537	67,425
OC Watersheds	14,491	15,691	11,333	4,358
Public Assistance:				
OC Community Resources	67,806	69,709	55,268	14,441
Social Services Agency	904,229	913,042	846,400	66,642
Total Expenditures and Other Financing Uses	3,151,215	3,221,585	2,987,978	233,607
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(17,909)	(32,911)	49,861	\$82,772
Fund Balances - Beginning of Year Fund Balances - End of Year	638,796 \$ 620,887	638,796 \$ 605,885	638,796 \$ 688,657	

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

	Original Budget		 Final Budget	 octual on getary Basis	Variance Positive Negative)
Revenues and Other Financing Sources					
Taxes	\$	88,346	\$ 88,346	\$ 90,737	\$ 2,391
Licenses, Permits, and Franchises		168	168	159	(9)
Fines, Forfeitures and Penalties		12	12	14	2
Use of Money and Property		2,170	2,170	4,014	1,844
Intergovernmental		30,522	30,585	30,120	(465)
Charges for Services		14,133	14,042	14,389	347
Other		1,797	1,797	7,161	5,364
Capital Contributions				100	100
Transfers In		467	467	467	
Total Revenues and Other Financing Sources		137,615	137,587	 147,161	9,574
Expenditures and Other Financing Uses					
Public Protection:					
OC Flood		166,627	170,215	88,571	81,644
OC Santa Ana River		75	75		75
OC Flood - Capital		54,830	54,830	27,687	27,143
Total Expenditures and Other Financing Uses		221,532	 225,120	 116,258	 108,862
Excess (Deficit) of Revenues and Other Financing					
Sources Over Expenditures and Other Financing Uses		(83,917)	(87,533)	30,903	\$ 118,436
Fund Balances - Beginning of Year		414,940	414,940	414,940	
Fund Balances - End of Year	\$	331,023	\$ 327,407	\$ 445,843	

#### BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - OTHER PUBLIC PROTECTION

	Origir	nal Budget		Final Budget		ctual on etary Basis	F	/ariance Positive legative)
Revenues and Other Financing Sources		<u> </u>				,		- <b>3</b> /
Licenses, Permits, and Franchises	\$		\$	500	\$	361	\$	(139)
Fines. Forfeitures and Penalties		2,702	•	2.650	•	2.739	·	89
Use of Money and Property		4,863		4,863		5,312		449
Intergovernmental		17,433		15,471		17,780		2,309
Charges for Services		9,167		13,620		14,362		742
Other		10,016		10,048		8,861		(1,187)
Transfers In		4,085		12,537		13,714		1,177
Total Revenues and Other Financing Sources		48,266		59,689		63,129		3,440
Expenditures and Other Financing Uses								
Public Protection:								
Orange County Methamphetamine Lab Investigation Team		436		436		278		158
County Automated Fingerprint Identification		1,382		1,364		1,300		64
Building and Safety - Operating Reserve		852		1,352		5		1,347
Narcotic Forfeiture and Seizure		371		572		572		
Sheriff-Regional Narcotics Suppression Program		4,266		5,228		3,843		1,385
Motor Vehicle Theft Task Force		3,023		3,023		2,807		216
Regional Narcotic Suppression Program-Dept of Treasury		42		321		145		176
Regional Narcotic Suppression Program-Other		1,799		2,409		1,018		1,391
Clerk Recorder Special Revenue		20,831		20,831		6,015		14,816
Clerk Recorder Operating Reserve		1,919		1,919		· 1		1,918
Real Estate Prosecution		1,364		1,719		1,627		92
Proposition 64 - Consumer Protection		3,559		3,559		2,678		881
Proposition 69 - DNA Identification		1,257		2,017		808		1.209
Traffic Violator		1,211		1,211		210		1,001
Sheriff Narcotics Program-Dept of Treasury		, 16		, 				
Sheriff Narcotics Program-Dept of Justice		5,421		5,421		4,622		799
Sheriff Narcotics Program-Other		171		419		56		363
Orange County Jail		2.214		2,214		752		1,462
Sheriff Narcotics Program-CALMMET-DOJ		510		510				510
Sheriff Narcotics Program-CALMMET-Treasury		397		998		139		859
Sheriff's State Criminal Alien Assistance Program		2.441		1.978		1.419		559
California Automated Fingerprint Identification Operational Costs		1,015		1,015		995		20
California Automated Fingerprint Identification Systems Costs		19,885		19,885		358		19,527
Sheriff's Supplemental Law Enforcement Services		3,115		3.115		1.164		1.951
District Attorney's Supplemental Law Enforcement Services		942		990		990		
Excess Public Safety Sales Tax		8,409		8,609		6,935		1,674
Sheriff-Coroner Replacement and Maintenance		13,051		15,012		3,282		11,730
Ward Welfare		179		179		156		23
Court Facilities		1,352		1.352				1.352
Sheriff's Substations Fee Program		3,343		3,343		3		3,340
Jail Commissary		9,533		9,533		7,616		1,917
Inmate Welfare		11.560		11.631		3.992		7,639
Child Support Program Development		1,309		1,926		1,068		858
800 MHz County-Wide Coordinated Communications System		9,467		15,227		10,998		4,229
Delta Special Revenue		28		28		10,330		-,225
Total Expenditures and Other Financing Uses		136,670		149,346		65,854		83,492
Excess (Deficit) of Revenues and Other Financing		100,070		140,040	·	00,004		00,402
Sources Over Expenditures and Other Financing Uses		(88,404)		(89,657)		(2,725)	\$	86,932
Fund Balances - Beginning of Year		131,857		131,857		131,857		
Fund Balances - End of Year	\$	43,453	\$	42,200	\$	129,132		
	-	10,400	<b>—</b>	72,200	-	120,102		

### BUDGETARY COMPARISON SCHEDULE MAJOR GOVERNMENTAL FUNDS - MENTAL HEALTH SERVICES ACT

	Oric	ginal Budget	Fii	nal Budget	 ctual on Jetary Basis	Variance Positive (Negative)	
Revenues and Other Financing Sources				· · · ·			· · · · ·
Use of Money and Property	\$	800	\$	815	\$ 1,600	\$	785
Intergovernmental		119,325		119,325	114,852		(4,473)
Other					5		5
Total Revenues and Other Financing Sources		120,125		120,140	 116,457		(3,683)
Expenditures and Other Financing Uses							
General Government:							
Mental Health Services Act		141,263		141,278	115,244		26,034
Total Expenditures and Other Financing Uses		141,263		141,278	 115,244		26,034
Excess (Deficit) of Revenues and Other Financing							
Sources Over Expenditures and Other Financing Uses		(21,138)		(21,138)	1,213	\$	22,351
Fund Balances - Beginning of Year		240,044		240,044	240,044		
Fund Balances - End of Year	\$	218,906	\$	218,906	\$ 241,257		

Compressed Ac Waste Natural Gas I											
Current Assets         Source Cash Equivalents         Source Status         <	SETS		Airport	Ma			Natural Gas		Total		overnmental Activities - Internal ervice Funds
Poole Cash/Investments         \$         213.07         \$         398.008         \$         543         \$         611758         \$           Cash Equivalents/Specific Investments         24.845         -         -         24.845         -         -         24.845           Imprest Cash Funds         14         35         -         -         49           Restricted Cash and Investments with Trustee         13.589         -         -         -         14.821           Deposits In-Lice of Cash         14.224         16.571         -         -         15.441           Pessenger Facility Charges         2.141         -         -         2.141         -         -         2.141           Interest/Dividends         564         806         2         1.372         Deposits         -         100         -         100         -         100         -         100         -         100         Deposits         -         101         -         (1)         -         (1)         -         (1)         Deposits         -         3.386         2         3.390         Deposits         -         3.386         2         3.390         Deposits         -         -         3.411											
Cash Equivalents         24.845           24.845           Cash/Cash Equivalents         10.208           10.208           Impret Cash and Investments with Trustee         13.589           13.589           Restricted Cash and Investments         14.224         547          14.821           Deposits In-Lieu of Cash         31.429         16.571          44.000           Restricted Pooled Cash/Investments         14.224         547          45.000           Restricted Pooled Cash/Investments         14.227         547          45.000           Restricted Pooled Cash/Investments         14.229         16.571          44.000           Restricted Pooled Cash/Investments         2.141           2.141           Interestricted Cash and Investments         2.61          -         2.81           Allowance for Uncollecitible Receivables          100         -         100           Due from Other Funds          -         -         -         -           Restricted Pooled Cash/Investments         13.027          -         -         -		¢	040.007	¢	200.000	¢	540	¢	044 750	¢	000 700
Cash/Cash Equivalents         10.208           10.208           Impret Cash Funds         14         35          49           Restricted Cash and Investments with Trustee         13,589           13,589           Restricted Pooled Cash/Investments         14,274         547          48,000           Receivables           14,421          48,000           Accounts         49,966         10,475          15,441           Interest/Dividends         564         806         2         1,372           Deposits          100          100           Pollution Remediation Obligation Recoveries         2.61           2.61           Allowance for Uncollectible Receivables          (1)          (1)         0.1           Due from Other Foursmental Agencies         2.314         2.897          5.211         1           Inventory of Materials and Supplies           -         -         -         -         -         -         -         -         -         -         -         -         -		þ		Þ		Þ		Ф		Ф	230,786
Imprest Cash Funds         14         35         -         49           Restricted Cosh and Investments with Trustee         13,589           13,589           Restricted Cosh and Investments         14,274         547          14,821           Deposits In-Lieu of Cash         31,429         16,571          48,000           Reservables         2,141           15,441           Passenger Facility Charges         2,141           100           Pollution Remediation Obligation Recoveries         261           261           Allowance for Uncollectible Receivables          100          100           Due form Other Funds          3,386         2         3,390           Due form Other Governmental Agencies         1,898         2,037          5,211           Inventory of Materials and Supplies          -         9,347         765,120            Noncurrent Assets         310,710         434,863         547         765,120            Restricted Poded Cash/Investments          9,347          9,347 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>											
Restricted Cash and Investments with Trustee         13,589           13,689           Restricted Pooled Cash/Investments         14,274         547          14,821           Deposits In-Lieu of Cash         31,429         16,571          48,000           Receivables          -         25,441          -         2,141           Interest/Dividends         564         8066         2         1,372         Deposits         -         -         261           Allowance for Uncollectible Receivables         -         -         100          100         -         100           Pollution Remediation Obligation Recoveries         261          -         261          -         261          -         261          -         100         Deform Other Funds         -         318,710         3488         2         3390         Decored Cash/investments         319,710         3434,863         547         755,120         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	•								-,		133
Restricted Pooled Cash/Investments         14.274         547          14.821           Deposits In-Lieu of Cash         31,429         16,571          48,000           Accounts         4,966         10,475          15,441           Passenger Facility Charges         2,141           2,141           Interest/Dividends         564         806         2         1,372           Deposits          100          100           Polition Remediation Obligation Recoveries         281           281           Allowance for Uncollectible Receivables          3,388         2         3,380         Due from Other Governmental Agencies         2,314         2,897          5,211           Inventory of Materias and Supplies               2,335	•										10
Deposits in-Lieu of Cash         31,429         16,571          48,000           Receivables         4,966         10,475          15,441           Passenger Facility Charges         2,141           2,141           Interest/Dividends         564         806         2         1,372           Deposits          100          100           Pollution Remediation Obligation Recoveries         261           261           Allowance for Uncollectible Receivables          (1)         -         (1)         0(1)           Due from Other Governiental Agencies         2,314         2,897          5,211           Inventory of Materials and Supplies           -         3,036           Total Current Assets         1,088         2,037          3,035           Total Current Assets          9,347          9,347           Restricted Pooled Cash/Investments with Trustee         13,027          -         13,027           Restricted Pooled Cash/Investments         25,246          -         2,5,567         -         5,567 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>10</td></t<>											10
Receivables         4,966         10,475          15,411           Passenger Facility Charges         2,141          -         2,141           Interest/Dividends         564         806         2         1,372           Deposits          100          100           Pollution Remediation Obligation Recoveries         261           281           Allowance for Uncollectble Receivables          (1)          (1)           Due from Other Funds          3,388         2         3,390           Due from Other Governmental Agencies         2,314         2,897          -           Prepaid Costs         1.898         2,037          3,335           Total Current Assets         319,710         434,863         547         755,120           Noncurrent Assets          9,347          -         13,027           Restricted Pooled Cash/Investments          5,567         -         5,567           Restricted Pooled Cash/Investments          5,567         -         5,567           Land         15,678         2,164 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>											
Accounts         4,966         10,475          15,441           Passenger Facility Charges         2,141           2,141           Interest/Dividends         554         806         2         1,372           Deposits          100          100           Pollution Remediation Obligation Recoveries         261           261           Allowance for Uncollectible Receivables          (1)          (1)          (1)           Due from Other Governmental Agencies         2,314         2,897          5,211			51,429		10,571				46,000		
Passenger Facility Charges         2,141           2,141           Interest/Dividends         564         806         2         1,372           Deposits          100          100           Pollution Remediation Obligation Recoveries         261           261           Allowance for Uncollectible Receivables          (1)          (1)          (1)           Due from Other Funds           3,388         2         3,390          5,211         Inventory of Materials and Supplies			4.066		10 475				15 441		118
Interest/Dividends         564         806         2         1.372           Deposits         -         100         -         100           Polition Remediation Obligation Recoveries         281         -         -         261           Allowance for Uncollectible Receivables         -         (1)         -         (1)         -         (1)           Due from Other Funds         -         -         3.388         2         3.390           Due from Other Governmental Agencies         2.314         2.897         -         5.211           Inventory of Materials and Supplies         -         -         -         -         -           Prepaid Costs         1898         2.037         -         3.935         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         3.935         -											110
Deposits          100          100           Pollution Remediation Obligation Recoveries         261           261           Allowance for Uncollectible Receivables          (1)          (1)           Due from Other Funds          3,388         2         3,390           Due from Other Governmental Agencies         2,314         2,897          5,211           Inventory of Materials and Supplies               Prepaid Costs         18,98         2,037          3,935           Total Current Assets         319,710         434,863         547         755,120           Noncurrent Assets         -         9,347          9,347           Restricted Pooled Cash/Investments         -         9,347          13,027           Restricted Pooled Cash/Investments         25,246           25,246           Advances to Other Funds          5,567          5,567           Canstruction in Progress         27,318         13,237          40,555           Inangible Assets in Progress         175,825         24,											383
Pollution Remediation Obligation Recoveries         261           261           Alowance for Uncollectible Receivables          (1)          (1)           Due from Other Funds          3.388         2         3.390           Due from Other Governmental Agencies         2.314         2.897          5.211           Inventory of Materials and Supplies                Prepaid Costs         18.98         2.037          3.935											303
Allowance for Uncollectible Receivables        (1)        (1)         Due from Other Funds        3,388       2       3,390         Due from Other Governmental Agencies       2,314       2,897        5,211         Inventory of Materials and Supplies             Prepaid Costs       1,898       2,037        3,905         Total Current Assets       319,710       434,863       547       755,120         Noncurrent Assets        9,347        9,347         Restricted Cosh and Investments with Trustee       13,027        -       25,246         Advances to Other Funds        9,347       -       9,347         Restricted Pooled Cash/Investments - Closure        90,848        00,848         Specific Investments       25,246         25,246         Advances to Other Funds        5,567       -       5,567         Construction in Progress       27,318       13,237       -       40,555         Intragible Assetis in Progress       18,33       235       -       2,068         Structures and Improvements	•				100						
Due from Other Funds          3,388         2         3,390           Due from Other Funds         2,314         2,897          5,211           Inventory of Materials and Supples               Prepaid Costs         1,898         2,037          3,935           Total Current Assets         319,710         434,863         547         755,120           Noncurrent Assets         -         9,347         -         9,347           Restricted Cash/Investments - Closure and Postclosure Care Costs         -         90,848         -         90,848           Specific Investments         2,5,246         -         -         2,5,67           Capital Assets:         -         5,667         -         5,667           Land         15,678         22,164         -         37,842           Construction in Progress         1,833         235         -         2,068           Structures and Improvements         757,825         24,409         -         782,234           Accumulated Depreciation         (9,596)         (14,868)         -         (283,083)           Equipment         12,444         69,533         - <td< td=""><td>-</td><td></td><td></td><td></td><td> (1)</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	-				(1)						
Due from Other Governmental Agencies         2,314         2,897          5,211           Inventory of Materials and Supplies   13.027           13.027         Restricted Cash and Investments            9.347         Restricted Cash/Investments          9.347          9.347         Restricted Cash and Investments          9.0,848          90.848          90.848         Specific Investments         25.246           25.246           25.246           25.246           25.246           <					.,						(62)
Inventory of Materials and Supplies											2,583
Prepaid Costs         1,898         2,037          3,935           Total Current Assets         319,710         434,863         547         755,120           Noncurrent Assets         8estricted Cash and Investments with Trustee         13,027           13,027           Restricted Pooled Cash/Investments         -         9,347          9,347           Restricted Pooled Cash/Investments         -         9,347          9,347           Restricted Pooled Cash/Investments         -         9,347          9,347           Restricted Pooled Cash/Investments         -         9,848          90,848           Specific Investments         25,246           25,246           Advances to Other Funds         -         5,567          5,567           Capital Assets:         -         5,678         22,164          37,842           Construction in Progress         1,833         235          2,068           Structures and Improvements         75,825         24,409          782,234           Accumulated Depreciation         (271,625)         (11,458)          63,079) <tr< td=""><td></td><td></td><td>2,314</td><td></td><td>2,897</td><td></td><td></td><td></td><td>5,211</td><td></td><td>655</td></tr<>			2,314		2,897				5,211		655
Total Current Assets         319,710         434,863         547         755,120           Noncurrent Assets         Restricted Cash and Investments with Trustee         13,027           13,027           Restricted Pooled Cash/Investments          9,347          9,347           Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs          90,848          90,848           Specific Investments         25,246           25,246           Advances to Other Funds          5,567          5,567           Capital Assets:          16,678         22,164          37,842           Land         15,678         22,164          37,842           Construction in Progress         18,33         235          2,068           Structures and Improvements         757,825         24,409          782,234           Accumulated Depreciation         (271,625)         (11,458)          81,977           Accumulated Depreciation         (9,596)         (48,483)          602,689           Accumulated Depreciation         (178,315)         (180,085)											412
Noncurrent Assets         Image: construction of the system of the s	•										1,613
Restricted Cash and Investments with Trustee         13,027            13,027           Restricted Pooled Cash/Investments         -         9,347          9,347          9,347           Restricted Pooled Cash/Investments         -         00,848          90,848          90,848           Specific Investments         25,246           25,246           Advances to Other Funds          5,567          5,567           Capital Assets:          5,567          40,555           Intangible Assets in Progress         1,833         235          2,068           Structures and Improvements         757,825         24,409          782,234           Accumulated Depreciation         (271,625)         (11,458)          (283,083)           Equipment         12,444         69,533          61,977           Accumulated Depreciation         (9,596)         (48,483)          61,977           Accumulated Depreciation         (178,315)         (180,085)          (386,400)           Infrastructure         226,469         376,220	tal Current Assets		319,710		434,863		547		755,120		236,631
Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs       -       9,347        9,347         Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs       -       90,848        90,848         Specific Investments       25,246         25,246         Advances to Other Funds       -       5,567        5,567         Capital Assets:       -       5,567        37,842         Construction in Progress       27,318       13,237        40,555         Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        602,689         Accumulated Depreciation       (178,315)       (180,085)        (284,00)         Infrastructure       26,649       376,220        602,689         Accumulated Amortization       (125)       (156)        (28	ncurrent Assets										
Restricted Pooled Cash/Investments - Closure        90,848        90,848         Specific Investments       25,246         25,246         Advances to Other Funds        5,567        25,246         Advances to Other Funds        5,567        37,842         Land       15,678       22,164        37,842         Construction in Progress       27,318       13,237        40,555         Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        602,689         Accumulated Depreciation       (178,315)       (180,085)        (281,00)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281,00)         Intangible Assets	Restricted Cash and Investments with Trustee		13,027						13,027		
and Postclosure Care Costs        90,848        90,848         Specific Investments       25,246         25,246         Advances to Other Funds        5,567        5,567         Capital Assets:        5,567        37,842         Land       15,678       22,164        37,842         Construction in Progress       27,318       13,237        40,555         Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125) <t< td=""><td>Restricted Pooled Cash/Investments</td><td></td><td></td><td></td><td>9,347</td><td></td><td></td><td></td><td>9,347</td><td></td><td></td></t<>	Restricted Pooled Cash/Investments				9,347				9,347		
Specific Investments         25,246           25,246           Advances to Other Funds          5,567          5,567           Capital Assets:          5,567          5,567           Land         15,678         22,164          37,842           Construction in Progress         27,318         13,237          40,555           Intangible Assets in Progress         1,833         235          2,068           Structures and Improvements         757,825         24,409          782,234           Accumulated Depreciation         (271,625)         (11,458)          (283,083)           Equipment         12,444         69,533          81,977           Accumulated Depreciation         (9,596)         (48,483)          (58,079)           Infrastructure         226,469         376,220          602,689           Accumulated Depreciation         (178,315)         (180,085)          (1358,400)           Intangible Assets - Amortizable         781         626          1,407           Accumulated Amortization         (125)         (156)	Restricted Pooled Cash/Investments - Closure										
Advances to Other Funds        5,567        5,567         Capital Assets:       15,678       22,164        37,842         Construction in Progress       27,318       13,237        40,555         Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        602,689         Accumulated Depreciation       (178,315)       (180,085)        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        284,929       -         Total Capital Assets       582,687       266,242        848,929       -         Total Assets       620,960       372,004        992,964       -	and Postclosure Care Costs				90,848				90,848		
Capital Assets:       15,678       22,164        37,842         Construction in Progress       27,318       13,237        40,555         Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929       -         Total Assets       620,960       372,004        992,964       -         Total Assets       940,670       806,867       547       1,748,084       - </td <td>Specific Investments</td> <td></td> <td>25,246</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>25,246</td> <td></td> <td></td>	Specific Investments		25,246						25,246		
Land       15,678       22,164        37,842         Construction in Progress       27,318       13,237        40,555         Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        602,689         Accumulated Depreciation       (178,315)       (180,085)        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Assets       620,960       372,004        992,964	Advances to Other Funds				5,567				5,567		
Construction in Progress       27,318       13,237        40,555         Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929       -         Total Assets       620,960       372,004        992,964          Total Assets       940,670       806,867       547       1,748,084	Capital Assets:										
Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964         Total Assets       940,670       806,867       547       1,748,084	Land		15,678		22,164				37,842		
Intangible Assets in Progress       1,833       235        2,068         Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964         Total Assets       940,670       806,867       547       1,748,084	Construction in Progress		27,318		13,237				40,555		899
Structures and Improvements       757,825       24,409        782,234         Accumulated Depreciation       (271,625)       (11,458)        (283,083)         Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       940,670       806,867       547       1,748,084	-		1,833		235				2,068		
Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964         Total Assets       940,670       806,867       547       1,748,084	Structures and Improvements		757,825		24,409				782,234		11,788
Equipment       12,444       69,533        81,977         Accumulated Depreciation       (9,596)       (48,483)        (58,079)         Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964         Total Assets       940,670       806,867       547       1,748,084	Accumulated Depreciation		(271,625)		(11,458)				(283,083)		(6,110)
Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964         Total Assets       940,670       806,867       547       1,748,084			12,444		69,533				81,977		119,648
Infrastructure       226,469       376,220        602,689         Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964	Accumulated Depreciation		(9,596)		(48,483)				(58,079)		(73,906)
Accumulated Depreciation       (178,315)       (180,085)        (358,400)         Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964			226,469								
Intangible Assets - Amortizable       781       626        1,407         Accumulated Amortization       (125)       (156)        (281)         Total Capital Assets       582,687       266,242        848,929         Total Noncurrent Assets       620,960       372,004        992,964         Total Assets       940,670       806,867       547       1,748,084	Accumulated Depreciation		(178,315)		(180,085)				(358,400)		
Accumulated Amortization         (125)         (156)          (281)           Total Capital Assets         582,687         266,242          848,929           Total Noncurrent Assets         620,960         372,004          992,964           Total Assets         940,670         806,867         547         1,748,084			781						1,407		
Total Capital Assets         582,687         266,242          848,929           Total Noncurrent Assets         620,960         372,004          992,964           Total Assets         940,670         806,867         547         1,748,084	-		(125)		(156)				(281)		
Total Noncurrent Assets         620,960         372,004          992,964           Total Assets         940,670         806,867         547         1,748,084	Total Capital Assets			-	. ,				. ,		52,319
			620,960		372,004				992,964		52,319
DEFERRED OUTFLOWS OF RESOURCES	Total Assets		940,670		806,867		547		1,748,084		288,950
	FERRED OUTFLOWS OF RESOURCES										
Deferred Outflows of Resources Related to Pension 10,126 12,825 22,951	ferred Outflows of Resources Related to Pension		10.126		12.825				22.951		11,484
Total Deferred Outflows of Resources         10,126         12,825          22,951											11,484

Autor         Wasio         Compressed Muture Cas         Compressed Muture Cas				Business-Ty Enterpi	ype Acti rise Fur					
Current Labilities         Current Labilities         S         7.528         S         6.457         S         -         S         13.983         S         21.012           Retainage Payable         1.047         1.383         -         -         2.430         1.154           Subirities and Employee Benefits Payable         1.047         1.383         -         -         2.433         -           Due to Other Funds         2.047         2.035         2.72         2.525         1.154           Compensated Entrylope Access Payable         -         -         -         -         -         -         0.0214           Due to Other Funds         -         -         -         -         -         -         -         0.0214           Compensated Entrylope Access Payable         -         -         -         2.659         - </th <th></th> <th>Airp</th> <th>port</th> <th></th> <th>N</th> <th>atural Gas</th> <th></th> <th>Total</th> <th>Ac I</th> <th>tivities - nternal</th>		Airp	port		N	atural Gas		Total	Ac I	tivities - nternal
Accourts Payable         \$         7.526         \$          \$         13.83         \$         21.012           Retainge Payable         1.047         1.383          2.430         1.154           Lineared Reame         3.643         120          3.635            Due to Other Funds         2.647         2.335         2.72         5.554         897           Compensated Employee Absences Psyshe              6.0.24           Compensated Employee Absences Psyshe               6.0.24           Compensated Employee Absences Psyshe              6.0.24           Compensated Employee Absences Psyshe             6.00           6.00            6.00           6.00 <td< th=""><th>LIABILITIES</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></td<>	LIABILITIES									
Retaining: Psyable         439         744          1,83         3           Statistics and Employee Bernifts Psyable         1,647         1383          2,430         1,154           Une and the Funds         2,647         2,335         272         5,524         887           Due to Other Funds         2,647         2,335         272         5,524         887           Insurance Claims Psyable            60,214           Compensated Employee Absences Psyable         1,33         1,417          2,559            Constraint Statistics            60,214          449            Constraint Statistics            7,655           7,656            6,000           Instraints Claistics              6,000           6,000           6,000	Current Liabilities									
statisticant function         1.447         1.333         -         2.430         1.154           Unearrod Revenue         3.463         120         -         3.583         -           Due to Other Funds         2.647         2.335         272         5.244         967           Compensated Employe Absences Payable         -         -         -         60.214           Compensated Employe Absences Payable         -         449         -         449         -           Compensated Employe Absences Payable         -         449         -         60.214         -         -         60.214           Captal Asset Obligation         1017         -         2.659         -         -         -         6.600         -           Captal Asset Obligation         50.00         -         -         -         6.600         -         -         6.600         -         -         6.600         -         -         6.600         -         -         6.600         -         -         -         -         6.600         -         -         -         6.600         -         -         -         6.600         -         -         -         6.600         -         - <t< td=""><td></td><td>\$</td><td></td><td>\$</td><td>\$</td><td></td><td>\$</td><td></td><td>\$</td><td></td></t<>		\$		\$	\$		\$		\$	
Unearred Revenue         3.463         120         -         3.583            Due to Other Governmental Agencies         178         3.068          3.246         5           Due to Other Governmental Agencies         178         3.068          3.246         5           Due to Other Governmental Agencies         178         3.068          3.246         5           Due to Other Governmental Agencies         178         3.068          3.246         5           Proposition          -         6.0214          6.0214          6.024          6.026           6.026           6.000           6.000           6.000           6.000           6.000           6.000           6.000           6.000           6.000           6.000           6.000           6.000           6.000           6.000										
Due to Other Funds         2.647         2.335         272         5.244         987           Due to Other Funds         178         3.068         -         -         -         60.214           Compensated Employee Absences Payable         1.133         1417         -         2.559         -         60.214           Compensated Employee Absences Payable         1.133         1417         -         2.559         -         -         60.214           Capatal Asset Obligation         101         7         -         108         -         -         6.800         -         -         -         6.800         -         -         6.800         -         -         -         6.800         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         -         -         6.800         -         11.201         -         11.										1,154
Due to Other Governmental Agencies         178         3.088         -         3.248         5           Insurance Commentale Employee Absences Psyche         1.133         1.417         -         0.0214           Compensated Employee Absences Psyche         1.133         1.417         -         2.550         1.151           Capital Asset Obligation         101         7         -         108         -           Capital Asset Obligation Psyche         7.656         -         -         7.656         -           Capital Lesse Obligation Psyche         5.000         -         -         5.000         -           Operation Others         32.139         17.266         -         -         5.000         -           Total Current Liabilities         61.419         35.505         2772         97.596         91.426           Noncurrent Liabilities         61.419         35.505         2772         97.596         91.426           Noncurrent Liabilities         61.419         35.505         2772         97.596         91.426           Nancurrent Liabilities         61.419         35.505         2772         97.596         91.426           Nancurrent Liabilities         2.147         5.377         -										
Insurance Claims Payable         -         -         -         -         60,214           Compensated Employe Absences Payable         1,133         1,117         -         2,559         1,511           Pollution Remediation Obligation         101         7         -         108         -           Capital Asset Obligation         101         7         -         108         -         -         2,559         -         2,659         -         -         6,800         -         -         -         -         6,800         -         -         -         -         6,800         -         -         -         -         6,800         -         -         -         -         -         6,800         -         -         -         -         6,800         -         -         -         -         -         -         6,800         - </td <td></td>										
Compensated Employee Absences Payable         1.133         1.417          2.500         1.151           Pollution Remaindano Obligation         101         7          108            Capital Asset Obligation         101         7          108            Capital Lasse Obligations Payable         7.656          -         6.600           Interest Payable         5000          -         6.600           Deposits from Others         22139         17.266          -           Total Current Liabilities         01419         3005         227         97.596         01.22           Noncurrent Liabilities         01419         3005         227         97.596         01.23           Compensated Dipolyton         140         3         -         153         -           Compensated Dipolyton         140         3         -         153         -           Compensated Dipolyton         140         1         -         157.31         -           Compensated Dipolyton         140         1         -         -         163.016         -           Lawiditi Site CleasurePostockoure Liability         -								3,246		
Polition Remediation Obligation         -         -449         -         -         449         -           Capital Asset Obligation         101         7         -         108         -         2,659         -         2,659         -         2,659         -         2,659         -         2,659         -         2,659         -         -         7,656         -         -         -         6,900         -         -         5,090         -         -         5,090         -         -         5,090         -         -         5,090         -         -         5,090         -         -         5,090         -         -         5,090         -         -         -         5,090         -         -         16,000         -         -         5,090         -         -         16,000         -         -         16,000         -         -         16,000         -         -         15,016         -         15,016         -         15,016         -         16,000         -         16,000         -         16,000         -         16,000         -         16,000         -         16,000         -         16,000         -         16,000         -	-									
Capital Asset Obligation         101         7         -         108         -           Landfill Site Obligation Payable         7,656          -         7,656            Capital Lasse Obligation Payable         5,000          -         6,900           Interset Payable         5,000          49,4025            Deposits from Others         22,133         17,226          49,4025            Total Current Liabilities              199,282           Compensated Employee Assences Payable         099         1,334          2,243         963           Capital Asset Obligation         140         13         -         153            Capital Asset Obligation         140         13         -         167,71            Capital Lasse Obligations Payable           -         -         6,800           Net Pension Liability          187,471          -         187,471            Capital Lasse Obligations Payable           -         -         6,500 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>1,151</td></td<>										1,151
Landfill Site Clearue/Postchosure Liability        2.659        7.656          Bonds Payable       7.656         7.656          Capital Lesse Obligations Payable       32.133       17.266         5.000          Deposits From Others       32.133       17.266         49.405          Total Current Liabilities       01.419       35.905       2.272       97.596       91.428         Noncurrent Liabilities       01.419       35.406         159.282         Compansated Employee Absences Payable       909       1.334        2.243       983         Pollution Renealision Obligation       1944       10.741        11.735          Capital Lesse Obligation Payable       187.471         6.900         Net Pension Liability       41.486       52.049        93.355       42.223         Total Liabilities       292.419       258.058       272       550.749       301.044         Defered Inflows of Resources Related to Pension       4.287       5.377       -       9.664       4.410         Total Liabilit	-									
Bords Payable         7,656           7,656            Capital Less Obligations Payable         5,090          5,090            Deposits from Others         32,139         17,266          49,405            Total Current Liabilities             159,282           Noncurrent Liabilities              159,282           Compensate Employee Absences Payable             159,282           Compensate Employee Absences Payable         994         10,741          117,35            Captral Assec         158,016          158,016          158,016            Bonds Payable             6,900         Net Person Liability          158,016          158,016           6,900           Net Person Liability         41,486         52,049          9,353         42,623         201,094           Defered Inflows of Resources Related to Pension         4,287         5,377										
Capital Lesse Obligations Psyable         -         -         -         6,000           Interest Psyable         5,000         -         -         5,000         -           Deposits from Others         32,139         17,286         -         49,405         -           Total Current Liabilities         61,419         35,905         2272         27,596         91,426           Noncurrent Liabilities         -         -         -         -         -         159,282           Compensated Employee Absences Psyable         309         1,334         -         2,243         963           Polition Readation Obligation         944         10,741         -         1153         -           Capital Lesse Obligations Psyable         187,471         -         1187,471         -         -         6,000           Net Pension Liability         41,486         52,049         -         93,535         42,523           Total Liabilities         231,000         222,153         -         463,153         209,668           Deferred Inflows of Resources         4,287         5,377         -         9,664         4,410           Total Liabilities         39,058         266,222         -         663,280	•			2,659						
Interset Payable         5,090           5,090            Deposits from Others         22,139         17,226          49,405            Total Current Liabilities         61,419         35,905         2272         97,598         91,426           Noncurrent Liabilities         -         -         -         -         -         159,282           Compensate Charge Absences Payable         909         1,334         -         2,233         983           Pollution Remediation Obligation         994         10,741         -         11,735         -           Captel Asset Obligation         140         13         -         153,016         -           Captel Asset Obligations Payable         187,471         -         -         158,016         -           Bords Payable         187,471         -         -         -         6,903           Total Lease Obligations Payable         221,000         222,153         -         45,033           Total Noncurrent Liabilities         231,000         222,153         -         45,033           Total Liabilities         292,419         258,058         272         560,749         301,094								7,656		
Deposits from Others         32,139         17,266          49,405            Total Current Liabilities         61,419         35,905         272         97,596         91,426           Noncurrent Liabilities         Insurance Claims Psyable         909         1,334          2,243         963           Pollution Renealization Obligation         994         10,741          115,755            Campensate Obligation         140         13          158,016            Landfill Stic Course/Postclosure Liability          158,016          167,471            Capital Lease Obligations Payable            169,025         42,523           Total Noncurrent Liabilities         231,000         222,153          453,153         209,668           Total Liabilities         232,419         258,058         272         650,749         301,094           DEFERRED INFLOWS OF RESOURCES           9,664         4,410           Net Investiment In Capital Assets         397,058         266,222          663,280         38,519           Restricted for: <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>6,900</td></td<>										6,900
Total Current Liabilities         61.419         35.905         272         97.596         91.426           Noncurrent Liabilities         Insurance Claims Psyable         -         -         -         -         159,282           Compensated Employee Absences Psyable         909         1.334         -         2.243         963           Polition Remediation Obligation         994         10.741         -         117.35            Captal Asset Obligation         140         13         -         153.016         -         -           Bonds Psyable         -         -         -         -         -         6.900           Net Pension Liability         41.486         52.049         -         93.535         42.523           Total Noncurrent Liabilities         292.419         258.058         272         550.749         301.094           DEFERRED INFLOWS OF RESOURCES         292.419         258.058         272         550.749         301.094           Deferred Inflows of Resources Related to Pension         4.287         5.377         -         9.664         4.410           NET POSITION         -         -         663.280         38,519         -         10.000         -				47.000						
Noncurrent Liabilities            159,282           Compensated Employee Absences Payable         909         1,334          2,243         963           Pollution Renediation Obligation         994         10,741          11,735            Capital Asset Obligation         140         13          153,016          158,016            Landfill Steic Colscure/Distributions Payable         187,471           -         6,000           Net Presion Liability         41,486         52,049          93,535         42,523           Total Noncurrent Liabilities         231,000         222,153          453,153         209,668           Total Liabilities         292,419         258,058         272         550,749         301,094           DEFERRED INFLOWS OF RESOURCES         292,419         258,058         272         550,749         301,094           DEFERRED INFLOWS OF RESOURCES         4,287         5,377          9,664         4,410           Total Liabilities         397,058         266,222          663,280         38,519           Restricted for:	•									
Insurance Claims Payable              159,282           Compensated Employee Absences Payable         909         1,334          2,243         963           Polition Remediation Obligation         994         10,741          11,735            Capital Asset Obligation         140         13          153            Bonds Payable            180,016            Bonds Payable            187,471            Capital Lesse Obligations Payable            6,900           Net Pension Liability         41,486         52,049          93,535         42,523           Total Liabilities         292,419         258,058         272         550,749         301,094           Deferred Inflows of Resources         4,287         5,377          9,664         4,410           Net Investment in Capital Assets         397,058         266,222          663,280         38,519           Restrictof for:             14,705	Total Current Liabilities	·	61,419	 35,905		212	-	97,596		91,420
Insurance Claims Payable              159,282           Compensated Employee Absences Payable         909         1,334          2,243         963           Polition Remediation Obligation         994         10,741          11,735            Capital Asset Obligation         140         13          153            Bonds Payable            180,016            Bonds Payable            187,471            Capital Lesse Obligations Payable            6,900           Net Pension Liability         41,486         52,049          93,535         42,523           Total Liabilities         292,419         258,058         272         550,749         301,094           Deferred Inflows of Resources         4,287         5,377          9,664         4,410           Net Investment in Capital Assets         397,058         266,222          663,280         38,519           Restrictof for:             14,705	Noncurrent Lighilities									
Compensated Employee Absences Payable         909         1.334          2.243         963           Pollution Remediation Obligation         994         10,741          11,735            Capital Asset Obligation         140         13          158,016          158,016            Bonds Payable         187,471           187,471          6300           Net Pension Liability         41,486         52,049          93,355         42,523           Total Noncurrent Liabilities         231,000         222,153          453,153         200,668           Deferred Inflows of Resources         24,287         5,377          9,664         4,410           Total Liabilities         292,419         258,058         272         550,749         301,094           Perfered Inflows of Resources           Deferred Inflows of Resources         4,287         5,377          9,664         4,410           Net Investment in Capital Assets         397,058         266,222         -         663,280         38,519           Restricted for:         -         -         14,705         - <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>159 282</td></td<>										159 282
Pollution Remediation Obligation       994       10,741        11,735          Capital Asset Obligation       140       13        153          Landfill Site Closure/Postlosure Liability        158,016        167,471          Copital Lasset Obligations Payable       187,471         187,471        6,000         Net Pension Liability       41,486       52,049        93,555       42,523         Total Liabilities       292,419       258,058       272       550,749       301,094         DEFERRED INFLOWS OF RESOURCES       292,419       258,058       272       550,749       301,094         DEFERRED INFLOWS OF RESOURCES       4,287       5,377        9,664       4,410         Net Investment in Capital Assets       397,058       266,222        663,280       38,519         Restricted for:         14,705         14,705          Debt Service       8,499         6,63,280       38,519         10,000           Restricled for:        14,705	-			1 334				2 243		
Capital Asset Obligation       140       13        153          Landfill Site Closure Liability        158,016        158,016          Bonds Payable       187,471         187,471           Capital Lease Obligations Payable       41,486       52,049        93,555       42,523         Total Lability       41,486       52,049        93,555       42,523         Total Liabilities       292,419       258,058       272       550,749       301,094         DEFERED INFLOWS OF RESOURCES        9,664       4,410        9,664       4,410         NET POSITION         9,664       4,410         9,664       4,410         NET POSITION         9,664       4,410         9,664         9,664         9,664         9,664            9,664          9,664										303
Landfill Sile Closure/Postclosure Liability       -       158,016       -       187,471       -       -       187,471       -       -       6,000         Capital Lase Obligations Payable       -       -       -       93,535       42,523         Total Noncurrent Liabilities       231,000       222,153       -       453,153       209,668         Total Liabilities       292,419       258,058       272       550,749       301,094         Deferred Inflows of Resources Related to Pension       4,287       5,377       -       9,664       4,410         Net Investment in Capital Assets       397,058       266,222       -       663,280       38,519         Restricted for:       -       -       8,499       -       -       1,000       -         Det Service       8,499       -       -       1,000       -       -       1,000       -         Passenger Facility Charges Approved Capital Projects       1,000       -       -       1,000       -       -       1,000       -       -       1,000       -       -       1,000       -       -       1,000       -       -       1,000       -       -       1,000       -       -       1,000	-									
Bonds Payable         187,471           187,471           0         187,471           0	· · · · · · · · · · · · · · · · · · ·									
Capital Lease Obligations Payable            6,900         Net Pension Liability       41,486       52,049        93,535       42,523         Total Noncurrent Liabilities       231,000       222,153        453,153       209,668         Deferred Inflows of Resources Related to Pension       4,287       5,377        9,664       4,410         Deferred Inflows of Resources Related to Pension       4,287       5,377        9,664       4,410         Net Investment in Capital Assets       397,058       266,222        663,280       38,519         Restricted for:         8,499         8,499          Dels Service       8,499         8,499         8,499          Passenger Facility Charges Approved Capital Projects       14,705         14,705          Capital Projects - Replacements and Renewals       1,000         14,705          Landfill Corrective Action        8,499         14,705          Landfill Corrective Action	,	1		150,010						
Net Pension Liability         41,486         52,049          93,535         42,523           Total Noncurrent Liabilities         231,000         222,153          443,153         209,668           Total Liabilities         292,419         258,058         272         550,749         301,094           DEFERRED INFLOWS OF RESOURCES         U         U         9,664         4,410           Deferred Inflows of Resources Related to Pension         4,287         5,377          9,664         4,410           NET POSITION         4,287         5,377          9,664         4,410           Net Investment in Capital Assets         397,058         266,222          663,280         38,519           Restricted for:         0          -         14,705           14,705            Debt Service         8,499           14,705           14,705           14,705           14,705           14,705           14,705           10,00           10,00		1						107,471		6 900
Total Noncurrent Liabilities         231,000         222,153          453,153         209,668           Total Liabilities         292,419         258,058         272         550,749         301,094           Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources         4,287         5,377          9,664         4,410           NET POSITION         Net Investment in Capital Assets         397,058         266,222          663,280         38,519           Restricted for:           8,499           14,705            Det Service         8,499           14,705           1,000         <			41 486	52 049				93 535		
Total Liabilities         292,419         258,058         272         550,749         301,094           DEFERRED INFLOWS OF RESOURCES           Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources         4,287         5,377          9,664         4,410           NET POSITION         Status         397,058         266,222          663,280         38,519           Net Investment in Capital Assets         397,058         266,222          663,280         38,519           Restricted for: Debt Service         8,499           8,499         -           Landfill Closure/Postclosure         1,4705          14,705         -           Landfill Closure/Postclosure          33,997          1000         -           Landfill Closure/Postclosure          879          8,245            Urrestricted         232,828         246,810         275         479,913         (43,589)           Total Net Position         \$         654,090         \$         556,257         \$         275         1,210,622         \$         (5070)           Adjustment to Reflect the Consolidation of Internal Service		-		 						
DEFERRED INFLOWS OF RESOURCESDeferred Inflows of Resources Related to Pension4.2875.3779,6644,410Total Deferred Inflows of Resources4.2875,3779,6644,410NET POSITIONNet Investment in Capital Assets397,058266,222663,28038,519Restricted for:08,499Debt Service8,4998,499Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure8,2458,245Landfill Corrective Action879879Urrestricted232,828246,810275479,913(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service137137137137137Cumulative Effect of Prior Years' Internal Service Funds137137137137Cumulative Effect of Prior Years' Internal Service137137137137			.01,000	 222,100				100,100		200,000
Deferred Inflows of Resources Related to Pension4.2875.3779.6644.410Total Deferred Inflows of Resources4.2875.3779.6644.410NET POSITIONNet Investment in Capital Assets397,058266,222663,28038,519Restricted for:8,499Debt Service8,49914,705Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001000Landfill Closure/Postclosure82458,245Unrestricted879104104Unrestricted232,828246,810275479,913(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service137137137137137Cumulative Effect of Prior Years' Internal Service137137137137	Total Liabilities	2	292,419	 258,058		272		550,749		301,094
Total Deferred Inflows of Resources4,2875,3779,6644,410NET POSITIONNet Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure8,2458,2458,245Landfill Corrective Action879879104Unrestricted232,828246,810275479,913(43,589)(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation137 (15,047)137	DEFERRED INFLOWS OF RESOURCES									
Total Deferred Inflows of Resources4,2875,3779,6644,410NET POSITIONNet Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure8,2458,2458,245Landfill Corrective Action879879104Unrestricted232,828246,810275479,913(43,589)(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation137 (15,047)137	Deferred Inflows of Resources Related to Pension		4.287	5.377				9.664		4.410
Net Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Adjustment to Reflect the Consolidation of Internal Service\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service\$137(15,047)(15,047)										
Net Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Adjustment to Reflect the Consolidation of Internal Service\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service\$137(15,047)(15,047)										
Restricted for:		-	07.050	000 000				000 000		20 540
Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service137(15,047)137(15,047)Cumulative Effect of Prior Years' Internal Service Funds137(15,047)137	•	3	397,058	266,222				663,280		38,519
Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Total Net Position\$ 654,090\$ 556,257\$ 2751,210,622\$ (5,070)Adjustment to Reflect the Consolidation of Internal Service			0.400					0.400		
Capital Projects - Replacements and Renewals       1,000         1,000          Landfill Closure/Postclosure        33,997        33,997          Landfill Corrective Action        8,245        8,245          Wetland        879        8,245          Wetland        879        8,245          Prima Deshecha/La Pata Closure        104        104          Unrestricted       232,828       246,810       275       479,913       (43,589)         Total Net Position       \$       654,090       \$       556,257       \$       275       1,210,622       \$       (5,070)         Adjustment to Reflect the Consolidation of Internal Service       Funds' Activities Related to Enterprise Funds       137       (15,047)       (15,047)										
Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation137 (15,047)137										
Landfill Corrective Action        8,245        8,245          Wetland        879        879          Prima Deshecha/La Pata Closure        104        104          Unrestricted       232,828       246,810       275       479,913       (43,589)         Total Net Position       \$       654,090       \$       556,257       \$       275       1,210,622       \$       (5,070)         Adjustment to Reflect the Consolidation of Internal Service       Funds' Activities Related to Enterprise Funds       137       137       (15,047)         Cumulative Effect of Prior Years' Internal Service Funds Allocation       (15,047)       137       15,047)       15,047)			1,000							
Wetland        879        879          Prima Deshecha/La Pata Closure        104        104          Unrestricted       232,828       246,810       275       479,913       (43,589)         Total Net Position       \$ 654,090       \$ 556,257       \$ 275       1,210,622       \$ (5,070)         Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation        137       (15,047)										
Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Total Net Position\$ 654,090\$ 556,257\$ 2751,210,622\$ (5,070)Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation104Image: Cumulative Effect of Prior Years' Internal Service Funds Allocation104										
Unrestricted       232,828       246,810       275       479,913       (43,589)         Total Net Position       \$ 654,090       \$ 556,257       \$ 275       1,210,622       \$ (5,070)         Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation										
Total Net Position       \$ 654,090       \$ 556,257       \$ 275       1,210,622       \$ (5,070)         Adjustment to Reflect the Consolidation of Internal Service       Funds' Activities Related to Enterprise Funds       137         Cumulative Effect of Prior Years' Internal Service Funds Allocation       (15,047)		2								(42 590)
Adjustment to Reflect the Consolidation of Internal Service         Funds' Activities Related to Enterprise Funds         Cumulative Effect of Prior Years' Internal Service Funds Allocation         (15,047)			<u> </u>							
Funds' Activities Related to Enterprise Funds       137         Cumulative Effect of Prior Years' Internal Service Funds Allocation       (15,047)	Total Net Position	<u>\$6</u>	54,090	\$ 556,257	\$	275		1,210,622	\$	(5,070)
Cumulative Effect of Prior Years' Internal Service Funds Allocation (15,047)	Adjustment to Reflect the Consolidation of Internal Service									
	•							137		
Net Position of Rusiness-Type Activities \$ 1,195,712	Cumulative Effect of Prior Years' Internal Service Funds Allocation	n						(15,047)		
	Net Position of Business-Type Activities						\$	1,195,712		

