MSRB
Municipal Securities Rulemaking Board

Submission ID:ES795378
02/23/2017 15:28:29

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

SOCPFAS2005_FINAL.pdf posted 02/23/2017

The following issuers are associated with this continuing disclosure submission:

CUSIP-6	State	Issuer Name
839100	CA	SOUTH ORANGE CNTY CALIF PUB FING AUTH SPL TAX REV

The following 23 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
839100GS7	08/15/2006
839100GT5	08/15/2007
839100GU2	08/15/2008
839100GV0	08/15/2009
839100GW8	08/15/2010
839100GX6	08/15/2011
839100GY4	08/15/2012
839100GZ1	08/15/2013
839100HA5	08/15/2014
839100HB3	08/15/2015
839100HC1	08/15/2016
839100HD9	08/15/2017

839100HE7	08/15/2018
839100HF4	08/15/2019
839100HG2	08/15/2020
839100HH0	08/15/2021
839100HJ6	08/15/2022
839100HK3	08/15/2023
839100HL1	08/15/2024
839100HM9	08/15/2027
839100HN7	08/15/2032
839100HP2	08/15/2025
839100HQ0	08/15/2026

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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SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY
SPECIAL TAX REVENUE BONDS
2005 SERIES A (LADERA RANCH)
ANNUAL REPORT
FOR
FISCAL YEAR ENDED JUNE 30, 2016

Dated February 23, 2017

2005 Series A CUSIP Numbers

839100GS7	839100GW8	839100HA5	839100HE7	839100HJ6	839100HQ0
839100GT5	839100GX6	839100HB3	839100HF4	839100HK3	839100HM9
839100GU2	839100GY4	839100HC1	839100HG2	839100HL1	839100HN7
839100GV0	839100GZ1	839100HD9	839100HH0	839100HP2	

Prepared at the direction of and on behalf of:

County of Orange
333 West Santa Ana Boulevard, 3rd Floor
Santa Ana, CA 92701-4062

Prepared by:

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

South Orange County Public Financing Authority
Special Tax Revenue Bonds
2005 Series A (Ladera Ranch)
Annual Report
For Fiscal Year Ended June 30, 2016

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INTRODUCTION

The South Orange County Public Financing Authority (the "Authority" or the "Issuer") hereby provides its annual report (the "Annual Report") for the fiscal year ended June 30, 2016 in connection with the following Bonds, which are secured and repaid by special tax revenues collected in Community Facilities District Nos. 99-1, 2000-1, and 2001-1 of the County of Orange (each a "District" and together the "Districts").

Bond Issue:

1. South Orange County Public Financing Authority Special Tax Revenue Bonds, 2005 Series A (Ladera Ranch)

Annual Report:

The Authority's Annual Report required by the Continuing Disclosure Certificate (the "Disclosure Certificate") dated November 1, 2005 with respect to the 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 Authority 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 Authority'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 Authority.

While the financial statements of the County (which includes the Authority) 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 Authority 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.

SECTION A

1. Audited Financial Statements for Fiscal Year Ended June 30, 2016.

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) and are included herein as Exhibit C.

While the financial statements of the County (which includes CFD Nos. 99-1, 2000-1, and 2001-1) 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 CFD Nos. 99-1, 2000-1, and 2001-1 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.

2. Principal amount of Bonds outstanding as of June 30, 2016.

The principal amount of Bonds outstanding as of June 30, 2016 was $67,960,000.

3. Balance in each fund under the Indenture as of August 16, 2016.

As of August 16, 2016	
CFD No. 99-1	
Special Tax Fund:	$308,462.84
Reserve Fund[1]:	-0-
Acquisition and Construction Fund:	-0-
Special Reserve Fund:	-0-
Rebate Fund	-0-
CFD No. 2000-1	
Special Tax Fund:	$447,792.64
Reserve Fund[1]:	-0-
Acquisition and Construction Fund:	-0-
Special Reserve Fund:	-0-
Rebate Fund	-0-
CFD No. 2001-1	
Special Tax Fund:	$354,753.08
Reserve Fund[1]:	-0-
Acquisition and Construction Fund:	-0-
Special Reserve Fund	-0-
Rebate Fund:	-0-

[1] The Reserve Fund is funded with a surety bond.

SECTION B

4. An update of Tables 5, 7, and 9 of the Official Statement based on the last Special Tax levy preceding the date of the Annual Report, but only with respect to any District in which the assessed value-to-lien ratio is less than 7 to 1 and an update of Table 1 of the Official Statement for the fiscal year preceding the date of the Annual Report.

   An update of Table 1 is included in Exhibit A. Updates of Tables 5, 7, and 9 are not required because the assessed value-to-lien ratio is greater than 7 to 1 in each District.

5. Any Changes to the Rate and Method of Apportionment of the Special Tax approved or submitted to the qualified electors of a District for approval prior to the filing of the Annual Report.

   There have been no changes made to the Rate and Method of Apportionments included in the Official Statement.

6. A statement of the total Revenues received by the Trustee in the Bond Year preceding the filing of the Annual Report and the total debt service due on the Bonds and all Additional Bonds in such Bond Year.

2016 Bond Year Revenue =	$1,588,063	CFD No. 99-1
	$2,020,606	CFD No. 2000-1
	$2,166,019	CFD No. 2001-1
Total =	$5,774,688	

   2016 Bond Year debt service = $5,774,688

7. Any information not already included above that is required to be filed in the annual report to the California Debt and Investment Advisory Commission, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, and the Mark-Roos Local bond Pooling Act.

   See Exhibit B attached for copies of the Mello-Roos Community Facilities District (CFD) Yearly Fiscal Status Reports for CFD No. 99-1, CFD No. 2000-1, and CFD No. 2001-1, and the Marks-Roos Yearly Fiscal Status Report for the Bonds and the Local Obligations.

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

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

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

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

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

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

EXHIBIT A

TABLE 1 FROM THE OFFICIAL STATEMENT

Table 1

Historical Special Tax Delinquencies
for the Districts

District	Fiscal Year [1]	Special Tax Levy	Fiscal Year Amount Delinquent [2][3]	Fiscal Year Delinquency Rate
CFD No. 99-1	2000-01	$1,452,793	$20,195	1.39%
	2001-02	$1,452,793	$36,028	2.48%
	2002-03	$1,482,435	$29,918	2.02%
	2003-04	$1,545,253	$28,322	1.83%
	2004-05	$1,578,314	$23,946	1.52%
	2005-06	$1,608,358	$39,354	2.45%
	2006-07	$1,347,568	$45,801	3.40%
	2007-08	$1,377,859	$45,532	3.30%
	2008-09	$1,437,011	$50,242	3.50%
	2009-10	$1,464,669	$44,894	3.07%
	2010-11	$1,493,957	$21,398	1.43%
	2011-12	$1,402,357	$27,840	1.99%
	2012-13	$1,517,942	$18,070	1.19%
	2013-14	$1,559,864	$11,886	0.76%
	2014-15	$1,583,374	$12,556	0.79%
	2015-16	$1,558,207	$18,823 [4]	1.21%
CFD No. 2000-1	2001-02	$1,797,998	$22,518	1.25%
	2002-03	$1,878,249	$27,029	1.44%
	2003-04	$1,953,803	$19,042	0.97%
	2004-05	$1,989,917	$37,125	1.87%
	2005-06	$2,015,520	$32,645	1.62%
	2006-07	$1,692,145	$44,244	2.61%
	2007-08	$1,745,405	$71,192	4.08%
	2008-09	$1,796,911	$61,474	3.42%
	2009-10	$1,821,759	$54,953	3.02%
	2010-11	$1,856,463	$28,919	1.56%
	2011-12	$1,790,386	$28,879	1.61%
	2012-13	$1,940,188	$7,568	0.39%
	2013-14	$1,979,779	$11,336	0.57%
	2014-15	$2,013,645	$13,996	0.70%
	2015-16	$1,941,404	$10,767 [4]	0.55%
CFD No. 2001-1	2002-03	$2,016,823	$7,057	0.35%
	2003-04	$2,007,488	$18,986	0.95%
	2004-05	$2,036,421	$33,363	1.64%
	2005-06	$2,062,957	$54,858	2.66%
	2006-07	$1,821,321	$61,504	3.38%
	2007-08	$1,861,992	$82,992	4.46%
	2008-09	$1,926,161	$78,616	4.08%
	2009-10	$1,949,455	$69,935	3.59%
	2010-11	$1,987,971	$41,808	2.10%
	2011-12	$1,886,268	$46,633	2.47%
	2012-13	$2,087,042	$22,859	1.10%
	2013-14	$2,124,618	$16,632	0.78%
	2014-15	$2,153,608	$22,004	1.02%
	2015-16	$2,142,108	$20,280 [4]	0.95%

(1) Fiscal year in which Special Taxes of such District were initially levied.
(2) Amount delinquent as of approximately June 30 of year taxes levied.
(3) The District is a participant in the County's Teeter Plan and as such receives 100% of the Special Taxes levied. Therefore, delinquent Special Taxes represent revenues not received by the County in a given year.
(4) Delinquency data reflects collections received through 6/30/16 as reported by the County of Orange Auditor Controller Website.