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

		Business-Type Activities - Enterprise Funds												
	 Airport		Waste nagement	Natu	pressed ıral Gas nmajor)		Total	A	vernmental ctivities - Internal vice Funds					
Operating Revenues														
Use of Money and Property	\$ 110,260	\$	3,859	\$		\$	114,119	\$	1,770					
Licenses, Permits, and Franchises		·	76	•		·	76	•						
Charges for Services	18,926		143,132		269		162,327		92,115					
Insurance Premiums									304,693					
Total Operating Revenues	 129,186		147,067		269		276,522		398,578					
Operating Expenses	10 711		05.045						20 502					
Salaries and Employee Benefits	19,711		25,845				45,556		20,563					
Services and Supplies	24,751		19,938		219		44,908		28,963					
Professional Services	38,377 145		17,501 918		63 1		55,941 1,064		59,447 1,787					
Operating Leases Insurance Claims and Premiums	140		910				1,004		284,500					
Pollution Remediation Expense			18				18		204,500					
Other Charges									363					
Taxes and Other Fees			12,623				12,623		21					
Landfill Site Closure/Postclosure Costs			4,288				4,288							
Depreciation/Amortization	28,934		15,269				44,203		5,783					
Total Operating Expenses	 111,918		96,400		283		208,601		401,427					
Operating Income (Loss)	 17,268		50,667		(14)		67,921		(2,849)					
	 				i									
Nonoperating Revenues (Expenses)														
Fines, Forfeitures and Penalties	186		63				249							
Intergovernmental Revenues	153		18				171		1,062					
Interest Revenue	2,189		4,333		4		6,526		1,882					
Interest Expense	(9,105)						(9,105)							
Gain (Loss) on Disposition of Capital Assets	1		226				227		150					
Passenger Facility Charges Revenue	20,522						20,522							
Other Taxes					72		72							
Other Revenue, Net	 1,084		923				2,007		4,908					
Total Nonoperating Revenues	 15,030		5,563		76		20,669		8,002					
Income Before Contributions and Transfers	32,298		56,230		62		88,590		5,153					
Capital Grant Contributions	2,174						2,174							
Transfers In							·		13,008					
Transfers Out			(21,267)		(251)		(21,518)		(1,069)					
Change in Net Position	 34,472		34,963		(189)		69,246		17,092					
Net Position - Beginning of Year	619,618		521,294		464				(22,162)					
Net Position - End of Year	\$ 654,090	\$	556,257	\$	275			\$	(5,070)					
Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds							137							
Increase in Net Position of Business-Type Activities						\$	69,383							



## County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2016 (Dollar Amounts in Thousands)

	Airport	Was Manage		Compressed Natural Gas (Nonmajor)				A	vernmental ctivities - Internal vice Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from Customers	\$ 128,296	\$ 14	45,784	\$	269	\$	274,349	\$	26,321
Cash Received for Premiums within the County's Entity									304,693
Payments to Suppliers for Goods and Services	(62,416)	(3	38,477)		(283)		(101,176)		(366,461)
Payments to Employees for Services	(18,416)		25,620)				(44,036)		(19,418)
Payments for Interfund Services			(5,545)		256		(5,289)		(946)
Receipts for Interfund Services Used	11						(0,200)		68,688
Landfill Site Closure/Postclosure Care Costs			(2,659)				(2,659)		
Taxes and Other Fees			12,623)				(12,623)		(21)
Other Operating Receipts	1,685	(	2,716				4,401		4,907
Other Operating Payments	(202)		(1,485)				(1,687)		(2,161)
Net Cash Provided by Operating Activities	48,958		62,091		242		111,291		15,602
Net Cash Florided by Operating Activities	40,930		52,091		242		111,291		13,002
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers In									13,008
Transfers Out		(2	21,267)		(251)		(21,518)		(1,069)
Intergovernmental Revenues	153		18				171		1,062
Other Taxes					72		72		
Advances to Other Funds			(3,216)				(3,216)		
Net Cash Provided (Used) by Noncapital Financing			<u> </u>						
Activities	153	(2	24,465)		(179)		(24,491)		13,001
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition of Capital Assets	(24,293)	(3	37,584)				(61,877)		(6,619)
Capital Asset Obligation			20				20		
Principal Paid on Bonds	(7,205)						(7,205)		
Interest Paid on Long-Term Debt	(10,338)						(10,338)		
Capital Grant Contributions	3,716						3,716		
Passenger Facility Charges Received	20,287						20,287		
Principal Paid on Capital Lease Obligations									(6,900)
Proceeds from Sale of Capital Assets	15		406				421		
Net Cash Used by Capital and Related Financing									
Activities	(17,818)	(3	37,158)				(54,976)		(13,519)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest on Investments	2,058		4,219		4		6,281		1,797
Sale of Investments	4,730						4,730		
Net Cash Provided by Investing Activities	6,788		4,219		4		11,011		1,797
Net Increase in Cash and Cash Equivalents	38,081		4,687		67		42,835		16,881
							-		-
Cash and Cash Equivalents - Beginning of Year	238,056		94,098	¢	476	¢	732,630	¢	214,048
Cash and Cash Equivalents - End of Year	\$ 276,137	\$ 49	98,785	\$	543	\$	775,465	\$	230,929

	Business-Type Activities - Enterprise Funds									
	Airport		Waste Management		Compressed Natural Gas (Nonmajor)		Total		Governmental Activities - Internal Service Funds	
Reconciliation of Operating Income (Loss) to Net Cash										
Provided by Operating Activities										
Operating Income (Loss)	\$	17,268	\$	50,667	\$	(14)	\$	67,921	\$	(2,849)
Adjustments to Reconcile Operating Income (Loss) to										
Net Cash Provided by Operating Activities:										
Depreciation/Amortization		28,934		15,269				44,203		5,783
Fines, Forfeitures and Penalties		186		63				249		
Other Revenue		1,499		923				2,422		4,908
(Increases) Decreases In:										
Deposits In-Lieu of Cash		(3,903)		45				(3,858)		
Accounts Receivable (Net of Allowances)		(922)		(949)				(1,871)		(9)
Due from Other Funds		11		(2,328)				(2,317)		74
Due from Other Governmental Agencies		(184)		(355)				(539)		(69)
Inventory of Materials and Supplies										41
Prepaid Costs		25		186				211		44
Deferred Outflows of Resources Related to Pension		(3,825)		(4,851)				(8,676)		(5,067)
Increases (Decreases) In:										
Accounts Payable		738		27				765		(5,727)
Retainage Payable		157		(1,151)				(994)		174
Salaries and Employee Benefits Payable		151		210				361		253
Unearned Revenue				27				27		
Due to Other Funds		395		(3,218)		256		(2,567)		167
Due to Other Governmental Agencies		(17)		86				69		
Insurance Claims Payable										11,919
Compensated Employee Absences Payable		(111)		15				(96)		10
Pollution Remediation Obligation				(548)				(548)		
Deposits from Others		3,539		(24)				3,515		
Net Pension Liability		4,473		5,677				10,150		5,303
Landfill Site Closure/ Postclosure Liability				1,630				1,630		
Deferred Inflows of Resources Related to Pension		544		690				1,234		647
Total Adjustments		31,690		11,424		256		43,370		18,451
Net Cash Provided by Operating Activities	\$	48,958	\$	62,091	\$	242	\$	111,291	\$	15,602
Reconciliation of Cash and Cash Equivalents to										
Statement of Net Position Accounts										
Pooled Cash/Investments	\$	213,207	\$	398,008	\$	543	\$	611,758	\$	230,786
Cash Equivalents/Specific Investments	Ţ	24,845	•		Ŧ		•	24,845	•	
Cash/Cash Equivalents		10,208						10,208		
Imprest Cash Funds		14		35				49		133
Restricted Cash and Investments with Trustee		13,589 (	1)					13,589		10
Restricted Pooled Cash/Investments		14,274		9,894				24,168		
Restricted Pooled Cash/Investments - Closure and		,		-,				,		
Postclosure Care Costs				90,848				90,848		
Total Cash and Cash Equivalents	\$	276,137	\$	498,785	\$	543	\$	775,465	\$	230,929
·			_						-	

Schedule of Noncash Investing, Capital, and Financing Activities:
The Internal Service Funds gained \$150 on disposition of capital assets.
Airport had a \$1 gain on disposition of capital assets.
Waste Management gained \$226 on disposition of capital assets.
The Internal Service Funds' acquisition of capital assets with accounts payable is \$9,241.
Airport's acquisition of capital assets with accounts payable is \$3,289.
Waste Management's acquisition of capital assets with accounts payable is \$3,678.

(1) Does not include \$13,027 from Airport's nonliquid Restricted Cash and Investments with Trustee.

### STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

ASSETS	Private- Purpose Trust Investment Funds Trust Funds		Pension and Other Post- Employment Benefit Trust Funds			Agency Funds		
Pooled Cash/Investments Cash/Cash Equivalents Restricted Cash and Investments	\$	54,761 	\$	4,562,313 	\$	8,655 	\$	274,484 270
Restricted Investments with Trustee								~ ~ ~ ~ ~
Money Market Mutual Funds		4,647				92,406		29,465
Mutual Bond Funds						4,948		
Stable Value Fund						7,299		
Restricted Cash with Orange County Employees Retirement System (OCERS)						214,769		
Total Restricted Cash and Investments	_	4,647	-			319,422	-	29,465
Investments						515,422		1,082
Deposits In-Lieu of Cash								19,454
Receivables								,
Accounts								28
Taxes								340,178
Interest/Dividends		186		10,724		65		9,022
Allowance for Uncollectible Receivables								(167,621)
Due from Other Governmental Agencies						3,948		3,266
Land and Improvements Held for Resale		133						
Notes Receivable								29,674
Total Assets		59,727		4,573,037		332,090		539,302
DEFERRED OUTFLOWS OF RESOURCES Deferred Charge on Refunding Total Deferred Outflows of Resources		<u> </u>						
LIABILITIES								
Bonds Payable		30,041						
Interest Payable		386						8,269
Deposits from Others								14,505
Monies Held for Others								147,095
Due to Other Governmental Agencies		350		585				61,324
Unapportioned Taxes								308,109
Total Liabilities		30,777		585	_			539,302
DEFERRED INFLOWS OF RESOURCES								
Deferred Charge on Refunding		132						
Total Deferred Inflows of Resources		132			_		_	
NET POSITION								
Restricted for Pension Benefits and Other Purposes		29,212		4,572,452		332,090		
Total Net Position	\$	29,212	\$	4,572,452	\$	332,090	\$	
			_		-		_	

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	Purp	rivate- lose Trust <sup>-</sup> unds	Investment Trust Funds		Pension and Other Post- Employment Benefit Trust Funds		
Additions:							
Contributions to Pension and Other Postemployment							
Benefit Trust Funds:							
Employer	\$		\$		\$	53,860	
Employee						3,261	
Contributions to Pooled Investments				8,247,444			
Contributions to Private-Purpose Trust		64,627					
Intergovernmental Revenues		300					
Other Revenues		1,191		446		7	
Interest and Investment Income/(Loss)		699		38,835		(2,023)	
Less: Investment Expense		(8)		(2,905)		(269)	
Total Additions		66,809		8,283,820		54,836	
Deductions:							
Benefits Paid to Participants						34,687	
Distributions from Pooled Investments				7,816,943			
Distributions from Private-Purpose Trust		59,924					
Professional Services		182				90	
Other Expenses		712					
Tax Pass-Throughs		4,000					
Interest Expense		1,141					
Total Deductions		65,959		7,816,943		34,777	
Change in Net Position:							
Private-Purpose Trust		850					
External Investment Pool				466,877			
Employees' Pension and Other Post-							
Employment Benefits						20,059	
Net Position, Beginning of Year		28,362		4,105,575		312,031	
Net Position, End of Year	\$	29,212	\$	4,572,452	\$	332,090	





W 4th St, Santa Ana



# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. <u>Reporting Entity</u>

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 financial information for both the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the County's operations, and the Board is typically their governing body. Therefore, data from these component units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. Management applied the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," Statement No. 39, "Determining Whether Certain Organizations are Component Units - An Amendment of GASB Statement No. 14," 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

<u>Orange County Flood Control District</u> 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.

<u>Orange County Housing Authority</u> 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.

<u>Orange County Public Financing Authority</u> 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.

<u>South Orange County Public Financing Authority</u> 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.

### A. Reporting Entity (Continued)

### Blended Component Units (Continued)

<u>Orange County Public Facilities Corporation</u> 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 purchases, construction or leasing of land and/or facilities, which are then leased back to the County. The Corporation is reported in governmental fund types.

<u>County Service Areas, Special Assessment Districts, and Community Facilities Districts</u> 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.

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

#### Fiduciary Component Unit

<u>County of Orange Redevelopment Successor Agency (Successor Agency)</u> The Successor Agency was established when Orange County Development Agency (OCDA) was dissolved effective February 1, 2012 in accordance with ABX1 26 and Health and Safety Code 34172. 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: <a href="http://ocgov.com/gov/auditor/info/financial/">http://ocgov.com/gov/auditor/info/financial/</a>.

### Discretely Presented Component Units

<u>Children and Families Commission of Orange County</u> 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. It is funded by additional State taxes on tobacco products and 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: <a href="http://ocgov.com/gov/auditor/info/financial/">http://ocgov.com/gov/auditor/info/financial/</a>

<u>Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated</u> <u>Medical Assistance (CalOptima)</u> The Board established CalOptima in 1993. The governing board of CalOptima is comprised of nine voting members and includes two County Board members and one County Board member alternate; all other members are appointed by the Board. This is a County organized health system whose purpose is to administer health insurance programs for low-income families, children, seniors, and persons with disabilities throughout the County. These programs include

## A. <u>Reporting Entity (Continued)</u>

## Discretely Presented Component Units (Continued)

## <u>Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated</u> <u>Medical Assistance (CalOptima) (Continued)</u>

Medi-Cal, OneCare (HMO SNP), OneCare-Connect Cal MediConnect Plan, 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 <u>http://wpso.dmhc.ca.gov/dashboard/finances.aspx</u>, from the bottom select "Financial Statements" and select the Health Plan "Orange County Health Authority" and statement type "Annual Audit Reports."

### B. <u>Government-Wide and Fund Financial Statements</u>

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 fund 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 component units, Children and Families Commission of Orange County and CalOptima, for which the

## B. <u>Government-Wide and Fund Financial Statements (Continued)</u>

## Government-Wide Financial Statements (Continued)

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:

- <u>Net Investment in Capital Assets</u> 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.
- <u>Restricted Net Position</u> 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, 2016, the County's governmental activities reported restricted net position of \$1,262,449 and is restricted for pension benefits related to the Orange County Retirement System (OCERS) Investment Account, capital projects, debt service, legally segregated funds restricted for grants and other purposes, and regional park endowment. Restricted Net Position for business-type activities amounted to \$67,429 and is restricted for the use of Airport and Waste Management activities, including debt service, passenger facility charges (PFC), capital projects replacements and renewals, landfill closure/postclosure, and landfill corrective action. At June 30, 2016, the County reported \$14,705 of net position restricted by enabling legislation related to the Airport's PFC.
- <u>Unrestricted Net Position</u> These assets are resources of the County that can be used for any purpose, though they may not necessarily be liquid. In addition, assets in a fund that exceed the amounts required to be restricted by external parties or enabling legislation are reported as unrestricted net position. 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.

## B. <u>Government-Wide and Fund Financial Statements (Continued)</u>

## 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 and all nonmajor proprietary funds aggregated into a single column. GASB Statement No. 34, as amended by GASB Statement No. 65 *"Items Previously Reported as Assets and Liabilities"* (GASB Statement No. 65), sets forth minimum criteria (specified minimum percentages of the assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of a fund category and of the governmental and enterprise funds combined) for the determination of major funds. In addition to funds that meet the minimum criteria, any other governmental or enterprise fund that the government believes is of particular importance to financial statement users may be reported as a major fund.

The County reports the following major governmental funds:

<u>General Fund</u> 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.

<u>Flood Control District</u> 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, charges for services revenue, along with property taxes restricted for flood control activities, provide most of this fund's revenues.

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

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

The County reports the following proprietary enterprise funds:

<u>Airport</u> 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.

<u>Waste Management</u> 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.

<u>Compressed Natural Gas (CNG)</u> 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.

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

#### Fund Financial Statements (Continued)

Additionally, the County reports the following fund types:

<u>Internal Service Funds</u> The County reports nine Internal Service Fund types. These proprietary funds are used to report activities that provide goods or services to other funds of the County. These funds account for fleet services, publishing services, and risk management services (including claims for workers' compensation, property damage, Information & Technology, Insurance and various health programs) provided to other County departments or agencies, or other governmental entities. The Internal Service Funds receive revenues on a cost-reimbursement basis.

<u>Fiduciary Fund Types</u> The County has a total of 351 individual trust and agency funds for FY 2015-16. 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, pension trust or Other Post-Employment Benefits (OPEB) 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:

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

<u>Pension and Other Employee Benefits Trust</u> 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.

<u>Agency Funds</u> These funds are custodial in nature and do not report operating results. These funds are used to account for assets held by the County as an agent for various local governments and individuals, such as unapportioned taxes for other local government agencies, monies collected for the Redevelopment Property Tax Trust funds, civil filing fees, and special assessment districts debt service funds. Accordingly, assets reported in the statements 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 and all liabilities, deferred inflows of resources, associated with the operation of these funds are included on the Statement of Net Position. Receivables are reported net of allowances for uncollectible receivables in the Statement of Net Position. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

#### **Governmental Fund Financial Statements**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of accounting, revenues and other governmental fund type financial resources (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.

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 record 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

### C. Measurement Focus and Basis of Accounting (Continued)

### Governmental Fund Financial Statements (Continued)

not met all of the earning requirements are reported as unearned revenue received. As of June 30, 2016, the County reported \$160,253 of deferred inflows of resources and \$54,466 of unearned revenue received 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 Services 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.

#### 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:

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

The intent of preparing the Budgetary Comparison Statement reconciliation is to provide the reader with a more complete understanding and appreciation for the difference between budgetary revenues and other financing sources and expenditures and other financing uses presented in the Budgetary Comparison Statements and the revenues, expenditures, and other financing sources (uses) reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, which is prepared in accordance with GAAP. The major areas of difference are as follows:

- Under the budgetary basis, investment income is recognized on an amortized cost basis. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB Statement No. 31), all investment income, including changes in fair value (gains/losses) of investments, are recognized as investment income.
- Under the budgetary basis, 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" (GASB Statement No. 33), and GASB Statement No. 65, it states that all nonexchange transactions,

### D. Budget Adoption and Revision (Continued)

such as government-mandated nonexchange transactions and voluntary nonexchange transactions, can be accrued only if they are measurable and "available." "Available" has been defined by GASB Statement No. 33 as "collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period." The County has established the availability period as 60 days after the end of the fiscal year. In order to ensure all transactions for the current fiscal year meet this criterion, the County analyzes revenue receipts through August 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.
- Per GAAP, a rental rebate should be recorded as a reduction to rental expense.
- Per GAAP, at the inception of a capital lease, both expenditure and other financing source should be recorded with the amounts equal to the present value of the minimum lease payment.
- The General Fund revenue adjustment was recorded due to the overbilling to OCWR for the Republic Services and LA Sanitation District importation proceeds.
- The OC Animal Care uses cash basis to record money receives from invoicing due to the low collection rate. Per GAAP, the receivables and the amount of the allowance for the doubtful accounts should be recorded.

## 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	Flood Control District	Other Public Protection	Mental Health Services Act
Total Revenues and Other Financing Sources from the Budgetary				
Comparison Statements	\$ 3,037,839 \$	147,161\$	63,129 \$	116,457
Differences-budget to GAAP:				
Change in unrealized gain on investment	1,349	961	352	521
GASB 31 adjustment to report redirected investment				
income as transfers			10	
GASB 33/65 adjustment of revenue accruals for 60 day recognition period	16,103	(19,162)	(15)	
GASB 34 adjustment to record Public Purpose Trust Fund's monies				
as revenue in benefitting fund	(1,286)	2		
Adjustment to eliminate intrafund transfers			(2,175)	
Record new equipment lease		254		
Reclassification of direct billing reimbursements paid by fund for the				
benefit of other funds	(13,223)	(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	33			
Revenues and Other Financing sources for non-budgeted funds are				
excluded in the Budgetary Comparison Statements			2,205	
Recognition of outstanding invoices for OC Animal Care	702			
Adjustment of importation overpayment to the General Fund	(2,976)			
Rent rebate for HCA	 (50)			
Total Revenues and Other Financing Sources as reported on the Statement				
of Revenues, Expenditures, and Changes in Fund Balances	\$ 3,038,491 \$	128,929 \$	63,506	116,978

Expenditures and Other Financing Uses	 General Fund	Flood Control District	Other Public Protection	Mental Health Services Act
Actual expenditures and Other Financing Uses from the Budgetary				
Comparison Statements	\$ 2,987,978 \$	116,258\$	65,854 \$	115,244
Differences-budget to GAAP:				
GASB 31 adjustment to report redirected investment				
income as transfers			10	
Adjustment of expenditure accruals for timing differences	1,237	(19)	(57)	
Adjustment to eliminate intrafund transfers			(2,175)	
Reclassification of direct billing reimbursements paid by fund for the				
benefit of other funds	(13,223)	(287)		
Record new equipment lease		254		
Expenditures and Other Financing Uses for non-budgeted				
funds are excluded in the Budgetary Comparison Statements			24	
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	(50)			
Reclassification of loan repayment from General Fund				
to OC Waste Management	 (784)			
Total Expenditures and Other Financing Uses as reported on the Statement				
of Revenues, Expenditures and Changes in Fund Balances	\$ 2,975,161 \$	116,206 \$	63,656	\$ 115,244

### 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:

<u>Nonspendable Fund Balance</u> 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.

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

<u>Committed Fund Balance</u> 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.

<u>Assigned Fund Balance</u> 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 or approved by the Board for appropriation in FY 2015-16, through the County's budget process.

<u>Unassigned Fund Balance</u> 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:

# E. Fund Balance (Continued)

	General Fund	Flood Control District	Other Public rotection	Mental Health Services Act	 Other Governmental Funds	 Total Governmental Funds
Nonspendable:						
Inventory	\$ 891	\$ 393	\$ 290	\$	\$ 	\$ 1,574
Prepaid costs	327,198	4,358	1,180		14,087	346,823
Endow ment					193	193
Long-Term Advances to Other Funds	 3,800	 	 			 3,800
Total Nonspendable Fund Balance	 331,889	 4,751	 1,470		 14,280	 352,390
Restricted for:						
Court Operations	10,552					10,552
Tobacco and CHIP Programs	146					146
Public Safety Realignment	38,532					38,532
Civic Center Parking/Maintenance					2,207	2,207
Roads					47,266	47,266
Public Libraries					30,034	30,034
Flood Control District		123,813				123,813
Flood Control District - Construction & Maintenance		29,765				29,765
Flood Control District - Project Management		90,439				90,439
Flood Control District Capital Projects		136,226				136,226
Flood Control District Capital Projects Management		33,261				33,261
Flood Control District Capital Projects Acquisition		13,334				13,334
Santa Ana River Projects		79				79
OC Parks					41,400	41,400
OC Parks - Capital Projects					29,687	29,687
County Tidelands - New port Bay					5,755	5,755
Service Areas, Lighting, Maintenance						
and Assessment Districts					37,365	37,365
Other Environmental Management					1,869	1,869
Building & Safety Operating Reserve			21,288			21,288
Child Support Program Development			13,201			13,201
Clerk Recorder Special Revenue			16,209			16,209
Sheriff-Coroner Replacement & Maintenance			11,784			11,784
CAL-ID System Costs			26,525			26,525
Excess Public Safety Sales Tax			5,843			5,843
Inmate Welfare			7,535			7,535
Prop 64 - Consumer Protection			6,744			6,744
Regional Narcotics Suppression Program			5,708			5,708
Other Public Safety Programs			29,503			29,503
OC Dana Point Harbor Projects					65,097	65,097
Community and Welfare Services					58,663	58,663
Low and Moderate Income						
Housing Program					31,868	31,868
Health Care Programs					20,350	20,350
Mental Health Services Adults/Children				167,876		167,876
Mental Health Services General				74,082		74,082
Bankruptcy Litigation					15	15
Bankruptcy Recovery					13,604	13,604
Tobacco Settlement Programs					12,510	12,510
Housing Programs					15,471	15,471
Technological and Capital						
Acquisitions/Improvements					1,195	1,195
Endow nment					144	144
OC Public Facilities Corporation Bonds,						
Master Lease					3,154	3,154
Pension Obligation Bonds					100,598	100,598
South OC Public Financing Authority					60,944	60,944
Orange County Public Financing Authority					55,564	55,564
Teeter Note					20,935	20,935
Capital Projects:						-
Criminal Justice Facilities Improvement					10,495	10,495
Total Restricted Fund Balance	\$ 49,230	\$ 426,917	\$ 144,340	\$ 241,958	\$ 666,190	\$ 1,528,636

## E. Fund Balance (Continued)

		General Fund	Cor	ood htrol trict	Other Public Protecti		Mental Health Services Act	Other Governmental Funds	Total Governmental Funds
Assigned to:	_								
General Services:									
Contingencies	\$	61,300	\$		\$		\$	\$	\$ 61,300
Operations		158,960							158,960
Imprest Cash		1,834							1,834
Public Safety		21,314							21,314
Public Works		1,194							1,194
Health Care Programs		2,430						13,588	16,018
Watershed Programs		897							897
Social Services Programs		4,293							4,293
Community Resources Programs		688							688
Teeter Note								27,697	27,697
Tax Loss Reserve		58,273							58,273
Debt Service		3,863							3,863
Capital Projects:									
County-wide Projects								31,613	31,613
Property Tax Software Development		731							731
Criminal Justice Facilities		4,445							4,445
Central Utilities Facility		842							842
Parking Facilities								840	840
OC Parks								11,999	11,999
Air Quality Improvement								2,841	2,841
Community and Welfare Services								41,204	41,204
Total Assigned Fund Balance		321,064						129,782	 450,846
Unassigned		25,655							25,655
Total Unassigned Fund Balance		25,655							 25,655
Total Fund Balances	\$	727,838	\$ 43	31,668	\$ 145,8	10	\$ 241,958	\$ 810,252	\$ 2,357,526

Annually, the Board adopts a five-year Strategic Financial Plan (SFP). The County of Orange 2016 SFP includes a policy for Fund Balance Unassigned (FBU) that eliminates FBU as a funding source for the next year's budget as a significant step toward reducing structural reliance on one-time funds. Positive variances in estimated FBU are to be added to Strategic Reserves, consistent with the Board policy.

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 2015-16, the proceeds of \$334,275 was for short-term Taxable Pension Obligation Bonds to prepay its FY 2016-17 pension contribution at a discount. Of this amount \$326,820 is the prepaid costs for General Fund and is Nonspendable. Refer to Note 9, Short-Term Obligations and Note 17, 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 benefitting 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, using the fair value measurement within the fair value hierarchy established by GAAP.

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 mediumterm 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.

## F. Deposits and Investments (Continued)

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 as undistributed and unrealized gains. Refer to Note 3, Deposits and Investments for additional information.

The investments in the Retiree Medical Defined Benefit Trust are managed by OCERS and are reported at fair value. Refer to Note 17, Retirement Plans, to obtain OCERS stand-alone annual financial statements.

#### G. Inventory of Materials and Supplies

Inventories consist of expendable materials and supplies held for consumption. Inventories are valued at cost, which is determined on a moving weighted average basis. Applicable fund balances are 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 \$346,823, which primarily consist of \$346,444 for the County's FY 2016-17 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 and GASB Statement No. 71. Refer to Note 17, Retirement Plans for additional information.

#### I. Land and Improvements Held for Resale

These assets, held by the 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 acquisition 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.

J. Capital Assets (Continued)

Asset Type	Capitalization Threshold
Land	\$ O
Land Improvements	\$150
Structures and Improvements	\$150
Equipment	\$ 5
Intangible:	
Software	\$5
All Other	\$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:

Structures and Improvements	10 to 60 years
Land Improvements	10 to 20 years
Equipment	2 to 20 years
Intangibles:	
Computer Software	3 to 15 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	3 to 71 years
Channels, Facility Improvements, Habitat, Landfill	
Gas/Environmental, Closure/Other Earthwork	

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 taxexempt 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 government-wide Statement of Net Position reports a separate section for deferred outflows of resources, which 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 outflows of resources related to pension. 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

#### K. Deferred Outflows/Inflows of Resources (Continued)

shorter of the life of the refunded or refunding debt. The deferral 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 a portion of 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, which 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. They are the deferred inflows of resources related to unavailable revenues and deferred inflows of resources related to pension. 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 amounts become available. The SB90 deferred inflows of resources amount of \$28,404 is net of an allowance for the estimated uncollectible of \$13,045.

The table below details out all deferred outflows/inflows of resources related to pension. Please refer to Note 17, Retirement Plans, for further information.

	 overnmental Activities	Airport	Waste nagement	Total
Deferred Outflows of Resources Related to Pension per Actuarial Studies				
Net Difference Between Projected and Actual Investment Earnings				
on Pension Plan Investments	\$ 607,808	\$ 5,699	\$ 7,207	\$ 620,714
Changes of Assumptions	91,935	901	1,125	93,961
Changes in Proportion and Differences Between Employer				
Contributions and Proportionate Share of Contributions	5,648	53	66	5,767
Deferred Outflows of Resources Related to Pension - Employer				
Contributions after Measurement date	212,943	1,885	2,390	217,218
Deferred Outflows of Resources Related to Prepaid Contribution	174,834	1,588	2,037	178,459
Total Deferred Outflows of Resources Related to Pension	\$ 1,093,168	\$ 10,126	\$ 12,825	\$ 1,116,119
Deferred Inflows of Resources Related to Pension per Actuarial Studies				
Difference Between Expected and Actual Experience	\$ 295,410	\$ 2,822	\$ 3,549	\$ 301,781
Changes of Assumptions	149,314	1,464	1,827	152,605
Changes in Proportion and Differences Between Employer				
Contributions and Proportionate Share of Contributions	104	1	1	106
Total Deferred Inflows of Resources Related to Pension	\$ 444,828	\$ 4,287	\$ 5,377	\$ 454,492

#### 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 15, 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

#### M. Property Taxes (Continued)

Equalization in the case of state-assessed properties. Property taxes are levied annually, with the exception of the supplemental property taxes, which are levied when supplemental assessment events, such as sales of property or new construction, take place.

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

Property taxes receivables are recorded as of the date levied in property tax unapportioned funds, which are classified as 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 tax-receiving 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, 2016 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, 2016, tax refunds and assessed value tax roll corrections resulting from property tax appeals and other disputes represented approximately 0.85% 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 31.	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

## M. Property Taxes (Continued)

	California Revenue
	& Taxation Code Section
Secured tax payment due dates are: 1st Installment - November 1, and 2nd Installment - February 1.	2605 2606
Declaration of default for unpaid taxes occurs July 1. Power to sell is effective five years after tax default.	3436 3691

#### 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 for the retirement plans through OCERS is based on the December 31, 2015 measurement date for the County reporting as of June 30, 2016. The actuarial valuation for the Extra-Help Defined Benefit Plan is based on the June 30, 2016 measurement date for the County reporting as of June 30, 2016.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the OCERS and the Extra-Help Defined Benefit Plan and additions to/deductions 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, 2016, the County's net pension liability from OCERS was measured as of December 31, 2015, and the total pension liability (TPL) used to calculate the net pension liability was determined by rolling forward the December 31, 2014 valuation to December 31, 2015. The County's net pension liability from Extra-Help Defined Benefit Plan was measured as of June 30, 2016; the plan's TPL was calculated using the data and assets as of June 30, 2015, rolled forward to June 30, 2016 using actual benefit payments for the FY 2015-16.

#### 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 benefitting departments in the "Indirect Expenses Allocation" column of the government-wide Statement of Activities. Allocated costs are from the County's FY 2015-16 County-Wide Cost Allocation Plan (CWCAP), which was prepared in accordance with the Code of Federal

## Q. Indirect Costs (Continued)

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 2015-16:

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 measurement 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. The statement was implemented without a fiscal impact to the County's financial statements. However, more disclosures are presented in the note as a result of this GASB statement. Refer to Note 3, Deposits and Investments, for additional information.

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 pensions that are not within the scope of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27," as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of GASB Statement No. 67, "Financial Reporting for Pension Plans," GASB 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. The statement was implemented without an 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. The statement was implemented without an impact to the County.

In December 2015, GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants." This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments

## R. Effects of New Pronouncements (Continued)

that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for reporting periods beginning after December 15, 2015. This requires the County to implement this statement in FY 2015-16. The statement was implemented without 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 June 2015, GASB issued Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*" (GASB Statement No. 74). 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 Plans*." 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 No. 43, and Statement No. 50, *"Pension Disclosures."* The provisions of this statement are effective for financial statements 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 June 2015, GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 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.

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 December 2015, GASB issued Statement No. 78, "*Pensions Provided through Certain Multiple- Employer Defined Benefit Pension Plans.*" This statement amends the scope and applicability of GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental

### R. Effects of New Pronouncements (Continued)

employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this statement are effective for reporting periods beginning after December 15, 2015, which requires the County to implement this statement in FY 2016-17.

In January 2016, GASB issued Statement No. 80, "Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14." This statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, which requires the County to implement this statement in FY 2016-17.

In March 2016, GASB issued Statement No. 81, "*Irrevocable Split-Interest Agreements*." This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this statement are effective for financial statements beginning after December 15, 2016, which requires the County to implement this statement in FY 2017-18.

In March 2016, GASB issued Statement No. 82, "*Pension Issues - an Amendment of GASB Statements No.* 67, No. 68, and No. 73." This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, which requires the County to implement this statement in FY 2016-17.

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. <u>Consolidation of Governmental Funds' Balance Sheet and Proprietary Funds' Statement of Net Position</u> <u>Line Items in Statement of Net Position</u>

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

T. <u>Consolidation of Governmental Funds' Balance Sheet and Proprietary Funds' Statement of Net Position</u> <u>Line Items in Statement of Net Position (Continued)</u>

Government-Wide Statement of Net Position Line Item	Corresponding Governmental and Proprietary Funds 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; Land Use Rights; Construction in Progress; and Intangible Assets in Progress
Capital Assets – Depreciable/Amortizable (Net)	Structures and Improvements and Accumulated Depreciation; Equipment and Accumulated Depreciation; Infrastructure and Accumulated Depreciation; and Intangible Assets and Accumulated Amortization; Land Improvements

# 2. <u>DEFICIT FUND EQUITY</u>

The Workers' Compensation Internal Service Fund (ISF) reported a deficit net position balance of \$93,451. The deficit results from the amount calculated in the annual actuarial study which includes case reserves, development of known claims, incurred but not reported claims, allocated and unallocated loss adjustment expenses, and a discount for anticipated investment income. The deficit increased by \$2,222 from the previous fiscal year due to an increase in insurance expense and case reserves. Charges to County departments have not provided sufficient cash flows to entirely fund the deficit in the Workers' Compensation ISF. The County will continue to review charges to departments and manage the funding status of the Workers' Compensation 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 Successor Agency private-purpose trust fund reported a deficit net position of \$17,238. The deficit for the Successor Agency increased by \$4,419 from the previous fiscal year as a result of a decrease in intergovernmental revenues in the current fiscal year.

## 3. 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, and 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.

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 June 16, 2016, 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 (in absolute dollar amounts) and \$1.005 (in absolute dollar amounts) to maintain an 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 a 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 with the Treasurer, before timing differences, totaled \$8,270,826 as of June 30, 2016, consisting of \$3,692,694 for the OCIP, \$4,269,894 for the OCEIP, and \$308,238 for Specific Investments.

Total County deposits and investments at fair value as of June 30, 2016, are reported as follows:

Deposits:	
Imprest Cash	\$ 2,026
Deposits for OCIP with Treasurer	14,113
Deposits for OCEIP with Treasurer	21,163
Deposits with Trustees	17,139
All other Deposits and Timing Differences	 (149,283)
Total Deposits and Timing Differences	 (94,842)
Investments:	
With Treasurer	8,235,550
With Trustees	372,135
With External Orange County Employees Retirement System (OCERS)	 214,769
Total Investments	 8,822,454
Total Deposits and Investments	\$ 8,727,612
Total County deposits and investments are reported in the following funds:	
Governmental Funds	\$ 2,374,668
Proprietary Funds	1,044,667
Fiduciary Funds	5,255,099
Component Unit - CFCOC	 53,178
Total Deposits and Investments	\$ 8,727,612

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

### A. Deposits (Continued)

Depository Insurance Corporation (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 separately 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, 2016, the Treasurer was in full compliance with the more restrictive IPS for the OCIP, OCEIP, and JWA Pool.

The following table provides a summary listing of the authorized investments as of June 30, 2016.

Type of Investment	CGC % of Funds Permitted	Orange County IPS (%)	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (All Pooled Funds Except Short-Term Funds)	Orange County IPS Maximum Final Maturity (Short-Term 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 excluding securities with final maturities of 30 days or less	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
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

## B. Investments (Continued)

Type of Investment	CGC % of Funds Permitted	Orange County IPS (%)	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (All Pooled Funds Except Short-Term Funds)	Orange County IPS Maximum Final Maturity (Short-Term Fund)
Negotiable Certificates of Deposits	30%	30% total, no more than 5% in one issuer	5 Years	5 Years	397 Days
State of California Local Agency Investment Fund	\$50 million per account	\$50 million per pool	N/A	N/A	N/A
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 and all related entities, including parent and subsidiaries, 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 (in absolute dollar amounts) or greater than \$1.005 (in absolute dollar amounts), portfolio holdings may be sold as necessary to maintain the ratio between \$0.995 (in absolute dollar amounts) and \$1.005 (in absolute dollar amounts).

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 County Treasurer. The OCEIP consists entirely of public school and community college districts' funds and therefore includes 100% involuntary participants. At June 30, 2016, the OCIP includes approximately 11.57% of involuntary participant deposits including funds for the Superior Court, certain assessment districts, and certain bond related funds for public school districts.

#### B. Investments (Continued)

#### **Investment Disclosures**

The following table presents a summary of the County's investments, the credit quality distribution, and concentration of credit risk by investment type as a percentage of each pool's fair value at June 30, 2016.

					Interest Rate		Weighted Average Maturity		% of
With Treasurer:	F	air Value		Principal	Range (%)	Maturity Range	(Years)	Rating (1)	Portfolio
OCIP (2)									
U.S. Government Agencies	•		•	45 450	0.00 0.050/				4 000/
FNMA Discount Notes	\$	45,115	\$	45,152	0.29 - 0.65%	08/12/16 - 01/05/17	0.230	A-1	1.23%
FNMA Bonds		447,622		445,125	0.30 - 1.18%	07/05/16 - 02/26/19	1.354	AA	12.17%
FFCB Discount Notes		63,971		64,096	0.47 - 0.59%	12/21/16 - 12/27/16	0.485	A-1	1.73%
FFCB Bonds		185,626		184,911	0.29 - 1.18%	08/11/16 - 04/26/19	1.626	AA	5.05%
FFCB Bonds - Floating Rate		60,021		60,000	0.29 - 1.18%	11/04/16 - 11/07/16	0.002	AA	1.63%
FHLB Discount Notes		411,243		411,312	0.24 - 0.50%	07/01/16 - 09/26/16	0.009	A-1	11.18%
FHLB Bonds		402,822		401,523	0.49 - 1.64%	08/26/16 - 12/20/18	1.240	AA	10.95%
FHLMC Bonds		611,477		607,522	0.37 - 1.14%	08/25/16 - 04/16/19	1.689	AA	16.62%
Negotiable Certificates of Deposit									
Fixed Rate		157,881		156,581	0.66 - 1.75%	08/26/16 - 03/29/19	0.439	AA	4.29%
Floating Rate		5,000		5,000	0.94%	07/28/16	0.077	A-1	0.14%
Medium-Term Corporate Notes									
Corporate Notes		68,617		67,110	0.55 - 1.35%	08/15/16 - 08/15/18	1.290	A	1.86%
Corporate Notes		116,087		113,568	0.65 - 1.49%	04/05/17 - 12/15/18	1.148	AA	3.16%
Corporate Notes - Floating Rate		15,008		15,000	0.65 - 0.66%	05/05/17 - 05/12/17	0.014	AA	0.41%
Corporate Notes		30,879		30,198	0.59 - 1.41%	11/28/16 - 12/05/18	1.904	AAA	0.84%
Municipal Debt		77,851		77,666	0.75 - 1.21%	08/01/16 - 06/30/17	0.237	AA	2.12%
U.S. Treasuries		850,805		845,879	0.24 - 1.12%	07/15/16 - 04/30/19	0.964	AA	23.13%
Money Market Mutual Funds		128,556		128,556	0.27 - 0.28%	07/01/16	0.003	AAA	3.49%
,	\$	3,678,581	\$	3,659,199	•	-	<b>1.087</b> (4)	-	100.00%
With Treasurer:	F	air Value		Principal	Interest Rate Range (%)	Maturity Range	Maturity (Years)	Rating (1)	% of Portfolio
OCEIP (2)									
U.S. Government Agencies									
FNMA Discount Notes	\$	42,983	\$	43,000	0.23 - 1.088%	08/24/16 - 09/19/16	0.157	A-1	1.02%
FNMA Bonds		454,050		451,766	0.28 - 1.18%	07/05/16 - 02/26/16	1.291	AA	10.69%
FNMA Bonds - Floating Rate		25,003		25,000	0.28%	07/05/16	0.004	AA	0.59%
FFCB Discount Notes		123,660		123,803	0.25 - 0.72%	07/01/16 - 12/27/16	0.309	A-1	2.92%
FFCB Bonds		186,293		185,467	0.29 - 1.18%	08/11/16 - 04/26/19	1.579	AA	4.38%
FFCB Bonds - Floating Rate		76,018		76,000	0.28 - 0.58%	07/20/16 - 11/07/16	0.003	AA	1.79%
FHLB Discount Notes		599,706		599,889	0.27 - 0.74%	07/06/16 - 03/10/17	0.115	A-1	14.11%
FHLB Bonds		453,828		452,522	0.37 - 1.64%	08/26/16 - 12/20/18	1.545	AA	10.68%
FHLMC Discount Notes		99,973		100,000	0.23 - 0.30%	07/07/16 - 09/15/16	0.112	A-1	2.35%
FHLMC Bonds		593,063		589,254	0.37 - 1.14%	08/25/16 - 04/16/19	1.679	AA	13.96%
Negotiable Certificates of Deposit									
Fixed Rate		138,652		137,419	0.58 - 1.75%	08/29/16 - 03/29/19	0.408	AA	3.26%
Floating Rate		16,702		16,700	0.58 - 0.98%	07/05/16 - 04/06/17	0.000	AA	0.39%
Medium-Term Corporate Notes									
Corporate Notes		73,668		72,151	0.55 - 1.35%	08/15/16 - 08/15/18	1.221	A	1.73%
Corporate Notes		110,896		108,453	0.65 - 1.49%	04/05/17 - 12/15/18	1.149	AA	2.61%
Corporate Notes - Floating Rate		15,153		15,145	0.65 - 0.67%	11/28/16 - 05/12/17	0.015	AA	0.36%
Corporate Notes		29,485		28,832	0.93 - 1.41%	08/15/17 - 12/05/18	1.911	AAA	0.69%
Corporate Notes - Floating Rate		500		500	0.67%	11/28/16	0.003	AAA	0.01%
Municipal Debt		75,477		75,299	0.75 - 1.21%	08/01/16 - 06/30/17	0.239	AA	1.78%
U.S. Treasuries		878,115		873,266	0.23 - 1.12%	07/15/16 - 04/30/19	0.913	AA	20.67%
Manager Market Mutual Funda		255 506		255 506	0.27 0.200/	07/01/16	0.000	A A A	C 010/

255,506

\$ 4,229,972

0.27 - 0.28%

07/01/16

6.01%

100.00%

AAA

0.003

0.929 (4)

255,506

4,248,731

\$

Money Market Mutual Funds

Weighted

### 3. DEPOSITS AND INVESTMENTS (Continued)

#### B. Investments (Continued)

#### Investment Disclosures (Continued)

							Augnieu		
							Average		0/ -5
	Б.		-	Data a ta a I	Interest Rate		Maturity	Detire (1)	% of
With Treasurer:	Fa	air Value	F	Principal	Range (%)	Maturity Range	(Years)	Rating (1)	Portfolio
Specific Investments (2)									
U.S. Government Agencies	¢	1 400	¢	1 500	0.20 0.260/	07/25/16 10/12/16	0.215	A 1	0.40%
FNMA Discount Notes	\$	1,499	\$	1,500	0.30 - 0.36%	07/25/16 - 10/13/16	0.215	A-1	0.49%
FNMA Bonds		22,384		22,118	0.35 - 1.62%	07/05/16 - 05/06/21	1.902	AA	7.26%
FFCB Bonds		8,486		8,435	0.29 - 1.08%	07/12/16 - 06/25/18	0.918	AA	2.75%
FFCB Bonds - Floating Rate		5,061		5,060	0.29 - 0.58%	08/15/16 - 02/23/17	0.005	AA	1.64%
FHLB Discount Notes		9,117		9,121	0.28 - 0.53%	07/19/16 - 10/28/16	0.147	A-1	2.96%
FHLB Bonds		18,363		18,110	0.35 - 1.78%	07/20/16 - 07/29/20	1.726	AA	5.96%
FHLMC Discount Notes		1,671		1,672	0.33 - 0.54%	07/06/16 - 09/21/16	0.143	A-1	0.54%
FHLMC Bonds		6,562		6,547	0.35 - 0.94%	07/18/16 - 01/12/18	0.888	AA	2.13%
GNMA Bonds		87		84	6.25%	09/20/29	13.233	AA	0.02%
Negotiable Certificates of Deposit									
Fixed Rate		1,750		1,750	0.59 - 0.80%	07/25/16 - 09/29/16	0.094	A-1	0.57%
Floating Rate		1,600		1,600	0.24 - 0.28%	07/05/16	0.014	A-1	0.52%
Medium-Term Corporate Notes									
Corporate Notes - Floating Rate		402		401	0.69 - 0.71%	01/10/17 - 04/21/17	0.454	AA	0.13%
Corporate Notes - Floating Rate		100		100	0.61%	11/28/16	0.162	AAA	0.03%
Municipal Debt		6,501		6,500	4.81%	07/01/16	0.003	AA	2.11%
U.S. Treasuries		3,564		3,500	1.50%	01/31/21	4.592	AA	1.16%
Repurchase Agreements		1,082		1,082	6.20%	08/15/19	3.126	AA	0.35%
Money Market Mutual Funds		220,009		220,009	0.22 - 0.28%	07/01/16	0.093	AAA	71.38%
	\$	308,238	\$	307,589	-		0.363 (4)		100.00%
					=		Weighted		
							Average		
					Interest Rate		Maturity		% of
With Trustees:	E,	air Value		Principal	Range (%)	Maturity Range	(Years)	Rating (1)	
Restricted Investments with Trustees (2)	10			Пісіраі	Range (70)	Maturity Nalige	(Tears)	Tratility (1)	FOLLOID
U.S. Government Agencies									
FNMA Zero Coupon Bonds	\$	100,488	\$	46,234	0.00%	09/01/16-09/01/21	3.880	AA	27.00%
U.S. Treasuries	φ	16,411	Ψ	16,283	0.5% - 9.00%	09/15/16-11/15/18	0.590	AA	4.41%
U.S. Treasury Strips		359		10,283 54	0.00%	11/15/18	2.380	AA	4.41% 0.10%
Investment Contracts		13,160		13,160	Variable	07/01/16-01/17/17	0.550	NR	3.54%
Money Market Mutual Funds		15,100		15,100	valiable	0//01/10-01/17/17	0.550		5.54 /0
Money Market Mutual Funds		144 262		144,363	Variable	07/01/16	0.000	AAA	38.79%
Money Market Mutual Funds		144,363 92,406		92,724	Variable	07/01/16	0.000	AAA	24.83%
Bond Mutual Funds		92,400 4,948		92,724 4,870	0.17% - 4.64%		0.000	NR	1.33%
Bortu Mutuai Furtus	\$	372,135	\$	-	_ 0.17 % - 4.04 %	07/01/10			
	φ	312,135		317,688	=	:	<b>1.04</b> (4)	:	100.00%
With External Orange County									
Retirement System (OCERS):									
Restricted Investments (3)	\$	214,769							

(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. NR means not rated

(2) Legend:

FNMA-Federal National Mortgage Association FFCB-Federal Farm Credit Bank FHLB-Federal Home Loan Bank FHLMC-Federal Home Loan Mortgage Corporation

GNMA-Government National Mortgage Association

(3) The Retiree Medical Trust Reports \$214,769 of restricted investments with OCERS. Refer to Note 18 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

## B. Investments (Continued)

## Investment Disclosures (Continued)

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

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

The County has multiple investments using Level 1 inputs and a single investment using Level 3 input. Fair value measurement is based on pricing received from the County's third party vendors. Money market mutual funds are priced using amortized cost, with a net asset value of \$1 (in absolute dollar amounts) per share, and per GASB Statement No. 72 not subject to the fair value hierarchy. Additionally, guaranteed investment contracts are not subject to the fair value hierarchy.

The County uses the market approach method as a valuation technique in the application of GASB Statement No. 72. This method uses prices and other relevant information generated by market transactions involving identical or similar assets or groups of assets.

The following table presents a summary of the County's investments according to the assigned fair value hierarchy level as of June 30, 2016.

			Fair Value Measurement							
		Total	in A Mark Identica	euoted Prices in Active Markets for entical Assets (Level 1)		Significant Other Dbservable Inputs (Level 2)	Unobs In	nificant servable puts vel 3)		
<u>OCIP</u>										
U.S. Government Agencies	\$	2,227,897	\$		\$	2,227,897	\$			
Negotiable Certificates of Deposit		162,881				162,881				
Medium-Term Corporate Notes		230,591				230,591				
Municipal Debt		77,851				77,851				
U.S. Treasuries		850,805				850,805	_			
Sub-total		3,550,025	\$		\$	3,550,025	\$			
Investments Not Subject to Fair	Value F	lierarchy:								
Money Market Mutual Funds		128,556	-							
Total	\$	3,678,581								
OCEP										
U.S. Government Agencies	\$	2,654,577	\$		\$	2,654,577	\$			
Negotiable Certificates of Deposit		155,354				155,354				
Medium-Term Corporate Notes		229,702				229,702				
Municipal Debt		75,477				75,477				
U.S. Treasuries		878,115				878,115				
Sub-total		3,993,225	\$		\$	3,993,225	\$			
Investments Not Subject to Fair	Value ⊦	lierarchy:								
Money Market Mutual Funds		255,506								
Total	\$	4,248,731	<u>.</u>							
	-		-							

## B. Investments (Continued)

## Investment Disclosures (Continued)

			Fair Value Measurement						
		Total		ed Prices Active kets for cal Assets evel 1)		Significant Other bservable Inputs (Level 2)	Unol	gnificant oservable nputs .evel 3)	
Specific Investments									
U.S. Government Agencies	\$	73,230	\$		\$	73,230	\$		
Negotiable Certificates of Deposit		3,350		1,850		1,500			
Medium-Term Corporate Notes		502				502			
Municipal Debt		6,501				6,501			
U.S. Treasuries		3,564				3,564			
Repurchase Agreements		1,082						1,082	
Sub-total		88,229	\$	1,850	\$	85,297	\$	1,082	
Investments Not Subject to Fair	Value H	lierarchy:							
Money Market Mutual Funds		220,009							
Total	\$	308,238							
With Trustees									
U.S. Government Agencies	\$	100,488	\$		\$	100,488	\$		
U.S. Treasuries		16,770		359		16,411			
Bond Mutual Funds		4,948		4,948					
Sub-total		122,206	\$	5,307	\$	116,899	\$		
Investments Not Subject to Fair	Value H	lierarchy:							
Money Market Mutual Funds		236,769							
Investment Contracts		13,160							
Total	\$	372,135							

## Investment in County of Orange Taxable Pension Obligation Bonds 2016, Series A

On January 13, 2016, the OCIP and the OCEIP purchased a portion of the County issued Taxable Pension Obligation Bonds 2016, Series A (2016 POBs) in the principal amount of \$152,965. The 2016 POBs were issued with a fixed coupon rate and with maturities from August 2016 to June 2017. The obligation of the County to pay principal and interest on the 2016 POBs is an obligation imposed by law and is absolute and unconditional. As of June 30, 2016, the outstanding principal amount of the 2016 POBs is \$152,965. The bonds are rated AA by S&P. The County's investment in the 2016 POBs is disclosed herein as Municipal Debt. For additional information, refer to Note 9, Short-Term Obligations and Note 17, Retirement Plans.

#### 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 table in the Investment Disclosures section.

The OCIP funds of \$3,678,581 and the OCEIP funds of \$4,248,731 portfolio at June 30, 2016 have over 36.6% and 46.6%, respectively, of the investments maturing in six months or less, 63.4% and 53.4%, respectively, maturing between six months and three years.

## B. Investments (Continued)

### Interest Rate Risk – Investments (Continued)

As of June 30, 2016, variable-rate notes comprised 2.2% and 2.5% of the OCIP and the 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 \$3,820,526 and \$3,833,613, respectively, with an annual net yield of 0.65% and 0.66% respectively for the pools, for the year ended June 30, 2016.

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

At June 30, 2016, the OCMMF and OCEMMF amounted to \$928,469 and \$1,611,312, 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, 2016, the WAM of the OCMMF was 56 days and the OCEMMF was 57 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, 2016, the Extended Fund (which includes funds from both the OCIP and the OCEIP) balance was \$5,387,531. Of this amount, the OCIP owned 51.1% and the OCEIP owned 48.9%. 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 (2.35). The portfolio duration for the Extended Fund as of June 30, 2016 was 1.31 years. This was computed using the effective duration method, which takes into account the way in which changes in yield will affect the expected cash flows for callable bonds.

As of June 30, 2016, the Extended Fund had the following duration by investment type:

		Portfolio	Effective Duration
Investment Type	 Fair Value	%	(In Years)
Certificates Of Deposits	\$ 201,493	3.74%	2.25
Medium-Term Corporate Notes	362,354	6.73%	1.85
Municipal Debt	99,134	1.84%	0.78
U.S. Treasuries	1,568,807	29.12%	1.02
U.S. Government Agencies	 3,155,743	58.57%	1.34
Total Fair Value	\$ 5,387,531		
Portfolio Duration	 		1.31

#### 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).

### B. Investments (Continued)

#### 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, 2016, 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, 2016, all investments were in compliance with state law and the IPS single issuer limits. See the County's investments table 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 Pools are not exposed to foreign currency risk.

### 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, 2016:

## Entire Pool

Statement of Net Position		OCIP		OCEIP		Total
Net Position Held for Pool Participants	\$	3,905,974	\$	4,229,524	\$	8,135,498
Equity of Internal Pool Participants Equity of External Pool Participants Undistributed and Unrealized (Loss)	\$	3,563,573 342,928 (527)	\$	 4,229,856 (332)	\$	3,563,573 4,572,784 (859)
Total Net Position	\$	3,905,974	\$	4,229,524	\$	8,135,498
Statement of Changes in Net Position	\$	3,630,316	\$	3,828,819	\$	7,459,135
Net Changes in Investments by Pool Participants	Ŧ	275,658	Ŧ	400,705	r	676,363
Net Position at June 30, 2016	\$	3,905,974	\$	4,229,524	\$	8,135,498

## B. Investments (Continued)

#### Condensed Financial Statements (Continued)

### **External Pool Portion**

#### **Combining Statement of Fiduciary Net Position**

	OCIP		OCEIP		Total
<u>Assets</u>					
Pooled Cash/Investments	\$	342,206	\$ 4,220,107	\$	4,562,313
Receivables					
Interest/Dividends		1,231	 9,493		10,724
Total Assets		343,437	4,229,600		4,573,037
<u>Liabilities</u>					
Due to Other Governmental Agencies		509	 76		585
Total Liabilities		509	 76		585
Net Position					
Restricted for Pool Participants		342,928	 4,229,524		4,572,452
Total Net Position	\$	342,928	\$ 4,229,524	\$	4,572,452

#### Combining Statement of Changes in Fiduciary Net Position

	OCIP	OCEIP	Total
Additions:			 
Contributions to Pooled Investments	\$ 589,885	\$ 7,657,559	\$ 8,247,444
Other Revenues		446	446
Interest and Investment Income	2,459	36,376	38,835
Less: Investment Expense	(149)	(2,756)	(2,905)
Total Additions	592,195	 7,691,625	 8,283,820
Deductions:			
Distributions from Pooled Investments	526,023	7,290,920	7,816,943
Total Deductions	526,023	 7,290,920	 7,816,943
Change in Net Position Held in Trust			
For External Investment Pool	66,172	400,705	466,877
Net Position, Beginning of Year	276,756	3,828,819	4,105,575
Net Position, End of Year	\$ 342,928	\$ 4,229,524	\$ 4,572,452

#### 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

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

#### D. CalOptima's Cash and Investments (Continued)

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly

Level 3 Significant unobservable inputs

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

#### Marketable Securities

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

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

	Invest	ne 30	e 30, 2016				
	 Level 1 Level 2		Level 3	Level 3		Total	
U.S. Treasury Notes	\$ 594,011					\$	594,011
Money Market Funds	14,232		34,972				49,203
Government	7,576		72,626				80,202
U.S. Agencies			202,911				202,911
Asset-backed Securities			115,567				115,567
Corporate Bonds			332,854				332,854
Mortgage-backed Securities			39,117				39,117
Municipal Bonds			67,822				67,822
Tax Exempt			70				70
	\$ 615,819	\$	865,939			\$	1,481,758

Cash and investments are reported in the June 30 consolidated statements of net position as follows:

	2016		
Current Assets:			
Cash and Cash Equivalents	\$	258,846	
Investments		1,019,265	
Board-Designated Assets and Restricted Cash:			
Cash and Cash Equivalents		10,132	
Investments		465,714	
Restricted Deposit		300	
Total	\$	1,754,257	

### Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure the Organization may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. At June 30, 2016, no deposits were exposed to custodial credit risk, as CalOptima has pledged collateral to cover the amounts.

### D. CalOptima's Cash and Investments (Continued)

#### 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, 2016, CalOptima's investments, including cash equivalents, had the following modified duration:

				Investment Mate	turities (In Years)			
	Fair Value		Le	ess Than 1	1-5			
U.S. Agencies	\$	207,912	\$	134,250	\$	73,661		
Asset-Backed Securities		115,567		33,757		81,810		
Corporate Bonds		342,562		182,151		160,411		
Government		103,571		86,462		17,109		
Money Market Funds		49,203		49,203				
Mortgage-Backed Securities		39,117		4,572		34,545		
Municipal Bonds		74,648		38,093		36,554		
Tax Exempt		70		70				
U.S. Treasury Notes		609,520		443,005		166,515		
Cash Equivalents		145,777		102,544		43,233		
Cash		2,435		2,435				
Total	\$	1,690,382	\$	1,076,544	\$	613,839		
Accrued Interest Receivable		3,545						
	\$	1,693,927						

#### Investment with Fair Values Highly Sensitive to Interest Rate Fluctuations

When interest rates fall, debt is refinanced and paid off early. The reduced stream of future interest payments diminishes the fair value of the investment. The mortgage-backed and asset-backed securities in the CalOptima 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 Va	llue, June 30, 2016
Asset-Back Securities Mortgage-Backed Securities	\$	115,567 39.117
Mongage-Dacked Securities	\$	154,684

### D. CalOptima's Cash and Investments (Continued)

#### Credit Risk

CalOptima's investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from the three nationally recognized rating services: Standard and Poor's Corporation (S&P), Moody's Investor 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, 2016, following are the credit ratings of investments and cash equivalents:

	Fair	Minimum Legal		Exempt From				Ratin	g as	of Y	ear-End				
Investment Type	Value	Rating	D	lisclosure	AAA	Aa	& Aa+	A	a-		A+	A	′A-1		A-
U.S. Treasury Notes U.S. Agency Notes	\$ 616,8 309.3		\$	616,852 309.300	\$ -	\$	-	\$	-	\$	-	\$	-	\$	-
Corporate Bonds	291,8			-	6,771	2	0,109	33	,513		81,896	10	0,120	4	9,471
FRN Securities	109,2	41 A-		-	29,305	1	0,348	7	,764		22,470	2	3,481	1	5,872
Asset-Backed Securities	124,6	58 AAA		-	87,933	1	5,579	15	,523		1,836		3,787		-
Mortgage-Backed Securities	73,3	27 A		-	73,327		-		-		-		-		-
Municipal Bonds	36,7	98 AAA		-	4,763	1	7,751	12	,010		2,274		-		-
Supranational	27,3	22 AAA		-	27,322		-		-		-		-		-
Commercial Paper	19,9	30 A1/P1		-	19,930		-		-		-		-		-
Money Market Mutual Funds	84,6	<u>20</u> AAA		-	84,620		-		-		-		-		-
Total	\$1,693,9	27	\$	926,152	\$ 333,971	\$6	3,787	\$68	,810	\$1	08,476	\$12	7,388	\$6	5,343

#### 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, 2016, all holdings complied with the foregoing limitations. The following holdings exceeded 5 percent of the portfolio at June 30, 2016:

		Percentage of Portfolio
Investment Type	lssuer	2016

U.S. Treasury Notes

United States Treasury

35.14

# 4. 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							Balance
	July 1, 2015		In	creases	De	creases	Adjustments	Ju	ne 30, 2016
Governmental Activities:									
Capital Assets Not Depreciated/Amortized: Land	\$	823.484	\$	10,922	\$		\$	\$	834,406
	φ	, -	Ф	,	φ		ф	Φ	,
Land Use Rights (Permanent)		6,992		610					7,602
Construction in Progress		109,789		77,073		(67,998)			118,864
Intangible in Progress		857		3,058			(462)		3,453
Total Capital Assets Not		044 400		04.000		(07.000)	(100)		004.005
Being Depreciated/Amortized		941,122		91,663		(67,998)	(462)		964,325
Capital Assets, Depreciable/Amortizable:									
Structures and Improvements		1,219,901		19,080		(3,368)			1,235,613
Land Improvements		485		2,144					2,629
Equipment		391,888		33,054		(6,836)	(466)		417,640
Software		109,737		419					110,156
Infrastructure:		, -		-					-,
Flood Channels		1,215,274		38,617		(1,420)	(7,757)		1,244,714
Roads		230,161		8,417					238,578
Bridges		106,722		73					106,795
Trails		44,073							44,073
Traffic Signals		11,621		335					11,956
Harbors and Beaches		41,238							41,238
Total Capital Assets,		11,200					·		11,200
Depreciable/Amortizable		3,371,100		102,139		(11,624)	(8,223)		3,453,392
Less Accumulated Depreciation/Amortization For:									
Structures and Improvements		(634,263)		(31,317)		2,298			(663,282)
Land Improvements		(034,203)		(181)		2,230			(193)
Equipment		(295,794)		(18,141)		6,292			(307,643)
Software		(63,148)		(8,295)		0,232			(71,443)
Infrastructure:		(03,140)		(0,233)					(71,443)
Flood Channels		(302,465)		(16,022)					(318,487)
Roads		(123,557)		(10,022)		742			(133,791)
		· · · /		( ,		742			· · /
Bridges Trails		(36,900)		(2,230)					(39,130)
		(32,610)		(1,251)					(33,861)
Traffic Signals		(10,674)		(158)					(10,832)
Harbors and Beaches		(29,124)		(1,008)					(30,132)
Total Accumulated		(4 500 547)		(00 570)		0 000			(4,000,704)
Depreciation/Amortization		(1,528,547)		(89,579)		9,332			(1,608,794)
Total Capital Assets, Depreciable/Amortizable (Net)		1,842,553		12,560		(2,292)	(8,223)		1,844,598
Governmental Activities Total Capital Assets, Net	\$	2,783,675	\$	104,223	\$	(70,290)	\$ (8,685)	\$	2,808,923
	Ψ	2,100,010	Ψ		<u>Ψ</u>	(10,200)	φ (0,000)	Ψ	2,000,020

# 4. CHANGES IN CAPITAL ASSETS (Continued)

	Primary Government									
	Balance July 1, 2015		In	Increases		ecreases	<u>Adjus</u>	tments		Balance ne 30, 2016
Business-Type Activities:										
Capital Assets Not Depreciated/Amortized:										
Land	\$	37,842	\$		\$		\$		\$	37,842
Construction in Progress		74,088		48,128		(81,661)				40,555
Intangible in Progress		879		1,189						2,068
Total Capital Assets Not										
Being Depreciated/Amortized		112,809		49,317		(81,661)				80,465
Capital Assets, Depreciable:										
Structures and Improvements		766,047		16,187						782,234
Equipment		78,513		7,614		(4,150)				81,977
Software		1,010		397						1,407
Infrastructure		536,391		66,298						602,689
Total Capital Assets,		· · · · ·		<u> </u>						· · · ·
Depreciable/Amortizable		1,381,961		90,496		(4,150)				1,468,307
Less Accumulated Depreciation/Amortization For:										
Structures and Improvements		(258,936)		(24,147)						(283,083)
Equipment		(56,515)		(5,518)		3,954				(58,079)
Software		(119)		(162)						(281)
Infrastructure		(344,024)		(14,376)						(358,400)
Total Accumulated				<u> </u>						
Depreciation/Amortization		(659,594)		(44,203)		3,954				(699,843)
Total Capital Assets,				<u> </u>		- /				
Depreciable/Amortizable (Net)		722,367		46,293		(196)				768,464
Business-Type Activities Total Capital Assets, Net	\$	835,176	\$	95,610	\$	(81,857)	\$		\$	848,929

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

Government Activities:	
General Government	\$ 9,499
Public Protection	40,915
Public Ways and Facilities	15,653
Health and Sanitation	3,933
Public Assistance	4,710
Education	1,486
Recreation and Cultural Services	7,600
Internal Service Funds' Depreciation Expense Allocated to Various Functions	 5,783
Total Governmental Activities Depreciation/Amortization Expense	 89,579
Business-Type Activities:	
Airport	28,934
Waste Management	 15,269
Total Business-Type Activities Depreciation/Amortization Expense	 44,203
Total Depreciation/Amortization Expense	\$ 133,782

# 4. CHANGES IN CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2016 includes the following adjustment amounts:

- Negative adjustment of \$462 in Intangible Assets due to the capitalization of annual software support cost that should have been expensed in the prior year.
- Negative adjustment of \$466 in Equipment due to prior years' accruals of non-capital expenses.
- Negative adjustment of \$7,757 in Flood Channels Infrastructure due to a lawsuit settlement payout that resulted in the overstatement of a capital project.

#### Capital Asset Impairments:

The general governmental activity reported an impairment loss on the Statement of Activities related to the County building located at 601 N. Ross St., which is currently vacant. As part of the County of Orange Civic Center Facilities Master Plan, it is scheduled to be demolished in January 2017 during phase one. This building has a current net book value of \$196. This amount was reported as a loss because the building's service utility has expired. No insurance recoveries were received for the building's impairment loss.

In addition, the general governmental activity reported an impairment loss of \$765 on the Statement of Activities related to the County building located at 433 W. Civic Center Dr. This building was originally purchased to be used as the new Archives building; however, due to disrepair, the only use for the building has been to store records in the basement. Because only one of three floors is being utilized, the current value is impaired by 66%. No insurance recoveries were received for the building's impairment loss.

## 5. <u>RECEIVABLES</u>

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 \$26,117 as of June 30, 2016. Of this amount, \$1,917 is not expected to be collected within the next fiscal year. This primarily consists of \$1,513 for animal care delinquent invoices.

#### Deposits Receivable

Deposits Receivable had a balance of \$4,767 as of June 30, 2016. Of this amount, \$4,387 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.

#### Due from Other Governmental Agencies

Due from Other Governmental Agencies had a balance of \$429,675 as of June 30, 2016. Of this amount, \$46,507 is not expected to be received within the next fiscal year, which primarily consists of \$39,431 owed by the State of California to the County for various mandated cost reimbursements for programs and services the State requires the County to provide. \$2,674 is for expected reimbursement for the Santa Ana River Subvention revenue claims to be submitted to the State Department of Water Resources and \$3,295 is for behavioral health activities. In addition, \$1,107 is owed by the City of Rancho Santa Margarita for amounts due under their Revenue Neutrality Agreement.

## 5. <u>RECEIVABLES (Continued)</u>

### Notes Receivable

Notes Receivable had a balance of \$27,900 as of June 30, 2016. Of this amount, \$27,459 is not expected to be received within the next fiscal year. This primarily consists of \$24,969 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 \$460 is for loans provided to first time home buyers.

## 6. 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.

The composition of interfund balances as of June 30, 2016 is as follows:

Due from/to other funds:

							F	ecei	ival	ble Funds					
			F	lood	С	Other	Other				С	ompressed	Internal		
	(	General	Co	ontrol	Р	ublic	Governme	ntal		Waste		Natural	Service		
Payable Funds		Fund	Di	strict	Prot	tection	Funds		N	lanagement		Gas	Funds	_	Total
General Fund	\$		\$	723	\$	5,172	\$ 24,	763	\$	3,024	\$	2	\$ 2,270	\$	35,954
Flood Control District		6,134						572		316			4		7,026
Other Public Protection		18,456						4					14		18,474
Mental Health Services Act		10,466													10,466
Other Governmental Funds		38,685		585		1	3,	503		48			60		42,882
Airport		2,396		5		1		31					214		2,647
Waste Management		1,884		2				431					18		2,335
Compressed Natural Gas		20		252											272
Internal Service Funds		752		220				12					3		987
Total	\$	78,793	\$	1,787	\$	5,174	\$ 29,	316	\$	3,388	\$	2	\$ 2,583	\$	121,043

#### Interfund transactions between the Primary Government and Component Unit:

Receivable Entity	Payable Entity	Amount
Primary Government – General Fund	Component Unit – Children and Families	\$ 375
	Commission of Orange County	
Component Unit – Children and Families	Primary Government - Other	2
Commission of Orange County	Governmental Funds	

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 to/from other funds:

Receivable Entity	Payable Entity	Amount
General Fund	Other Governmental Funds	\$ 3,800
Waste Management	Other Governmental Funds	4,000
Waste Management	General Fund	1,567

# 6. INTERFUND RECEIVABLES AND PAYABLES (Continued)

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 FY 2003-04 through FY 2011-12. The Waste Management Fund made advances to the General Fund for various information technology capital projects and to Other Governmental Funds for the Sheriff-Coroner's James A. Musick Facility Expansion project, which was approved by the Board on December 11, 2012 to expand the Jame A. Musick Facility jail by more than 500 beds. The Sheriff-Coroner will repay all borrowed funds to the Waste Management Fund within the required three-year period.

## 7. <u>COUNTY PROPERTY ON LEASE TO OTHERS</u>

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, 2016, approximates \$57,273, 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, 2016 are as follows:

Fiscal Year Ending June 30	 ernmental Activities	Business-type Activities				
2017	\$ 13,601	\$	28,610			
2018	13,317		25,963			
2019	12,469		16,991			
2020	11,988		10,804			
2021	10,945		10,690			
	 62,320		93,058			
2022-2026	50,597		14,774			
2027-2031	47,387		12,368			
2032-2036	50,550		3,153			
2037-2041	34,662					
2042-2046	3,892					
2047-2048	223					
	 187,311		30,295			
Total future minimum rentals	\$ 249,631	\$	123,353			

Total contingent rentals, which arise primarily from a percentage of lessee's gross revenues, amounted to approximately \$32,383 (Enterprise Funds), \$5,597 (Other Governmental Funds), \$631 (Internal Service Funds) and \$336 (Flood Control District) for the year ended June 30, 2016.

# 8. INTERFUND TRANSFERS

	 Transfer In Funds										
			Flood		Other		Other		Internal		
	General		Control		Public		Governmental		Service		
Transfer Out Funds	 Fund		District	F	Protection		Funds		Funds		Total
General Fund	\$ 	\$		\$	11,541	\$	123,717	\$	10,399	\$	145,657
Flood Control District	2,017						1,300		1,136		4,453
Other Public Protection	28,183						85		715		28,983
Mental Health Services Act	115,081										115,081
Other Governmental Funds	80,299						12,181		719		93,199
Waste Management	21,238								29		21,267
Compressed Natural Gas			251								251
Internal Service Funds	843		216						10		1,069
Total	\$ 247,661	\$	467	\$	11,541	\$	137,283	\$	13,008	\$	409,960

Interfund transfers for the year ended June 30, 2016 were as follows:

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

- \$51,274 was transferred to Other Governmental Funds in connection with debt service payments for various County debt issues.
- \$14,445 was transferred to Other Governmental Funds to finance the County's 60 percent share of the Social Services Agency Wraparound Program.
- \$11,222 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.
- \$10,505 was transferred to Other Governmental Funds for the maintenance and repair of various Probation Criminal Justice Facilities and Multipurpose Rehabilitation Center.
- \$5,753 was transferred to Other Public Protection for the purchase of new equipment for the 800 MHz County-wide Coordination Communication system.
- \$5,083 was transferred to Internal Service Funds primarily for the purchase of Sheriff-Coroner vehicles.
- \$2,680 was transferred to Other Public Protection for the annual transfer of PSST excess revenue to meet future public protection needs.
- \$1,052 was transferred to Internal Service Funds for medical reimbursements.

From Flood Control District

• \$2,017 was transferred to the General Fund for the Watershed Management Program.

From Other Public Protection

- \$10,948 was transferred to the General Fund for the reimbursement of various District Attorney programs, such as Proposition 64 Consumer Protection Fund, Real Estate Fraud, Orange County Auto Theft Task Force (OCATT), and Supplemental Law Enforcement Services Fund (SLESF).
- \$9,373 was transferred to the General Fund to support the Sheriff-Coroner Department's operations.

# 8. INTERFUND TRANSFERS (Continued)

# Routine Transfers (Continued)

- \$3,799 was transferred to the General Fund for the reimbursement of qualifying Public Protection expenditures incurred by the Clerk-Recorder Department.
- \$2,914 was transferred to the General Fund for the Sheriff-Coroner's Backbone Cost Sharing Program.

From Mental Health Services Act

• \$115,081 was transferred to the General Fund for qualifying Proposition 63 Mental Health Services Act expenditures.

From Other Governmental Funds

- \$35,620 was transferred to the General Fund for the reimbursement of various County programs as follows:
  - \$21,436 for the Social Services Agency Wraparound Program
  - \$7,973 for Emergency Medical Services
  - \$5,074 for the Center for Disease Control pandemic flu H1N1 costs
  - \$1,137 for the Alcohol & Drug Assessment and Automated Vital Health Statistics program
- \$25,529 of tobacco settlement monies was transferred to the General Fund to finance Health Care Agency's various health care programs and Sheriff-Coroner Department's operational costs.
- \$4,981 was transferred to the General Fund for reimbursement of Juvenile Justice Center debt service payments.
- \$2,401 was transferred to the General Fund for reimbursement of debt service obligations associated with parking facilities.

From Enterprise Funds

• \$21,238 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

- \$25,999 was transferred to Other Governmental Funds for various capital projects including, the yearround homeless shelter and the purchase of the Santa Ana Transit Terminal. In addition, transfers for Sheriff-Coroner one-time equipment purchases and funding the automated jail system were made.
- \$5,016 was transferred to Other Governmental Funds to reimburse for Sheriff-Coroner construction and facility development projects.
- \$5,000 was transferred to Other Governmental Funds for the OC Animal Care Shelter project.
- \$3,665 was transferred to Internal Service Funds for various data systems development projects.
- \$1,820 was transferred to Other Public Protection to fund a mass notification system and to purchase kitchen appliances and equipment for the Inmate Services division.

From Flood Control District

- \$1,300 was transferred to the Other Governmental Funds for the Coyote Creek Bikeway Project.
- \$1,136 was transferred to Internal Service Funds for the centralization of the purchasing of light-duty vehicles.

From Other Public Protection

• \$1,054 was transferred to the General Fund to cover the shortfall of state and federal appropriations over department expenditures in Child Support Services.

# 8. INTERFUND TRANSFERS (Continued)

#### Non-Recurring Transfers (Continued)

From Other Governmental Funds

- \$10,820 was transferred to Other Governmental Funds for the Central Utility Facility (CUF) Infrastructure upgrade.
- \$7,726 was transferred to the General Fund for unspent funding for multi-year capital projects for rebudgeting in the next fiscal year.
- \$3,482 was transferred to the General Fund for the purchase of a year-round temporary homeless shelter and multi-service center.

#### 9. SHORT-TERM OBLIGATIONS

#### 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 with 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. The County repaid in full the outstanding balance of the bonds on June 30, 2016.

#### Taxable Pension Obligation Bonds, 2016 Series A

On January 13, 2016, the County issued Taxable Pension Obligation Bonds, 2016 Series A (the 2016 POBs) in the principal amount of \$334,275. The 2016 POBs were issued in order to prepay the County's FY 2016-17 pension contribution at a discount. The 2016 POBs were issued as standard bonds, with five fixed rate tranches, and with a final maturity date of June 30, 2017. The obligation of the County to pay principal and interest on the 2016 POBs is imposed by law and is absolute and unconditional. As of June 30, 2016, the outstanding principal amount of the 2016 POBs reported in the General Fund was \$334,275. Refer to Note 3, Deposits and Investments and Note 17, Retirement Plans for additional information.

Description	Balance ly 1, 2015	D	suances & iscount/ Premium nortization	Re	etirements	Balance ne 30, 2016	D	Amounts Due within Dne Year
County of Orange Taxable Pension Obligation Bonds, 2015 Series A Date Issued: January 13, 2015 Interest Rate: 0.425% to 0.800% Original Amount: \$339,625 Maturing in installments through June 30, 2016	\$ 339,625	\$		\$	(339,625)	\$ 	\$	
County of Orange Taxable Pension Obligation Bonds, 2016 Series A Date Issued: January 13, 2016 Interest Rate: 0.753% to 1.208% Original Amount: \$334,275 Maturing in installments through June 30, 2017	 		334,275			 334,275		334,275
Total	\$ 339,625	\$	334,275	\$	(339,625)	\$ 334,275	\$	334,275

# 10. 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, 2016, the County had no net general obligation bonded debt. The County's legal debt limit for the year was \$6,308,130. 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**

# 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, 2016, the outstanding principal amount, including the premium of the Series 2005 Bonds, and remaining interest were \$46,706 and \$1,332, 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, 2016, the outstanding principal amount, interest accretion, and unaccreted interest of the Refunding COPs were \$1,262, \$5,545 and \$999, respectively.

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

# 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, 2016, the outstanding principal amount, including the premium of the Series 2012 Bonds, and remaining interest were \$17,576 and \$1,452, 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,

#### **Revenue Bonds Payable and Certificates of Participation (Continued)**

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

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, 2016, the outstanding principal amount, including the premium of the Series 2006 Bonds, and remaining interest were \$8,574 and \$591, 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, 2016, the outstanding principal amounts for the Series 1996A and 1997A Pension Bonds were \$5,071 and \$14,069, respectively and the interest accretion balances were \$19,951 and \$48,430, respectively. The unaccreted interest amounts for the Series 1996A and 1997A Pension Bonds were \$1,034 and \$14,106, respectively.

#### 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 and interest rates ranging from 3.00% to 5.75%. 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, 2016, the total interest expense incurred and the amount included as part of the cost of capital assets under construction were \$9,975 and \$870, respectively. As of June 30, 2016, the outstanding principal amount, including net discount, of the 2009A and 2009B Bonds were \$59,664 and \$135,463, respectively. The interest expense of the 2009A and 2009B Bonds for the year ended June 30, 2016 were \$3,094 and \$7,085, respectively, including accrued interest of \$1,547 and \$3,543, respectively.

# Revenue Bonds Payable and Certificates of Participation (Continued)

#### Airport Revenue Bonds, Series 2009A and 2009B (Continued)

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, 2016, the total principal and interest paid and total net revenues were \$17,543 and \$60,828, respectively. The total net revenues include \$11,197 available PFC revenue for the year ended June 30, 2016.

#### 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, 2016, \$9,780 of legally defeased debt remains outstanding.

# Fiscal Year 2015-16 Debt Obligation Activity

During FY 2015-16, the following events concerning County debt obligations took place:

# Central Utility Facility Lease Revenue Bonds, Series 2016

On June 2, 2016, the SOCPFA issued its \$56,565 Lease Revenue Bonds, Series 2016 at a premium of \$11,724. The Lease Revenue Bonds, payable through April 2036, were issued to finance the acquisition, construction and installation of certain capital improvements to be owned by the County, and pay costs relating to the issuance of the bonds. As of June 30, 2016, the outstanding principal amount, including the premium of the Series 2016 Bonds, and remaining interest were \$68,289 and \$33,190, respectively.

The bonds are special obligations of the SOCPFA payable from and secured by the base rental payments to be made by the County under the lease and the amounts held in all funds and accounts (other than the rebate fund) under the indenture.

#### Teeter Plan Notes

On February 1, 2013, the County issued its three-year tax exempt Teeter Plan Notes, Series B with Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Bank, National Association, under the Note Purchase and Reimbursement Agreement. The Teeter Plan Notes are authorized for a total amount of \$150,000, and certain delinquent taxes (excluding penalties and interest) are 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 plus 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 on February 1, 2013 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. As of July 1, 2015, the outstanding balance was \$33,823.