Source: County of Orange Auditor-Controller

EXHIBIT B

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION
YEARLY FISCAL REPORTS

Submitted:
Friday, October 28, 2016
2:01:16PM
CDIAC #: 2005-1877

STATE OF CALIFORNIA
MARKS-ROOS YEARLY FISCAL STATUS REPORT
FOR AUTHORITY ISSUE

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 _____

California Government Code Section 6599.1 requires that all issuers selling Marks-Roos bonds, which is part of the Marks-Roos Local Bond Pooling Act of 1985, after January 1, 1996 are required to report specific information to the Commission by October 30th of the current year and each year thereafter, until maturity.

I. GENERAL INFORMATION

A. Authority Issuer: South Orange County Public Financing Authority

B. Name/ Title/ Series of Bond Issue: Special Tax RBs 2005 Series A

Senior Issue: Yes [ ] No [X] Subordinate Issue: Yes [ ] No [X]

C. Project Name: Ladera Ranch CFD Nos 99-1, 2000-1 & 2001-1

D. Date of Bond Issue: 11/16/2005

E. Original Principal Amount of Bonds: $84,015,000.00

F. Reserve Fund Minimum Balance Required: Yes [X] Amount $6,893,000.00 No [ ]

G. Total Issuance Costs: $0.00
(Report Issuance Costs only at initial filing)

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: 6/30/2016

A. Principal Amount of Bonds Outstanding: $67,960,000.00

B. Total Bond Reserve Fund: $6,893,000.00

Bond Reserve Cash $0.00 Bond Reserve Surety Bond $6,893,000.00

C. Capitalized Interest Fund: $0.00

III. AUTHORITY FINANCIAL INFORMATION

A. Fees Paid for Professional Services (Annual Totals)

1. Type of Services	2. Amount of Fees
ADMIN	$103,469.43
TAX CON	$12,300.95
TRST	$3,750.00
OTH	$895.26
	$0.00

(Attach additional sheets if necessary.)

B. Local Obligor

1. Issuer/Borrower	2. Bond Purchase (BP) or Loan (L)	3. Original Amount of Purchase/Loan (from Authority Issue)	4. Administration Fee (Charged to LOB) this FY
Ladera CFD 00-1	BP	$$28,890,000.00	$$33,952.17
Ladera CFD 01-1	BP	$32,565,000.00	$35,577.85
Ladera CFD 99-1	BP	$22,560,000.00	$33,939.41

Submitted:
Friday, October 28, 2016
2:01:16PM
CDIAC #: 2005-1877

STATE OF CALIFORNIA
MARKS-ROOS YEARLY FISCAL STATUS REPORT
FOR AUTHORITY ISSUE

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 _____

C. Investment Contracts
1. Terms of Investment Contracts
a. Final Maturity

b. Other (see Guidelines for explanation)

2. Commission/Fee for Contract Total $0.00

3. Interest Earnings on Contract Current $0.00

D. Does this Agency participate in the County's Teeter Plan? Yes [X] No [ ]

IV. 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:

V. NAME OF PARTY COMPLETING THIS FORM

Name Gina Kim
Title Public Finance Accountant
Firm/ Agency South Orange County Public Financing Authority
Address 10 Civic Center Plaza 3rd Fl
City/ State/ Zip Santa Ana, CA 92701-4062
Phone Number (714) 834-3749
E-Mail gina.kim@ocgov.com

Date of Report 10/28/2016

VI. COMMENTS:

Submitted:
Friday, October 28, 2016
2:01:16PM
CDIAC #: 2005-1877

STATE OF CALIFORNIA
MARKS-ROOS YEARLY FISCAL STATUS REPORT
FOR AUTHORITY ISSUE

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 _____

Local Obligor (continued)

1. Issuer/Borrower	2. Bond Purchase (BP) or Loan (L)	3. Original Amount of Purchase/Loan (from Authority Issue)	4. Administration Fee (Charged to LOB) this FY

Submitted:
Friday, October 28, 2016
2:16:28PM
CDIAC #: 2005-1933

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 _____

I. GENERAL INFORMATION

A. Issuer	Orange County CFD No 99-1
B.Project Name	Ladera Ranch
C. Name/ Title/ Series of Bond Issue	2005 Special Tax Ref Bonds
D. Date of Bond Issue	11/16/2005
E. Original Principal Amount of Bonds	$22,560,000.00
F. Reserve Fund Minimum Balance Required	Yes [X] Amount $2,051,633.85 No [ ]