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.

# Fiscal Year 2015-16 Debt Obligation Activity (Continued)

#### Teeter Plan Notes (Continued)

On December 30, 2015, the County used all of the accumulated base taxes to redeem \$23,978 of the Teeter Plan Notes. The outstanding principal amount of the Teeter Plan Notes was \$40,387, maturing January 29, 2016.

On January 29, 2016, the Note Purchase and Reimbursement Agreement was extended upon mutual agreement between Wells Fargo and the County. In addition, the authorized total was revised to not exceed \$100,000 and all other terms and conditions in the Agreement remained unchanged. Teeter Plan Obligation Notes, Series B were issued for \$40,387 to retire the old Teeter Notes maturing January 29, 2016. The new Notes have a maturity date of July 31, 2018. The outstanding amount of the Teeter Plan Notes was \$40,387.

On June 28, 2016, the County used all of the accumulated base taxes to redeem \$10,196 of the Teeter Plan Notes. As of June 30, 2016, the outstanding principal amount of the Teeter Plan Notes was \$30,191. For additional information regarding the Teeter Plan Notes, refer to Note 20, Subsequent Events.

# Schedule of Long-Term Debt Obligations, Fiscal Year 2015-16

The table below summarizes the revenue bonds and certificates outstanding and related activity for the year ended June 30, 2016.

Description	Balance July 1, 2015	Issuances and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2016	Amounts Due within One Year
Governmental Activities:						
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 2015-16 Principal and Interest: \$24,453 FY 2015-16 Total Pledged Revenues: \$44,418 Maturing in installments through July 1, 2017	\$ 70,388	\$ (1,892)	\$	\$ (21,790)	\$ 46,706	\$ 40,668
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: CIB - 4.40% to 7.05% Original Amount: CIB - \$24,495 Original Amount: CIB - \$24,495 Original Amount: CAB - \$9,084FY 2015-16 Principal and Interest: \$2,603 FY 2015-16 Total Pledged Revenues: \$2,470 Maturing in Installments Through December 1, 2018 Interest Accretion on CAB	1,744 7,036		 630	(482) (2,121)	1,262 5,545	451 2,157
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 2015-16 Principal and Interest: \$5,826 FY 2015-16 Total Pledged Revenues: \$5,557 Maturing in installments through June 1, 2019	22,946	(450)		(4,920)	17,576	5,683
South Orange County Public Financing Authority Central Utility Facility Lease Revenue Bonds. Series 2016 Date Issued: June 2, 2016 Interest Rate: 3.00% to 5.00% Original Amount: \$56,565 FY 2015-16 Principal and Interest: \$0 FY 2015-16 Total Pledged Revenues: \$5,557 Maturing in installments through April 1, 2036		68,289			68,289	2,264
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 2015-16 Principal and Interest: \$4,202 FY 2015-16 Total Pledged Revenues: \$44,418 Maturing in installments through June 1, 2018	12,546	(342)	<del>.</del> .	(3,630)	8,574	4,178

# Schedule of Long-Term Debt Obligations, Fiscal Year 2015-16 (Continued)

Description	Balance July 1, 2015	lssuances and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2016	Amounts Due within One Year
			intereet			
<u>County of Orange</u> <u>Taxable Refunding Pension</u> 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) Interest Accretion on CAB	\$    11,015 39,010	\$ 	\$ 3,056	\$ (5,944) (22,115)	\$	\$
<u>County of Orange</u> <u>Taxable Refunding Pension</u> 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) Interest Accretion on CAB	16,212 50,257		5.026	(2,143) (6,853)	14,069 48,430	2,849 10,214
County of Orange	50,257		5,020	(0,855)	40,430	10,214
Teeter Plan Notes Date of Original Issuance: February 1, 2013 Interest Rate: SIFMA Index + 0.58% Original Amount: \$57,935	33,823	30,542		(64,365)		
Maturing on January 29, 2016	00,020	00,012		(01,000)		
Date of Issuance: January 29, 2016 Interest Rate: SIFMA Index + 0.58% Original Amount: \$40,387		40,387		(10,196)	30,191	
Maturing on July 31, 2018 Subtotal - Governmental Activities	264,977	136,534	8,712	(144,559)	265,664	94,519
Business-Type Activities		,		(11,000)		
Airport Revenue Bonds - Series 2009A and 2009B:						
Date Issued: July 9, 2009 Interest Rate: 3.00% to 5.75% Original Amount: \$233,115 FY 2015-16 Principal and Interest: \$17,543 FY 2015-16 Total Pledged Revenues: \$60,828		(22.1)		(7.005)	405 407	7.050
Maturing in Installments Through July 1, 2039	202,536	(204)		(7,205)	195,127	7,656
Subtotal - Business-Type Activities	202,536	(204)		(7,205)	195,127	7,656
Total	\$ 467,513	\$ 136,330	\$ 8,712	\$ (151,764)	\$ 460,791	\$ 102,175

## 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.

	Governm	ental Activities	Business-T	ype Activities	
Fiscal Year(s) Ending June 30	Principal	Interest	Principal	Interest	Total
2017	\$ 56,941	\$ 37,916	\$ 7,530	\$ 9,999	\$ 112,386
2018	20,177	17,663	7,880	9,622	55,342
2019	40,284	17,898	8,275	9,239	75,696
2020	4,453	14,533	8,655	8,836	36,477
2021	4,506	15,481	9,085	8,392	37,464
2022-2026	12,448	13,537	52,940	34,131	113,056
2027-2031	15,230	7,215	56,950	18,655	98,050
2032-2036	19,424	3,009	22,815	9,137	54,385
2037-2040			22,939	2,485	25,424
Total	173,463	127,252	197,069	110,496	608,280
Add: Premium/(Discount)	18,275		(1,942)		16,333
Add: Interest Accretion on CAB	73,926				73,926
Total	\$ 265,664	\$ 127,252	\$ 195,127	\$ 110,496	\$ 698,539

# Changes in Long-Term Liabilities

Long-term liability activities for the year ended June 30, 2016, were as follows:

	_	Balance y 1, 2015	 Additions	R	eductions	Balance ne 30, 2016	 e within ne Year
Governmental Activities:						 	
Bonds, COPs and Notes Payable:							
Revenue Bonds	\$	96,645	\$ 56,565	\$	(30,340)	\$ 122,870	\$ 48,570
Certificates of Participation		1,744			(482)	1,262	451
Pension Obligation Bonds		27,227			(8,087)	19,140	7,920
Teeter Plan Notes		33,823	70,929		(74,561)	30,191	
Add: Premium/(Discount) on Bonds Payable		9,235	11,724		(2,684)	18,275	4,223
Total Bonds, COPs, and Notes Payable		168,674	 139,218		(116,154)	 191,738	 61,164
Interest Accretion on CAB		96,303	 8,712		(31,089)	 73,926	 33,355
Other Long-Term Liabilities:							
Compensated Employee Absences							
Payable		174,386	157,504		(146,942)	184,948	103,758
Arbitrage Rebate Payable		856	230		(853)	233	
Capital Lease Obligations Payable *		79,168	254		(11,494)	67,928	12,098
Insurance Claims Payable		207,577	119,994		(108,075)	219,496	60,214
SARI Line Loans		36,277			(8,255)	28,022	5,365
Estimated Liability - Litigation and Claims		145,500			(15,500)	130,000	25,000
Capital Asset Obligation		155	110		(194)	71	
Total Other Long-Term Liabilities		643,919	 278,092		(291,313)	 630,698	206,435
Total Long-Term Liabilities **	-				· · · ·		
For Governmental Activities	\$	908,896	\$ 426,022	\$	(438,556)	\$ 896,362	\$ 300,954

\* Includes amount of \$13,800 from an Internal Service Fund, for additional information refer to Note 12, Leases.

\*\* The total long-term liabilities do not include Net Pension Liability. Refer to Note 17 for additional information on the Net Pension Liability.

# Changes in Long-Term Liabilities (Continued)

	Balance ly 1, 2015	Additions	Re	ductions	-	Balance ne 30, 2016	e within ne Year
Business-Type Activities:							 
Bonds Payable:							
Revenue Bonds	\$ 204,274	\$ 	\$	(7,205)	\$	197,069	\$ 7,530
Add: Premium/(Discount) on Bonds Payable	(1,738)			(204)		(1,942)	126
Total Revenue Bonds Payable, Net	 202,536	 		(7,409)		195,127	 7,656
Other Long-Term Liabilities:							
Compensated Employee Absences							
Payable	4,889	4,009		(4,105)		4,793	2,550
Landfill Site Closure/Postclosure				( ,			
Liabilities *	159,045	4,289		(2,659)		160,675	2,659
Pollution Remediation Obligation **	12,732	18		(566)		12,184	449
Capital Asset Obligation		261				261	108
Total Other Long-Term Liabilities	176,666	 8,577		(7,330)		177,913	 5,766
Total Long-Term Liabilities ***							 
For Business-Type Activities	\$ 379,202	\$ 8,577	\$	(14,739)	\$	373,040	\$ 13,422

\* Refer to Note 13 for additional information regarding the increase in Landfill Site Closure/Post Closure Liabilities.

\*\* Refer to Note 16 for additional information regarding the decrease in Pollution Remediation Obligation.

\*\*\* The total long-term liabilities do not include Net Pension Liability. Refer to Note 17 for additional information on the Net Pension Liability.

#### Compensated Employee Absences

The estimated compensated employee absences payable for governmental activities recorded at June 30, 2016 is \$184,948. 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,

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

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, 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 completed on August 17, 2015 and the total amount paid to the contractor was \$38,511. As of June 30, 2016, the total outstanding loan principal was \$28,022.

# 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 of June 30, 2016, amounted to \$428,295.

# 11. CONDUIT DEBT OBLIGATIONS AND SUCCESSOR AGENCY DEBT

#### Single and Multi-Family Housing Bonds

From 1980 through 2013, the County issued bonds under the authority of Chapter 7 of Part 5 of Division 3 of the Health and Safety Code of the State of California. The purpose of the bonds is to finance the purchase of single-family homes and the construction of multi-family units to benefit low and moderate income families.

The bonds are secured by the property financed and are payable solely from revenue of the projects and payments received on the underlying mortgage loans.

The bonds do not constitute a liability of the County. Neither the County, the State of California, nor any political subdivisions thereof 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.

# 11. CONDUIT DEBT OBLIGATIONS AND SUCCESSOR AGENCY DEBT (Continued)

## Single and Multi-Family Housing Bonds (Continued)

As of June 30, 2016, there were 20 series of bonds outstanding with an aggregate principal amount payable of \$220,909.

## 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 2015-16 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, 2016, the outstanding principal amount, including the premium of the OCDA Successor Agency bonds and remaining interest were \$30,041 and \$4,668, 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.

# 12. <u>LEASES</u>

#### **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, 2016:

Fiscal Year Ending June 30	 Equipment	Real Property		 Total
2017	\$ 1,615	\$	25,186	\$ 26,801
2018	142		22,498	22,640
2019	95		18,975	19,070
2020	25		18,706	18,731
2021	8		18,696	18,704
2022 - 2026			59,317	59,317
2027 - 2031	 		9,611	 9,611
Total	\$ 1,885	\$	172,989	\$ 174,874

Total expenditures for equipment rentals and building and improvements incurred for FY 2015-16 was \$41,080.

# 12. LEASES (Continued)

# Capital Leases

This year, the County entered into a lease agreement as lessee for financing the acquisition of repair and maintenance equipment valued at \$254. The equipment has a five-year estimated useful life. This year, \$49 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

The following is an analysis of property the County has leased under capital leases, which includes \$27,600 of equipment for an Internal Service Fund:

Land	\$ 14,831
Equipment	27,927
Less: Accumulated Depreciation	(3,259)
Structures and Improvements	64,180
Less: Accumulated Depreciation	 (32,692)
Total	\$ 70,987

The following are the future minimum lease payments under capital leases and the present value of the net minimum lease payments as of June 30, 2016:

Fiscal Year Ending June 30	
2017	\$ 15,965
2018	16,139
2019	9,414
2020	9,538
2021	8,601
2022-2026	26,537
2027	 490
Total Minimum Lease Payments	86,684
Less: Amount Representing Interest	 (18,756)
Present Value of Net Minimum	
Lease Payments	\$ 67,928

# 13. 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 Statement of Net Position 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)

The total landfill closure and postclosure care liability at June 30, 2016 was \$160,675. The total liability represents the cumulative amount accrued based on the percentage of the active landfill capacities that have

# 13. LANDFILL SITE CLOSURE AND POSTCLOSURE CARE COSTS (Continued)

been used to date (30.38% for FRB, 78.70% for Olinda Alpha and 20.16% for Prima Deshecha), less actual costs disbursed related to both closure, and postclosure of the Santiago Canyon and Coyote Canyon landfills. OCWR will recognize the remaining estimated cost of closure and postclosure care of \$179,764 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015 dollars (using the 2015 inflation factor of 1.010). OCWR has enough landfill capacity to operate the system for a minimum of 25 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, 2016, a total of \$90,848 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.

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 16, Pollution Remediation, for additional discussion regarding pollution remediation liabilities.

#### 14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

#### Encumbrances

The County has established a procedure for encumbering appropriations for purchase orders, contracts, and other commitments authorizing delivery of merchandise or rendering of services. An encumbrance system reduces the possibility of commitments being made in excess of budgeted appropriations due to the lag time between issuance of purchase orders, contracts, and other obligations, and the actual provision of services or goods and subsequent receipt of invoices and billings from the vendors and contractors. Depending on the source(s) of funding, encumbrances are reported as part of restricted or assigned fund balance on the governmental funds balance sheet. In accordance with GASB Statement No. 54, the County's total significant encumbrances for governmental funds in the aggregate are reported as follows, at June 30, 2016:

General Fund	\$ 47,058
Flood Control District	34,525
Other Public Protection	2,127
Other Governmental Funds	 59,000
Total Encumbrances for Governmental Funds	\$ 142,710

# 14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

# **Construction Commitments**

At June 30, 2016, 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:				
General Fund				
Civic Center Building 16 - Phase 1A	\$ 7,150			
County Operations Center-Building A-Replace Air Handlers 1-3	4,475			
Video Surveillance Equipment	2,359			
Airbus Helicopter Installation	1,667			
Flood Control District	15,651			
Santa Ana River Interceptor Line Project	6.282			
Greenville-Banning Channel Improvement Project	4,968			
Edinger Storm Channel Improvement	3,900			
Los Alamitos Pump Station and Pump House	3,338			
Equipment Operations	2,169			
Glassell Campus LID Retrofit Project	1,762			
Fletcher Channel and Retarding Basin - From Santa Ana River to Upstream	1,269			
	23,688			
Other Governmental Funds				
Animal Care Shelter	31,034			
La Pata Avenue Gap Closure/Widening	19,637			
Purchase of Law Enforcement Vehicles	11,158			
Sheriff-Coroner's Headquarters and Central Jails Replace Air Handlers	2,443			
La Pata Avenue Off-site Mitigation	1,345			
Juvenile Hall-Gym/Visitation Center	1,296			
Sunset Harbor Channel Dredging	1,177			
	68,090			
Business-Type Activities:				
Airport				
Terminal A & B Improvements	94,053			
Common Use Passenger Processing System Hardware and Software	4,893			
Parking Structure C, Phase 2	2,652			
Lighting Systems Upgrades	1,288			
	102,886			
Waste Management	102,000			
Frank R. Bowerman Landfill Soil Buttress and Liner	3,043			
	3,043			
Total Commitments	\$ 213,358			
	φ 210,000			

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

# 14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

#### **Construction Commitments (Continued)**

OCFCD through a separate Project Cooperation Agreement (PCA). The purpose of the SARMP 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 \$2,371,000. OCFCD's combined cost share is estimated to be \$786,633 for the entire Santa Ana River Project. As of June 30, 2016, the OCFCD has expended about \$610,014 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. As continuation to the ongoing Reach 9 Project, the COE determined that bank improvements needed to continue east on the south side of the Santa Ana River along SR-91. As such, the Reach 9 Phase 4 Project was developed and the project was awarded on April 13, 2016 at an estimated cost of \$15,300. Completion of the Reach 9, Phase 4 Project is expected to occur in October 2018. The COE is also constructing bank improvements on the north side of the Santa Ana River adjacent to La Palma Avenue from Weir Canyon Road to the railroad (Reach 9 Phase 5A and Phase 5B). Phase 5A was awarded on September 28, 2015 at a cost of \$22,500 and is expected to be completed in December 2017. The construction contract for Phase 5B was awarded in September 2016 with an estimated cost of \$25,500 and expected to be completed in August 2019. 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 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 December 2016. The Women's Prison Dike (to protect the California Institute of Women) was awarded September 2014 for \$12,700 and is expected to be completed in February 2017 with a \$3,400 modification which was awarded in 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, 2016, OCFCD has submitted \$400,122 in claims, and received \$369,641 in reimbursements. An additional \$11,680 in claims is in the process of being prepared for submittal to the DWR.

# 14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

# **Construction Commitments (Continued)**

Of the total amount outstanding, \$15,252 was accrued as revenue, and \$19,121 was reported as deferred inflows of resources at the fund level and recognized as revenue in the government-wide financial statements. Once a claim is reviewed and approved by 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.

# 15. 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 Wellwise Choice, Wellwise Retiree, Sharewell Choice, and Sharewell Retiree plans 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

# 15. SELF-INSURANCE (Continued)

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).

Changes in the balances of claims liabilities during the past two fiscal years for these self-insurance funds are as follows:

			Ρı	roperty &			Hea	Ith & Other	
	1	Workers'	C	Casualty	Un	employment	Sel	f- Insured	
	Cor	mpensation		Risk		Insurance	E	mployee	 Total
Unpaid Claims, Beginning of FY 2014-15	\$	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
Claims and Changes in Estimates		42,149		16,521		796		60,528	119,994
Claim Payments		(38,033)		(9,792)		(940)		(59,310)	 (108,075)
Unpaid Claims, End of FY 2015-16	\$	159,690	\$	46,020	\$	808	\$	12,978	\$ 219,496

# 16. 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 an effort to increase the removal of the chemicals, JWA's environmental consultant reevaluated the sites and recommended a change to the remediation plan. The consultant calculated the new estimated pollution remediation liability based on a more active method of remediation that includes remedial technologies such as soil vapor extraction, dual phasing sparging, and bioremediation.

JWA started implementing the new remediation method in the fiscal year ending June 30, 2011. Following a remedial pilot test, JWA has been performing monthly free-product removal at the Old Fuel Farm and performing annual groundwater monitoring at both sites. Active remediation has been delayed pending further guidance from the RWQCB, which could possibly affect the estimated pollution remediation liability as well as cause changes to the remedial technologies used to remediate the sites. As of June 30, 2016, JWA has a liability of \$994 based on management's assessment and the results of the consultant's evaluation of potential remediation costs. The liability will not decrease any further until active remediation begins or a closure plan is accepted by the RWQCB.

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

# 16. POLLUTION REMEDIATION (Continued)

# John Wayne Airport (JWA) (Continued)

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 – Proprietary Funds as part of accounts receivable, the total expected recovery for the Old Fuel Farm site is \$261 as of June 30, 2016.

The estimated pollution remediation obligation as of June 30, 2016 is:

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

# 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, 2016, after deducting actual pollution remediation expenses incurred, is \$11,190.

<u>Cannery Former Refuse Disposal Station</u> 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 exceedances 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 \$44.

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 exceedances and to control potential offsite migration of landfill gases. In response to the LEA's Notice and Order, a claim was filed with CEO Risk Management. The County entered into a Settlement Agreement with the property 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.

# 16. POLLUTION REMEDIATION (Continued)

#### Orange County Waste and Recycling (OCWR) (Continued)

#### Lane Road Former Refuse Disposal Station (Continued)

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 needed more regular replacement. The cost to operate and maintain the landfill gas collection system at the site for the next year of operation is \$310.

The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is \$2,694.

<u>San Joaquin Former Refuse Disposal Station</u> 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 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 \$135.

The remaining obligation for landfill gas remediation at the San Joaquin site over the anticipated operational period is \$952.

<u>La Veta Former Refuse Disposal Station</u> 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, 2016.

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 not cooperated with County or regulator attempts to monitor or remediate potential pollution of the property.

The County will continue to attempt to work with the property owner to 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.

# 16. POLLUTION REMEDIATION (Continued)

# Orange County Waste and Recycling (OCWR) (Continued)

<u>Forster Former Refuse Disposal Station</u> 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 has 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 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 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, 2016, 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, 2016 is:

Cannery	\$ 44
Lane Road	2,694
San Joaquin	952
Forster	 7,500
OCWR Pollution Remediation Obligation	\$ 11,190

#### 17. <u>RETIREMENT PLANS</u>

# Orange County Employees Retirement System (OCERS)

<u>Plan Description</u>: 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 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.

## 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).

<u>Benefits Provided</u>: OCERS provides for retirement, death, disability, and cost-of-living benefits. Under OCERS, each County employee receives a defined-benefit pension at retirement, that is, a specific amount per month determined in accordance with the Retirement Law, which amount is not dependent upon the amount of money credited to the employee's account at the time of retirement. An OCERS member may be eligible for a Disability Retirement allowance. The member will be asked to designate a beneficiary or beneficiaries, who may be entitled to receive lifetime and/or lump sum benefits that may be payable upon a member's death. OCERS also provides two types of disability benefits, a nonservice-connected disability retirement or service-connected disability retirement. Under each type, the eligibility requirements are different. More information can be found on <u>www.ocers.org</u>. The OCERS Board does not set the benefit amounts. OCERS administers benefits that are set by the County Board through the collective bargaining process with County employees in accordance with the Retirement Law.

Effective June 28, 2002, Safety members, including Probation Services employees, became eligible for an annual annuity equal to a retirement benefit formula of 3% of the member's "final compensation" for each year of service rendered at age 50. Law enforcement management, which includes executives in the Sheriff-Coroner and District Attorney departments, and employees represented by the Association of Orange County Deputy Sheriffs hired after April 9, 2010, receive an annual annuity equal to a retirement benefit formula of 3% of the member's "final compensation" for each year of service rendered at age 55.

Effective July 1, 2005, as part of collective bargaining agreements with County employees, most General Members who work for the County 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 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 Retirement Law, the OCERS Board has the sole authority to grant STAR COLA each year. The OCERS Board

# Orange County Employees Retirement System (OCERS) (Continued)

#### Benefits Provided (Continued)

understands that granting STAR COLA may increase the Unfunded Actuarial Accrued Liability (UAAL) and therefore asks for comments from plan sponsors prior to voting on approval of the annual benefit.

Retirees who have lost more than 20% of their purchasing power since retirement are eligible for this benefit, and currently, approximately 346 retirees (of which 337 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.

<u>Contributions</u>: In accordance with various Board resolutions, the County's funding policy is to make periodic contributions to OCERS in amounts such that, when combined with employee contributions and investment income, will fully provide for member benefits by the time they retire. Covered employees are required to contribute a percentage of their annual compensation to OCERS as a condition of employment. Base employee contributions are calculated using a formula defined in the Retirement Law. The California Supreme Court's 1997 Ventura decision stated that, for the purpose of calculating pension benefits, "final compensation" means not only base salaries, but also other components. The County employee contributions under current contracts are calculated on base salary, eligible premium pay and some categories of overtime as defined in the 1997 Ventura decision.

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 2015-16, employer's contributions, as a percentage of covered payrolls, were 37.02% for General members, 56.35% for Safety-Law Enforcement members and 40.70% for Safety-Probation members, as determined by the December 31, 2013, actuarial valuation.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension: At June 30, 2016, the County reported a liability of \$4,391,967 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability (TPL) used to calculate the net pension liability was determined using actuarial valuation results. At December 31, 2015, the County's proportion was 76.83%, which was an increase of .15% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$488,205. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	 rred Outflows of Resources	Deferred Inflows o Resources		
Net Difference Between Projected and Actual Investment				
Earnings on Pension Plan Investments	\$ 620,500	\$	-	
Differences Between Expected and Actual Experience	-		301,781	
Changes of Assumptions	93,961		152,605	
Changes in Proportion and Differences Between Employer				
Contributions and Proportionate Share of Contributions	5,767		106	
County Contributions Subsequent to the Measurement Date	217,218		-	
County Prepaid Pension Contribution	178,459		-	
Total	\$ 1,115,905	\$	454,492	

\$217,218 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, 2017.

## 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 the 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 \$178,459 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, 2016, \$111,639 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, 2016, the County did not utilize funds available in the County Investment Account to meet its annual required contribution. The County's total contribution to OCERS for the year ended June 30, 2016 was \$384,133.

On January 13, 2016, the County issued its short-term Taxable Pension Obligation Bonds, 2016 Series A in the amount of \$334,275. Of the \$334,275 bond proceeds, \$333,811 was combined with \$23,106 in contributions from certain County agencies and departments to prepay the estimated FY 2016-17 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 \$20,701 on the required employer contribution amount. The discount, combined with the interest and issuance costs, resulted in a net savings of \$16,236 to the County. Refer to Note 3, Deposits and Investments, and Note 9, Short-term Obligations, for additional information.

Amounts, provided by OCERS' actuarial study reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

Year ending June 30:	
2017	\$ 86,792
2018	86,792
2019	86,792
2020	42,840
2021	(35,899)
2022	(1,581)
Thereafter	-

<u>Actuarial Assumptions</u>: 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.

<u>Discount Rate</u>: 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.

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 investment expenses. 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.

# Orange County Employees Retirement System (OCERS) (Continued)

#### **Discount Rate (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of 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 adding expected inflation and deducting expected investment expenses and a risk margin.

The target allocation (approved by the OCERS 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:

		Long-Term Expected
Asset class	Target Allocation	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%
Global Tactical Asset Allocation	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%	Current	1%
	Decrease	Discount Rate	Increase
	(6.25%)	(7.25%)	(8.25%)
County's proportionate share of the net pension liability	\$6,172,769	\$4,391,967	\$2,926,682

<u>Pension Plan Fiduciary Net Position</u>: 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 <u>www.ocers.org</u>, 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

<u>Plan Description</u>: 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

# 17. <u>RETIREMENT PLANS (Continued)</u>

## County Administered Pension Plans (Continued)

## County of Orange - 1.62% at 65 Retirement, 401(a) Defined Contribution Plan (Continued)

#### Plan Description (Continued)

July 1, 2011, the Board approved the County 1.62% Defined Contribution Plan for the benefit of employees in the 1.62% at 65 retirement formula. The 1.62% Defined Contribution Plan is a combination governmental 457(b) and 401(a) retirement plan. Employee contributions are deposited into a 457(b) plan and employer-matching contributions are deposited into a 401(a) plan. Participation in the 1.62% Defined Contribution Plan is voluntary and is designed to supplement the "1.62% at 65" retirement benefit. Only employees in the "1.62% at 65" retirement benefit formula are eligible to participate in the 1.62% Defined Contribution Plan. Participation in the 1.62% Defined Contribution Plan. Participation in the "1.62% at 65" retirement benefit formula are eligible to participate in the 1.62% Defined Contribution Plan. Participation in the Plan is strictly voluntary.

On September 12, 2012, the Governor signed the PEPRA of 2013. PEPRA created a new pension retirement formula, commonly referred to as 2% at 62 retirement formula, for all new non-safety public employees hired on or after January 1, 2013. PEPRA also allowed a public employer to continue to offer another retirement formula, if offered before December 31, 2012, to new public employees if the retirement formula has a lower benefit factor at normal retirement age and results in a lower normal cost than the 2% at 62 PEPRA retirement formula. On December 18, 2012, the Board approved and adopted the 1.62% at 65 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 Internal Revenue Code (IRC) Section 401(a) and is intended for retirement. Matching employer contributions are determined by the County and approved by the Board, as stipulated in the Participants' bargaining units Memorandum of Understanding (MOU) or Personnel and Salary Resolution, as applicable. Employer contributions vest on employees' behalf after five years of continuous service with the County. For the purposes of eligibility and vesting, year of service means a 12-consecutive-month period during which the employee completes at least 2080 hours of service, exclusive of overtime. If the employee leaves employment with the County prior to the vesting period, the employee will only be entitled to the employee contributions to the plan.

Funds may not be withdrawn until participants have separated from the County. The plan benefits for a participant who separates from service with the County or retires on or after the early or normal retirement date will be dependent upon the accumulated value of individual contributions and investment return. As of June 30, 2016, the plan had 980 participants with a balance in the plan, with 934 participants actively contributing to the plan as of the end of June payroll.

<u>Funding Policy</u>: This plan is a defined contribution plan funded entirely by employer contributions. As of June 30, 2016, the County provides up to a 2% match per pay period of the employee's voluntary contribution to the IRC Section 457 element of the 1.62% Defined Contribution Plan. Employer contributions are deposited into the 401(a) Plan. Total contributions for the fiscal year as of June 30, 2016, were \$736 by the County and zero by the employees.

Empower Retirement, formerly Great West Retirement Services, serves on behalf of the County as the third party administrator of the plan. Contribution to the plan defaults to the age-appropriate target-date fund upon initial enrollment. Once enrolled, plan participants may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the plan. As of June 30, 2016, total plan assets were \$1,293.

<u>Administrative Cost</u>: 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. 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 Administered Pension Plans (Continued)

# County of Orange 401(a) Defined Contribution Plan

<u>Plan Description</u>: Effective January 1, 1999, as amended and restated on March 24, 2015, the Board established the County 401(a) Plan for the benefit of eligible employees, elected officials, which includes members of the Board, certain executive managers, certain administrative managers once classified as confidential and grandfathered 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, 2016, the plan had 662 participants with a balance in the plan, with 109 participants actively contributing to the plan as of the end of June payroll.

<u>Funding Policy</u>: This plan is a defined contribution plan funded entirely by employer contributions. County contributions to the plan vary according to employee classification and range from 4% to 8% of bi-weekly compensation. Total contributions for the fiscal year as of June 30, 2016, were \$991 by the County and zero by the employees.

Empower Retirement, formerly Great West Retirement Services, serves on behalf of the County as the third party administrator of the plan. Contribution to the plan default to the County's Stable Value Fund upon initial enrollment, which is offered through Empower Retirement and designed to protect principal and maximize earnings. Once enrolled, plan participants may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the plan. As of June 30, 2016, total plan assets were \$14,261.

<u>Administrative Cost</u>: 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. 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

<u>Plan Description</u>: The plan is a cost-sharing multiple-employer defined benefit retirement plan for employees working less than half-time or as extra-help for the County and six (6) other cost-sharing agencies. Eligible employees of this plan are not covered by OCERS or Social Security. Initially, the normal retirement benefits for a participant who retired on or after the normal retirement date was a monthly amount equal to one-twelfth of 2% of the participant's career earnings during the final 30 years of 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 payment, 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 65<sup>th</sup> birthday.

The plan was adopted to comply with the Omnibus Budget Reconciliation Act of 1990. The Board has full authority to amend or establish plan or benefit provisions at any time in accordance with the plan. The County is the named fiduciary and has the duty and full power to administer the plan. The Chief Financial Officer of the County is the trustee of the plan, and has authority over the management and investment of plan assets.

The plan was adopted in January 1992 and was closed to new participants as of February 28, 2002. This plan subsequently froze benefit accruals and stopped collecting employee contributions effective November 21, 2008. As of that date, the normal retirement benefit was changed to a single lump sum distribution equal to the

# 17. <u>RETIREMENT PLANS (Continued)</u>

## County Administered Pension Plans (Continued)

# Extra-Help Defined Benefit Plan (Continued)

#### Plan Description (Continued)

greater of the participant's account balance or the present value of their normal retirement benefit. As of June 30, 2016, the plan consists of 42 active plan participants, 225 terminated plan participants entitled to but not yet receiving benefits, and 41 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-Tax Collector charges its normal investment management fee related to the Pension Trust Fund's participation in the County Pool.

<u>Contributions</u>: 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 July 01, 2015, rolled forward to June 30, 2016 and June 30, 2017 using actual benefit payments for FY 2015-16 and FY 2016-17. In both the 2015 valuation and the 2016 roll forward calculations the actuarial assets are valued at market value. The actuary has determined the County's actuarially determined contribution using the projected unit credit method, which is (a) normal cost, plus (b) 5-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 \$5,688. For the year ended June 30, 2016, the County and six (6) cost-sharing agencies contributed the total actuarially determined contribution of \$784, which is equal to normal cost plus 5-year amortization of the UAAL. The County's proportionate share of the contribution was \$769.

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.

<u>Investment policy</u>: 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).

<u>Concentrations</u>: The plan invested 80% with Empower Retirement, and held 20% of its investments in the Orange County Investment Pool (OCIP). See Note 3, Deposits and Investments for information about OCIP. The plan has stated its assets with Empower Retirement and its investments in OCIP at fair value based on information provided by Empower Retirement and OCIP respectively.

<u>Discount Rate</u>: For the year ended June 30, 2016, the annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was 2.22%. 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 5.25%, the same as long-term expected rate of return on plan assets.

#### 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 investment return assumption used in this accounting valuation is 5.25%.

The long-term expected rate of return on plan investments was determined using a building-block method equal to the expected future real rate of return on the investment with Empower Retirement and the OCIP plus expected inflation, rounded to the nearest 0.25%. The target investment allocation is 27% equities, 53% fixed incomes, and 20% cash and equivalents. The best estimate of the long-term expected geometric real rate of return for these asset classes (net of investment expense and inflation) are 5.35%, 1.55%, and 0.45%, respectively.

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, 2016 were as follows:

Total Pension Liability	\$ 8,498
Plan's Fiduciary Net Position	(5,599)
Plan's Net Pension Liability	\$ 2,899
Plan Fiduciary Net Position as a percentage of	

the Total Pension Liability

65.89%

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and rolled forward to the measurement date of June 30, 2016. The County's proportionate share of the June 30, 2016 net pension liability is \$2,845. The County's proportion of 98.12% is based on an employer contribution allocation and has not changed since June 30, 2015.

For the year ended June 30, 2016, the County recognized pension expense of \$357. At June 30, 2016, the County reported deferred outflows of resources of \$214, which represents the net difference between projected and actual earnings on plan investments.

	Deferred Outflows of		Deferred Inflows		
	Resources			of Resources	
Net difference between projected and					
actual earnings on plan investments	\$	214	\$	-	
Total	\$	214	\$	-	

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:	
2017	\$ 61
2018	61
2019	61
2020	31

## **County Administered Pension Plans (Continued)**

# Extra-Help Defined Benefit Plan (Continued)

<u>Actuarial Assumptions</u>: The total pension liability based on the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement: (a) 3% inflation, (b) 5.25% 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%, and (d) RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020. 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.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u>: The following presents the net pension liability of the collective plan and the County's proportionate share, calculated using the discount rate of 5.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
Net Pension Liability	(4.25%)	(5.25%)	(6.25%)
Collective plan	\$3,212	\$2,899	\$2,642
County's proportionate share	\$3,152	\$2,845	\$2,592

#### Extra-Help Defined Contribution Plan

<u>Plan Description</u>: Effective March 1, 2002, as amended and restated on February 10, 2015, the Board established the Extra-Help Defined Contribution Plan to replace the Extra-Help Defined Benefit Retirement Plan for (a) new employees hired on or after March 1, 2002, and supplements the benefits of the Extra-Help Defined Benefit Retirement Plan for employees hired prior to March 1, 2002 and (b) effective February 10, 2015, employees hired on or after such date (i) who attained age 60 by such hire date, (ii) who waive membership in the Orange County Employees Retirement System (OCERS), do not have funds on deposit with OCERS and otherwise meet the requirements under OCERS' regulations and state law to waive membership form or any other documents that may be required by OCERS, and (iv) who sign the OCERS Employees' Waiver of Membership form or any other documents that may be required by OCERS, and (iv) who sign the OCERS Employees' Waiver of Membership form and provide any other documents required by OCERS to waive membership. Eligible employees of this plan are not covered by OCERS or Social Security. This plan is a tax-deferred retirement plan, established in accordance with IRC Sections 457 and 3121 and is intended to comply with the Omnibus Budget Reconciliation Act of 1990 and meet the requirements to be a Social Security replacement plan. The Board has the authority to amend the plan. As of June 30, 2016, there were 3,840 participants with a balance in the plan, with 404 participants actively contributing to the plan as of the end of June payroll.

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.

<u>Funding Policy</u>: Participants in the plan are required to contribute 7.5% of compensation each pay period. The contributions are invested in the County's Stable Value Fund offered through Empower Retirement, which is designed to protect principal and maximize earnings. Empower Retirement serves on behalf of the County as

# **County Administered Pension Plans (Continued)**

# Extra-Help Defined Contribution Plan (Continued)

## Funding Policy (Continued)

the third party administrator of the plan and holds all plan assets in trust. In the current fiscal year there was no additional contribution made by the County, and total employee contributions were \$951. As of June 30, 2016, total plan assets were \$7,359.

<u>Administrative Cost</u>: 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. 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.

# **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, 2016:

#### Statement of Fiduciary Net Position

		Total	D	tra-Help )efined Benefit Plan	D Cor	tra-Help efined htribution Plan	[	401(a) Defined Intribution Plan	Re 401(	2% at 65 tirement, a) Defined bution Plan_
<u>Assets</u>										
Pooled Cash/Investments	\$	1,398	\$	1,398	\$		\$		\$	
Restricted Cash and Investments										
Restricted Investments with Trustee		26,937		4,194		7,299		14,207		1,237
Receivables:										
Interest Receivable		7		7						
Due from Other Governmental Agencies		170				60		54		56
Total Assets	_	28,512	_	5,599		7,359	_	14,261		1,293
Net Position										
Restricted for Retirement Plans Benefits		28,512		5,599		7,359		14,261		1,293
Total Net Position	\$	28,512	\$	5,599	\$	7,359	\$	14,261	\$	1,293

# 17. <u>RETIREMENT PLANS (Continued)</u>

# **County Administered Pension Plans (Continued)**

# **Condensed Financial Statements (Continued)**

# Statement of Changes in Fiduciary

<u>Net Position</u> Additions:	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	
Contributions to Pension Trust:										
Employer	\$	2,511	\$	784	\$		\$	991	\$	736
Employee		951				951				
Other Revenues		7		7						
Interest and Investment Income		317		123		158		19		17
Less: Investment Expense		(28)		(4)		(8)		(14)		(2)
Total Additions		3,758		910		1,101		996		751
Deductions:										
Benefits Paid to Participants		2,507		428		1,339		740		
Total Deductions		2,507		428		1,339		740		
Change in Net Position for										
Employees's Retirement		1,251		482		(238)		256		751
Net Position at July 1, 2015		27,261		5,117		7,597		14,005		542
Net Position at June 30, 2016	\$	28,512	\$	5,599	\$	7,359	\$	14,261	\$	1,293

# 18. POSTEMPLOYMENT HEALTH CARE BENEFITS

#### County of Orange Retiree Medical Plan

<u>Plan Description</u>: The County of Orange Third Amended Retiree Medical Plan (the Retiree Medical Plan) is a single employer defined 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 Board. The Board is also the authority for amending the Retiree Medical Plan. The Retiree Medical Plan is not required by the Retirement Law – 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 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 2015 was \$21.13 (absolute dollars) per year of County service, and the maximum base monthly Grant was \$528.25 (absolute dollars). The base number for calendar year 2016 is \$21.45 (absolute dollars) per year of County

# 18. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

# County of Orange Retiree Medical Plan (Continued)

## Plan Description (Continued)

service, and the maximum monthly Grant is \$536.25 (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 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.

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.

Employees represented by the Association of County Law Enforcement Managers (ACLEM) 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.

# 18. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

## County of Orange Retiree Medical Plan (Continued)

#### Plan Description (Continued)

On May 12, 2015, the Board approved the restructuring of the Retiree Medical Plan for employees represented by Orange County Attorneys Association (OCAA). Effective July 8, 2016, all active OCAA employees are no longer eligible for the Retiree Medical Grant or Lump Sum. A Defined Contribution Plan (HRA) was established to replace the Grant or Lump Sum for all active employees.

<u>Funding Policy</u>: 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 year ending on December 31, which includes the Retiree Medical Trust. OCERS' CAFR can be obtained online at <u>www.ocers.org</u>, by written request 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 0.4% for AFSCME, 0.4% for OCAA, 3.3% for AOCDS, 6.9% for law enforcement management, 3.9% for the Probation Department safety personnel, and 4.0% of payroll for all other labor groups, which is the ARC for those groups. Additionally, effective July 10, 2015, contributions by employees represented by AOCDS and ACLEM hired before April 4, 2009 were reduced from 2.6% to 1.6% of base, while employees hired on or after April 4, 2009 were reduced from 1% to 0%.

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.

<u>Actuarial Methods and Assumptions</u>: 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, 2015 valuation for FY 2015-16, 2016-17 and 2017-18 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 June 30, 2008 UAAL over 29 years as a level percentage of payroll (21 years remaining as of June 30, 2016)
- A 7.25% long-term expected rate of return on funds held in the Trusts
- A 3.50% per annum payroll increase assumption
- A 3.00% 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, healthcare trend rates have little impact on the projected benefits and the UAAL due to the 3% (or 5% for AFSCME) cap on Grant annual increases.
- There are an estimated 26,218 participants in the plan of which 17,925 are employees, 25 are deferred retirees, and 8,268 are retirees.

<u>Annual OPEB Cost and Net OPEB Obligation/(Asset)</u>: 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.

# 18. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

# County of Orange Retiree Medical Plan (Continued)

# Annual OPEB Cost and Net OPEB Obligation/(Asset) (Continued)

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	2015-16
Total Annual Required Contribution	\$	44,368
Interest on Net OPEB Asset		(3,470)
Amortization on Net OPEB Asset		3,541
Annual OPEB Cost		44,439
Contributions Made		(42,490)
Decrease in Net OPEB Asset		1,949
Net OPEB Asset, Beginning of year		(45,056)
Net OPEB Asset, End of year	\$	( 43,107)

The County's annual OPEB Cost, the percentage of annual OPEB cost contribution to the plan, and the NOO for FY 2015-16 and two preceding years were as follows:

Fiscal	Annual		Percentage of	Net
Year	OPEB		Annual OPEB	OPEB
Ended	 Cost	_	Cost Contributed	 (Asset)
6/30/2014	\$ 43,136		116%	\$ (48,729)
6/30/2015	44,854		92%	(45,056)
6/30/2016	44,439		96%	( 43,107)

Funded Status and Funding Progress: The funded status of the OPEB Plan as of June 30, 2015 is as follows:

Actuarial Accrued Liability (AAL) Actuarial Value of Plan Assets	\$ 614,500 217,556
Unfunded Actuarial Accrued Liability (UAAL)	\$ 396,944
Funded Ratio (Actuarial Value of Plan Assets/AAL)	35.4%
Covered Payroll	\$ 1,188,727
UAAL as Percentage of Covered Payroll	33.4%

The preceding noted actuarial accrued liability was based on the June 30, 2015 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.

# 18. POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)

# County of Orange Health Reimbursement Arrangement (HRA)

<u>Plan Description</u>: 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 Document. The HRA Plan is not required by the Retirement Law. 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 10, 2009, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for employees represented by ACLEM effective June 19, 2009. The HRA replaces the Retiree Medical Plan for new employees, and supplements the current ACLEM employees' frozen service hour accruals for the Grant.

On May 12, 2015, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for employees represented by OCAA effective July 8, 2016. The HRA will replace the Retiree Medical Plan for all active attorney employees.