II. FUND BALANCE FISCAL STATUS

Balances Reported as of:	6/30/2016
A. Principal Amount of Bonds Outstanding	$17,720,000.00
B. Bond Reserve Fund	$2,051,633.85
C. Capitalized Interest Fund	$0.00
D. Construction Fund(s)	$0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of: 1/1/2016

[X] From Equalized Tax Roll

[ ] From Appriasal of Property
(Use only in first year or before annual tax roll billing commences)

B. Total Assessed Value of All Parcels $650,114,463.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due Annually	$1,558,207.49
B. Total Amount of Unpaid Special Taxes Annually	$18,823.33
C. Taxes are Paid Under the County's Teeter Plan?	Y

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2016

A. Total Number of Delinquent Parcels: 14

B. Total Amount of Taxes Due on Delinquent Parcels: $18,823.33
(Do not include penalties, penalty interest, etc.)

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

Submitted:
Friday, October 28, 2016
2:16:28PM
CDIAC #: 2005-1933

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	10 Civic Center Plaza 3rd Fl
City/ State/ Zip	Santa Ana, CA 92701-4062
Phone Number	(714) 834-3749
E-Mail	gina.kim@ocgov.com

Date of Report 10/28/2016

IX. ADDITIONAL COMMENTS:

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.

Submitted:
Friday, October 28, 2016
2:43:57PM
CDIAC #: 2005-1934

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 _____

I. GENERAL INFORMATION

A. Issuer	Orange County CFD No 2000-1
B.Project Name	Ladera Ranch
C. Name/ Title/ Series of Bond Issue	2005 Special Tax Ref Bonds
D. Date of Bond Issue	11/16/2005
E. Original Principal Amount of Bonds	$28,890,000.00
F. Reserve Fund Minimum Balance Required	Yes [X] Amount $2,284,507.16 No [ ]

II. FUND BALANCE FISCAL STATUS

Balances Reported as of:	6/30/2016
A. Principal Amount of Bonds Outstanding	$22,920,000.00
B. Bond Reserve Fund	$2,284,507.16
C. Capitalized Interest Fund	$0.00
D. Construction Fund(s)	$0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of: 1/1/2016

[X] From Equalized Tax Roll

[ ] From Appriasal of Property
(Use only in first year or before annual tax roll billing commences)

B. Total Assessed Value of All Parcels $703,300,784.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due Annually	$1,941,403.90
B. Total Amount of Unpaid Special Taxes Annually	$10,767.01
C. Taxes are Paid Under the County's Teeter Plan?	Y

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2016

A. Total Number of Delinquent Parcels: 7

B. Total Amount of Taxes Due on Delinquent Parcels: $10,767.01
(Do not include penalties, penalty interest, etc.)

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

Submitted:
Friday, October 28, 2016
2:43:57PM
CDIAC #: 2005-1934

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	10 Civic Center Plaza 3rd Fl
City/ State/ Zip	Santa Ana, CA 92701-4062
Phone Number	(714) 834-3749
E-Mail	gina.kim@ocgov.com

Date of Report 10/28/2016

IX. ADDITIONAL COMMENTS:

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.

Submitted:
Friday, October 28, 2016
2:57:08PM
CDIAC #: 2005-1935

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 _____

I. GENERAL INFORMATION

A. Issuer	Orange County CFD No 2001-1
B.Project Name	Ladera Ranch
C. Name/ Title/ Series of Bond Issue	2005 Special Tax Ref Bonds
D. Date of Bond Issue	11/16/2005
E. Original Principal Amount of Bonds	$32,565,000.00
F. Reserve Fund Minimum Balance Required	Yes [X] Amount $2,556,858.99 No [ ]

II. FUND BALANCE FISCAL STATUS

Balances Reported as of:	6/30/2016
A. Principal Amount of Bonds Outstanding	$27,320,000.00
B. Bond Reserve Fund	$2,556,858.99
C. Capitalized Interest Fund	$0.00
D. Construction Fund(s)	$0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of: 1/1/2016

[X] From Equalized Tax Roll

[ ] From Appriasal of Property
(Use only in first year or before annual tax roll billing commences)

B. Total Assessed Value of All Parcels $809,075,850.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due Annually	$2,142,108.41
B. Total Amount of Unpaid Special Taxes Annually	$20,279.86
C. Taxes are Paid Under the County's Teeter Plan?	Y

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2016

A. Total Number of Delinquent Parcels: 17

B. Total Amount of Taxes Due on Delinquent Parcels: $20,279.86
(Do not include penalties, penalty interest, etc.)

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

Submitted:
Friday, October 28, 2016
2:57:08PM
CDIAC #: 2005-1935

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(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	10 Civic Center Plaza 3rd Fl
City/ State/ Zip	Santa Ana, CA 92701-4062
Phone Number	(714) 834-3749
E-Mail	gina.kim@ocgov.com

Date of Report 10/28/2016

IX. ADDITIONAL COMMENTS:

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.