Administration of the HRA by the third party administrator began in August 2009. The HRA is intended to comply with the requirements of IRC Sections 105 and 106 and meets the requirements of a health reimbursement arrangement as defined under IRS Notice 2002-45. The contributions made to reimbursement accounts, any investment gains and qualified medical expenses reimbursed under this plan are intended to be eligible for exclusion from the gross income of eligible employees, participants and retired participants (including the spouses and dependents of each) under IRC Section 105(b). The HRA may be amended by the employer or the plan administrator to comply with federal, state, or local laws, statues, regulations, or guidelines. The Plan Document was amended and restated on January 1, 2011 to reflect changes to the definition of dependent due to healthcare reform.

The Plan Document was amended and restated on June 1, 2016 to provide for the transition of the OCAA to the HRA Plan in July 2016. Prior employee contributions for employees represented by OCAA to the retiree medical program and the interest earnings thereon through, July 5, 2016 were transferred as a lump sum deposit for eligible employees to their HRA accounts.

As of June 30, 2016, the plan had 2,072 active and 572 inactive participants.

<u>Funding Policy</u>: Employer and mandatory employee contributions were effective October 12, 2007, for employees represented by AOCDS and were effective June 19, 2009, for employees represented by ACLEM. Employer and mandatory employee contributions were effective July 8, 2016, for OCAA represented employees. All contributions made to the HRA are deemed to be employer contributions. Employee contributions for employees represented by each of the bargaining units are mandatory pursuant to their bargaining unit MOU and mandatory pursuant to Board action. On March 15, 2016, the Board approved for employees represented by AOCDS, an increase in the County's contribution from 3.0% to 5.0% of base salary each pay period. Furthermore, required contributions by employees represented by AOCDS were decreased from 2.0% to 0% of base salary for each pay period. Employees represented by ACLEM, the County contributes 1.0% of base salary each pay period and employees represented by OCAA, the County will contribute 1.0% of base salary each pay period and employees represented by OCAA, the County will contribute 1.0% of base salary each pay period.

# 18. 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. Contributions to the HRA Plan default to the age-appropriate target-date fund upon initial enrollment. Once enrolled, HRA participants may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the HRA. As of June 30, 2016, the value of HRA assets was \$78,286.

<u>Administrative Cost</u>: Annual administrative fees include a plan asset fee of 0.40% and annual account fee of \$80. Each quarter, 25% of the fees are assessed to participant accounts and are reflected on participants' quarterly statements. No employer-level fees are charged for the Plan.

# **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, 2016:

Statement of Fiduciary Net Position	Total	(Com	e Medical Plan bined 401(h) 115 Trusts)	Reim	Health Ibursement gement Plan
<u>Assets</u>					
Pooled Cash/Investments	\$ 7,257	\$	7,211	\$	46
Restricted Cash and Investments					
Restricted Investments with Trustee	77,716				77,716
Restricted Cash with OCERS	214,769		214,769		
Interest Receivable	58		58		
Due from Other Governmental Agencies	 3,778		3,254		524
Total Assets	 303,578		225,292		78,286
Net Position					
Restricted for OPEB Benefits	 303,578		225,292		78,286
Total Net Position	\$ 303,578	\$	225,292	\$	78,286

#### Statement of Changes in Fiduciary Net Position

	Total	bined 401(h) 115 Trusts)	 bursement ement Plan
Additions:			
Employer Contributions	\$ 51,349	\$ 42,490	\$ 8,859
Employee Contributions	2,310	2,310	
Interest and Investment Income/(Loss)	(2,340)	(1,504)	(836)
Less: Investment Expense	 (241)	 (8)	 (233)
Total Additions	 51,078	 43,288	 7,790
Deductions:			
Benefits Paid to Participants	32,180	30,533	1,647
Administrative Expense	 90	 90	 
Total Deductions	 32,270	 30,623	 1,647
Change in Net Position	18,808	12,665	6,143
Net Position at July 1, 2015	 284,770	 212,627	 72,143
Net Position at June 30, 2016	\$ 303,578	\$ 225,292	\$ 78,286

Retiree Medical Plan

Health

# 19. CONTINGENCIES

# Estimated Liability for Litigation and Claims

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, a liability has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued and at this time an estimate cannot be made. For information regarding accrued liabilities for self-insurance claims incurred but not reported, refer to Note 15, Self-Insurance.

# Sales and Use Taxes

The Board of Equalization (BOE) recently participated in an Internal Accounting and Administrative Controls Review by the California State Controller's Office (SCO). The SCO released a report in November 2015 identifying several issues with the allocation of the Sales and Use Taxes for the period of July 1, 2011 through March 31, 2016. The SCO recommendations contain some future negative adjustments that would potentially affect the County's Proposition 172 Public Safety Sales Tax revenues, 1991 Realignment and 2011 Realignment revenues. The BOE is currently working with the California Department of Finance (DOF) to determine the potential adjustments. The DOF has assured the BOE that any retroactive adjustments will be made in partnership with localities and conducted in such a manner as to minimize fiscal impacts. The amount of impact to the County is unknown at this time.

# 20. SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2016:

<u>Teeter Plan Notes</u>: On July 13, 2016, the County issued an additional \$31,536 in Teeter Plan Series B Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan, leaving an outstanding balance of \$61,727. 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 Series B Notes, refer to Note 10, Long-Term Obligations.

<u>Moody's Credit Rating Upgrades:</u> On October 4, 2016, Moody's Investors Service upgraded the ratings on the County's 1991 Civic Center Parking Facilities Project Refunding Certificates of Participation, 2005 Lease Revenue Refunding Bonds, 2006 Lease Revenue Bonds, and the Juvenile Justice Center Facility Lease Revenue Refunding Bonds, Series 2012 to Aa2 from Aa3.

Labor Negotiations: On September 6, 2016, the Board approved and adopted the 2016 – 2019 Memorandum of Understanding (MOU) between the County of Orange and the Association of Orange County Deputy Sheriffs for the Peace Officer and Supervising Peace Officer Unit for the period of July 1, 2016 through June 30, 2019. The estimated total cost resulting from this labor negotiation is \$7,200 (\$4,300 Net County Cost) over the term of the MOU. \$1,100 (\$651 Net County Cost) of the total estimated cost will occur in FY 2016-17; \$2,600 (\$1,600 Net County Cost) will occur in FY 2017-18; \$3,500 (\$2,100 Net County Cost) will occur in FY 2018-19.

On December 13, 2016, the Board approved and adopted the 2016-2019 MOU between the County of Orange and the Teamsters Local 952, which will ratify the terms and conditions of employment. The MOU will be effective upon Board of Supervisors' adoption through June 20, 2019. The estimated total cost incurred over the term of the MOU is \$5,527, \$109 of which is Net County Cost. \$727 (\$14 Net County Cost) of the total estimated costs will occur in FY 2016-2017; \$2,000 (\$40 Net County Cost) will occur in FY 2017-2018; \$2,800 (\$55 Net County Cost) will occur in FY 2018-2019.

Investment Policy Statement: On November 22, 2016, the Board of Supervisors adopted Resolution 16-115 approving the 2017 Investment Policy Statement (IPS) and delegating investment and deposit for safekeeping

# 20. SUBSEQUENT EVENTS (Continued)

# Investment Policy Statement (Continued)

authority to the Treasurer-Tax Collector for calendar year 2017. The main changes to the 2017 IPS is the decreasing of the allowed maturity for Negotiable CD's and Medium Term Notes from five years to three years and the increasing of the issuer limit of U.S. Government Agency Securities to 50% from 33%.



Main St, Huntington Beach



# 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

	2016	2015	2014
Total Pension Liability			
Service cost	\$ \$	\$	
Interest	435	271	282
Difference between expected and actual experience	73		
Changes of assumptions	73		
Benefit payments, including refunds of member contributions	 (424)	(522)	(695)
Net change in Total Pension Liability	157	(251)	(413)
Total Pension Liability-beginning	 8,341	8,592	9,005
Total Pension Liability-ending (a)	\$ 8,498 \$	8,341 \$	8,592
Plan Fiduciary Net Position			
Contributions-employer	\$ 784 \$	421 \$	421
Contributions-member			
Net investment income	123	17	15
Investment Expense	(4)		
Benefit payments, including refunds of member contributions	(428)	(522)	(695)
Administrative expense (1)			
Other	7		
Net change in Plan Fiduciary Net Position	 482	(84)	(259)
Plan Fiduciary Net Position- beginning	5,117	5,201	5,460
Plan Fiduciary Net Position-ending (b)	\$ 5,599 \$	5,117 \$	5,201
Plan Net Pension Liability-ending (a) – (b)	\$ 2,899 \$	3,224 \$	3,391
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	65.89%	61.35%	60.53%
Covered employee payroll	\$ 1,747 \$	1,829 \$	1,876
Plan Net Pension Liability as a percentage of covered employee payroll	165.94%	176.27%	180.76%
(1) Administrative expense does not round up to \$1 in thousands			

(1) Administrative expense does not round up to \$1 in thousands.

# **Schedule of Investment Returns**

	2016	2015	2014
Actual money-weighted rate of return, net of			
investment expense	2.22%	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

	 2016	 2015
County's proportion of the net pension liability	98.12%	98.12%
County's proportionate share of the net pension liability	\$ 2,845	\$ 3,163
Covered-employee payroll	\$ 1,747	\$ 1,829
County's proportionate share of the net pension liability		
as a percentage of its covered-employee payroll	 162.85%	 172.94%
Plan fiduciary net position as a percentage of the		
total pension liability	65.89%	61.35%

# Schedule of Collective Plan Contributions

	 2016	 2015	 2014
Actuarially determined contribution Contributions in relation to the actuarially determined contribution	\$ 784 784	\$ 421 421	\$ 421 421
Contribution deficiency (excess)	\$ 	\$ 	\$ 
Covered-employee payroll	\$ 1,747	\$ 1,829	\$ 1,876
Contributions as a percentage of covered-employee payroll	44.88%	23.02%	22.44%

# **Schedule of County Contributions**

	 2016	 2015	 2014
Actuarially determined contribution	\$ 769	\$ 413	\$ 421
Contributions in relation to the actuarially determined contribution	769	413	421
Contribution deficiency (excess)	\$ 	\$ 	\$ 
Covered employee payroll	\$ 1,747	\$ 1,829	\$ 1,876
Contributions as a percentage of covered - employee payroll	44.02%	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	July 01, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, open
Remaining amortization period	5 years
Asset valuation method	Market Value
Inflation	3.00%
Salary increases	n/a
Investment rate of return	5.25%, net of investment expenses
Retirement age	100% retirement at age 65
Participation assumption	100%
Mortality	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020
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 (1)

	 2016	2015	 2014
County's proportion of the net pension liability	76.83%	76.68%	74.20%
County's proportionate share of the net pension liability	\$ 4,391,967	\$ 3,897,223	\$ 3,925,919
Covered-employee payroll <sup>(2)</sup>	\$ 1,118,395	\$ 1,198,458	\$ 1,176,008
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	 392.70%	325.19%	 333.83%
Plan fiduciary net position as a percentage of the total pension liability	65.66%	68.16%	66.88%

(1) Information is from OCERS' actuary report for OCERS' fiscal year ended December 31, 2015.

(2) OCERS implemented GASB Statement No. 82 early. In accordance with GASB Statement No. 82, payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions.

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 (1)

	 2016	 2015
Actuarially determined contribution	\$ 358,103	\$ 340,626
Contributions in relation to the actuarially determined contribution	358,103	340,626
Contribution deficiency (excess)	\$ 	\$ 
Covered employee payroll <sup>(2)</sup>	\$ 1,118,395	\$ 1,198,458
Contributions as a percentage of covered - employee payroll	32.02%	28.42%

(1) Information is from OCERS' actuary report for OCERS' fiscal year ended December 31, 2015.

(2) Source of covered employee payroll is from OCERS, who implemented GASB Statement No. 82 early. In accordance with GASB Statement No. 82, payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions.

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**

# County of Orange Retiree Medical Plan Schedule of Funding Progress

For Years Ended June 30

Actuarial Valuation as of June 30 (2)	Actuarial Value of lan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Δ	Unfunded Actuarial ccrued Liability (UAAL) (b-a=c)	Funded Ratio (a/b)	Annual Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (c/d)
2011 2013 2015	\$ 116,804 155,702 217,556	\$ 528,639 573,763 614,500	\$	411,835 418,061 396,944	22.1% 27.1% 35.4%	\$ 1,273,636 1,217,052 1,188,727	32.3% 34.4% 33.4%

(1) The County's outside actuarial consultant prepares a biennial actuarial valuation in conformance with GASB Statement Nos. 43 and 45.





Welfare Building, 1970



# 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 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.

#### 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. The residual balances in these funds were distributed in FY 2015-16.

#### 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, 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.

# <u>Roads</u>

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.

# 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.

# 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.

# Orange County Public Facilities Corporation Bonds, Master Lease

This non-budgeted 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 non-budgeted fund was established to account for the debt service expenditures for the South Orange County Financing Authority (SOCPFA). Included is the Lease Revenue Refunding Bonds, Series 2012, which were issued to redeem the outstanding OCPFA 2012 JJC bonds and pay costs relating to the issuance. On June 2, 2016 SOCPF issued the Central Utility Facility Lease Revenue Bonds, Series 2016 to finance the acquisition, construction and installation of certain 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

			cial Revenue					
400770		Total Nonmajor vernmental Funds		Parking Facilities	Lighting	vice Areas, , Maintenance, ssment Districts	Envi	Other ronmenta nagement
ASSETS								
Pooled Cash/Investments	\$	642,887	\$	3,447	\$	55,583	\$	4,700
Restricted Cash and Investments with Trustee		226,789						-
nvestments		84						-
Deposits In-Lieu of Cash		25						
Receivables Accounts		2,276		21				
Taxes				21		 18		
Interest/Dividends		20,171 923		7		89		-
Deposits		2,159		1				
Allowance for Uncollectible Receivables		(84)						
Due from Other Funds		29,316		409				
Due from Other Governmental Agencies		11,471		276				4
Prepaid Costs		14,087		56				
Notes Receivable, Net		27,900						36
Total Assets	\$	978,004	\$	4,216	\$	55,690	\$	5,11
LIABILITIES								
Accounts Payable	\$	34,889	\$	189	\$	15,612	\$	
Retainage Payable		2,418				1		
Salaries and Employee Benefits Payable		4,764		27				
nterest Payable		24						
Deposits from Others		39,064						2
Due to Other Funds Due to Component Unit		42,882 2		132		13		3
Due to Other Governmental Agencies		9,048		765		2,690		
Jnearned Revenue		19,721				2,000		
Advances from Other Funds		7,800						
Total Liabilities		160,612		1,113		18,316		3
DEFERRED INFLOWS OF RESOURCES								
Jnavailable Revenue - Intergovernmental Revenues		5,140						
Jnavailable Revenue - Property Taxes		1,620				9		
Jnavailable Revenue - Long-Term Notes Receivables		368						36
Jnavailable Revenue - Other		12						
Total Deferred Inflows of Resources		7,140				9		36
UND BALANCES								
Nonspendable		14,280		56				
Restricted		666,190		2,207		37,365		1,86
Assigned		129,782		840				2,84
Total Fund Balances		810,252		3,103		37,365		4,71
Total Liabilities, Deferred Inflows of Resources	¢	079 004	¢	4.046	¢	EE 000	¢	F 44
and Fund Balances	\$	978,004	\$	4,216	\$	55,690	\$	5,11

obacco ttlement	ommunity & Welfare Services	 OC Parks	OC ana Point Harbor	 Housing Asset	ASSETS
\$ 14,535	\$ 108,751	\$ 97,781	\$ 67,978	\$ 12,912	Pooled Cash/Investments
					Restricted Cash and Investments with Trustee
	84				Investments
			25		Deposits In-Lieu of Cash
					Receivables
	100	1,066	421		Accounts
		1,330			Taxes
	172	163	110	21	Interest/Dividends
		7	2,083		Deposits
		(11)			Allowance for Uncollectible Receivables
	3,977	9		15	Due from Other Funds
	2,726	198	75		Due from Other Governmental Agencies
	240	4,166	227		Prepaid Costs
 	 6,403	 	 	 19,074	Notes Receivable, Net
\$ 14,535	\$ 122,453	\$ 104,709	\$ 70,919	\$ 32,022	Total Assets
\$    2,025  	\$ 2,508 68 70  1 17,524  773	\$ 2,973 767 1,463  1,370 2,511  19	\$ 1,242 537 64  2,938 711  101	\$    154 	LIABILITIES Accounts Payable Retainage Payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds Due to Component Unit Due to Other Governmental Agencies
	410	1,654	2		Unearned Revenue
 	 	 	 	 	Advances from Other Funds
 2,025	 21,354	 10,757	 5,595	 154	Total Liabilities
					DEFERRED INFLOWS OF RESOURCES
	992				Unavailable Revenue - Intergovernmental Revenues
		945			Unavailable Revenue - Property Taxes
					Unavailable Revenue - Long-Term Notes Receivables
					Unavailable Revenue - Other
 	 992	 945	 	 	Total Deferred Inflows of Resources
 		 			FUND BALANCES
	o	4 4 6 6	007		Newswardship
	240	4,166	227		Nonspendable
12,510	58,663	76,842	65,097	31,868	Restricted
 	 41,204	 11,999	 	 	Assigned
 12,510	 100,107	 93,007	 65,324	 31,868	Total Fund Balances
\$ 14,535	\$ 122,453	\$ 104,709	\$ 70,919	\$ 32,022	Total Liabilities, Deferred Inflows of Resources and Fund Balances

#### COMBINING BALANCE SHEET (Continued) NONMAJOR GOVERNMENTAL FUNDS

-			Spec	ial Revenue				
	Cou Admir	edule I unty - histered ounts	-	C Public ibraries	Adj	lan of ustment able Cash	alth Care rograms	Roads
ASSETS								
Pooled Cash/Investments	\$	15	\$	36,394	\$	2,378	\$ 50,432	\$ 101,324
Restricted Cash and Investments with Trustee								
Investments								
Deposits In-Lieu of Cash								
Receivables								
Accounts				25				145
Taxes				969				
Interest/Dividends				58		4		188
Deposits								69
Allowance for Uncollectible Receivables								(4)
Due from Other Funds				90		11,222		1,820
Due from Other Governmental Agencies				30			713	6,221
Prepaid Costs				4,168				3,827
Notes Receivable, Net							 	 
Total Assets	\$	15	\$	41,734	\$	13,604	\$ 51,145	\$ 113,590

# LIABILITIES

Accounts Payable	\$ 	\$ 291	\$ 	\$ 	\$ 6,926	
Retainage Payable		25			690	
Salaries and Employee Benefits Payable		1,469			1,230	
Interest Payable						
Deposits from Others		447			34,308	
Due to Other Funds		4,615		7,503	2,585	
Due to Component Unit				2		
Due to Other Governmental Agencies		6		4,629	41	
Unearned Revenue		13		5,073	12,569	
Advances from Other Funds	 	 	 	 		-
Total Liabilities	 	 6,866	 	 17,207	58,349	-
DEFERRED INFLOWS OF RESOURCES Unavailable Revenue - Intergovernmental Revenues Unavailable Revenue - Property Taxes Unavailable Revenue - Long-Term Notes Receivables Unavailable Revenue - Other Total Deferred Inflows of Resources	     	  666   666	 	    	4,148    4,148	_
FUND BALANCES						
Nonspendable		4,168			3,827	
Restricted	15	30,034	13,604	20,350	47,266	
Assigned				13,588		
Total Fund Balances	 15	 34,202	 13,604	 33,938	51,093	
Total Liabilities, Deferred Inflows of Resources						
and Fund Balances	\$ 15	\$ 41,734	\$ 13,604	\$ 51,145	\$ 113,590	=

	Special	Revenu	e		C	ebt Service			
Н	ge County lousing uthority	Gove	Other ernmental sources	Teeter Plan Notes	Publ Co	nge County ic Facilities rporation Bonds, ster Lease	0	<sup>D</sup> ension Ibligation Bonds	ASSETS
									ASSETS
\$	11,205 3,559 	\$	1,194  	\$ 30,716 25 	\$	 3,154 	\$	107 100,493 	Pooled Cash/Investments Restricted Cash and Investments with Trustee Investments
	-								Deposits In-Lieu of Cash Receivables
	497			 17,854					Accounts Taxes
	18		1	62					Interest/Dividends Deposits
	(69)								Allowance for Uncollectible Receivables
	270 772								Due from Other Funds Due from Other Governmental Agencies
	1,403								Prepaid Costs
¢	2,055	¢			•	3,154	¢		Notes Receivable, Net
<u>\$</u>	19,710	\$	1,195	<u>\$ 48,657</u>	\$	3,154	\$	100,600	Total Assets
									LIABILITIES
\$	725	\$		\$	\$		\$		Accounts Payable
									Retainage payable
	441			 24					Salaries and Employee Benefits Payable Interest Payable
									Deposits from Others
	1,669			1				2	Due to Other Funds
									Due to Component Unit
	1								Due to Other Governmental Agencies
									Unearned Revenue Advances from Other Funds
	2,836			25				2	Total Liabilities
		. <u> </u>							DEFERRED INFLOWS OF RESOURCES
									Unavailable Revenue - Intergovernmental Revenues
									Unavailable Revenue - Property Taxes
									Unavailable Revenue - Long-Term Notes Receivables
									Unavailable Revenue - Other
					·				Total Deferred Inflows of Resources
									FUND BALANCES
	1,403								Nonspendable
	15,471		1,195	20,935		3,154		100,598	Restricted
	 16,874		1,195	27,697 48,632		3,154		100,598	Assigned Total Fund Balances
\$	19,710	\$	1,195	\$ 48,657	\$	3,154	\$	100,600	Total Liabilities, Deferred Inflows of Resources and Fund Balances
	_		_			_		_	

#### COMBINING BALANCE SHEET (Continued) NONMAJOR GOVERNMENTAL FUNDS

		Debt	Service		 Capital	Projects	3	Per	manent
ASSETS	Publ	outh OC ic Financing Authority	Publi	nge County ic Financing Authority	ninal Justice Facilities	Сар	ountywide ital Projects n-General Fund	Regional Park Endowment	
Pooled Cash/Investments	\$		\$		\$ 13,841	\$	29,258	\$	336
Restricted Cash and Investments with Trustee		63,994		55,564					
Investments									
Deposits In-Lieu of Cash Receivables									
Accounts									
Taxes									
Interest/Dividends					21				1
Deposits									
Allowance for Uncollectible Receivables									
Due from Other Funds					6,099		5,405		
Due from Other Governmental Agencies					420				
Prepaid Costs									
Notes Receivable, Net					 				
Total Assets	\$	63,994	\$	55,564	\$ 20,381	\$	34,663	\$	337
LIABILITIES									
Accounts Payable	\$		\$		\$ 1,381	\$	3,034	\$	
Retainage payable					330				
Salaries and Employee Benefits Payable									
Interest Payable									
Deposits from Others									
Due to Other Funds		3,050			340		16		
Due to Component Unit									

Due to Component Unit					
Due to Other Governmental Agencies			23		
Unearned Revenue					
Advances from Other Funds			7,800		
Total Liabilities	3,050		9,874	3,050	
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Intergovernmental Revenues					
Unavailable Revenue - Property Taxes					
Unavailable Revenue - Long-Term Notes Receivables					
Unavailable Revenue - Other			12		
Total Deferred Inflows of Resources			12		
FUND BALANCES					
Nonspendable					193
Restricted	60,944	55,564	10,495		144
Assigned				31,613	
Total Fund Balances	60,944	55,564	10,495	31,613	337
Total Liabilities, Deferred Inflows of Resources					
and Fund Balances	\$ 63,994	\$ 55,564	\$ 20,381	\$ 34,663	\$ 337



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

Revenues	Total Ionmajor vernmental Funds		artina	Service Area, Lighting, Maintenance,	C	
Revenues	\$	Γ¢	arking acilities	& Assessment Districts	Envir	Other onmental agement
	\$					
Taxes	114,697	\$		\$ 589	\$	
Licenses, Permits, and Franchises	1,985					
Fines, Forfeitures and Penalties	12,459					
Use of Money and Property	57,012		11,727	464		429
Intergovernmental	354,620		1,457	88,704		537
Charges for Services	52,077		303	29		549
Other	34,747		41	4		216
Total Revenues	 627,597		13,528	89,790		1,731
Expenditures						
Current						
General Government	85,385			57,342		91
Public Protection	2,525					99
Public Ways and Facilities	92,348		7,574	184		188
Health and Sanitation	1,103					
Public Assistance	180,386					
Education	43,928					
Recreation and Cultural Services	100,381					
Capital Outlay	62,583					72
Debt Service						
Principal Retirement	113,484					
Interest	35,578					
Total Expenditures	 717,701		7,574	57,526		450
Excess (Deficit) of Revenues	 ,			·		
Over Expenditures	(90,104)		5,954	32,264		1,281
Other Financing Sources (Uses)						
Transfers In	137,283					
Transfers Out	(93,199)		(3,770)	(1)		
Debt Issued	127,494					
Premium on Debt Issued	11,724					
Total Other Financing Sources (Uses)	 183,302		(3,770)	(1)		
Net Change in Fund Balances	93,198		2,184	32,263		1,281
Fund Balances - Beginning of Year	 717,054		919	5,102		3,429
Fund Balances - End of Year	\$ 810,252	\$	3,103	\$ 37,365	\$	4,710

	Tobacco settlement	We	nunity & elfare vices		OC Parks		OC Dana Point Harbor		Housing Asset	
\$		\$		\$	66,375	\$		\$		Revenues Taxes
Ψ		Ψ	757	Ψ	412	Ψ	10	Ψ		Licenses, Permits, and Franchises
					47		254			Fines, Forfeitures and Penalties
	128		1,362		11,240		26,148		267	Use of Money and Property
			31,879		3,209		20, 140			Intergovernmental
			3,081		9,209 9,240		1,021			Charges for Services
	25,946		1,043		9,240 1,530		89		35	Other
	25,940	·	38,122		92,053		27,532		302	Total Revenues
	26,074	·	38,122	·	92,053		27,532		302	l otal Revenues
										Expenditures
										Current
	11									General Government
			2,426							Public Protection
										Public Ways and Facilities
										Health and Sanitation
			22,465						576	Public Assistance
										Education
					77,039		23,342			Recreation and Cultural Services
			548		7,851		1,084			Capital Outlay
										Debt Service
										Principal Retirement
										Interest
	11		25,439		84,890		24,426		576	Total Expenditures
										Excess (Deficit) of Revenues
	26,063		12,683		7,163		3,106		(274)	Over Expenditures
										Other Financing Sources (Uses)
	11		19,647		1,300					Transfers In
	(25,643)		(25,161)		(132)		(18)			Transfers Out
										Debt Issued
										Premium on Debt Issued
	(25,632)	·	(5,514)		1,168		(18)			Total Other Financing Sources (Uses)
	431		7,169		8,331		3,088		(274)	Net Change in Fund Balances
	12,079		92,938		84,676		62,236		32,142	Fund Balances - Beginning of Year
\$	12,510	\$	100,107	\$	93,007	\$	65,324	\$	31,868	Fund Balances - End of Year
<u> </u>	1-	<u> </u>		<u> </u>	,	<u> </u>		<u> </u>	. ,	

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

C Adm Ac	nedule I ounty - inistered counts 	OC Public Libraries	Plan of Adjustment Available Cash	Health Care Programs	Roads
_		\$ 47 733			
Revenues		\$ 47 733			
Taxes \$		φ 47,700	\$	\$	\$
Licenses, Permits, and Franchises					806
Fines, Forfeitures and Penalties		8		8,293	7
Use of Money and Property	9	386	40	396	780
Intergovernmental		439		6,206	66,105
Charges for Services		1,197		1,230	35,219
Other		654	2,344	1	1,819
Total Revenues	9	50,417	2,384	16,126	104,736
Expenditures					
Current					
General Government	6,029		20,879		
Public Protection					
Public Ways and Facilities					84,402
Health and Sanitation				1,103	
Public Assistance					
Education		43,928			
Recreation and Cultural Services					
Capital Outlay		284			30,578
Debt Service					
Principal Retirement		14			
Interest		1			
Total Expenditures	6,029	44,227	20,879	1,103	114,980
Excess (Deficit) of Revenues					
Over Expenditures	(6,020)	6,190	(18,495)	15,023	(10,244)
Other Financing Sources (Uses)					
Transfers In			11,222	127	
Transfers Out	(1)	(46)		(14,626)	(465)
Debt Issued					
Premium on Debt Issued					
Total Other Financing Sources (Uses)	(1)	(46)	11,222	(14,499)	(465)
Net Change in Fund Balances	(6,021)	6,144	(7,273)	524	(10,709)
Fund Balances - Beginning of Year	6,036	28,058	20,877	33,414	61,802
Fund Balances - End of Year \$	15	\$ 34,202	\$ 13,604	\$ 33,938	\$ 51,093

 Special	Revenue		Debt S	Servi	ce	
ange County Housing Authority	Other Governmental Resources	Teeter Plan Notes	Orange County Public Facilities Corporation Bonds, Master Lease		Pension Obligation Bonds	
						Revenues
\$ 	\$	\$	\$	\$		Taxes
						Licenses, Permits, and Franchises
						Fines, Forfeitures and Penalties
159	10	315	69		2,149	Use of Money and Property
156,074						Intergovernmental
13	195					Charges for Services
 878	62	1				Other
 157,124	267	316	69		2,149	Total Revenues
						Expenditures
						Current
	3	210			44	General Government
						Public Protection
						Public Ways and Facilities
						Health and Sanitation
157,345						Public Assistance
						Education
						Recreation and Cultural Services
20						Capital Outlay
						Debt Service
		74,561	482		8,087	Principal Retirement
		347	2,121		28,968	Interest
 157,365	3	75,118	2,603		37,099	Total Expenditures
						Excess (Deficit) of Revenues
(241)	264	(74,802)	(2,534)		(34,950)	Over Expenditures
						Other Financing Sources (Uses)
			2,401			Transfers In
(75)	(2)					Transfers Out
		70,929				Debt Issued
 						Premium on Debt Issued
 (75)	(2)	70,929	2,401	·		Total Other Financing Sources (Uses)
(316)	262	(3,873)	(133)		(34,950)	Net Change in Fund Balances
 17,190	933	52,505	3,287		135,548	Fund Balances - Beginning of Year
\$ 16,874	\$ 1,195	\$ 48,632	\$ 3,154	\$	100,598	Fund Balances - End of Year

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

	Deb	ot 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			3,850		
Use of Money and Property	2	669	100	160	3
Intergovernmental					
Charges for Services					
Other			79		5
Total Revenues	2	669	4,029	160	8
Expenditures					
Current					
General Government	271			505	
Public Protection					
Public Ways and Facilities					
Health and Sanitation					
Public Assistance					
Education					
Recreation and Cultural Services					
Capital Outlay			12,791	9,355	
Debt Service			,	,	
Principal Retirement	4,920	25,420			
Interest	906	3,235			
Total Expenditures	6,097	28,655	12,791	9,860	·
Excess (Deficit) of Revenues					
Over Expenditures	(6,095	) (27,986)	(8,762)	(9,700)	8
Other Financing Sources (Uses)					
Transfers In	5,826	43,749	17,221	35,779	
Transfers Out	(10,820	,	(3,634)	(7,831)	
Debt Issued	56,565	, (0,1)	(0,001)	(1,001)	
Premium on Debt Issued	11,724				
Total Other Financing Sources (Uses)	63,295	42,775	13,587	27,948	
Net Change in Fund Balances	57,200	14,789	4,825	18,248	8
Fund Balances - Beginning of Year	3,744	40,775	5,670	13,365	329
Fund Balances - End of Year	\$ 60,944	\$ 55,564	\$ 10,495	\$ 31,613	\$ 337
	· · · · · ·				



	Original Budget		Final Budget	Actual on Budgetary Basis	F	′ariance Positive legative)
Parking Facilities						
Revenues and Other Financing Sources						
Use of Money and Property	\$ 2,983	3	\$ 6,567	\$ 5,830	\$	(737)
Charges for Services	3,779	9	235	303		68
Other	16		16	41		25
Total Revenues and Other Financing Sources	6,778	3	6,818	6,174		(644)
Expenditures and Other Financing Uses						
Public Ways and Facilities:	0.770		0.040	E 0.55		000
Parking Facilities Total Expenditures and Other Financing Uses	6,778		6,818 6,818	<u> </u>		963 963
Excess (Deficit) of Revenues and Other Financing	0,110	<u> </u>	0,010	0,000	·	500
Sources Over Expenditures and Other Financing Uses	-	-		319	\$	319
Fund Balances - Beginning of Year	1,292		1,292	1,292		
Net Decrease in Fund Balances - Non-Budgeted Fund		1)	(774)	(774)		
Fund Balances - End of Year	\$ 518	3	\$ 518	\$ 837		
Service Area, Lighting, Maintenance and Assessment Districts						
Revenues and Other Financing Sources	•		•		<u>^</u>	
Taxes	\$ 569		\$ 569	\$ 589	\$	20
Use of Money and Property	10		16 4	310 4		294
Intergovernmental Charges for Services	29		4 29	4 29		
Other	98		98	4		(94)
Premiums on Bonds Issued				5,803		5,803
Bond Issuance Proceeds	-	-	85,000	82,896		(2,104)
Total Revenues and Other Financing Sources	710	)	85,716	89,635		3,919
Expenditures and Other Financing Uses						
General Government:		-				
Special Assessment-Top of the World Improvement	55		55			55
CFD 2002-1 Ladera Construction	-		741	741		
CFD 2004-1 Ladera Construction	2	-	1,441	1,437		4
CFD 2015-1 RMV (Village of Esencia) Construction Public Ways and Facilities:		-	85,000	55,163		29,837
North Tustin Landscaping and Lighting Assessment District	2,996	3	2,996	136		2,860
County Service Area No. 13- La Mirada	2,000		2,000	9		2,000
County Service Area No. 20- La Habra	200		200	1		199
County Service Area No. 22- East Yorba Linda	105		120	39		81
Total Expenditures and Other Financing Uses	3,378	3	90,571	57,526		33,045
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(2,668	3)	(4,855)	32,109	\$	36,964
					<u> </u>	
Fund Balances - Beginning of Year Fund Balances - End of Year	<u>5,100</u> \$ 2,432		<u>5,100</u> \$ 245	<u>5,100</u> \$ 37,209	-	
	ψ 2,432	<u> </u>	ψ 243	φ 57,209		
<u>Other Environmental Management</u> Revenues and Other Financing Sources						
Use of Money and Property	\$ 399	9	\$ 399	\$ 418	\$	19
Intergovernmental	249		249	537		288
Charges for Services	75		75	549		474
Other Total Revenues and Other Financing Sources	169 892		169 892	216 1,720		47 828
Expenditures and Other Financing Uses General Government:						
Real Estate Development Program	419	3	1,129	41		1,088
Air Quality Improvement	358		603	122		481
Public Protection:	000	-		122		
Survey Monument Preservation	331	1	331	100		231
Public Ways and Facilities: El Toro Improvement Fund	335	5	335	188		147
Total Expenditures and Other Financing Uses	1,443		2,398	451		1,947
Excess (Deficit) of Revenues and Other Financing		<u> </u>	2,000			1,0-1
Sources Over Expenditures and Other Financing Uses	(551	1)	(1,506)	1,269	\$	2,775
Fund Balances - Beginning of Year	3,427	7	3,427	3,427		
Fund Balances - End of Year	\$ 2,876		\$ 1,921	\$ 4,696	•	
	Ψ 2,070	<u> </u>	Ψ 1,0 <b>∠</b> 1	÷ 7,090		

	Orig	jinal Budget	<u></u>	Final Budget	Actual on Budgetary Basis		Variance Positive Negative)
Tobacco Settlement							
Revenues and Other Financing Sources	¢	25 709	¢	25 709	¢ 25.046	¢	220
Other Total Revenues and Other Financing Sources	\$	25,708 25,708	\$	25,708 25,708	\$ 25,946 25,946	\$	238 238
Expenditures and Other Financing Uses							
General Government:							
Orange County Tobacco Settlement Fund Total Expenditures and Other Financing Uses		34,690 34,690		37,752 37,752	25,529 25,529		12,223
Excess (Deficit) of Revenues and Other Financing		34,090		51,152	25,529		12,223
Sources Over Expenditures and Other Financing Uses		(8,982)		(12,044)	417	\$	12,461
Fund Balances - Beginning of Year		12,044		12,044	12,044	-	
Fund Balances - End of Year	\$	3,062	\$		\$ 12,461	•	
Community and Welfare Services							
Revenues and Other Financing Uses							
Licenses, Permits, and Franchises	\$	1,100	\$	1,100	\$ 757	\$	(343)
Use of Money and Property		822		822	1,093		271
Intergovernmental Charges for Services		41,431 3,506		41,431 3,506	29,754 3,081		(11,677)
Other		452		482	1,043		(425) 561
Transfers In		21,214		19,749	19,645		(104)
Total Revenues and Other Financing Sources		68,525		67,090	55,373		(11,717)
Expenditures and Other Financing Uses							
Public Assistance:		1,513		1,513	18		1.495
MHSA Housing Fund OC Animal Care Donations		1,515		30			30
Dispute Resolution Program		1,167		1,120	661		459
Domestic Violence Program		1,319		1,319	785		534
Facilities Development and Maintenance		12,343		12,343	394		11,949
Workforce Investment Act		23,297		22,918	14,729		8,189
County Executive Office- Single Family Housing		11,795		5,330	3,806		1,524
OC Housing		7,884		7,884	4,606		3,278
Strategic Priority Affordable Housing In-Home Support Services Public Authority		143 1,723		143 1,723	52 1,427		91 296
SSA Donations and Fees		1,723		1,248	831		417
SSA Wraparound		28,982		29,067	19.937		9,130
CalHome Program Reuse Fund		655		655	27		628
OC Animal Shelter Fund				5,000	2,853		2,147
SARC Lease Conveyance		330		330	329		1
Total Expenditures and Other Financing Uses Excess (Deficit) of Revenues and Other Financing		92,399		90,623	50,455		40,168
Sources Over Expenditures and Other Financing Uses		(23,874)		(23,533)	4,918	\$	28,451
Fund Balances - Beginning of Year		95,997		95,997	95,997		
Fund Balances - End of Year	\$	72,123	\$	72,464	\$ 100,915	=	
OC Parks Revenues and Other Financing Sources							
Taxes	\$	62,668	\$	62,668	\$ 66,366	\$	3,698
Licenses, Permits, and Franchises		205		205	412		207
Fines, Forfeitures and Penalties Use of Money and Property		10 9,576		10 9,576	47 11,025		37 1,449
Intergovernmental		6,496		6,496	3,209		(3,287)
Charges for Services		7,019		7,019	9,240		2,221
Other Transfers In		1,305		1,305	1,384		79
Total Revenues and Other Financing Sources		14,535 101,814		<u>19,310</u> 106,589	<u>19,310</u> 110,993		4,404
Expenditures and Other Financing Sources							
Recreation and Cultural Services: County Tidelands - Newport Bay		6,272		6,272	4,159		2,113
OC Parks		94,398		98,398	87,136		11,262
OC Capital		26,576		32,733	11,452		21,281
Total Expenditures and Other Financing Uses		127,246		137,403	102,747		34,656
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(25,432)		(30,814)	8,246	\$	39,060
Fund Balances - Beginning of Year		83,711		83,711	83,711		
Fund Balances - End of Year	\$	58,279	\$	52,897	\$ 91,957	-	
				<u> </u>		-	

	Origi	nal Budget		Final Budget		ctual on letary Basis	I	/ariance Positive legative)
OC Dana Point Harbor								
Revenues and Other Financing Sources								
Licenses, Permits, and Franchises Fines, Forfeitures and Penalties	\$	10	\$	10	\$	10	\$	
Use of Money and Property		113 24,183		113 24,183		254 25,734		141 1,551
Intergovernmental		24,103		24,105		23,734		1,551
Charges for Services		745		745		1,021		276
Other		82		82		82		
Transfers In		300		3,244		2,944		(300)
Total Revenues and Other Financing Sources		25,433		28,377		30,055		1,678
Expenditures and Other Financing Uses Recreation and Cultural Services:								
OC Dana Point Harbor		36,888		36,888		24,568		12,320
Dana Point Marina Department of Boating and Waterways		0.040		0.047		0.045		000
Emergency Repair Fund		3,243		3,247		2,945		302
Total Expenditures and Other Financing Uses		40,131	· —	40,135		27,513		12,622
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(14,698)		(11,758)		2,542	\$	14,300
Fund Balances - Beginning of Year		62,591		62,591		62.591		
Fund Balances - End of Year	\$	47,893	\$	50,833	\$	65,133		
	<u> </u>	41,000	· -	00,000	Ψ	00,100		
Housing Asset								
Revenues and Other Financing Sources	•	000	•	000	•	000	•	04
Use of Money and Property	\$	208	\$	208	\$	239	\$	31
Other Total Revenues and Other Financing Sources		95 303		<u>95</u> 303		<u>121</u> 360		<u>26</u> 57
								0.
Expenditures and Other Financing Uses Public Assistance:								
Orange County Development Agency Housing Asset		6,911		6.911		576		(6,335)
Total Expenditures and Other Financing Uses		6,911		6,911		576		(6,335)
Excess (Deficit) of Revenues and Other Financing		0,011		0,011		5/10		(0,000)
Sources Over Expenditures and Other Financing Uses		(6,608)		(6,608)		(216)	\$	(6,278)
Fund Balances - Beginning of Year		32,134		32,134		32,134		
Fund Balances - End of Year	\$	25,526	\$	25,526	\$	31,918		
Cale a dula I. Caunto. A duriniata and A accounts								
Schedule I County-Administered Accounts								
Revenues and Other Financing Sources	¢	20	¢	20	¢	40	¢	(0)
Use of Money and Property Total Revenues and Other Financing Sources	ð	20 20	\$	20	\$	<u>12</u> 12	þ	(8)
Total Revenues and Other Financing Sources		20	·	20		12		(0)
Expenditures and Other Financing Uses General Government:								
Indemnification Reserve		1,397		1,397		1,392		5
Litigation Reserve		4,655		4,655		4,637		18
Total Expenditures and Other Financing Uses		6,052		6,052		6,029		23
Excess (Deficit) of Revenues and Other Financing		,	·	· · · · ·		· · ·		
Sources Over Expenditures and Other Financing Uses		(6,032)		(6,032)		(6,017)	\$	(31)
Fund Balances - Beginning of Year		6,032		6,032		6,032		
Fund Balances - End of Year	\$		\$		\$	15		
	<u> </u>		: —					

	Origi	nal Budget		Final Budget		octual on getary Basis		Variance Positive Negative)
OC Public Libraries								
Revenues and Other Financing Sources								
Taxes	\$	43,104	\$	43,104	\$	47,725	\$	4,621
Licenses, Permits, and Franchises		186		186				(186)
Fines, Forfeitures and Penalties		19		19		8		(11)
Use of Money and Property		166		166		305		139
Intergovernmental		562 1,064		562 1,064		439 1,197		(123) 133
Charges for Services Other		633		633		654		21
Transfers In		1,550		1,550		1,550		21
Total Revenues and Other Financing Sources		47,284		47,284		51,878		4,594
Expenditures and Other Financing Uses Education:								
OC Public Libraries - Capital		3,752		3,854		389		3,465
OC Public Libraries		53,586		58,300		45,583		12,717
Total Expenditures and Other Financing Uses		57,338		62,154		45,972		16,182
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(10,054)		(14,870)		5,906	\$	20,776
		,					Ť.	
Fund Balances - Beginning of Year		27,882	. <u> </u>	27,882		27,882		
Fund Balances - End of Year	\$	17,828	\$	13,012	\$	33,788		
Plan of Adjustment Available Cash Revenues and Other Financing Sources								
Use of Money and Property	\$	20	\$	20	\$	34	\$	14
Other	Ψ		Ψ		Ψ	2,344	Ψ	2,344
Transfers In		3,274		11,509		11,222		(287)
Total Revenues and Other Financing Sources		3,294	_	11,529		13,600		2,071
Expenditures and Other Financing Sources General Government:								
Recovery Plan of Adjustment Available Cash		3,294		32,403		20,879		11,524
Total Expenditures and Other Financing Uses		3,294		32,403		20,879	-	11,524
Excess (Deficit) of Revenues and Other Financing							_	
Sources Over Expenditures and Other Financing Uses				(20,874)		(7,279)	\$	13,595
Fund Balances - Beginning of Year		20,876		20,876		20,876		
Fund Balances - End of Year	\$	20,876	\$	2	\$	13,597		
<u>Health Care Programs</u> Revenues and Other Financing Sources								
Fines, Forfeitures and Penalties	\$	9,727	\$	9,727	\$	8,292	\$	(1,435)
Use of Money and Property		140		140		165		25
Intergovernmental		5,824		8,324		6,206		(2,118)
Charges for Services		1,372		1,372		1,230		(142)
Other		260		235		1		(234)
Transfers In Total Revenues and Other Financing Sources		410		635 20,433		<u>110</u> 16,004		(525) (4,429)
Expenditures and Other Financing Uses				<u> </u>		,		<u>, , , , ,</u>
Health and Sanitation:		4 007		4 007		4 000		200
Medi-Cal Administrative Activities Targeted Case Management		1,607		1,627		1,229		398 1 818
Emergency Medical Services HCA Purpose Restricted Revenues		9,795 2,479		9,795 2,679		7,977 1,088		1,818 1,591
HCA Interest Bearing Purpose Restricted Revenues		2,479		2,679		43		63
Bioterrorism Center for Disease Control		4,421		7,053		5,206		1,847
Total Expenditures and Other Financing Uses		18,408	·	21,260		15,543		5,717
Excess (Deficit) of Revenues and Other Financing		2, .20		,0				.,
Sources Over Expenditures and Other Financing Uses		(675)		(827)	\$	461	\$	1,288
Fund Balances - Beginning of Year		33,396		33,396		33,396		
Fund Balances - End of Year	\$	32,721	\$	32,569	\$	33,857		

	Original Budget			Final Budget		Actual on Budgetary Basis		Variance Positive (Negative)	
Roads									
Revenues and Other Financing Sources									
Licenses, Permits, and Franchises	\$	472	\$	472	\$	806	\$	334	
Fines, Forfeitures and Penalties		6		6		7		1	
Use of Money and Property		258		258		572		314	
Intergovernmental		69,540		69,552		52,099		(17,453)	
Charges for Services		20,783		37,409		35,407		(2,002)	
Other		38,204		38,204		1,803		(36,401)	
Transfers In		19,316		19,316				(19,316)	
Total Revenues and Other Financing Sources		148,579		165,217		90,694		(74,523)	
Expenditures and Other Financing Uses									
Public Ways and Facilities:									
OC Road		132,369		137,750		86,251		51,499	
Foothill Circulation Phasing Plan		1,079		1,079		712		367	
South County Roadway Improve Prog (SCRIP)		7,481		54,060		28,647		25,413	
Total Expenditures and Other Financing Uses		140,929		192,889	-	115,610		77,279	
Excess (Deficit) of Revenues and Other Financing					-				
Sources Over Expenditures and Other Financing Uses		7,650		(27,672)		(24,916)	\$	2,756	
Fund Balances - Beginning of Year		76,943		76,943		76,943			
Fund Balances - End of Year	\$	84,593	\$	49,271	\$	52,027			
						· · · · ·			
Orange County Housing Authority									
Revenues and Other Financing Sources									
Use of Money and Property	\$	108	\$	108	\$	134	\$	26	
Intergovernmental		164,546		164,562		156,071		(8,491)	
Charges for Services		3		3		13		10	
Other		1,142		1,142		878		(264)	
Total Revenues and Other Financing Sources		165,799		165,815		157,096	_	(8,719)	
Expenditures and Other Financing Uses Public Assistance:									
Orange County Housing Authority-Operating Reserve		3,092		3,092		1,280		1,812	
Orange County Housing Authority		168,755		168,770		156,156		12,614	
Total Expenditures and Other Financing Uses		171,847		171,862		157,436		14,426	
Excess (Deficit) of Revenues and Other Financing		171,047		171,002		137,430		14,420	
Sources Over Expenditures and Other Financing Uses		(6,048)		(6,047)		(340)	\$	5,707	
Fund Balances - Beginning of Year		17,186		17,186		17,186			
Fund Balances - End of Year	\$	11,138	\$	11,139	\$	16,846			
Other Governmental Resources									
Revenues and Other Financing Sources	•						•		
Use of Money and Property	\$	3	\$	3	\$	6	\$	3	
Charges for Services		30		30		196		166	
Other		24		24		62		38	
Transfers In		86		86				(86)	
Total Revenues and Other Financing Sources	. <u> </u>	143	·	143		264	—	121	
Expenditures and Other Financing Uses General Government:									
Remittance Processing Equipment Replacement		394		394		3		391	
Assessor Property Characteristic		30		30				30	
Deferred Compensation Reimbursement - CEO									
Total Expenditures and Other Financing Uses		424		424		3		421	
Excess (Deficit) of Revenues and Other Financing									
Sources Over Expenditures and Other Financing Uses		(281)		(281)		261	\$	542	
Fund Delenson Designing of Vee		000		000		000			
Fund Balances - Beginning of Year		932	_	932	<b>^</b>	932			
Fund Balances - End of Year	\$	651	\$	651	\$	1,193			

### BUDGETARY COMPARISON SCHEDULES NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE

	Origi	nal Budget	Fi	nal Budget	ctual on letary Basis	I	/ariance Positive legative)
Teeter Plan Notes							
Revenues and Other Financing Sources							
Fines, Forfeitures and Penalties	\$	10,500	\$	10,500	\$ 	\$	(10,500)
Use of Money and Property		200		200	242		42
Other Bond Issuance Proceeds		 81,535		 81,535	2 30,542		2 (50,993)
Total Revenues and Other Financing Sources		92,235	·	92,235	 30,542		(61,449)
Total Revenues and Other Financing Sources		92,235		92,235	30,780		(01,449)
Expenditures and Other Financing Uses							
General Government:							
Teeter Series A Debt Service		97,235		97,235	 34,731		62,504
Total Expenditures and Other Financing Uses		97,235		97,235	 34,731		62,504
Excess (Deficit) of Revenues and Other Financing							
Sources Over Expenditures and Other Financing Uses		(5,000)		(5,000)	(3,945)	\$	1,055
Fund Balances - Beginning of Year		52,469		52,469	52,469		
Fund Balances - End of Year	\$	47,469	\$	47,469	\$ 48,524		
Pension Obligation Bonds							
Revenues and Other Financing Sources							
Use of Money and Property	\$	19,807	\$	19,807	\$ 19,808	\$	1
Total Revenues and Other Financing Sources		19,807		19,807	 19,808		11
Expenditures and Other Financing Uses							
General Government:							
Pension Obligation Bonds Debt Service		37,101		37,101	 37,099		2
Total Expenditures and Other Financing Uses		37,101		37,101	 37,099		2
Excess (Deficit) of Revenues and Other Financing							_
Sources Over Expenditures and Other Financing Uses		(17,294)		(17,294)	(17,291)	\$	3
Fund Balances - Beginning of Year		63,634		63,634	63,634		
Fund Balances - End of Year	\$	46,340	\$	46,340	\$ 46,343		

#### BUDGETARY COMPARISON SCHEDULES NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS

	Origi	inal Budget		Final Budget	Bu	Actual on dgetary Basis		Variance Positive (Negative)
Criminal Justice Facilities								
Revenues and Other Financing Sources								
Fines, Forfeitures and Penalties	\$	4,198	\$	4,198	\$	3,849	\$	(349)
Use of Money and Property		26		26		75		49
Charges for Services		300		300				(300)
Other		66		66		79		13
Transfers In		25,158		32,446		21,222		(11,224)
Total Revenues and Other Financing Sources		29,748		37,036		25,225		(11,811)
Expenditures and Other Financing Uses Public Protection:								
Criminal Justice Facilities Accumulated Capital Outlay		8,334		9,578		7,365		2,213
Courthouse Temporary Construction		3,943		3,943		3,687		256
Sheriff-Coroner Construction and Facility Development		19,071		18,366		5,518		12,848
Total Expenditures and Other Financing Uses		31,348		31,887		16,570		15,317
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(1,600)		5,149		8,655	\$	3,506
Fund Balances - Beginning of Year		5,806		5,806		5,806		
Fund Balances - End of Year	\$	4,206	\$	10,955	\$	14,461		
Countywide Capital Projects Non-General Fund Revenues and Other Financing Sources								
Transfers In	\$		\$	40,989	\$	35,770	\$	(5,219)
Bond Issuance Proceeds	÷	65,332	Ŷ	45,759	Ť		Ť	(45,759)
Total Revenues and Other Financing Sources		65,332		86,748		35,770	·	(50,978)
Expenditures and Other Financing Uses Capital Improvements:								
Countywide Capital Projects Non-General		78,023		83,754		17,576		66,178
Total Expenditures and Other Financing Uses		78.023		83.754		17,576		66,178
Excess (Deficit) of Revenues and Other Financing		- ,				,		,
Sources Over Expenditures and Other Financing Uses		(12,691)		2,994		18,194	\$	15,200
Fund Balances - Beginning of Year		13,363		13,363		13,363		
Fund Balances - End of Year	\$	672	\$	16,357	\$	31,557	-	

### BUDGETARY COMPARISON SCHEDULE NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUND

	Original Budget Final Budget		inal Budget	Actual on Budgetary Basis		Po	iance sitive gative)	
Regional Park Endowment								
Revenues and Other Financing Sources								
Use of Money and Property	\$	1	\$	1	\$	2	\$	1
Other		2		2		5		3
Total Revenues and Other Financing Sources		3		3		7		4
Expenditures and Other Financing Uses								
Public Ways and Facilities:								
Limestone Regional Park Mitigation Maintenance Endowment		3		3		1		2
Total Expenditures and Other Financing Uses		3		3		1		2
Excess (Deficit) of Revenues and Other Financing Sources								
Over Expenditures and Other Financing Uses						6	\$	6
Fund Balances - Beginning of Year		173		173		173		
Fund Balances - End of Year	\$	173	\$	173	\$	179		



# 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, the wellness program, and flexible spending accounts.

### 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.

#### **Reprographics**

This fund is used to account for printing and graphic services, which are provided to departments and agencies on a cost-reimbursement basis.

#### Information and Technology

This fund is used to account for voice and data services to departments and agencies on a costreimbursement basis.

### COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

	T			h and Other If-Insured	HMO Health		
ASSETS		Total	Emplo	yee Benefits		Insurance	
Current Assets							
Pooled Cash/Investments	\$	230,786	\$	30,299	\$	2,809	
Imprest Cash Funds Restricted Cash and Investments with Trustee		133 10		125 10			
Receivables		10		10			
Accounts		118		6		8	
Interest/Dividends		383		52			
Allowance for Uncollectible Receivables		(62)					
Due from Other Funds Due from Other Governmental Agencies		2,583 655		700 293			
Inventory of Materials and Supplies		412		295			
Prepaid Costs		1,613					
Total Current Assets		236,631		31,485		2,817	
Noncurrent Assets							
Capital Assets							
Construction in Progress Structures and Improvements		899 11,788					
Accumulated Depreciation		(6,110)					
Equipment		119,648					
Accumulated Depreciation		(73,906)					
Total Capital Assets		52,319					
Total Assets		288,950		31,485		2,817	
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources Related to Pension		11,484					
Total Deferred Outflows of Resources	_	11,484					
LIABILITIES							
Current Liabilities							
Accounts Payable		21,012		290			
Retainage Payable		3					
Salaries and Employee Benefits Payable		1,154					
Due to Other Funds		987		1			
Due to Other Governmental Agencies		5					
Insurance Claims Payable		60,214		12,978			
Compensated Employee Absences Payable Capital Lease Obligations Payable		1,151 6,900					
Total Current Liabilities		91,426		13,269			
		01,120		10,200			
Noncurrent Liabilities							
Insurance Claims Payable		159,282					
Compensated Employee Absences Payable		963					
Capital Lease Obligations Payable		6,900					
Net Pension Liability		42,523					
Total Noncurrent Liabilities		209,668					
Total Liabilities	_	301,094		13,269			
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources Related to Pension		4,410					
Total Deferred Inflows of Resources	_	4,410					
NET POSITION							
Net Investment in Capital Assets		38,519					
Unrestricted		(43,589)		18,216		2,817	
Total Net Position	\$	(5,070)	\$	18,216	\$	2,817	
		<u> </u>		<u> </u>			

Life urance	Vorkers' npensation	nployment surance
\$ 122	\$ 74,550	\$ 10,037
	130	16 
	2	
 	 176	 
 122	 74,858	 10,053
	8	
 	 (8)	 
 122	 74,858	 10,053
	2 600	
 	 2,698	 
	1,418	23
	144 3	
	29,650	808
	148	
 	 31,363	 831
	130,040	
	128	
 	 8,580	 
 	 138,748	 
 	 170,111	 831
	896	
 	 896	 
 122	 (93,451)	 9,222
\$ 122	\$ (93,451)	\$ 9,222

### ASSETS

Current Assets
Pooled Cash/Investments
Imprest Cash Funds
Restricted Cash and Investments with Trustee
Receivables
Accounts
Interest/Dividends
Allowance for Uncollectible Receivables
Due from Other Funds
Due from Other Governmental Agencies
Inventory of Materials and Supplies
Prepaid Costs
Total Current Assets
Noncurrent Assets
Capital Assets
Construction in Progress
Structures and Improvements
Accumulated Depreciation
Equipment
Accumulated Depreciation
Total Capital Assets

Total Assets

#### DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Pension Total Deferred Outflows of Resources

#### LIABILITIES

Current Liabilities
Accounts Payable
Retainage Payable
Salaries and Employee Benefits Payable
Due to Other Funds
Due to Other Governmental Agencies
Insurance Claims Payable
Compensated Employee Absences Payable
Capital Lease Obligations Payable
Total Current Liabilities
Noncurrent Liabilities

Insurance Claims Payable
Compensated Employee Absences Payable
Capital Lease Obligations Payable
Net Pension Liability
Total Noncurrent Liabilities

Total Liabilities

#### DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources

#### NET POSITION

Net Investment in Capital Assets
 Unrestricted
 Total Net Position

### COMBINING STATEMENT OF NET POSITION (Continued) INTERNAL SERVICE FUNDS

ASSETS         Current Assets         S         50,093         S         10,139         S         2,251         S         40,346           Imprest Cash Funds         5         -         -         -         -         3           Restricted Cash not Investments with Trustee         -			roperty & sualty Risk	Tra	nsportation	Re	prographics	Information & Technology		
Powel CashInvestments         \$ 50,033         \$ 10,139         \$ 2,331         \$ 40,346           Impract Cash and Investments with Trustee         -         10         10         10         10         10         -         -         10         <	ASSETS									
Impres Cash Funds         5         -	Current Assets									
Restricted Cash and Investments with Trustee         - <td></td> <td>\$</td> <td></td> <td>\$</td> <td>19,139</td> <td>\$</td> <td>2,531</td> <td>\$</td> <td></td>		\$		\$	19,139	\$	2,531	\$		
Receivables         14         56         -         34           Interest/Dividends         89         18         3         75           Allowance for Uncollicible Receivables         (10)         (51)         -         (1)           Due from Other Funds         190         1.432         -         25         221           Due from Other Funds         20         43         85         202         16         26         261         -			5						3	
Accounts         14         56										
Interest/Dividends         89         18         3         75           Aloxance for Uncollecible Receivables         100         611         -         (11)           Due from Other Funds         20         33         85         202           Inventory of Materials and Supplies         -         412         -         -           Propia Costs         53.344         21.012         2,710         41.590           Construction in Progress         -         138         -         263           Construction in Progress         -         138         -         2632           Accumulated Depreciation         -         (25.453)         (12.23)         (47.211)           Total Assets         51.384         42.337         3.012         72.882           Deferred Outflows of Resources         779         3.455         611         3.941           Total Deferred Outflows of Resources         779         3.455         611         3.941           Accounts Payable         1.576         1.094         80         16.431           Retainage Payable         -         2         -         1         1           States and Employee Barefits Payable         -         2         -         <			14		56				34	
Due from Other Funds         100         1,422         -         281           Due from Other Governmental Agencies         20         53         85         202           Inventory of Materials and Supples         123         555         91         6770           Total Current Assets         51,384         21,612         2,710         41,990           Construction in Progress         -         138         -         2,802           Accountieted Depreciation         -         6,5278)         -         2,802           Accountieted Depreciation         -         (25,453)         (1,234)         (47,211)           Total Capital Assets         -         20,725         302         31,292           Total Assets         51,384         42,337         3,012         72,882           Deferred Outflows of Resources         779         3,455         611         3,941           Jasters and Emptoyee Benefits Payable         7         2         -         1           Accounts Payable         1,676         1,094         80         16,431           Retainage Payable         -         2         -         1           Accounts Payable         1,676         1,094         80         16,43							3			
Due from Other Governmental Agencies         20         53         95         202           Inventory of Materials and Supples         123         553         91         670           Total Costs         123         553         91         670           Total Current Assets         51,384         21,612         2,710         41,560           Noncurrent Assets         Capital Assets         -         761         -         6323         1         6370         -         6323         1         6370         -         6323         1         536         777         -         6323         1         6323         1         536         7772         3         6323         1         6323         1         536         7772         3         1         6323         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6324         1         6374         1         1         1         1         1         1         1         1 <td>Allowance for Uncollectible Receivables</td> <td></td> <td>(10)</td> <td></td> <td>(51)</td> <td></td> <td></td> <td></td> <td>(1)</td>	Allowance for Uncollectible Receivables		(10)		(51)				(1)	
Inventoy of Materias and Supplies         -         412         -         -           Prepaid Costs         123         553         91         670           Total Current Assets         51,384         21,612         2,710         41,580           Construction in Progress         -         138         -         761           Structures and Improvements         -         8,986         -         2,802           Accumulated Depreciation         -         (42,332)         1,536         75,772           Accumulated Depreciation         -         (25,453)         (12,24)         (47,211)           Total Assets         51,384         42,337         3,012         72,882           Deferred Outflows of Resources         779         3,455         611         3,941           Total Assets         51,384         42,337         3,012         72,882           Deferred Outflows of Resources         779         3,455         611         3,941           LABILITES         -         2         0         16,431           Retiange Payable         1,676         1,094         8,645         207           Due to Other Funds         45         6686         45         207 <t< td=""><td>Due from Other Funds</td><td></td><td>190</td><td></td><td>1,432</td><td></td><td></td><td></td><td>261</td></t<>	Due from Other Funds		190		1,432				261	
Prepart Costs         123         553         91         670           Total Current Assets         51,384         21,612         2,710         41,580           Noncurrent Assets         Capital Assets         -         761         -         761           Structures and Improvements         -         8,986         -         2,202         Accumulated Depreciation         -         6(32)         -         6(33)           Equipment         -         42,332         1,538         75,772         Accumulated Depreciation         -         (25,453)         (1,234)         (47,211)           Total Assets         -         20,725         302         31,292         31,292         Total Assets         -         20,725         302         31,292           Total Assets         51,384         42,337         3,012         72,882            Deferred Outflows of Resources         779         3,455         611         3,941          3,941          3,941          3,941          3,941          3,941          3,941         3,941          3,941         3,941         3,941         3,941         3,941         3,941         3,941 <td< td=""><td></td><td></td><td>20</td><td></td><td></td><td></td><td>85</td><td></td><td>202</td></td<>			20				85		202	
Total Current Assets         51,384         21,612         2,710         41,590           Noncurrent Assets         Construction in Progress         -         138         -         761           Structures and Improvements         -         8,966         -         2,802           Accountlated Depreciation         -         6(5,278)         -         (832)           Equipment         -         42,332         1,536         75,772           Accountlated Depreciation         -         (25,453)         (1,234)         (47,211)           Total Captal Assets         51,384         42,337         3,012         72,882           Deferred Outflows of Resources         779         3,455         611         3,941           Total Deferred Outflows of Resources         779         3,455         611         3,941           LABILITES         -         2         -         1         3           Current Liabilities         -         2         3         -         -           Accounts Payable         1,676         1,094         80         16,431           Retainage Payable         1,676         3         -         -           Accounts Payable         1,676         2										
Noncurrent Assets         Capital Assets           Capital Assets         Construction in Progress         -         138         -         761           Structures and Improvements         -         6,896         -         2,002         Accumulated Depreciation         -         (6,278)         -         (6,32)           Equipment         -         42,332         1,536         75,772         Accumulated Depreciation         -         (25,453)         (1,234)         (47,211)           Total Capital Assets         -         20,725         302         31,292           Total Assets         51,384         42,337         3,012         72,882           DeFerRED OUTFLOWS OF RESOURCES         -         20,725         611         3,841           Defored Outflows of Resources         779         3,455         611         3,841           Accounts Payable         1,676         1,094         80         16,431           Retainage Payable         79         3,455         611         3,841           Jasiaries and Employee Benefits Payable         79         3,455         611         3,941           Statiaries and Employee Absences Payable         16,778         -         -         -           Due to Othe	•									
Capital Assets         -         138         -         761           Structures and Improvements         -         8,986         -         2,002           Accumulated Depreciation         -         (6,278)         -         (632)           Equipment         -         (25,453)         (1,234)         (47,211)           Total Capital Assets         -         20,725         302         31,232           Total Capital Assets         -         20,725         302         31,232           Total Capital Assets         51,384         42,337         3,012         72,882           Deferred Outflows of Resources Related to Pension         779         3,455         611         3,941           Total Deferred Outflows of Resources         779         3,455         611         3,941           LIABILITES         -         2         -         1         1           Current Liabilities         -         2         -         1         1           Accounts Payable         1,676         1,094         80         16,431           Retainage Payable         1,677         -         -         -           Oure to Cher Funds         45         686         45         207	Total Current Assets		51,364		21,012		2,710		41,590	
Construction in Progress         -         138         -         761           Structures and Improvements         -         8,986         -         2,802           Accumulated Depreciation         -         42,332         1,536         75,772           Accumulated Depreciation         -         42,332         1,536         75,772           Accumulated Depreciation         -         220,725         302         31,292           Total Assets         51,384         42,337         3,012         72,882           Deferred Outflows of Resources Related to Pension         779         3,455         611         3,941           Total Deferred Outflows of Resources         779         3,455         611         3,941           IABLITIES         -         2         -         1         3,841           Current Liabilities         -         2         -         1         3,841           Accounts Payable         1,676         1,094         80         16,431           Retainage Payable         1,676         1,094         80         16,431           Retainage Payable         1,676         1,094         80         16,431           Retainage Payable         1,678         -										
Structures and Improvements         -         8,986         -         2,002           Accumulated Depreciation         -         (6,278)         -         (832)           Equipment         -         22,0725         302         31,292           Total Assets         51,384         42,337         3,012         72,882           DEFERRED OUTFLOWS OF RESOURCES         -         20,725         611         3,941           Deferred Outflows of Resources Related to Pension Total Deferred Outflows of Resources         779         3,455         611         3,941           LIABILITIES         -         2         -         1         3,941           Current Liabilities         -         2         -         1         4,6431           Retainage Payable         1,676         1,094         80         16,431           Retainage Payable         -         2         -         1           Salaries and Employee Benefits Payable         -         2         3         -           Compensated Employee Absences Payable         16,778         -         -         -           Due to Other Governmental Agencies         -         2         3         -           Insurance Claims Payable         16,778	•									
Accumulated Depreciation          (632)           Equipment          42,332         1,536         75,772           Accumulated Depreciation          (22,433)         (1,234)         (47,211)           Total Capital Assets          20,725         302         31,292           Total Assets         51,384         42,337         3,012         72,882           Deferred Outflows of Resources Related to Pension         779         3,455         611         3,941           Total Optimum Control outflows of Resources         779         3,455         611         3,941           LIABILITIES          2          1         3,941           Current Liabilities          2          1         3,941           Staires and Employee Benefits Payable         1,676         1,094         80         16,431           Retainage Payable          2         3            Staires and Employee Benefits Payable         16,778             Corrent Liabilities          2         3            Corpensated Employee Absences Payable         16,778 <td< td=""><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	-									
Equipment          42,332         1,536         75,772           Accumulated Depreciation          (25,453)         (1,124)         (47,211)           Total Assets         51,384         42,337         3,012         72,882           DeFERRED OUTFLOWS OF RESOURCES         D          3,455         611         3,941           Total Assets         779         3,455         611         3,941           LABILITIES          2          1           Staines and Employee Benefits Payable         79         3,455         611         3,941           Due to Other Funds         445         686         45         207           Due to Other Funds         445         686         45         207           Due to Other Funds         16,778              Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable               Insurance Claims Payable         121         359         62         24,465           Noncurrent Liabilities         1121         359         62         24,465	•									
Accumulated Depreciation          (25,453)         (1,234)         (47,211)           Total Capital Assets         51,384         42,337         3.012         72,882           DEFERRED OUTFLOWS OF RESOURCES           34,55         611         3,941           Total Deferred Outflows of Resources Related to Pension Total Deferred Outflows of Resources         779         3,455         611         3,941           LIABILITIES           4         611         3,941           Current Liabilities           1,676         1,094         80         16,431           Retainage Payable         1,676         1,094         80         16,431         Retainage Payable         16,737         72         486           Due to Other Funds         45         686         45         207         -									. ,	
Total Assets         51,384         42,337         3.012         72,882           DEFERRED OUTFLOWS OF RESOURCES         Deferred Outflows of Resources Related to Pension Total Deferred Outflows of Resources         779         3,455         611         3,941           UABILITIES         Current Liabilities         779         3,455         611         3,941           Salaries and Employee Benefits Payable         1,676         1,094         80         16,431           Retainage Payable         -         2         -         1           Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies         -         2         3         -           Compensated Employee Absences Payable         16,778         -         -         6,000           Total Current Liabilities         18,899         2,516         262         24,486           Noncurrent Liabilities         -         -         -         -         -         -         6,000           Net Pension Liability         3,109         13,633         2,629         14,572         1,798           Total Noncurrent Liabilities							1			
DEFERRED OUTFLOWS OF RESOURCES           Deferred Outflows of Resources Related to Pension Total Deferred Outflows of Resources         779         3.455         611         3.941           LABILITIES         Current Liabilities         611         3.941         3.941           Current Liabilities         1.676         1.094         80         16.431           Retainage Payable         1.676         1.094         80         16.431           Retainage Payable         79         3.73         72         486           Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies         -         2         3         -           Compensated Employee Absences Payable         16.778         -         -         -           Compensated Employee Absences Payable         121         359         622         461           Capital Lease Obligations Payable         -         -         -         -         6.900           Noncurrent Liabilities         18.699         2.516         2622         24.466           Noncurrent Liabilities         3.109         13.633         2.629         14.572           Total Noncurrent Liabilities         3.109         13.633         2.6	Total Capital Assets				20,725		302			
Deferred Outflows of Resources Related to Pension Total Deferred Outflows of Resources         779         3.455         611         3.941           LABILITIES           Current Liabilities         1.676         1.094         80         16.431           Retainage Payable         1.676         1.094         80         16.431           Retainage Payable         -         2         -         1           Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Funds         45         666         45         207           Insurance Claims Payable         -<	Total Assets		51,384		42,337		3,012		72,882	
Total Deferred Outflows of Resources         779         3,455         611         3,941           LIABILITIES           Current Liabilities         Accounts Payable         1,676         1,094         80         16,431           Retainage Payable         -         2         -         1         1           Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies         -         2         3         -           Compensated Employee Absences Payable         16,778         -         -         -           Compensated Employee Absences Payable         121         359         622         24,486           Noncurrent Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         13,109         13,633         2,629         14,572           Total Current Liabilities         32,432         14,012         2,678         21,798           Total Noncurrent Liabilities         32,432         14,012         2,678 <t< td=""><td>DEFERRED OUTFLOWS OF RESOURCES</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	DEFERRED OUTFLOWS OF RESOURCES									
Total Deferred Outflows of Resources         779         3,455         611         3,941           LIABILITIES           Current Liabilities         Accounts Payable         1,676         1,094         80         16,431           Retainage Payable         -         2         -         1         1           Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies         -         2         3         -           Compensated Employee Absences Payable         16,778         -         -         -           Compensated Employee Absences Payable         121         359         622         24,486           Noncurrent Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         13,109         13,633         2,629         14,572           Total Current Liabilities         32,432         14,012         2,678         21,798           Total Noncurrent Liabilities         32,432         14,012         2,678 <t< td=""><td>Deferred Outflows of Resources Related to Reasion</td><td></td><td>770</td><td></td><td>3 455</td><td></td><td>611</td><td></td><td>3 0/1</td></t<>	Deferred Outflows of Resources Related to Reasion		770		3 455		611		3 0/1	
Current Liabilities         1,676         1,094         80         16,431           Retainage Payable         -         2         -         1           Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Governmental Agencies         -         2         3            Insurance Claims Payable         16,778         -										
Accounts Payable         1,676         1,094         80         16,431           Retainage Payable          2          1           Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies          2         3            Insurance Claims Payable         16,778              Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable            6,900           Total Current Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         1         379         49         326           Capital Lease Obligations Payable         -         -         -         6,900           Net Pension Liabilities         32,432         14,012         2,678         21,798           Total Noncurrent Liabilities         32,432         14,012         2,678         21,798           Deferred Inflows of Resources Related to Pension         322         1,41	LIABILITIES									
Accounts Payable         1,676         1,094         80         16,431           Retainage Payable          2          1           Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies          2         3            Insurance Claims Payable         16,778              Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable            6,900           Total Current Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         1         379         49         326           Capital Lease Obligations Payable         -         -         -         6,900           Net Pension Liabilities         32,432         14,012         2,678         21,798           Total Noncurrent Liabilities         32,432         14,012         2,678         21,798           Deferred Inflows of Resources Related to Pension         322         1,41										
Retainage Payable          2          1           Salaries and Employee Benefits Payable         79         373         72         4486           Due to Other Funds         45         686         45         207           Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies         -         2         3            Insurance Claims Payable         16,778         -         -         -         -           Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable         -         -         -         -         6,900           Total Current Liabilities         -         -         -         -         -         -           Insurance Claims Payable         29,242         -         -         -         -         -           Compensated Employee Absences Payable         29,242         -         -         -         6,900           Net Pension Liability         3,109         13,633         2,629         14,572         1,572           Total Liabilities         51,131         16,528         2,940         46,284 <td></td> <td></td> <td>1.070</td> <td></td> <td>1.004</td> <td></td> <td>00</td> <td></td> <td>10 404</td>			1.070		1.004		00		10 404	
Salaries and Employee Benefits Payable         79         373         72         486           Due to Other Funds         45         686         45         207           Due to Other Funds         -         2         3            Insurance Claims Payable         16,778         -         -         -           Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable         -         -         -         6,900           Total Current Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         -         -         -         -         -         6,900           Net Pension Liability         3,109         13,633         2,629         14,572           Total Noncurrent Liabilities         31,109         13,633         2,629         14,572           Total Noncurrent Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         -         -         -         1,509           Total Liabilities         51,131         16,528         2,940         46,284           DEFerred Inflows of Resources Related to Pension </td <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td>-</td>					-				-	
Due to Other Funds         45         686         45         207           Due to Other Governmental Agencies         -         2         3            Insurance Claims Payable         16,778         -         -         -           Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable         -         -         -         6,900           Total Current Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         -         -         -         -         -           Insurance Claims Payable         29,242         -         -         -         -         -         -         6,900           Net Pension Liability         3,109         13,633         2,629         14,572         1,572           Total Liabilities         51,131         16,528         2,940         46,284         -           DEFERRED INFLOWS OF RESOURCES         322         1,411         272         1,										
Due to Other Governmental Agencies         -         2         3            Insurance Claims Payable         16,778              Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable           6,900         70           Total Current Liabilities         18,699         2,516         262         24,466           Noncurrent Liabilities         109         13,633         2,629         14,572           Total Noncurrent Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         322         1,411         272         1,509           Deferred Inflows of Resources <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>										
Compensated Employee Absences Payable         121         359         62         461           Capital Lease Obligations Payable            6,900           Total Current Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         18,79         49         326         -         -         -         -         -         6,900           Net Pension Liability         3,109         13,633         2,629         14,572         1,798           Total Liabilities         32,432         14,012         2,678         21,798           Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         322         1,411         272         1,509           Net Investment in Capital Assets         -         20,725         302         17,492           Unrestricted         710         7,128         109 <td>Due to Other Governmental Agencies</td> <td></td> <td></td> <td></td> <td>2</td> <td></td> <td>3</td> <td></td> <td></td>	Due to Other Governmental Agencies				2		3			
Capital Lease Obligations Payable            6,900           Total Current Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         18,699         2,516         262         24,486           Insurance Claims Payable         29,242              Compensated Employee Absences Payable         81         379         49         326           Capital Lease Obligations Payable         -           6,900           Net Pension Liability         3,109         13,633         2,629         14,572           Total Liabilities         32,432         14,012         2,678         21,798           Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         322         1,411         272         1,509           Deferred Inflows of Resources Related to Pension 322         1,411         272         1,509           NET POSITION         Net Investment in Capital Assets         -         20,725         302         17,492           Unrestricted         710         7,128         109         11,538	Insurance Claims Payable		16,778							
Total Current Liabilities         18,699         2,516         262         24,486           Noncurrent Liabilities         Insurance Claims Payable         29,242   6,900         Net Pension Liability         3,109         13,633         2,629         14,572         1,572         1,798         21,798         21,798         21,798         21,798         21,798         21,798         21,798         21,798         21,798         21,798         21,798         21,798         21,798         21,509         24,284         21,272         1,509         322         1,411         272         1,509         1,509         322         1,411         272         1,509         1,509         322         1,411         272         1,509         1,509         1,509 <t< td=""><td></td><td></td><td>121</td><td></td><td>359</td><td></td><td>62</td><td></td><td></td></t<>			121		359		62			
Noncurrent Liabilities										
Insurance Claims Payable         29,242              Compensated Employee Absences Payable         81         379         49         326           Capital Lease Obligations Payable            6,900           Net Pension Liability         3,109         13,633         2,629         14,572           Total Noncurrent Liabilities         32,432         14,012         2,678         21,798           Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         2         1,411         272         1,509           Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION         322         1,411         272         1,509         1,509           Net Investment in Capital Assets          20,725         302         17,492           Unrestricted         710         7,128         109         11,538	Total Current Liabilities		18,699		2,516		262		24,486	
Compensated Employee Absences Payable         81         379         49         326           Capital Lease Obligations Payable         -         -         -         6,900           Net Pension Liability         3,109         13,633         2,629         14,572           Total Noncurrent Liabilities         32,432         14,012         2,678         21,798           Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         -         -         1,509           Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION         -         20,725         302         17,492           Unrestricted         710         7,128         109         11,538	Noncurrent Liabilities									
Capital Lease Obligations Payable         -         -         -         6,900           Net Pension Liability         3,109         13,633         2,629         14,572           Total Noncurrent Liabilities         32,432         14,012         2,678         21,798           Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         Deferred Inflows of Resources Related to Pension         322         1,411         272         1,509           Net POSITION         322         1,411         272         1,509         1,509           Net Investment in Capital Assets         -         20,725         302         17,492           Unrestricted         710         7,128         109         11,538	Insurance Claims Payable		29,242							
Net Pension Liability         3,109         13,633         2,629         14,572           Total Noncurrent Liabilities         32,432         14,012         2,678         21,798           Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION         NET POSITION         -         20,725         302         17,492           Unrestricted         710         7,128         109         11,538			81		379		49		326	
Total Noncurrent Liabilities         32,432         14,012         2,678         21,798           Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION         Net Investment in Capital Assets         -         20,725         302         17,492           Unrestricted         710         7,128         109         11,538			-							
Total Liabilities         51,131         16,528         2,940         46,284           DEFERRED INFLOWS OF RESOURCES         Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION         322         1,411         272         1,509         1,509           Net Investment in Capital Assets         -         20,725         302         17,492           Unrestricted         710         7,128         109         11,538										
DEFERRED INFLOWS OF RESOURCES         Deferred Inflows of Resources Related to Pension       322       1,411       272       1,509         Total Deferred Inflows of Resources       322       1,411       272       1,509         NET POSITION         Net Investment in Capital Assets       -       20,725       302       17,492         Unrestricted       710       7,128       109       11,538	Total Noncurrent Liabilities		32,432		14,012		2,078		21,798	
Deferred Inflows of Resources Related to Pension         322         1,411         272         1,509           Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION	Total Liabilities		51,131		16,528		2,940		46,284	
Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION	DEFERRED INFLOWS OF RESOURCES									
Total Deferred Inflows of Resources         322         1,411         272         1,509           NET POSITION	Deferred Inflows of Resources Related to Pension		322		1,411		272		1,509	
Net Investment in Capital Assets         -         20,725         302         17,492           Unrestricted         710         7,128         109         11,538										
Unrestricted 710 7,128 109 11,538	NET POSITION									
Unrestricted 710 7,128 109 11,538	Net Investment in Capital Assets				20,725		302		17,492	
		_	710	_		_		_		
	Total Net Position	\$	710	\$	27,853	\$	411	\$	29,030	



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

		Total	Se	n and Other f-Insured yee Benefits	HMO Health Insurance
Operating Revenues					
Use of Money and Property	\$	1,770	\$		\$ 
Charges for Services		92,115		692	
Insurance Premiums		304,693		63,912	161,772
Total Operating Revenues		398,578		64,604	 161,772
Operating Expenses					
Salaries and Employee Benefits		20,563			
Services and Supplies		28,963		1,815	
Professional Services		59,447		5,084	5
Operating Leases		1,787			
Insurance Claims and Premiums		284,500		60,872	163,377
Other Charges		363		363	
Taxes and Other Fees		21			
Depreciation		5,783			
Total Operating Expenses		401,427		68,134	 163,382
Operating Income (Loss)		(2,849)		(3,530)	 (1,610)
Nonoperating Revenues (Expenses)					
Intergovernmental Revenues		1,062		1,062	
Interest Revenue		1,882		278	58
Gain (Loss) on Disposition of Capital Assets		150			
Other Revenue		4,908		2,302	381
Total Nonoperating Revenues		8,002		3,642	 439
Income (Loss) Before Contributions and Transfers		5,153		112	(1,171)
Transfers In		13,008		1,052	5
Transfers Out		(1,069)			 (52)
Change in Net Position		17,092		1,164	 (1,218)
Net Position - Beginning of Year		(22,162)		17,052	 4,035
Net Position - End of Year	\$	(5,070)	\$	18,216	\$ 2,817

Life	Workers' Compensation	Unemployment Insurance	
			Operating Revenues
\$	\$	\$	Use of Money and Property
			Charges for Services
756	45,936	-	Insurance Premiums
756	45,936	-	Total Operating Revenues
			Operating Expenses
	2,323	-	Salaries and Employee Benefits
	312	-	Services and Supplies
	4,846	65	Professional Services
	196	-	Operating Leases
785	42,149	796	Insurance Claims and Premiums
		-	Other Charges
		1	Taxes and Other Fees
		-	Depreciation
785	49,826	862	Total Operating Expenses
(29)	(3,890)	(862)	Operating Income (Loss)
			Nonoperating Revenues (Expenses)
			Intergovernmental Revenues
1	588	89	Interest Revenue
		-	Gain (Loss) on Disposition of Capital Assets
	496	9	Other Revenue
1	1,084	98	Total Nonoperating Revenues
(28)	(2,806)	(764)	Income (Loss) Before Contributions and Transfers
	594	-	Transfers In
(1)	(10)	-	Transfers Out
(29)	(2,222)	(764)	Change in Net Position
151	(91,229)	9,986	Net Position - Beginning of Year
\$ 122	\$ (93,451)	\$ 9,222	Net Position - End of Year

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

				Property & Casualty Risk		on Reprographics			rmation & chnology
Operating Revenues	¢		¢		¢		¢	4 770	
Use of Money and Property	\$		\$		\$		\$	1,770	
Charges for Services Insurance Premiums				20,285		3,639		67,499	
		32,317		20,285					
Total Operating Revenues		32,317		20,285		3,639		69,269	
Operating Expenses									
Salaries and Employee Benefits		1,539		7,351		1,205		8,145	
Services and Supplies		8,127		8,790		1,099		8,820	
Professional Services		732		2,486		861		45,368	
Operating Leases		191		20		354		1,026	
Insurance Claims and Premiums		16,521							
Other Charges									
Taxes and Other Fees				11		6		3	
Depreciation				2,959		60		2,764	
Total Operating Expenses		27,110		21,617		3,585		66,126	
Operating Income (Loss)		5,207		(1,332)		54		3,143	
Nonoperating Revenues (Expenses)									
Intergovernmental Revenues									
Interest Revenue		361		106		16		385	
Gain (Loss) on Disposition of Capital Assets				156				(6)	
Other Revenue		1,048		286		206		180	
Total Nonoperating Revenues		1,409		548		222		559	
Income (Loss) Before Contributions and Transfers		6,616		(784)		276		3,702	
Transfers In				7,663				3,694	
Transfers Out				(215)				(791)	
Change in Net Position		6,616		6,664		276		6,605	
Net Position - Beginning of Year		(5,906)		21,189		135		22,425	
Net Position - End of Year	\$	710	\$	27,853	\$	411	\$	29,030	



#### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

		Total	Se	th and Other elf-Insured byee Benefits		10 Health surance		Life urance
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Customers	\$	26,321	\$	698	\$	16	\$	
Cash Received for Premiums Within the County's Entity		304,693		63,912		161,772		756
Payments to Suppliers for Goods and Services		(366,461)		(66,369)		(163,382)		(785)
Payments to Employees for Services		(19,418)						
Payments for Interfund Services		(946)		(700)				
Receipts for Interfund Services		68,688						
Taxes and Other Fees		(21)						
Other Operating Receipts		4,907		2,302		381		
Other Operating Payments		(2,161)		(363)				
Net Cash Provided (Used) by Operating Activities		15,602		(520)		(1,213)		(29)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers In		13,008		1,052		5		
Transfers Out		(1,069)				(52)		(1)
Intergovernmental Revenues		1,062		1,062				
Net Cash Provided (Used) by Noncapital Financing Activities		13,001		2,114		(47)		(1)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING								
ACTIVITIES		(6.040)						
Acquisition of Capital Assets		(6,619)						
Principal Paid on Capital Lease Obligations		(6,900)						
Net Cash Used by Capital and Related Financing Activities		(13,519)						
CASH FLOW FROM INVESTING ACTIVITIES								
Interest on Investments		1,797		266		57		1
Net Cash Provided by Investing Activities		1,797		266		57		1
Net Increase (Decrease) in Cash and Cash Equivalents		16,881		1,860		(1,203)		(29)
Cash and Cash Equivalents - Beginning of Year		214,048		28,574		4,012		151
Cash and Cash Equivalents - End of Year	\$	230,929	\$	30,434	\$	2,809	\$	122
Provided (Used) by Operating Activities Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	\$	(2,849)	\$	(3,530)	\$	(1,610)	\$	(29)
Depreciation		5,783						
Other Revenue		4,908		2,302		381		
(Increases) Decreases In:				_				
Accounts Receivable		(9)		7		16		
Due from Other Funds		74		(700)				
Due from Other Governmental Agencies		(69)		(1)				
Inventory of Materials and Supplies		41						
Prepaid Costs Deferred Outflows of Resources Related to Pension		44 (5,067)						
Increases (Decreases) In:		(5,007)						
Accounts Payable		(5,727)		184				
Retainage Payable		174						
Salaries and Employee Benefits Payable		253						
Due to Other Funds		167						
Due to Other Governmental Agencies								
Insurance Claims Payable		11,919		1,218				
Compensated Employee Absences Payable		10						
Net Pension Liability		5,303						
Deferred Inflows of Resources Related to Pension		647						
Total Adjustments		18,451		3,010		397		
Net Cash Provided (Used) by Operating Activities	\$	15,602	\$	(520)	\$	(1,213)	\$	(29)
Reconciliation of Cash and Cash Equivalents to						—		
Statement of Net Position								
Pooled Cash/Investments	\$	230,786	\$	30,299	\$	2,809	\$	122
Imprest Cash Funds	•	133		125	•			
Restricted Cash and Investments with Trustee		10		10				
Total Cash and Cash Equivalents	\$	230,929	\$	30,434	\$	2,809	\$	122
	Ŷ	200,020	Ť	55,404	Ψ	2,000	Ŷ	