EXHIBIT C

COMPREHENSIVE ANNUAL FINANCIAL REPORT

County of Orange, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2016

GARDEN GROVE BRANCH LIBRARY 1956

CIVIC CENTER RENDERING 1952

JOHN WAYNE AIRPORT (OC AIRPORT) 1952

JOHN WAYNE AIRPORT 2013

PCH, HUNTINGTON BEACH 1938

GOLDEN AVE., PLACENTIA, 1962

DANA COVE 1966

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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ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

AUDITOR-CONTROLLER
COUNTY OF ORANGE

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

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

www.ac.ocgov.com

COUNTY EXECUTIVE OFFICE
COUNTY OF ORANGE

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

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

www.oc.ca.gov

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

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

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

Sources: County departments

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, Orange County Public Facilities Corporation, County Service Areas, Special Assessment Districts, Community Facility Districts, and In-Home Supportive Services Public Authority. Additional information on these entities can be found in Note 1, Summary of Significant Accounting Policies, in the Notes to the Basic Financial Statements.

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

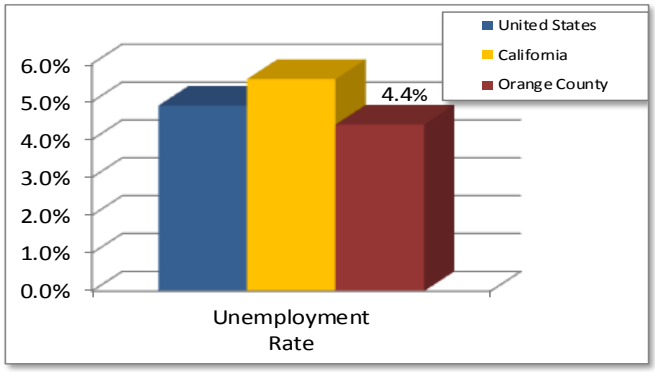


Table 2: 2016 – Projected Increase of the CPI

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

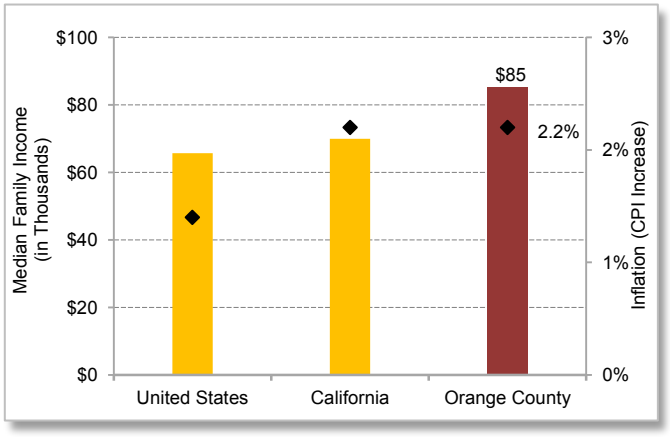
According to the Department of Housing and Urban Development, Orange County's median family income is expected to be $85,000 (absolute dollars) in 2016, compared to $85,900 (absolute dollars) in 2015. Median family incomes in Orange County continue to exceed all surrounding Southern California counties,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

Comparisons of Inflation and Median Family Income



Sources: Economic & Business Review, Chapman University, June 2016
U.S. Department of Housing and Urban Development, 2016

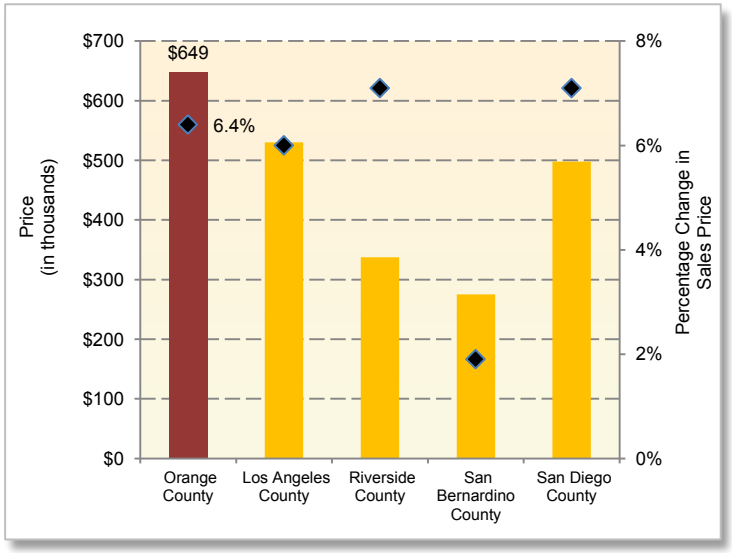
According to CoreLogic Information Systems, the median home sales price for new and existing homes in Orange County was $649,000 (absolute dollars) in August 2016, representing a 6.4% increase relative to August 2015. The median sales price in Orange County continues to exceed all surrounding counties (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 County	1.9%	$275,000

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



Sources: CoreLogic Information System, August 2016

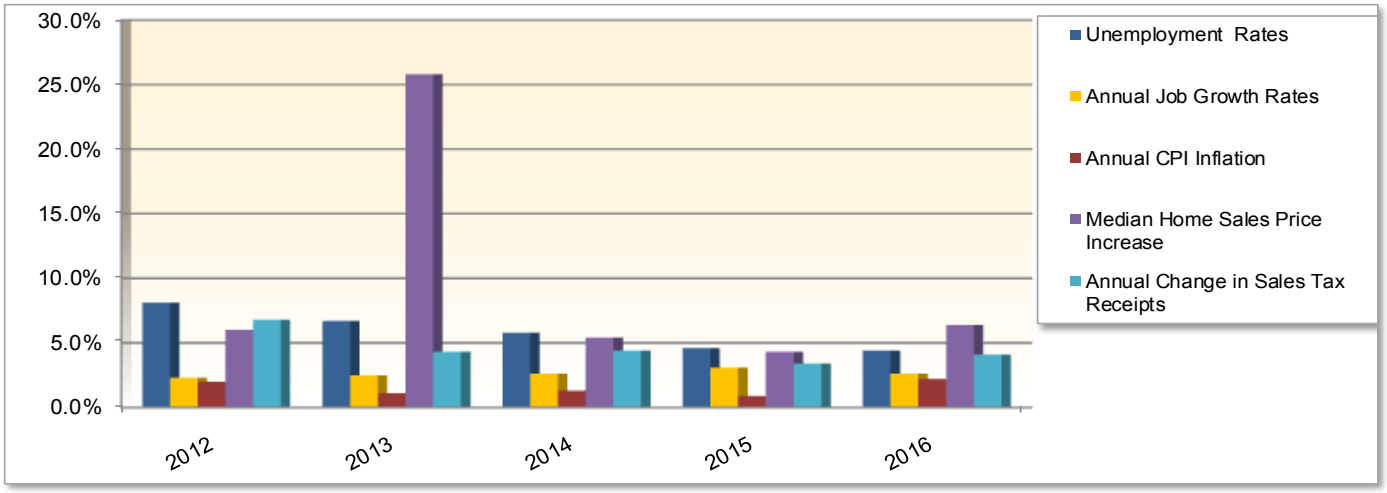
Table 5 shows various internal indicators reflecting steady growth of Orange County's economy. The unemployment rate decreased to 4.4% for the month of August 2016 relative to 4.6% for the month of August 2015. Job growth is expected to decrease to 2.6% in 2016 compared to 3.1% for 2015. Median home 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%

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

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



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

Strategic Plan: In March 1997, the Board initiated a financial planning process that is a key component of the County's commitment to fiscal responsibility, accountability, and efficiency. The plan includes projections of County general purpose revenues, departmental projections of operating costs, revenues and capital needs for current programs and services and anticipated caseload changes. New programs, services and capital projects are identified and prioritized on a countywide basis with financial impacts identified over the plan period. The plan covers a five-year period and includes a ten-year analysis of operating costs in cases where new programs and facilities are 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 set-aside 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.

Santa Ana River Mainstem Project: The Santa Ana River Mainstem Project (SARMP) was initiated in 1964, in partial response to a resolution of the United States House Committee on Public Works adopted May 8, 1964. A survey report was completed by the Orange County Flood Control District in 1975. The report was reviewed and submitted to Congress in September 1978. In September 1980, the United States 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 http://www.ocflood.com.