	/orkers' pensation	Unemployment Insurance	Property & Casualty Risk	
				CASH FLOWS FROM OPERATING ACTIVITIES
\$		\$	\$	Receipts from Customers
	45,936		32,317	Cash Received for Premiums Within the County's Entity
	(43,010)	(983)	(19,081)	Payments to Suppliers for Goods and Services
	(2,211)		(1,445)	Payments to Employees for Services
	(3)			Payments for Interfund Services
			322	Receipts for Interfund Services
		(1)		Taxes and Other Fees
	495	9	1,048	Other Operating Receipts
	(196)		(202)	Other Operating Payments
	1,011	(975)	12,959	Net Cash Provided (Used) by Operating Activities
				CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
	594			Transfers In
	(10)			Transfers Out
				Intergovernmental Revenues
	584			Net Cash Provided (Used) by Noncapital Financing Activities
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
				Acquisition of Capital Assets
				Principal Paid on Capital Lease Obligations
				Net Cash Used by Capital and Related Financing Activities
				CASH FLOW FROM INVESTING ACTIVITIES
	567	88	332	Interest on Investments
	567	88	332	Net Cash Provided by Investing Activities
	2,162	(887)	13,291	Net Increase (Decrease) in Cash and Cash Equivalents
	72,388	10,924	37,667	Cash and Cash Equivalents - Beginning of Year
\$	74,550	\$ 10,037	\$ 50,958	Cash and Cash Equivalents - End of Year
\$	(3,890)	\$ (862)	\$ 5,207	Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities Operating Income (Loss)
				Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
				Depreciation
	496	9	1,048	Other Revenue
				(Increases) Decreases In:
			(1)	Accounts Receivable
			279	Due from Other Funds
	(1)		(11)	Due from Other Governmental Agencies
				Inventory of Materials and Supplies
	7		8	Prepaid Costs
	(1,525)		(305)	Deferred Outflows of Resources Related to Pension
				Increases (Decreases) In:
		23	(438)	Accounts Payable
	175			Retainage Payable
	41		8	Salaries and Employee Benefits Payable
	(4)	(1)	43	Due to Other Funds
				Due to Other Governmental Agencies
	4,116	(144)	6,729	Insurance Claims Payable
	31		(3)	Compensated Employee Absences Payable
	1,396		352	Net Pension Liability
·	169		43	Deferred Inflows of Resources Related to Pension
	4,901	(113)	7,752	Total Adjustments
\$	1,011	\$ (975)	\$ 12,959	Net Cash Provided (Used) by Operating Activities
				Reconciliation of Cash and Cash Equivalents to
				Statement of Net Position
\$	74,550	\$ 10,037	\$ 50,953	Pooled Cash/Investments
			5	Imprest Cash Funds
				Restricted Cash and Investments with Trustee
\$	74,550	\$ 10,037	\$ 50,958	Total Cash and Cash Equivalents

#### COMBINING STATEMENT OF CASH FLOWS (Continued) INTERNAL SERVICE FUNDS

	Transportation	Reprographics	Information & Technology
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 20,282	\$ 3,620	\$ 1,705
Cash Received for Premiums Within the County's Entity			
Payments to Suppliers for Goods and Services	(10,424)	(2,030)	(60,397)
Payments to Employees for Services	(6,902)	(1,121)	(7,739)
Payments for Interfund Services		(243)	
Receipts for Interfund Services	201		68,165
Taxes and Other Fees	(11)	. ,	(3)
Other Operating Receipts	286	206	180
Other Operating Payments	(20)		(1,026)
Net Cash Provided (Used) by Operating Activities	3,412	72	885
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	7,663		3,694
Transfers Out	(215)		(791)
Intergovernmental Revenues			
Net Cash Provided (Used) by Noncapital Financing Activities	7,448		2,903
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(5,588)		(1,031)
Principal Paid on Capital Lease Obligations			(6,900)
Net Cash Used by Capital and Related Financing Activities	(5,588)		(7,931)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest on Investments	106	16	364
Net Cash Provided by Investing Activities	100	10	364
Net Cash Florided by Investing Activities	100	10	
Net Increase (Decrease) in Cash and Cash Equivalents	5,378	88	(3,779)
Cash and Cash Equivalents - Beginning of Year	13,761	2,443	44,128
Cash and Cash Equivalents - End of Year	\$ 19,139	\$ 2,531	\$ 40,349
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities Operating Income (Loss)	\$ (1,332)	\$ 54	\$ 3,143
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	2,959	60	2,764
Other Revenue	286	206	180
(Increases) Decreases In:			
Accounts Receivable	(4)		(27)
Due from Other Funds	(97)		592
Due from Other Governmental Agencies	1	(19)	(38)
Inventory of Materials and Supplies	41		
Prepaid Costs	17	22	(10)
Deferred Outflows of Resources Related to Pension	(1,363)	(211)	(1,663)
Increases (Decreases) In:			
Accounts Payable	791	(90)	(6,197)
Retainage Payable	1		(2)
Salaries and Employee Benefits Payable	42	13	149
Due to Other Funds	298	(243)	74
Due to Other Governmental Agencies	2	(2)	
Insurance Claims Payable			
Compensated Employee Absences Payable	39	(42)	(15)
Net Pension Liability	1,543	287	1,725
Deferred Inflows of Resources Related to Pension Total Adjustments	188 4,744	<u> </u>	(2.258)
Net Cash Provided (Used) by Operating Activities		-	(2,258) \$ 885
Not Gash Fronded (Used) by Operating Activities	\$ 3,412	\$ 72	\$ 885
Reconciliation of Cash and Cash Equivalents to			
Statement of Net Position			
Pooled Cash/Investments	\$ 19,139	\$ 2,531	\$ 40,346
Imprest Cash Funds			3
Restricted Cash and Investments with Trustee			
Total Cash and Cash Equivalents	\$ 19,139	\$ 2,531	\$ 40,349



# 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.

## County of Orange Redevelopment Successor Agency

The Orange County Development Agency (OCDA) 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 Successor Agency holds the assets of the dissolved OCDA 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 extrahelp. 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 (OCERS).

### Extra-Help Defined Contribution Plan

This fund is used to account for the defined contribution retirement plan for extra-help and part-time employees. This plan replaced the Extra-Help Defined Benefit Retirement Plan and was effective for new employees on March 1, 2002. Effective February 10, 2015, the plan also includes new employees who have attained age 60 at date of hire, who waive membership in OCERS, and do not have funds on deposit with OCERS and otherwise meet the requirements under OCERS' regulations and state law to waive membership in OCERS. The eligible employees of these plans are not covered by OCERS.

### 401(a) Defined Contribution Plan

This fund accounts for the 401(a) defined contribution plan, which was established in January 1999 for eligible employees, including the members of the Board, certain executive managers, certain administrative managers once classified as confidential and grandfathered in the plan, attorneys represented by the Orange County Attorney's Association and certain other employee classifications as defined in the plan document. The plan was closed to the attorneys effective June 24, 2005. The plan was closed to new administrative managers and to all grandfathered administrative managers, effective June 23, 2016 and December 28, 2012, respectively.

### 1.62% at 65 Retirement, 401(a) Defined Contribution Plan

This fund is used to account for the matching 401(a) employer contributions for eligible employees in the "1.62% at 65" Retirement (OCERS) formula who voluntarily contribute to the "1.62% at 65" Retirement, 457(b) defined contribution plan. The Plan was established on May 7, 2010.

### 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 (HRA), 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. The HRA was amended and restated on June 1, 2016 to provide for the transition of the Orange County Attorney's Association to the HRA Plan in July 2016.

### 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 ninistration ust Funds	Successor Agency		
ASSETS							
Pooled Cash/Investments Restricted Cash and Investments	\$	54,761	\$	46,644	\$	8,117	
Restricted Investments with Trustee Receivables		4,647				4,647	
Interest/Dividends		186		154		32	
Land and Improvements Held for Resale		133				133	
Total Assets		59,727		46,798		12,929	
DEFERRED OUTFLOWS OF RESOURCES Deferred Charge on Refunding		394				394	
Total Deferred Outflows of Resources		394				394	
LIABILITIES Bonds Payable Interest Payable Due to Other Governmental Agencies		30,041 386 350		  348		30,041 386 2	
Total Liabilities		30,777		348		30,429	
DEFERRED INFLOWS OF RESOURCES Deferred Charge on Refunding Total Deferred Inflows of Resources		<u>132</u> 132				132 132	
NET POSITION							
Restricted for Private-Purpose Trust Funds		29,212		46,450		(17,238)	
Net Position (Deficit)	\$	29,212	\$	46,450	\$	(17,238)	

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2016

	 Total	Admir	ublic histration t Funds	Successor Agency		
Additions:						
Contributions to Private-Purpose Trust	\$ 64,627	\$	64,627	\$		
Intergovernmental Revenues	300				300	
Other Revenues	1,191				1,191	
Interest and Investment Income	699		592		107	
Less: Investment Expense	 (8)				(8)	
Total Additions	 66,809		65,219		1,590	
Deductions:						
Distributions from Private-Purpose Trust	59,924		59,924			
Professional Services	182		26		156	
Other Expenses	712				712	
Tax Pass-Throughs	4,000				4,000	
Interest Expense	 1,141				1,141	
Total Deductions	 65,959		59,950		6,009	
Change in Net Position	850		5,269		(4,419)	
Net Position (Deficit), Beginning of Year	28,362		41,181		(12,819)	
Net Position (Deficit), End of Year	\$ 29,212	\$	46,450	\$	(17,238)	

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

ASSETS	Total		Extra-Help Defined Benefit Plan		Extra-Help Defined Contribution Plan		0	401(a) Defined ntribution Plan
Pooled Cash/Investments	\$	8,655	\$	1,398	\$		\$	
Restricted Cash and Investments	Ψ	0,000	Ψ	1,000	Ψ		Ψ	
Restricted Investments with Trustee		104,653		4,194		7,299		14,207
Restricted Cash with OCERS		214,769						
Receivables								
Interest/Dividends		65		7				
Due from Other Governmental Agencies		3,948				60		54
Total Assets		332,090		5,599		7,359		14,261
NET POSITION								
Restricted for Pension and OPEB Benefits		332,090		5,599		7,359		14,261
Net Position	\$	332,090	\$	5,599	\$	7,359	\$	14,261

1.62% at 65 Retirement, 401(a) Defined Contribution Plan	Retiree Medical Plan (Combined 401(h) and 115 Trusts)	Health Reimbursement Arrangement Plan
\$	\$ 7,211	\$ 46
1,237	 214,769	77,716
 56 1,293	58 3,254 225,292	 524 78,286
1,293	225,292	78,286
\$ 1,293	\$ 225,292	\$ 78,286

# ASSETS

Pooled Cash/Investments
Restricted Cash and Investments
Restricted Investments with Trustee
Restricted Cash with OCERS
Receivables
Interest/Dividends
Due from Other Governmental Agencies
Total Assets

## NET POSITION

Restricted for Pension and OPEB Benefits 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	\$	53,860	\$	784	\$		\$	991
Employee		3,261				951		
Other Revenues		7		7				
Interest and Investment Income/(Loss)		(2,023)		123		158		19
Less: Investment Expense		(269)		(4)		(8)		(14)
Total Additions		54,836		910		1,101		996
Deductions:								
Benefits Paid to Participants		34,687		428		1,339		740
Administrative Expense		90						
Total Deductions		34,777		428		1,339		740
Change in Net Position		20,059		482		(238)		256
Net Position, Beginning of Year		312,031		5,117		7,597		14,005
Net Position, End of Year	\$	332,090	\$	5,599	\$	7,359	\$	14,261

Reti 401(a	%@65Retiree Medicalement,Plan (CombinedDefined401(h) and 115ution PlanTrusts)			Reim	Health bursement jement Plan						
						Additions:					
						Contributions to Pension and Other					
						Employee Benefits Trust:					
\$	736	\$	42,490	\$	8,859	Employer					
			2,310			Employee					
						Other Revenues					
	17		(1,504)		(836)	Interest and Investment Income/(Loss)					
	(2)		(8)		(233)	Less: Investment Expense					
	751		43,288		7,790	Total Additions					
						Deductions:					
			30,533		1,647	Benefits Paid to Participants					
			90			Administrative Expense					
			30,623		1,647	Total Deductions					
	751		12,665		6,143	Change in Net Position					
	542		212,627		72,143	Net Position, Beginning of Year					
\$	1,293	\$	225,292	\$	78,286	Net Position, End of Year					

# COMBINING STATEMENT OF FIDUCIARY NET POSITION ALL AGENCY FUNDS

		Total	apportioned and Interest Funds	Departmental Funds		
ASSETS						
Pooled Cash/Investments	\$	274,484	\$ 134,680	\$	139,804	
Cash/Cash Equivalents		270			270	
Restricted Cash and Investments with Trustee		29,465			29,465	
Investments		1,082			1,082	
Deposits In-Lieu of Cash		19,454			19,454	
Receivables						
Accounts		28			28	
Taxes		340,178	340,178			
Interest/Dividends		9,022	8,632		390	
Allowance For Uncollectible Receivables		(167,621)	(167,620)		(1)	
Due from Other Governmental Agencies		3,266	510		2,756	
Notes Receivable		29,674			29,674	
Total Assets		539,302	 316,380		222,922	
LIABILITIES						
Interest Payable		8,269	8,269			
Deposits from Others		14,505			14,505	
Monies Held for Others		147,095			147,095	
Due to Other Governmental Agencies		61,324	2		61,322	
Unapportioned Taxes		308,109	308,109			
Total Liabilities		539,302	 316,380		222,922	
NET POSITION	\$		\$ 	\$		



#### COMBINING STATEMENT OF CHANGES ASSETS AND LIABILITIES ALL AGENCY FUNDS

UNAPPORTIONED TAX AND INTEREST FUNDS		Balance Beginning of Year Addition:			Deductions			Balance End of Year		
ASSETS										
Pooled Cash/Investments	\$	189,325	\$	8,008,476	\$	8,063,121	\$	134,680		
Receivables										
Taxes		317,620		17,392,696		17,370,138		340,178		
Interest		6,995		66,509		64,872		8,632		
Allowance for Uncollectible Receivables		(154,805)				12,815		(167,620)		
Due from Other Governmental Agencies		2,126		16,635		18,251		510		
Total Assets	\$	361,261	\$	25,484,316	\$	25,529,197	\$	316,380		
LIABILITIES										
Interest Payable	\$	6,015	\$	29,898	\$	27,644	\$	8,269		
Due to Other Governmental Agencies		2,329		39,282		41,609		2		
Unapportioned Taxes		352,917		10,910,882		10,955,690		308,109		
Total Liabilities	\$	361,261	\$	10,980,062	\$	11,024,943	\$	316,380		
DEPARTMENTAL FUNDS	Balance Beginning of Year		Additions		Deductions			Balance nd of Year		
ASSETS										
Pooled Cash/Investments	\$	148,761	\$	3,380,410	\$	3,389,367	\$	139,804		
Cash/Cash Equivalents		326		509		565		270		
Restricted Cash and Investments with Trustee		31,075		92,068		93,678		29,465		
Investments		1,082						1,082		
Deposits In-Lieu of Cash		19,247		2,636		2,429		19,454		
Receivables										
Accounts		3		1,678		1,653		28		
Interest		333		1,033		976		390		
Allowance for Uncollectible Receivables		(2)		1				(1)		
Due from Other Governmental Agencies Notes Receivable		3,439		664,924		665,607		2,756 29,674		
Total Assets	\$	<u>30,376</u> 234,640	\$	4,143,259	\$	4,154,977	\$	29,674		
Total Assets	Þ	234,040	Þ	4,143,259	þ	4,154,977	φ	222,922		
LIABILITIES										
Deposits From Others	\$	30,386	\$	39,850	\$	55,731	\$	14,505		
Monies Held for Others		155,775		6,043,260		6,051,940		147,095		
Due to Other Funds				37		37				
Due to Other Governmental Agencies		48,479		1,100,821		1,087,978		61,322		
Total Liabilities	\$	234,640	\$	7,183,968	\$	7,195,686	\$	222,922		

TOTAL - ALL AGENCY FUNDS	Balance Beginning of Year	 Additions	 Deductions	Balance End of Year		
ASSETS						
Pooled Cash/Investments	\$ 338,086	\$ 11,388,886	\$ 11,452,488	\$	274,484	
Cash/Cash Equivalents	326	509	565		270	
Restricted Cash and Investments with Trustee	31,075	92,068	93,678		29,465	
Investments	1,082				1,082	
Deposits In-Lieu of Cash	19,247	2,636	2,429		19,454	
Receivables						
Accounts	3	1,678	1,653		28	
Taxes	317,620	17,392,696	17,370,138		340,178	
Interest	7,328	67,542	65,848		9,022	
Allowance for Uncollectible Receivables	(154,807)	1	12,815		(167,621)	
Due from Other Governmental Agencies	5,565	681,559	683,858		3,266	
Notes Receivable	 30,376	 	 702		29,674	
Total Assets	\$ 595,901	\$ 29,627,575	\$ 29,684,174	\$	539,302	
LIABILITIES						
Interest Payable	\$ 6,015	\$ 29,898	\$ 27,644	\$	8,269	
Deposits from Others	30,386	39,850	55,731		14,505	
Monies Held for Others	155,775	6,043,260	6,051,940		147,095	
Due to Other Funds		37	37			
Due to Other Governmental Agencies	50,808	1,140,103	1,129,587		61,324	
Unapportioned Taxes	 352,917	 10,910,882	 10,955,690		308,109	
Total Liabilities	\$ 595,901	\$ 18,164,030	\$ 18,220,629	\$	539,302	





Dana Point Harbor

### 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		<u>Page</u>
	<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	191
	Revenue Capacity These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	203
	<u>Debt Capacity</u> These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	208
	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.	213
	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.	215

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

	Fiscal Year									
		2015-16		2014-15 2013-14				2012-13		2011-12 <sup>(3)</sup>
Governmental Activities										
Net Investment										
in Capital Assets	\$	2,707,493	\$	2,670,577	\$	2,646,812	\$	2,563,976	\$	2,699,809
Restricted for:										
Expendable										
Other Postemployment										
Benefits										(1)
Pension Benefits		111,639		112,544		109,986		105,900		96,604
Capital Projects		10,836		6,154		8,661		11,904		16,269
Debt Service		36,380		37,734		37,639		31,965		-
Legally Segregated										
for Grants and										
Other Purposes		1,103,257		1,045,897		1,190,106		1,174,791		1,077,117
Regional Park Endowment		144		141		140		139		
Nonexpendable		400		400		105		100		0.4.0
Regional Park Endowment		193		188		185		183		319
Unrestricted Total Governmental Activities		(2,979,945)		(2,991,814)		331,408		196,850		37,790
			•		•		•		•	
Net Position	\$	989,997	\$	881,421	\$	4,324,937	\$	4,085,708	\$	3,927,908
Business-Type Activities										
Net Investment										
in Capital Assets	\$	663,280	\$	642,427	\$	624,621	\$	587,934	\$	574,982
Restricted for:	,	,	,	- ,	,	- ,-		,	,	. ,
Expendable										
Debt Service		8,499		7,324		7,090		58,772		
Passenger Facility Charges		-,		.,		.,				
Approved Capital Projects		14,705		70,538		62,522		55,331		
Replacements and Renewals		1,000		1,000		1,000		1,000		
Landfill Closure/Postclosure		33,997		33,337		37,412		40,355		
Landfill Corrective Action		8,245		8,174		7,141		6,109		
Wetland		879		879		879		879		
Prima Deshecha/La Pata		010		010		0/0		0/0		
Closure		104		104		104		104		
Airport (2)		104		104		104		104		58,149
Waste Management <sup>(2)</sup>										82,205
Unrestricted		465,003		362,546		 384,871		335,122		350,474
Total Business-Type Activities		-00,000		502,540		507,071		555,122		550,777
Net Position	\$	1,195,712	\$	1,126,329	\$	1,125,640	\$	1,085,606	\$	1,065,810
iner Position	¢	1,195,712	ф	1,120,329	φ	1,125,040	φ	1,000,000,1	φ	1,000,010

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) Starting in FY 2012-13, Restricted Net Position for Business-Type Activities will be shown by activity detail.

(3) The balances shown have not been restated to include the prior period adjustments.

	Fiscal Year									
	2010-11		2009-10		2008-09		2007-08		2006-07	
										Governmental Activities
										Net Investment
\$	2,626,281	\$	2,560,468	\$	2,445,397	\$	2,302,926	\$	2,273,891	in Capital Assets
										Restricted for:
										Expendable
										Other Postemployment
	41,609		43,580		57,322		46,442			Benefits
	107,807									Pension Benefits
	56,219		58,947		85,197		211,426		247,277	Capital Projects
	87,253		76,936		66,515		168,468		155,918	Debt Service
										Legally Segregated
										for Grants and
	1,133,256		1,069,801		1,047,284		990,198		916,563	Other Purposes
										Regional Park Endowment
	0.45				110		400		105	Nonexpendable
	315		154		149		139		125	Regional Park Endowment Unrestricted
	(73,741)		(9,986)		(1,271)		57,812		135,826	Total Governmental Activities
_	0.070.000	•	0 700 000	•	0 700 500	•	0 777 444	•	0 700 000	
\$	3,978,999	\$	3,799,900	\$	3,700,593	\$	3,777,411	\$	3,729,600	Net Position
										Business-Type Activities
										Net Investment
\$	591,664	\$	537,375	\$	493,658	\$	395,227	\$	359,544	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
	50 000		40.005		176 005		210 202		104 000	Closure
	50,899		48,225		176,225		218,293		194,038	Airport
	84,070		86,943		284,943		294,068		292,847	Waste Management Unrestricted
	313,568		321,778							
<b></b>	4 0 4 0 0 0 4	۴	004 004	۴	054.000	¢	007 500	¢	0.40,400	Total Business-Type Activities
\$	1,040,201	\$	994,321	\$	954,826	\$	907,588	\$	846,429	Net Position

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

	Fiscal Year									
		2015-16		2014-15		2013-14	(1)	2012-13		2011-12 <sup>(1)</sup>
Primary Government										
Net Investment										
in Capital Assets	\$	3,370,773	\$	3,313,004	\$	3,271,433	\$	3,151,910	\$	3,274,791
Restricted for:										
Expendable										
Other Postemployment										
Benefits										
Pension Benefits		111,639		112,544		109,986		105,900		96,604
Capital Projects		10,836		6,154		8,661		11,904		16,269
Debt Service		44,879		45,058		44,729		90,737		
Legally Segregated										
for Grants and										
Other Purposes		1,103,257		1,045,897		1,190,106		1,174,791		1,077,117
Regional Park Endowment		144		141		140		139		
Passenger Facility Charges										
Approved Capital Projects		14,705		70,538		62,522		55,331		
Replacements and Renewals		1,000		1,000		1,000		1,000		
Landfill Closure/Postclosure		33,997		33,337		37,412		40,355		
Landfill Corrective Action		8,245		8,174		7,141		6,109		
Wetland		879		879		879		879		
Prima Deshecha/La Pata										
Closure		104		104		104		104		
Airport <sup>(2)</sup>										58,149
Waste Management <sup>(2)</sup>										82,205
Nonexpendable										
Regional Park Endowment		193		188		185		183		319
Unrestricted		(2,514,942)		(2,629,268)		716,279		531,972		388,264
Total Primary Government										
Net Position	\$	2,185,709	\$	2,007,750	\$	5,450,577	\$	5,171,314	\$	4,993,718

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

(2) Starting in FY 2012-13, Restricted Net Position for Business-Type Activities will be shown by activity detail.

2010-11	2009-10	2008-09	2007-08		2006-07	
						Primary Government
						Net Investment
\$ 3,217,945	\$ 3,097,843	\$ 2,939,055	\$ 2,698,153	\$	2,633,435	in Capital Assets
						Restricted for:
						Expendable
						Other Postemployment
41,609	43,580	57,322	46,442			Benefits
107,807						Pension Benefits
56,219	58,947	85,197	211,426		247,277	Capital Projects
87,253	76,936	66,515	168,468		155,918	Debt Service
						Legally Segregated
						for Grants and
1,133,256	1,069,801	1,047,284	990,198		916,563	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
50,899	48,225	176,225	218,293		194,038	Airport
84,070	86,943	284,943	294,068		292,847	Waste Management
						Nonexpendable
315	154	149	139		125	Regional Park Endowment
239,827	311,792	(1,271)	57,812		135,826	Unrestricted
						Total Primary Government
\$ 5,019,200	\$ 4,794,221	\$ 4,655,419	\$ 4,684,999	\$	4,576,029	Net Position

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

					Fis	cal Year				
		2015-16		2014-15		2013-14	1)	2012-13		2011-12 (
Expenses										
Governmental Activities:										
General Government	\$	203,394	\$	191,793	\$	131,026	\$	221,110	\$	161,615
Public Protection		1,433,421		1,326,028		1,261,984		1,264,354		1,231,925
Public Ways and Facilities		142,071		114,398		127,561		137,651		144,382
Health and Sanitation		554,872		537,580		626,063		621,381		593,657
Public Assistance		1,097,129		1,049,665		988,735		944,230		930,348
Education		46,170		43,314		41,240		38,548		41,226
Recreation and Cultural Services		115,136		102,069		96,820		101,232		102,762
Interest on Long-Term Debt		20,112		23,560		28,028		31,269		56,765
Subtotal Governmental Activities		3,612,305		3,388,407		3,301,457		3,359,775		3,262,680
Business-Type Activities:										
Airport		120,921		124,778		120,731		122,568		107,120
Waste Management		96,301		69,307		94,161		94,737		94,553
-		283		331		379		305		306 sq
Compressed Natural Gas										
Subtotal Business-Type Activities Total Primary Government		217,505		194,416		215,271		217,610		201,979
Expenses	\$	3,829,810	\$	3,582,823	\$	3,516,728	\$	3,577,385	\$	3,464,659
Program Revenues Governmental Activities:										
Charges for Services										
General Government	\$	34.048	\$	36,924	\$	32,016	\$	32,127	\$	26,942
Public Protection	Ŷ	288,185	Ψ	286,644	Ψ	273,215	Ψ	283,031	Ψ	271,423
Public Ways and Facilities		63,487		53,834		53,071		39,981		62,653
Health and Sanitation		85,392		102,599		93,470		81,039		86,027
Public Assistance		37,975		37,650		42,300		34,780		-
										35,036
Education		1,426		1,480		2,059		1,327		1,437
Recreation and Cultural		40.007		10.000				~~~~~		~~ ~~~
Cultural Services		46,937		43,882		39,251		39,637		38,888
Operating Grants and										
Contributions		2,037,311		1,996,861		2,033,550		1,904,858		1,800,296
Capital Grants and										
Contributions		105,776		33,241		54,478		62,893		39,010
Subtotal Governmental Activities										
Program Revenues		2,700,537		2,593,115		2,623,410		2,479,673		2,361,712
Business-Type Activities:										
Charges for Services										
Airport		149,894		141,563		136,359		132,941		129,213
Waste Management		147,130		139,493		125,106		106,876		99,249
Compressed Natural Gas		269		312		392		385		293
Operating Grants and										
Contributions		171		255		900		200		212
Capital Grants and										
Contributions		2,174		9,215		5,277		3,839		5,216
Subtotal Business-Type Activities		<i>2</i> , 17 <del>7</del>		0,210		0,211		0,000		5,210
Program Revenues		299,638		290,838		268,034		244,241		234,183
Total Primary Government		, -				,				
Program Revenues	\$	3,000,175	\$	2,883,953	\$	2,891,444	\$	2,723,914	\$	2,595,895
<b>U</b>	-	,, <del>.</del>		, -,	,	, , .	'	, -,	'	, .,

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

				F	iscal Year					
	2010-11		2009-10		2008-09		2007-08		2006-07	
										Expenses
										Governmental Activities:
\$	223,710	\$	165,489	\$	268,092	\$	264,049	\$	281,739	General Government
	1,174,859		1,160,823		1,230,894		1,164,458		1,055,593	Public Protection
	136,017		120,135		108,748		131,563		96,776	Public Ways and Facilities
	586,525		578,983		593,331		576,160		527,541	Health and Sanitation
	931,263		931,469		898,668		862,709		794,862	Public Assistance
	39,788		41,009		41,265		37,728		32,722	Education
	101,993		90,649		81,896		75,612		80,279	Recreation and Cultural Services
	53,806		53,782		59,751		76,210		65,961	Interest on Long-Term Debt
	3,247,961		3,142,339		3,282,645		3,188,489		2,935,473	Subtotal Governmental Activities
										Business-Type Activities:
	88,059		92,068		91,959		86,750		90,524	Airport
	93,985		84,754		79,374		101,990		85,378	Waste Management
	349		95							Compressed Natural Gas
	182,393		176,917		171,333		188,740		175,902	Subtotal Business-Type Activities
	102,000		170,317		171,000		100,740		175,502	Total Primary Government
\$	3,430,354	\$	3,319,256	\$	3,453,978	\$	3,377,229	\$	3,111,375	Expenses
										Program Revenues
										Governmental Activities:
										Charges for Services
\$	33,561	\$	27,452	\$	44,782	\$	40,659	\$	45,647	General Government
Ψ	310,773	Ψ	278,355	Ψ	289,014	Ψ	295,740	Ψ	283,215	Public Protection
	53,960		45,809		47,283		45,898		41,014	Public Ways and Facilities
	93,815		86,430		82,059		95,069		85,305	Health and Sanitation
	36,304		30,914		26,636		6,360		5,372	Public Assistance
	1,576		1,449		1,338		1,349		4,743	Education
	1,570		1,443		1,550		1,545		4,743	Recreation and Cultural
	37,560		38,223		40,138		40,449		39,028	Cultural Services
	57,500		50,225		40,150		40,449		39,020	Operating Grants and
	1,706,231		1,741,762		1,641,501		1,735,820		1,759,887	Contributions
	1,700,231		1,741,702		1,041,501		1,735,020		1,759,007	
	170 516		16,828		94,031		46,308		69,340	Capital Grants and Contributions
	170,516		10,020		94,031		40,300		09,340	Subtotal Governmental Activities
	2 444 200		0.067.000		0.000 700		0.007.050		0.000 554	
	2,444,296		2,267,222		2,266,782		2,307,652		2,333,551	Program Revenues
										Business-Type Activities:
						•				Charges for Services
	124,298		126,656		125,095		126,139		127,747	Airport
	102,595		82,442		93,456		99,548		111,362	Waste Management
	242		129							Compressed Natural Gas
										Operating Grants and
	657		1,432		171		569		691	Contributions
										Capital Grants and
	6,544		8,077		7,466		15,188		6,731	Contributions
										Subtotal Business-Type Activities
	234,336		218,736		226,188		241,444		246,531	Program Revenues
\$	2,678,632	\$	2,485,958	\$	2,492,970	\$	2,549,096	\$	2,580,082	Total Primary Government Program Revenues
¥	_,,	Ψ	_,,	¥	_,,	¥	_,0.0,000	Ψ	2,000,002	

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

	Fiscal Year							
		2015-16		2014-15		2013-14 <sup>(3)</sup>	2012-13	2011-12 <sup>(3)</sup>
Net (Expense)/Revenue								
Governmental Activities	\$	(911,768)	\$	(795,292)	\$	(678,047) \$	(880,102) \$	(900,968)
Business-Type Activities		82,133		96,422		52,763	26,631	32,204
Total Primary Government								
Net Revenue/(Expense)	\$	(829,635)	\$	(698,870)	\$	(625,284) \$	(853,471) \$	(868,764)
General Revenue and Other								
Changes in Net Position								
Governmental Activities:								
Taxes								
Property Taxes, Levied for								
General Fund	\$	311,902	\$	328,500	\$	277,591 \$	313,299 \$	311,779
Property Taxes, Levied for								
Flood Control District		82,193		77,090		72,737	69,321	68,184
Property Taxes, Levied for							- /	
OC Parks		61,048		57,266		54,042	51,550	51,168
Property Taxes, Levied for		45 00 4		40.000		00 70 /	07.004	07.000
OC Public Libraries		45,364		42,333		39,734	37,961	37,389
Property Tax Increments <sup>(2)</sup>								18,308
Property Taxes in-Lieu of								
Motor Vehicle License Fees		333,595		314,957		295,798	309,745	303,955
Other Taxes		78,184		71,613		73,178	108,430	43,568
Grants and Contributions Not								
Restricted to Specific		4 500		40.470		44400	0 744	0.077
Programs State Allocation of Motor		4,583		49,476		14,192	6,711	9,377
Vehicle License Fees		1,100		764		895	1,659	2,667
Unrestricted Investment Earnings		17,032		6,796		18,459	11,559	4,195
Miscellaneous		63,825		69,789		54,412	48,478	57,125
Gain on Sale of Capital Assets								34
Transfers		21,518		19,959		17,557	10,276	11,767
Subtotal Governmental Activities		1,020,344		1,038,543		918,595	968,989	919,516
Extraordinary Gain/(Loss)		.,0_0,0		1,000,010		010,000	000,000	010,010
Dissolution of OCDA <sup>(1)</sup>							1,800	(69,639)
							.,	(,)
Business-Type Activities:								
Other Taxes		72		109		101	93	134
Unrestricted Investment Earnings		6,526		3,042		3,064	2,113	3,530
Miscellaneous Revenues		2,170		1,597		3,177	1,235	1,508
Special Items								
Transfers		(21,518)		(19,959)		(17,557)	(10,276)	(11,767)
Subtotal Business-Type Activities		(12,750)		(15,211)		(11,215)	(6,835)	(6,595)
Total Primary Government	\$	1,007,594	\$	1,023,332	\$	907,380 \$	963,954 \$	843,282
Change in Net Position	*	400 570	¢	0.40.05	¢	040 540 0	00.00 <b>7 ^</b>	(54.004)
Governmental Activities	\$	108,576	\$	243,251	\$	240,548 \$	90,687 \$	(51,091)
Business-Type Activities	*	69,383	ć	81,211	¢	41,548	19,796	25,609
Total Primary Government	\$	177,959	\$	324,462	\$	282,096 \$	110,483 \$	(25,482)

Notes: (1) Extraordinary item results from dissolution of OCDA which is now reported as a private-purpose trust fund.

(2) Starting in FY 2012-13, there were no property tax increment revenues due to dissolution of OCDA.

(3) The balances shown have not been restated to include prior period adjustments.

				F	iscal Year					
	2010-11		2009-10		2008-09		2007-08		2006-07	
										Net (Expense)/Revenue
\$	(803,665)	\$	(875,117)	\$	(1,015,863)	\$	(880,837)	\$	(601,922)	Governmental Activities
•	51,943	*	41,819	Ŧ	54,855	+	52,704	Ŧ	70,629	Business-Type Activities
	- ,		.,		- ,		,		,	Total Primary Government
\$	(751,722)	\$	(833,298)	\$	(961,008)	\$	(828,133)	\$	(531,293)	Net Revenue/(Expense)
	(:•••;;==)	Ŧ	(000,200)	Ŧ	(***,***)	Ŧ	(0=0,100)	Ŧ	(***;=**)	General Revenue and Other
										Changes in Net Position
										Governmental Activities:
										Taxes
										Property Taxes, Levied for
\$	298,953	\$	290,054	\$	263,893	\$	273,259	\$	283,112	General Fund
•	,	*		Ŧ	,	+		Ŧ		Property Taxes, Levied for
	73,260		67,103		68,747		68,042		63,209	Flood Control District
			·							Property Taxes, Levied for
	51,554		49,857		51,076		50,551		46,965	OC Parks
					, -					Property Taxes, Levied for
	37,590		37,057		37,932		37,454		34,427	OC Public Libraries
	30,755		31,917		35,276		32,376		25,828	Property Tax Increments
										Property Taxes in-Lieu of
	228,421		229,635		232,760		224,210		206,933	Motor Vehicle License Fee
	83,938		93,024		94,184		84,434		54,644	Other Taxes
			,		,		,		,	Grants and Contributions Not
										Restricted to Specific
	27,457		10,299		27,637		23,434		1,917	Programs
										State Allocation of Motor
	49,889		46,697		50,390		54,656		58,487	Vehicle License Fees
	23,703		15,541		13,583		27,773		60,856	Unrestricted Investment Earni
	64,563		54,496		49,438		66,887		60,762	Miscellaneous
									31,460	Gain on Sale of Capital Assets
	12,681		11,188		14,129		16,802		14,130	Transfers
	982,764		936,868		939,045		959,878		942,730	Subtotal Governmental Activities
										Extraordinary Gain/(Loss)
										Dissolution of OCDA
										Dusiness Ture Activities
	_									Business-Type Activities: Other Taxes
	- 5,509		6,411		17,332		29,206		34,500	Unrestricted Investment Earni
	1,109		2,453		786		2,886		1,206	Miscellaneous Revenues
							(6,835)			Special Items
	(12,681)		(11,188)		(14,129)		(16,802)		(14,130)	Transfers
	(6,063)		(2,324)		3,989		8,455		21,576	Subtotal Business-Type Activitie
\$	976,701	\$	934,544	\$	943,034	\$	968,333	\$	964,306	Total Primary Government
	,	T.	, <del>-</del>	Ŧ	, ·	τ.			,	
										Change in Net Position
\$	179,099	\$	61,751	\$	(76,818)	\$	79,041	\$	340,808	Governmental Activities
	45,880		39,495		58,844		61,159		92,205	Business-Type Activities
\$	224,979	\$	101,246	\$	(17,974)	\$	140,200	\$	433,013	Total Primary Government

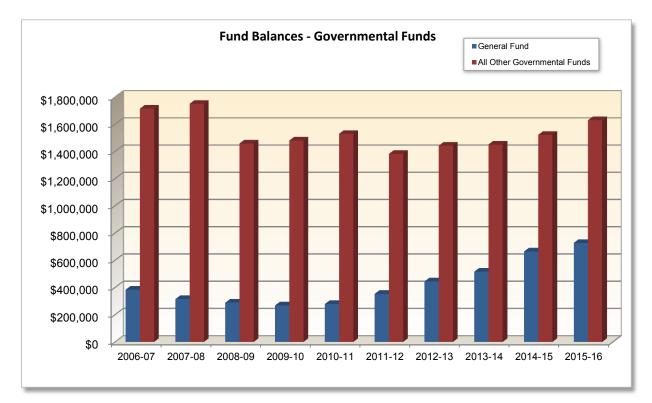
#### Fund Balances, Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year									
		2015-16		2014-15		2013-14		2012-13	(2)	2011-12
General Fund										
Reserved	\$		\$		\$		\$		\$	
Unreserved										
Nonspendable <sup>(1)</sup>		331,889		336,606		321,022		263,446		225,460
Restricted (1)		49,230		31,486		42,028		34,679		26,336
Assigned (1)		321,064		269,529		153,336		68,157		100,448
Unassigned <sup>(1)</sup>		25,655		26,887				78,264		990
Total General Fund	\$	727,838	\$	664,508	\$	516,386	\$	444,546	\$	353,234
										_
All Other Governmental Funds										
Reserved	\$		\$		\$		\$		\$	
Unreserved,										
Reported in:										
Special Revenue Funds										
Debt Service Funds										
Capital Projects Funds										
Permanent Fund										
Nonspendable (1)		20,501		21,296		21,207		18,929		23,057
Restricted <sup>(1)</sup>		1,479,405		1,417,122		1,362,102		1,357,556		1,318,071
Assigned		129,782		83,765		67,929		65,556		43,900
Unassigned (1)										(3,016)
Total All Other Governmental										. ,
Funds	\$	1,629,688	\$	1,522,183	\$	1,451,238	\$	1,442,041	\$	1,382,012

Note:

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

		Fi	scal Year			
2010-11	2009-10		2008-09	2007-08	2006-07	
						General Fund
\$ 	\$ 53,190	\$	49,423	\$ 99,877	\$ 89,001	Reserved
	215,094		238,621	215,096	294,739	Unreserved
266,328						Nonspendable (1)
10,872						Restricted (1)
1,394						Assigned (1)
						Unassigned (1)
\$ 278,594	\$ 268,284	\$	288,044	\$ 314,973	\$ 383,740	Total General Fund
\$ 	\$ 540,745	\$	517,375	\$ 671,739	\$ 626,134	All Other Governmental Funds Reserved Unreserved, Reported in:
	894,148		878,113	880,288	838,291	Special Revenue Funds
	(1,813)		(9,903)		17,456	Debt Service Funds
	47,362		73,045	198,348	232,317	Capital Projects Funds
	154		149	139	125	Permanent Fund
20,802						Nonspendable (1)
1,482,755						Restricted <sup>(1)</sup>
34,173						Assigned
(8,074)						Unassigned (1) Total All Other Governmental
\$ 1,529,656	\$ 1,480,596	\$	1,458,779	\$ 1,750,514	\$ 1,714,323	Funds



### County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2016 (Dollar Amounts in Thousands)

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

		Fisc	cal Year		
	2015-16	2014-15	2013-14	2012-13	2011-12 <sup>(1)</sup>
Revenues					
Taxes	\$ 876,808	822,511	\$ 778,936	\$ 854,587	\$ 784,797
Licenses, Permits and Franchises	27,659	24,583	24,920	15,213	18,046
Fines, Forfeitures and Penalties	61,669	108,115	62,081	79,267	80,180
Use of Money and Property	88,211	73,700	63,611	58,441	81,088
Intergovernmental	2,125,136	2,064,354	2,070,245	1,940,687	1,846,311
Charges for Services	466,659	480,023	470,899	439,224	435,920
Other	 69,436	71,207	54,406	77,464	66,920
Total Revenues	 3,715,578	3,644,493	3,525,098	3,464,883	3,313,262
Expenditures					
General Government	261,387	212,805	172,195	186,145	170,156
Public Protection	1,289,902	1,230,878	1,194,069	1,157,676	1,125,831
Public Ways and Facilities	123,140	102,732	127,506	112,294	126,809
Health and Sanitation	527,482	515,560	621,891	611,369	580,791
Public Assistance	1,061,647	1,030,404	972,156	932,414	909,296
Education	43,928	41,949	40,008	37,239	37,621
Recreation and Cultural Services	100,381	98,001	98,388	94,051	91,753
Capital Outlay	116,569	102,863	125,781	122,639	105,207
Debt Service					
Principal Retirement	126,319	104,756	111,486	72,499	95,429
Escrow Bond Agent					
Interest	43,039	31,513	35,107	43,777	46,152
Debt Issuance Costs	 		200		
Total Expenditures	 3,693,794	3,471,461	3,498,787	3,370,103	3,289,045
Excess (Deficit) of Revenues					
Over Expenditures	21,784	173,032	26,311	94,780	24,217
Other Financing Sources (Uses)					
Capital Contribution					
Transfers In	396,952	338,055	294,374	274,363	345,692
Transfers Out	(387,373)	(323,604)	(279,287)	(268,110)	(336,157)
Debt Issued	127,494	31,541	39,639	78,419	10,000
Premium on Debt Issued	11,724				2,927
Principal Payment on Demand Bonds					
Refunding Bonds Issued					34,380
Payment to Refunded Bond Escrow					(40,491)
Provisions for Increase in Land Held					
for Resale					43
Capital Leases	 254	43			-
Total Other Financing Sources	 149,051	46,035	54,726	84,672	16,394
Extraordinary Gain/(Loss)	 			1,800	(113,615)
Net Change in Fund Balances	\$ 170,835	219,067	\$ 81,037	\$ 181,252	\$ (73,004)
Debt Service as a Percentage					
of Noncapital Expenditures:	4.73%	4.04%	4.34%	3.60%	4.44%

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

			Fiscal Year				
2010-11		2009-10	2008-09	2007-08	4	2006-07	
							Revenues
\$ 738,10	)9	\$ 741,850	\$ 727,159	\$ 719,742	\$	674,278	Taxes
16,83		14,976	17,965	20,516		23,289	Licenses, Permits and Franchises
93,46		102,959	112,882	89,700		73,353	Fines, Forfeitures and Penalties
89,51		88,350	69,667	146,983		165,042	Use of Money and Property
1,745,06		1,769,253	1,697,017	1,743,637		1,722,951	Intergovernmental
478,91		418,373	443,456	423,611		406,071	Charges for Services
64,12		65,727	89,064	91,197		104,046	Other
3,226,02	22	3,201,488	3,157,210	3,235,386	;	3,169,030	Total Revenues
							Expenditures
207,19	93	211,434	277,369	252,781		204,585	General Government
1,068,26	67	1,054,947	1,117,882	1,103,442		1,005,737	Public Protection
110,78	39	106,985	110,548	117,963		90,683	Public Ways and Facilities
576,79	93	559,315	576,964	564,335		516,901	Health and Sanitation
911,70	)4	903,733	878,436	851,836		788,326	Public Assistance
37,67	71	38,921	39,666	37,091		35,904	Education
84,50	)6	82,826	79,889	70,084		73,386	Recreation and Cultural Services
84,31	11	124,077	155,286	143,468		154,373	Capital Outlay
							Debt Service
87,68	35	88,962	205,268	301,066		191,012	Principal Retirement
							Escrow Bond Agent
40,63	34	39,565	46,697	53,478		58,586	Interest
						799	Debt Issuance Costs
3,209,55	53	3,210,765	3,488,005	3,495,544	;	3,120,292	Total Expenditures
							Excess (Deficit) of Revenues
16,46	69	(9,277)	(330,795)	(260,158)		48,738	Over Expenditures
							Other Financing Sources (Uses)
395,75	52	382,154	793,528	359,791		298,138	Transfers In
(388,27	74)	(370,820)	(781,397)	(345,674)		(288,045)	Transfers Out
36,00	00					32,700	Debt Issued
						2,140	Premium on Debt Issued
				211,065		105,991	Principal Payment on Demand Bonds
							Refunding Bonds Issued
(71	10)						Payment to Refunded Bond Escrow
							Provisions for Increase in Land Held
							for Resale
13	33			2,400			Capital Leases
42,90	)1	11,334	12,131	227,582		150,924	Total Other Financing Sources
							Extraordinary Loss
\$ 59,37	70	\$ 2,057	\$ (318,664)	\$ (32,576)	\$	199,662	Net Change in Fund Balances
							Debt Service as a Percentage
4.12	2%	4.18%	7.54%	10.43%		8.44%	of Noncapital Expenditures:
7.12		4.1070	1.0470	10.4070		0.777/0	

# Assessed Value of Taxable Property <sup>(1)</sup> Last Ten Fiscal Years

Fiscal Year	Residential Property		Industrial/ Commercial Property	F	Other Property <sup>(2)</sup>	Unsecured Roll Gross Total <sup>(3)</sup>		
2015-16	\$	377,592,570	\$ 110,440,476	\$	3,294,159	\$ 20,394,462		
2014-15		352,800,864	105,523,254		3,694,094	20,902,660		
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		

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 <sup>(1)</sup>		
\$ 511,721,667	\$ (12,722,344)	\$ 498,999,323	1.00		
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		

#### COUNTY OF ORANGE Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Rate Per \$1,000 of Assessed Value)

	Direct Rate (1)					
Fiscal Year	County General	School Districts	Local Special Districts	Cities	Public Utility	Total Direct & Overlapping Rates
2015-16	1.00000	0.05101	0.01455	0.00670	0.00227	1.07453
2014-15	1.00000	0.04579	0.04438	0.00681	(3)	1.09698

Notes: (1) Article 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) These overlapping rates are in addition to the County General rate, but only apply to taxpayers within the borders of the school districts, local special districts, cities, and public utilities that lie within the County.

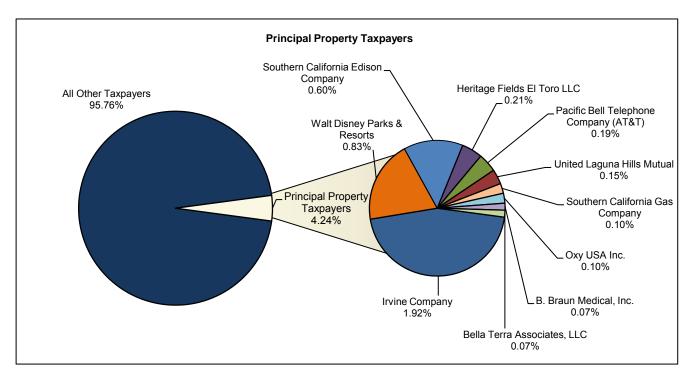
(3) No rate was available for Public Utility in FY 2014-15.

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



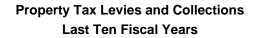
## Principal Property Taxpayers Current Year and Nine Years Ago

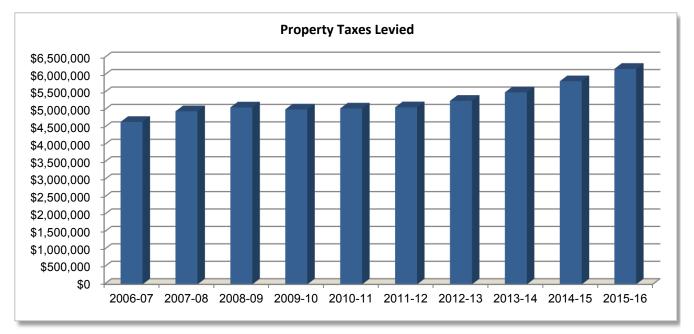
			201	6		7		
Taxpayer	Act	ual Taxes Levied	Rank	Percentage of Total Taxes Levied	Actual Taxes Levied		Rank	Percentage of Total Taxes Levied
Irvine Company	\$	111,040	1	1.92%	\$	50,787	1	1.09%
Walt Disney Parks & Resorts		48,011	2	0.83%		37,935	2&6	0.81%
Southern California Edison Company		34,709	3	0.60%		18,548	4	0.40%
Heritage Fields El Toro LLC		11,943	4	0.21%		8,424	5	0.18%
Pacific Bell Telephone Company (AT&T)		10,921	5	0.19%		6,464	8	0.14%
United Laguna Hills Mutual		8,735	6	0.15%		7,470	7	0.16%
Southern California Gas Company		5,934	7	0.10%				
Oxy USA Inc.		5,575	8	0.10%				
B. Braun Medical, Inc.		4,302	9	0.07%				
Bella Terra Associates, LLC		3,999	10	0.07%				
Irvine Apartment Communities						19,409	3	0.42%
Irvine Co. of W VA						5,382	9	0.12%
Irvine Community Development						5,148	10	0.11%
Total	\$	245,169		4.24%	\$	159,567		3.43%



Source: Treasurer-Tax Collector, County of Orange

	Taxes Levied for the		Within the Fiscal of the Levy <sup>(2)</sup>	Collections of Delinquent Taxes from	Total Collections for the Fiscal Year <sup>(3)</sup>				
Fiscal Year	Fiscal Year <sup>(1)</sup>	Amount	Percentage of Levy	Prior Years <sup>(4)</sup>		Amount	Percentage of Levy		
2015-16	\$ 6,183,862	\$ 6,119,771	98.96%	\$-	\$	6,119,771	98.96%		
2014-15	5,828,106	5,759,699	98.83%	40,387		5,800,086	99.52%		
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 because the property taxes levied will be collected in the following year.

(4) No amounts are shown because the property taxes revied will be conected in the long

Source: Auditor-Controller, County of Orange

		Go	vernmental Activ	ities		
Fiscal Year	Refunding Recovery Bonds <sup>(6)</sup>	Redevelopment Bonds <sup>(2)</sup>	Certificates of Participation <sup>(5)</sup>	Pension Obligation Bonds <sup>(5)</sup>	Teeter Plan Revenue Bonds	Teeter Plan Notes
2015-16	\$	\$	\$ 1,262	\$ 19,140	\$	\$30,191
2014-15			1,744	27,227		33,823
2013-14	19,172		2,262	32,193		39,830
2012-13	35,317		2,822	37,925		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	

# Ratios of Outstanding Debt <sup>(1)</sup> by Type Last Ten Fiscal Years (in Thousands Except Per Capita) (Accrual Basis of Accounting)

Notes:

(1) Details regarding the County's outstanding debt can be found in Note 10, 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 11, 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 does not include Interest Accretion on capital appreciation bonds (CAB), this was separated and numbers were restated.

(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.

(7) Lease Revenue bonds and Airport Revenue bonds include unamortized premiums and discounts.

Source: Auditor-Controller, County of Orange

			Busines	s-Type Activities			
Lease Revenue Bonds <sup>(6), (7)</sup>	Capital Lease Obligations <sup>(3)</sup>	Interest Accretion on CAB	Airport Revenue Bonds <sup>(7)</sup>	Waste Managemen System Revenue Bonds	t Total Primary Government	Percentage of Personal Income <sup>(4)</sup>	Per Capita <sup>(4)</sup>
\$ 141,145	\$ 67,928	\$ 73,926	\$ 195,127	\$	\$ 528,719	0.28%	\$ 166
105,880	79,168	96,303	202,536		546,681	0.29%	174
137,115	62,446	103,377	209,804		606,199	0.34%	195
155,828	67,353	110,084	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

### Ratios of Net General Bonded Debt <sup>(1)</sup> 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 <sup>(3)</sup>	Restricted for Debt Payments <sup>(3)</sup>	Total (Excess)/ Under	Percentage of Assessed Value	Per Capita <sup>(2)</sup>
2015-16	\$-	\$ 87,521	\$ 87,521	\$-	0.00%	\$-
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 10, Long-Term Obligations.

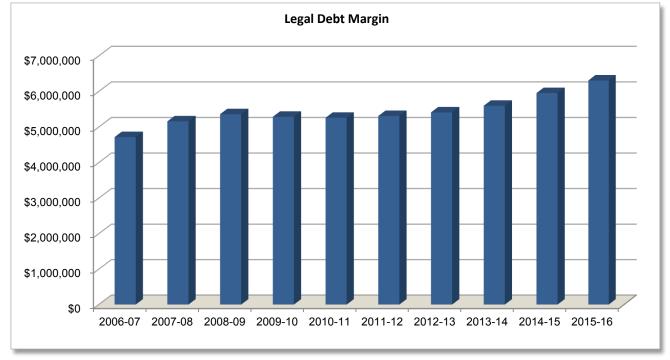
(2) See demographic and economic statistics schedule for population data. For years prior to FY 2012-13, the debt per capita amount was calculated using the population for the prior fiscal year.

(3) Beginning in FY 2012-13, outstanding debt includes accreted interest on capital appreciation bonds.

Source: Auditor Controller, County of Orange

Fiscal Year	As	sessed Value	Leç	gal Debt Limit	Applic	let Debt able to mit	I	.egal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2015-16	\$	504,650,360	\$	6,308,130	\$		\$	6,308,130	0%
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%

### Legal Debt Margin as a Percentage of Debt Limit Last Ten Fiscal Years



Note:

(1) Starting from FY 2007-08, Assessed Value includes 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 requires the approval of 2/3 of the voting on the proposition.

Source: Auditor-Controller, County of Orange

#### Pledged Revenue Coverage<sup>(1)</sup> Last Ten Fiscal Years

				nd Transfers	ings a	rest Earni	Inte	Source:	ling	Fundi		ansfers	d Tr	sions, and	onces	Rents and Co	ings	Interest Earnii	Source:	ding	Fur
	rvice	ebt Ser		-	Ū						_	rice	Ser	Debt S			0			Ū	
Coverage	Interest	ipal	Pri	Available levenue		perating		Gross Revenue		Fiscal Year	Coverage	nterest		rincipal	Р	let Available Revenue	N	Operating Expenses	Bross venue		Fiscal Year
0.95	\$ 2,121	482	\$	2,470	\$		\$	5 2,470	ç	2015-16	0.95	906	\$	4,920	\$	5,557	\$	\$ 271	5,828	\$	2015-16
0.95	2,090	518	Ť	2,475	•		•	2,475		2014-15	1.00	1,049		4,780	•	5,830	Ť		5,830	•	2014-15
0.94	2,045	560		2,459				2,459		2013-14	1.00	1,143		4,680		5,825			5,825		2013-14
0.91	2,005	600		2,359		44		2,403		2012-13	1.00	1,307		4,520		5,841			5,841		2012-13
1.07	1,958	642		2,770				2,770		2011-12					)	(262)		262			2011-12
0.97	1,906	694		2,525				2,525		2010-11											2010-11
1.05	1,861	744		2,743				2,743		2009-10											2009-10
1.04	1,801	804		2,700				2,700		2008-09											2008-09
1.07	1,741	859		2,789				2,789		2007-08											2007-08
1.00	1,678	927		2,605				2,605		2006-07											2006-07
			tes	er Plan Not	Тее								iy	Authorit	ing /	blic Financi	/ Pi	ange County	Ora		
				y Taxes Colle			Deli	Source:	ling	Fundi		ansfers						Interest Earnin		ding	Fur
	rvice	ebt Ser		-							-	ice	Ser	Debt S							
Coverage	Interest	ipal	Pri	Available evenue		perating		Gross Revenue	8	Fiscal Year (3)	Coverage	nterest		rincipal	Р	let Available Revenue	N	Operating Expenses	Gross		Fiscal Year
0.00	\$ 347					210	\$		<i>,</i>	2015-16	1.55			25,420			\$		44,418	\$	2015-16
(0.07	φ 3 <del>4</del> 7 352	,548		(2,780) <sup>(4</sup>	Ψ	2,954	Ψ	, 310 174		2010-10	1.04	4,455		24,235	Ψ	29,928	Ψ		29,928	Ψ	2014-15
0.25	413	,295		10,896		251		11,147		2013-14	1.04	5,605		23,115		29,949			29,949		2013-14
0.99	327	,449		14,674		1,032		15,706		2012-13	1.04	6,638		22,160		29,952			29,952		2012-13
										2011-12	0.49	10,837		61,630		35,697			35,697		2011-12
										2010-11	1.03	13,643		58,990		74,725			74,725		2010-11
										2009-10	1.03	16,151		56,580		74,838			74,838		2009-10
										2008-09	1.03	18,385		56,225		77,027			77,027		2008-09
										2007-08	1.07	20,283		51,680		77,308			77,308		2007-08
										2006-07	1.00	21,656		52,050		74,025		2,137	76,162		2006-07
															nds	Revenue Bon	ort F	Airpo			
											Revenue,	es, Misc R	ervic	ges for Se	Charg	ssions, Other C	once	Rents and Co	Source:	ding	Fur
											Revenue	-		-	Pas	, and Available	ngs	Interest Earnii			
											-	ice	Sen	Debt S							
											Coverage	nterest		rincipal	P	let Available Revenue	N	Operating Expenses	Gross Venue		Fiscal Year
											3.47	10,338	\$	7,205	\$	60,828	\$	\$ 82,833	143,661	\$	2015-16
																00,010	Ψ				
											3.01	10,603		6,995		52,933		82,558	135,491		2014-15
											3.01 1.11										
												10,603 11,395 12,250		6,995 30,473 9,250		52,933 46,577 47,227		82,558 84,708 79,739	135,491		2014-15

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.

2.43

5.28

2.62

3.04

1.93

12,906

7,163

4,567

5,280

6,249

7,460

2,865

13,480

12,765

12,120

(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, therefore, only long-term note information is presented.
 (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

120,088

121,761

115,026

118,105

117,879

70,521

68,771

67,749

63,174

82,383

49.567

52,990

47,277

54,931

35,496

2010-11

2009-10

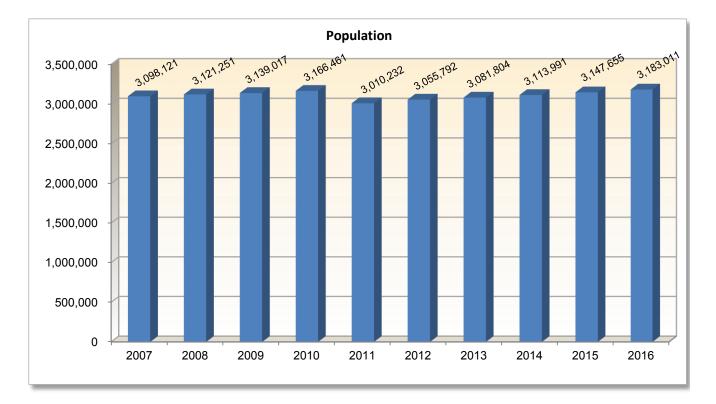
2008-09

2007-08

2006-07

### Demographic and Economic Statistics Last Ten Calendar Years

_	Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Personal Income (Absolute Dollars) <sup>(2)</sup>	Median Age <sup>(3)</sup>	Public School Enrollment (In Thousands) <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
	2016	3,183,011	\$ 190,978,000	\$ 59,999	N/A	493,030	4.4%
	2015	3,147,655	185,500,000	58,933	36.7	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	6.7%
	2012	3,055,792	166,345,500	54,436	36.7	502,195	8.1%
	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%



#### N/A means Not Available

Sources:

- (1) California Department of Finance, Demographic Research Unit, <u>http://www.dof.ca.gov</u>
- (2) Chapman University Economic & Business Review.
- (3) U.S. Census Bureau, American Community Survey, http://www.census.gov, 2016 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

20	1	C
20	I	О

Employer	Number of Employees	Rank	Percentage of Total County Employment
Walt Disney Co.	27,000	1	1.67%
University of California, Irvine	22,385	2	1.39%
County of Orange	18,190	3	1.13%
St. Joseph Health System	12,227	4	0.76%
Kaiser Permanente	7,000	5	0.43%
Boeing Co.	6,890	6	0.43%
Wal-Mart	6,000	7	0.37%
Memorial Care Health System	5,650	8	0.35%
Bank of America	5,500	9	0.34%
Target Corporation	5,400	10	0.33%

2007

Employer	Number of Employees	Rank	Percentage of Total County Employment
Walt Disney Co.	20,000	1	1.22%
County of Orange	18,301	2	1.12%
University of California, Irvine	17,579	3	1.08%
St. Joseph Health System	10,047	4	0.61%
Boeing Co.	9,961	5	0.61%
Yum! Brands Inc.	7,200	6	0.44%
AT&T Incorporated	6,000	7	0.37%
California State University, Fullerton	5,634	8	0.34%
Home Depot, Incorporated	5,450	9	0.33%
Bank of America Corp.	5,000	10	0.31%

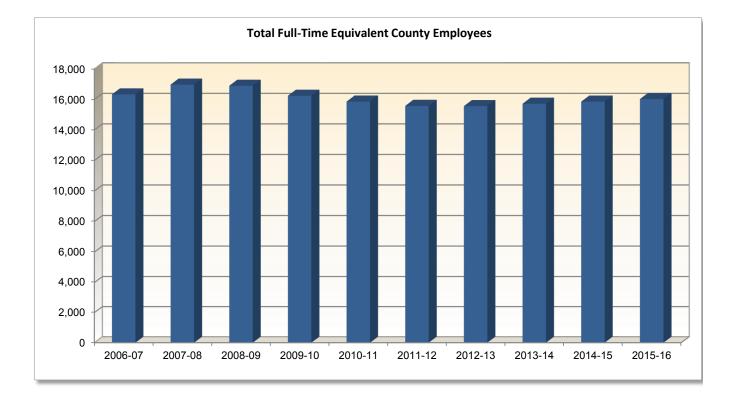
Note: For 2016, used 2015 data for the number of employees, except County of Orange

Source: Source: Orange County Business Journal Book of Lists - County of Orange http://www.locationOC.com

http://www.labormarketinfo.edd.ca.gov

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

Function/Program	2015-16	2014-15	2013-14	2012-13(2)	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
General Government	1,419	1,341	1,322	1,273	1,279	1,314	1,346	1,383	1,377	1,334
Public Protection	6,642	6,674	6,760	6,781	6,653	6,692	6,879	7,298	7,226	6,943
Public Ways and Facilities	435	440	478	508	542	569	585	622	621	579
Health and Sanitation	2,253	2,198	2,128	2,137	2,209	2,292	2,346	2,507	2,550	2,441
Public Assistance	4,306	4,239	4,043	3,876	3,867	3,935	4,023	4,000	4,123	3,992
Education	302	286	290	286	307	324	325	350	360	351
Recreation and Cultural Services	272	265	274	268	283	289	285	277	264	257
Airport	154	159	162	167	168	168	169	168	161	157
Waste Management	233	241	249	255	257	261	267	272	270	258
Children and Families Commissior of Orange County	ו 11	11	11	11	13	14	16	17	17	16
Total Full-time Equivalent Employees <sup>(1)</sup>	16,027	15,854	15,717	15,562	15,578	15,858	16,241	16,894	16,969	16,328



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

			Fis	scal Year		
Function/Program	 2015-16	2014-15		2013-14	2012-13	2011-12
General Government						
Auditor-Controller						
Property Tax Bills Prepared	1,141,652	1,216,325		1,220,750	1,186,238	1,153,816
Assessor						
Number of Real Property Valued	930,470	924,791		918,672	914,489	901,840
Number of Unsecured Property Assessed	141,224	145,151		135,551	139,865	159,464
New Parcels Created and Mapped	6,665	6,918		4,519	8,175	3,649
New Construction Events	19,397	18,530		16,904	17,173	17,129
County Executive Office Volunteer Program Service Hours	613,277	638,230		700,759	815,407	885,416
Clerk-Recorder						
Marriage Licenses Issued	23,725	23,553		25,244	22,502	22,415
Marriage Ceremonies Performed	11,122	11,213		12,056	*	*
Copies of Birth Certificates Issued	74,508	79,826		82,268	81,775	83,611
Property-Related Document Recordings	617,914	651,866		580,899	839,353	741,935
Passport Applications Filed	7,093	5,016		2,686	*	*
Treasurer-Tax Collector						
Orange County Investment Pool Income	\$ 24,877	\$ 14,581	\$	11,298	\$ 12,958	\$ 17,978
Assets Under Management	\$ 8,271,502	\$ 7,604,246	\$	6,566,145	\$ 6,490,056	\$ 5,922,768
Number of Property Tax Bills	1,367,275	1,381,808		1,421,654	1,347,596	1,257,709
Percentage of Secured Tax Bill Collection	99.26%	99.21%		99.16%	98.94%	98.51%
Number of Incoming Phone Calls	111,948	121,461		115,123	150,830	148,463
Percentage of Electronic Payments	54.9%	54.2%		53.8%	49.4%	51.1%
Secured Tax Bill Reminders	38,213	35,917		31,988	28,664	25,451
Property Tax Payments by eCheck	309,977	285,932		248,908	213,146	181,151
Registrar of Voters						
Registered Voters	1,395,380	1,424,216		1,411,232	1,683,001	1,612,145
Highest Number of Ballots Cast	691,802	640,358		340,187	1,133,204	145,474
Elections Conducted	4	7		3	2	2
Public Protection						
Sheriff-Coroner						
Patrolled Cities Population	641,753	637,261		631,934	627,447	557,403
Patrolled Unincorporated Areas	405 400			404 470	400.000	440.000
Population	125,420	124,014		121,473	120,396	119,698
Number of Bookings to Orange County Jail System	56,163	EC 10E		61.060	63,439	65,256
Average Daily Jail Head Count	6,028	56,135 6,055		61,262 7,039	6,805	6,265
	0,020	0,000		7,055	0,005	0,205
District Attorney Defendants Prosecuted - Adult	61 501	E6 000		55,906	E7 072	61,759
Defendants Prosecuted - Adult Defendants Prosecuted - Juvenile	61,521 3,564	56,233 4,482		55,906 5,103	57,873 6,651	6,743
	5,504	4,402		5,105	0,001	0,745
Probation	*	*		*	2.047	2 207
Physical Arrests - Adult Physical Arrests - Juvenile	*	*		*	2,947 640	2,307 467
Probationers under Supervision as of					040	407
June 30th-Adult	11,714	10,725		14,425	14,186	14,788
Probationers under Supervision as of	11,714	10,720		14,423	1-1,100	14,700
June 30th-Juvenile	2,550	3,124		4,156	4,984	5,399
Avg. Daily Juvenile Hall Population	130	150		229	320	315
Avg. Daily Camp Population	143	203		182	193	169
Public Defender		200		102	100	100
Cases Appointed Annually	65,574	79,119		74,101	77,073	73,487

\* means Not Available

Sources: County Departments

			Fiscal Year				
	2010-11	2009-10	2008-09	2007-08		2006-07	Function/Program
							General Government
							Auditor-Controller
	1,189,320	1,144,933	1,148,720	1,149,007		1,164,584	Property Tax Bills Prepared
							Assessor
	899,644	897,547	888,770	881,233		872,439	Number of Real Property Valued
	161,005	168,208	169,821	176,584		171,542	Number of Unsecured Property Assessed
	2,739	9,413	9,185	10,252		14,760	New Parcels Created and Mapped
	9,372	13,172	16,565	19,380		19,991	New Construction Events
							County Executive Office
	935,284	882,680	839,125	675,285		923,689	Volunteer Program Service Hours
	,	,	,			,	Clerk-Recorder
	20,868	20,292	21 220	20,894		21 099	Marriage Licenses Issued
	20,000	20,292	21,339	20,094		21,088	Marriage Ceremonies Performed
	85,773	87,999	98,231	117,226		120,817	Copies of Birth Certificates Issued
	725,323	669,332	629,373	658,005		849,739	Property-Related Document Recordings
	*	*	\$	*		*	Passport Applications Filed
•	00.005	05.050	• • • • • •	444.004	•	407 407	Treasurer-Tax Collector
\$	22,295		\$ 67,242 \$	141,824	\$	167,107	Orange County Investment Pool Income
\$	6,183,195	, , ,	\$ 5,963,577 \$	6,064,067	\$	6,186,614	Assets Under Management
	1,382,198	1,362,221	1,367,901	1,472,466		1,477,237	Number of Property Tax Bills
	98.35%	97.61%	96.30%	96.13%		97.18%	Percentage of Secured Tax Bill Collection
	162,955	160,067	178,420	175,149		161,832	Number of Incoming Phone Calls
	49.3%	43.8%	40.8%	41.2%		*	Percentage of Electronic Payments
	21,027	400.040	440.444	405 200		*	Secured Tax Bill Reminders
	143,136	126,942	112,114	105,396			Property Tax Payments by eCheck
							Registrar of Voters
	1,621,934	1,603,312	1,607,989	1,566,951		1,497,397	Registered Voters
	898,205	482,708	1,167,657	748,910		756,348	Highest Number of Ballots Cast
	5	5	4	5		3	Elections Conducted
							Public Protection
							Sheriff-Coroner
	553,148	584,947	581,109	575,909		571,648	Patrolled Cities Population
							Patrolled Unincorporated Areas
	121,488	120,088	119,480	118,136		120,174	Population
							Number of Bookings to Orange County
	63,615	58,322	61,778	64,596		66,869	Jail System
	5,721	5,171	6,090	6,183		6,571	Average Daily Jail Head Count
							District Attorney
	64,418	64,969	70,058	69,507		74,010	Defendants Prosecuted - Adult
	7,907	6,894	7,740	9,076		8,763	Defendants Prosecuted - Juvenile
							Probation
	1,926	1,822	1,725	2,470		3,000	Physical Arrests - Adult
	488	685	595	1,051		1,363	Physical Arrests - Juvenile
	100		000	1,001		.,000	Probationers under Supervision as of
	13,243	13,476	15,022	16,223		16,646	June 30th-Adult
							Probationers under Supervision as of
	5,792	6,527	6,492	6,569		6,112	June 30th-Juvenile
	417	428	455	490		502	Avg. Daily Juvenile Hall Population
	194	191	310	438		333	Avg. Daily Camp Population
			0.0				Public Defender
	77,661	76,191	83,029	79,052		83,299	Cases Appointed Annually

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

	Fiscal Year								
	2015-16	2014-15	2013-14	2012-13	2011-12				
Parks & Recreation									
OC Community Resources									
Exotic Invasive Plant Removal (acres)	2,782	1,466	1,154	4,102	4,042				
Native Vegetation Restoration (acres)	293	312	368	843	994				
New Open Space Management (acres)	-								
Dana Point Harbor									
Slip and Dry Storage Tenants	2,903	3,204	2,679	2,700	2,237				
Boat Launches	17,695	15,511	15,606	15,037	14,327				
Sailing and Event Center Participants	50,000	75,000	111,838	115,996	111,959				
Ocean Institute Students	192,384	41,000	100,000	108,668	110,059				
Hotel Guests	29,010	43,073	42,887	41,141	36,800				
Catalina Express Passengers	25,711	123,688	123,257	123,257	120,945				
Special Events at the Harbor	8	12	15	16	16				
Public Ways and Facilities									
OC Public Works (OCPW)	40.000			40.000					
Building and Home Inspections	40,662	30,324	31,772	19,368	15,591				
Health and Sanitation									
OC Community Resources									
Animal Licenses	192,470	198,358	192,320	191,098	200,755				
Health Care Agency	100 500	400 704	470.004	474 400	400 470				
911 Emergency Medical Services Responses	193,538	183,794	170,804	171,420	168,172				
Retail Food Facility Inspections Conducted	26,195	31,397	32,689	34,953	35,025				
Hazardous Waste Inspections Conducted	8,328	5,950	4,616	6,058	5,444				
Number of Home Visits by Public Health Nurses Number of Low Income Children Dental Health	29,219	31,258	35,101	34,953	32,498				
Services	496	755	1,225	1,107	1,344				
Number of Ocean Water Days of Closure (In Beach-Miles)	22	24	20	8	0.93				
	22	24	20	0	0.90				
Public Assistance									
OC Community Resources Adult Day Care Hours of Service	40.071	42.040	50.044	40 400	70.067				
	49,971	43,010	50,944	49,129	70,267				
Elderly Nutrition Program Meals Delivered	1,374,275	1,406,526	1,347,251	1,360,601	1,636,379				
One-Way Transportation Trips Provided to Seniors	198,851	180,899	187,864	155,003	184,476				
Social Service Agency									
Average Monthly Medi-Cal Recipients	810,388	718,061	521,078	430,559	418,649				
Average Monthly Child Abuse Hotline Calls	4,259	4,049	3,674	3,009	2,880				
Average Monthly CalFresh (formerly Food									
Stamp) Recipients	263,556	258,676	247,517	230,964	213,919				
Average Monthly In-Home Supportive Services	22,635	20,787	19,652	19,663	19,240				
Average Persons Receiving Cash Assistance	52,081	55,921	55,225	55,008	56,847				
Average Children in Foster Care/Relative Care	1,791	1,924	2,119	2,213	2,128				
Average Elder and Adult Abuse Unduplicated									
Reports Received	942	815	710	636	630				
Education									
OC Community Resources									
Total Volumes Borrowed at Library Branches	6,634,747	6,411,127	6,642,739	6,564,262	6,741,380				
Airport	10 500 000	0 600 070	0 204 205	0 104 170	0.640.440				
Passengers	10,503,228	9,608,873	9,304,295	9,124,172	8,642,116				
Air Cargo Tonnage	18,568	16,997	17,564	17,821	16,831				
Takeoffs & Landings	276,817	264,726	252,166	252,506	251,191				
Waste Management									
Solid Waste Tonnage	4,772,722	4,581,359	4,070,238	3,428,657	3,304,643				
Gallons of Leachate and Impacted									
Ground Water Collected	3,542,736	5,510,821	3,854,530	3,116,108	3,448,964				

\* means Not Available

Sources: County Departments

		Fiscal Year			
2010-11	2009-10	2008-09	2007-08	2006-07	Function/Program
					Parks & Recreation
					OC Community Resources
629	61	1,475	*	30	Exotic Invasive Plant Removal (acres)
2,448	82	144	*	13	Native Vegetation Restoration (acres)
			250		New Open Space Management (acres)
					Dana Point Harbor
2,748	2,750	2,836	2,932	2,932	Slip and Dry Storage Tenants
15,150	18,759	19,903	22,247	22,159	Boat Launches
108,070	83,738	66,163	54,371	54,539	Sailing and Event Center Participants
125,000	125,060	126,957	116,218	149,220	Ocean Institute Students
26,972	25,252	28,650	26,940	29,580	Hotel Guests
114,176	106,305	111,648	114,000	114,708	Catalina Express Passengers
16	100,303	16	16	16	Special Events at the Harbor
10	10	10		10	
					Public Ways and Facilities
10.015	11 000	04 704	24.262	22.265	OC Public Works (OCPW)
13,215	11,222	24,731	31,363	32,365	Building and Home Inspections
					Health and Sanitation
					OC Community Resources
173,570	176,123	158,202	155,875	166,137	Animal Licenses
					Health Care Agency
156,638	158,863	160,369	150,545	147,067	911 Emergency Medical Services Responses
34,962	36,445	33,146	33,451	31,475	Retail Food Facility Inspections Conducted
6,237	6,600	5,847	6,194	6,223	Hazardous Waste Inspections Conducted
29,260	30,091	29,505	30,447	38,245	Number of Home Visits by Public Health Nurses
					Number of Low Income Children Dental Health
1,533	1,520	979	660	1,055	Services
					Number of Ocean Water Days of Closure
61	20	26	11	3	(In Beach-Miles)
					Public Assistance
					OC Community Resources
93,425	92,964	101,732	89,584	76,005	Adult Day Care Hours of Service
1,846,571	1,796,596	1,725,058	1,736,877	1,606,272	Elderly Nutrition Program Meals Delivered
287,611	213,832	233,382	225,783	242,415	One-Way Transportation Trips Provided to Seniors
					Social Service Agency
403,142	376,101	343,222	326,506	317,771	Average Monthly Medi-Cal Recipients
3,003	3,165	3,242	3,427	3,049	Average Monthly Child Abuse Hotline Calls
					Average Monthly CalFresh (formerly Food
185,489	150,141	109,491	88,284	82,132	Stamp) Recipients
18,335	17,595	16,364	14,425	12,765	Average Monthly In-Home Supportive Services
58,770	53,214	44,115	38,840	38,790	Average Persons Receiving Cash Assistance
2,148	2,336	2,466	2,797	2,692	Average Children in Foster Care/Relative Care
					Average Elder and Adult Abuse Unduplicated
604	598	531	549	509	Reports Received
					Education
7 700 054	7 000 070	7 044 045	0 000 477	0 707 500	OC Community Resources
7,796,954	7,629,378	7,314,615	6,908,477	6,767,502	Total Volumes Borrowed at Library Branches
0 644 054	0.040.400	0 660 500	0 560 040	0.040.040	Airport
8,611,054	8,812,169	8,552,590	9,566,043	9,910,016	Passengers
15,150	14,870	15,197	21,084	22,853	Air Cargo Tonnage
260,466	213,404	215,585	319,791	343,572	Takeoffs & Landings
					Waste Management
3,495,649	3,502,715	3,876,902	4,207,649	4,706,367	Solid Waste Tonnage
0.000 707	0.000.007	0.444.040	0.700.000	0.005 515	Gallons of Leachate and Impacted
3,209,725	3,390,965	3,441,343	3,766,898	3,695,743	Ground Water Collected

<b>Capital Asset Statistics by Function</b>
Last Ten Fiscal Years

			Fiscal Year		
Function/Program	2015-16	2014-15	2013-14	2012-13	2011-12
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	4	3	3	3
Public Protection					
Sheriff-Coroner					
Crime/Forensic Lab	1	1	1	1	1
Jail Facilities	3	3	3	3	3
Vehicles	917	916	911	918	838
Buses	11	11	11	11	11
Helicopters	4	3	3	2	2
Boats	10	10	10	9	9
Robot Andros	3	3	3	3	3
Haz-mat Vehicles	4	4	4	4	4
K-9 units	28	22	18	13	10
District Attorney					
Justice Center Offices	5	5	5	5	5
Probation Department					
Juvenile Institutions	4	4	4	4	5
Vehicles/Trucks	155	159	156	*	*
Equipment	12	16	12	*	*
Parks and Recreation					
OC Community Resources					
Park Land (acres)	62,900	62,900	60,500	59,318	57,688
Recreational Trails (in miles)	295	295	295	295	295
Zoo	1	1	1	1	1
Urban Regional Parks	15	15	15	15	12
Wilderness Parks	5	5	5	5	5
Nature Preserves	4	4	4	4	4
Harbors	3	3	3	3	2
Beaches	11	11	11	11	9
Historical Sites	7	7	7	7	7
Boats	8	7	7	9	21
Tractors	25	26	28	24	26
Trailers	31	27	29	33	30
Vehicles/Trucks	204	174	170	211	188
Dana Point Harbor					
Harbor	1	1	1	1	1
Marinas	2	2	2	2	2
Public Parking Areas	9	9	9	9	9

\* means Not Available

Source: County Departments

		Fiscal Year			
2010-11	2009-10	2008-09	2007-08	2006-07	Function/Program
					General Government
					Auditor-Controller
1	1	1	1	1	Hall of Finance and Records
					Clerk-Recorder
1	1	1	1	-	OC Archives Building
					Registrar of Voters
1	1	1	1	1	Trailer
3	3	3	3	2	Vehicle/Truck
					Public Protection
					Sheriff-Coroner
1	1	1	1	1	Crime/Forensic Lab
3	3	3	3	3	Jail Facilities
844	844	859	855	777	Vehicles
13	13	13	12	14	Buses
2	2	2	2	3	Helicopters
5	5	5	5	3	Boats
3	3	3	3	3	Robot Andros
4	4	4	4	4	Haz-mat Vehicles
14	14	14	13	12	K-9 units
					District Attorney
5	5	5	6	6	Justice Center Offices
					Probation Department
5	5	5	6	6	Juvenile Institutions
*	*	*	*	*	Vehicles/Trucks
*	*	*	*	*	Equipment
					Parks and Recreation
					OC Community Resources
57,688	39,490	39,490	32,000	32,000	Park Land (acres)
295	292	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	4	3	3	3	Nature Preserves
2	2	2	2	2	Harbors
9	9	9	9	9	Beaches
7	7	7	7	7	Historical Sites
15	14	14	15	9	Boats
22	18	17	9	16	Tractors
24	20	17	15	21	Trailers
233	208	176	165	135	Vehicles/Trucks
					Dana Point Harbor
1	1	1	1	1	Harbor
2	2	2	2	2	Marinas
9	9	9	9	9	Public Parking Areas

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

			Fiscal Year		
	2015-16	2014-15	2013-14	2012-13	2011-12
Parks and Recreation (Continued)					
Dana Point Harbor (Continued)					
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	24	23	23	23	25
Restaurants	16	16	16	16	16
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	50	51	60	60	59
Vehicles/Trucks	42	53	54	51	50
OC Flood Control District			•	01	00
Watersheds	19	13	13	13	13
Dams	3	3	3	3	3
Dump Trucks	7	7	12	5	5
Tractors	20	14	19	5	5
Trailers	14	24	17	8	12
Vehicles/Trucks	79	156	156	156	165
Roads	10	100	100	100	100
Street Miles	330	320	320	319	320
Dump Trucks	12	11	9	4	11
Tractors	30	18	9	6	3
Trailers	32	30	18	10	5
	52	50	10	10	5
<u>Health</u>					_
Clinics (1)	4	4	3	3	3
Laboratories <sup>(1)</sup>	2	2	2	2	2
Trailers $(1)$	12	12	8	11	27
Vehicles and Trucks <sup>(1)</sup>	24	24	25	25	24
OC Community Resources					
Animal Care Center	1	1	1	1	1
Trailers	3	3	3	3	3

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

(2) \* means Not Available

Source: County Departments

	l	Fiscal Year			
2010-11	2009-10	2008-09	2007-08	2006-07	Function/Program
					Parks and Recreation (Continued)
					Dana Point Harbor (Continued)
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	25	26	26	26	Shops
15	16	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
1	*	*	*	*	Parcel 11 (Former Restaurant)
1	*	*	*	*	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	59	50	Alternate Fuel Vehicles
50	50	47	47	48	Vehicles/Trucks
					OC Flood Control District
19	11	11	11	13	Watersheds
3	3	3	3	3	Dams
13	13	13	14	14	Dump Trucks
10	19	19	20	20	Tractors
15	14	14	13	13	Trailers
161	122	166	162	154	Vehicles/Trucks
					Roads
320	320	320	320	317	Street Miles
9	1	8	8	8	Dump Trucks
4	3	12	13	13	Tractors
9	11	14	14	14	Trailers
Ũ					
			10		Health Clinics <sup>(1)</sup>
2	2	2	49	37	
2	2	1	2	2	Laboratories <sup>(1)</sup> Trailers <sup>(1)</sup>
27	27	27	25	25	
27	26	25	68	68	
					OC Community Resources
1	1	1	1	1	Animal Care Center
3	3	3	2	2	Trailers

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

	Fiscal Year					
Function/Program	2015-16	2014-15	2013-14	2012-13	2011-12	
Public Assistance						
Social Service Agency						
Vehicles	5	5	5	6	10	
Office Locations	20	20	19	20	20	
Education						
Library Branches	33	33	33	33	33	
Library Headquarters	*	*	*	*	*	
<u>Airport</u>						
Acres	501	501	501	501	501	
Runways	2	2	2	2	2	
Public Parking Structures/Lots	5	5	5	5	5	
Terminals	3	3	3	3	3	
Fire Trucks	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	8	7	7	7	8	
Dump Trucks	10	10	10	12	12	
Loaders	21	20	20	20	21	
Scrapers	8	8	8	8	8	
Excavator	2	2	2	2	2	
Tractors	30	28	29	28	29	
Graders	4	4	4	4	4	
Compactors	8	8	8	8	8	
Water/Fuel Trucks	13	13	13	11	11	

\* means Not Available

Source: County Departments

I	Fiscal Year				
2010-11	2009-10	2008-09	2007-08	2006-07	Function/Program
					Public Assistance
					Social Service Agency
10	8	7	8	7	Vehicles
19	20	21	27	27	Office Locations
					Education
33	33	33	33	32	Library Branches
1	1	1	1	1	Library Headquarters
					<u>Airport</u>
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
3 2	2	2	2	2	Inactive Landfills
					Household Hazardous Waste
4	4	4	4	4	Collection Centers
8	10	10	10	12	Dozers
14	14	14	14	14	Dump Trucks
22	21	21	21	21	Loaders
11	13	13	15	15	Scrapers
2	-	-	-	-	Excavator
29	29	28	27	26	Tractors
4	3	6	5	5	Graders
8	5	5	6	5	Compactors
11	12	13	12	12	Water/Fuel Trucks



Orange County Auditor-Controller 12 Civic Center Plaza, Suite 200 Santa Ana, California 92701



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