OC Dana Point Harbor Revitalization Plan: 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.

James A. Musick Facility Expansion: On March 8, 2012, the State approved $100,000 in funds for the County for expansion of the James A. Musick Facility (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.

Homeless Shelter: 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.

Animal Shelter: 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

Funding Equity: The County hovers at the bottom of funding for counties statewide, receiving the lowest percentage of property taxes in California to support services-about 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.

State Prison Realignment: 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 re-sentencing hearings.

Labor Agreements: 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

GFOA Awards: 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 21st 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 13th 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

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

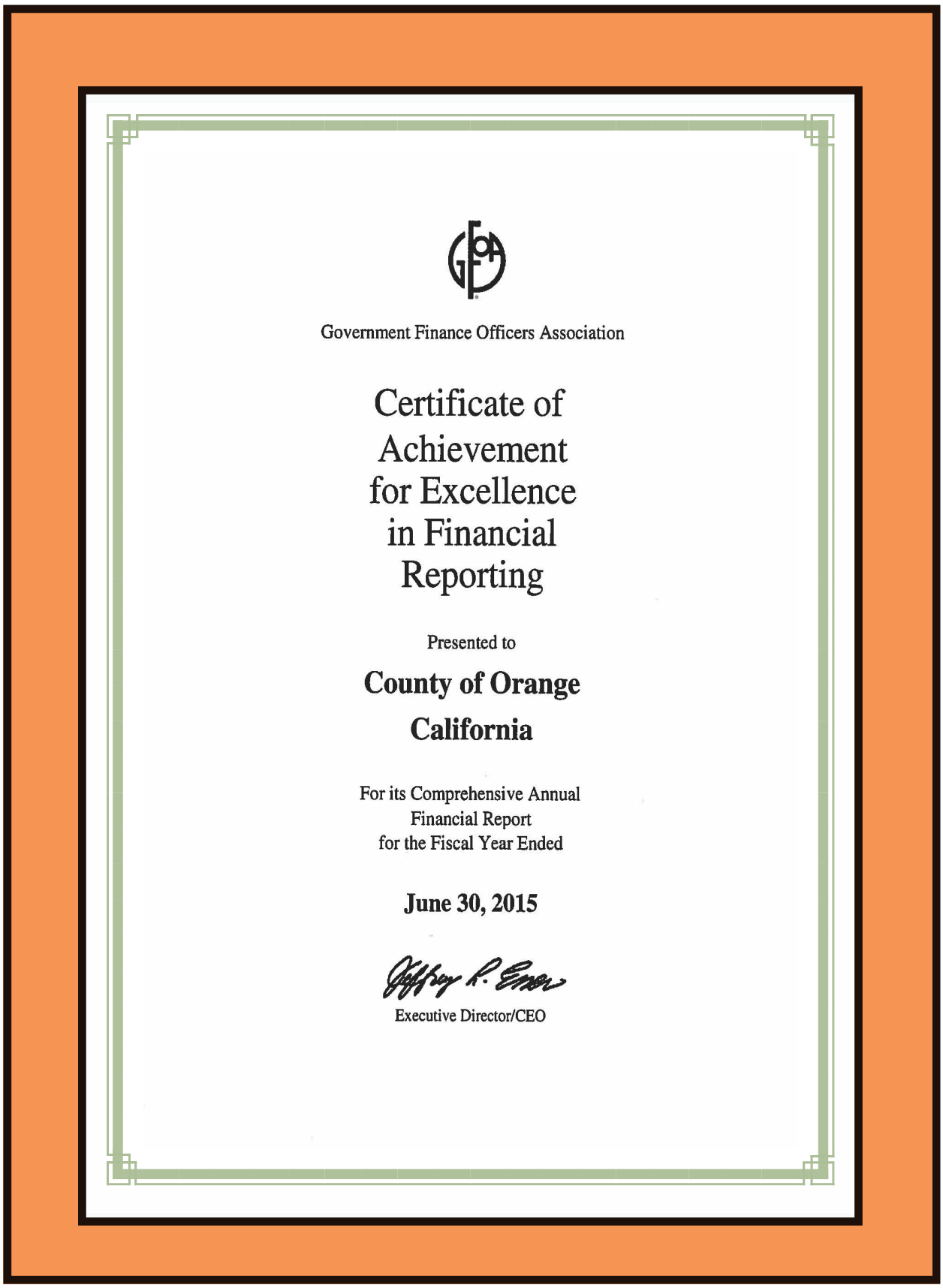
Counties Financial Transactions Reporting Award: The County received the Financial Transactions Reporting Award from the State Controller's Office for its Year-End Financial Transaction Report for the fiscal year ended June 30, 2015. The award is in recognition of the professionalism demonstrated by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

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

Respectfully submitted,

Eric H. Woolery, CPA
Auditor-Controller

Michelle Aguirre
Chief Financial Officer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Orange

California

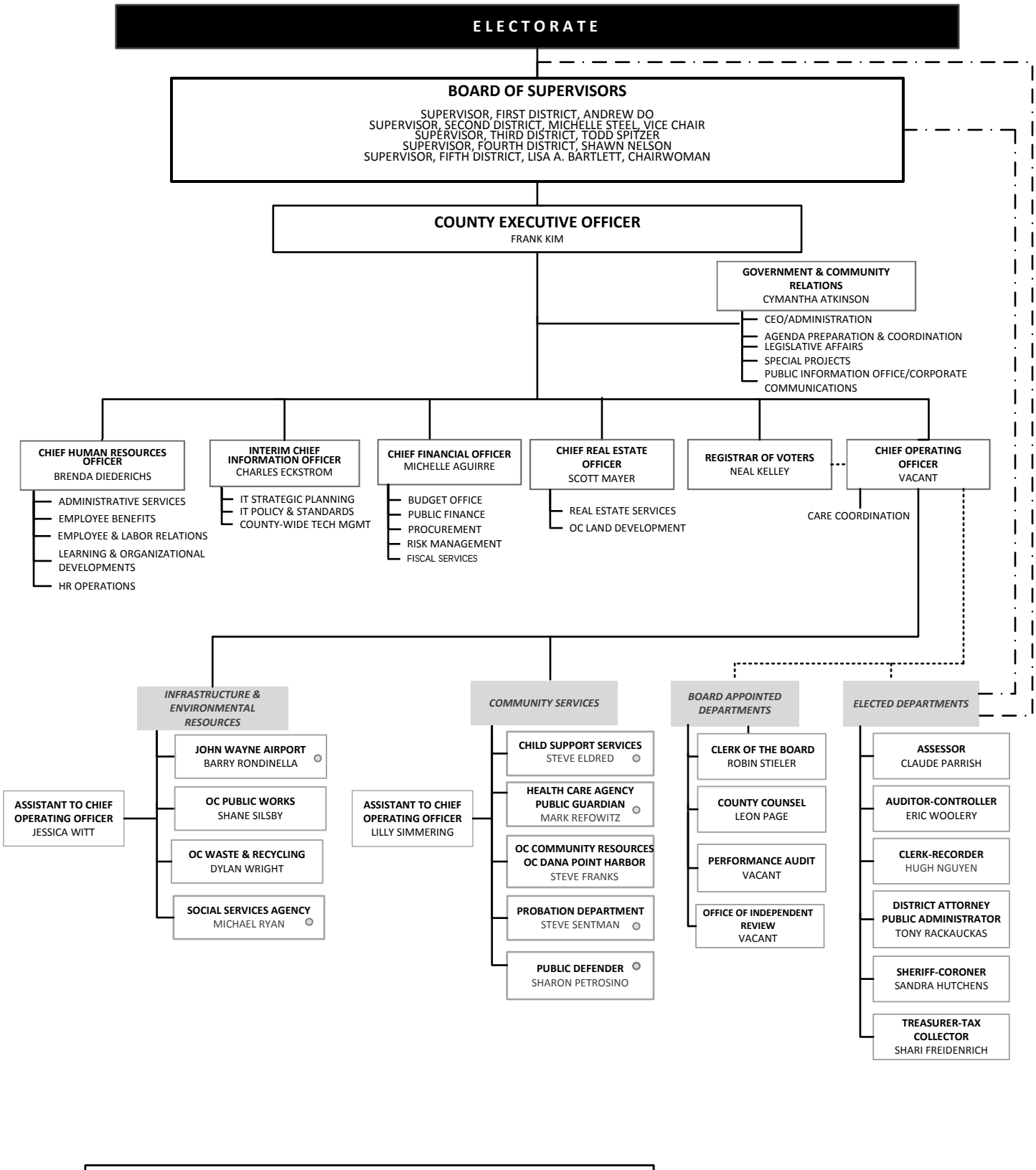
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

ORGANIZATIONAL CHART

(As of September 30, 2016)



Civic Center Plan 1952

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

Independent Auditor's Report

The Honorable Board of Supervisors
County of Orange, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 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.

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 and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

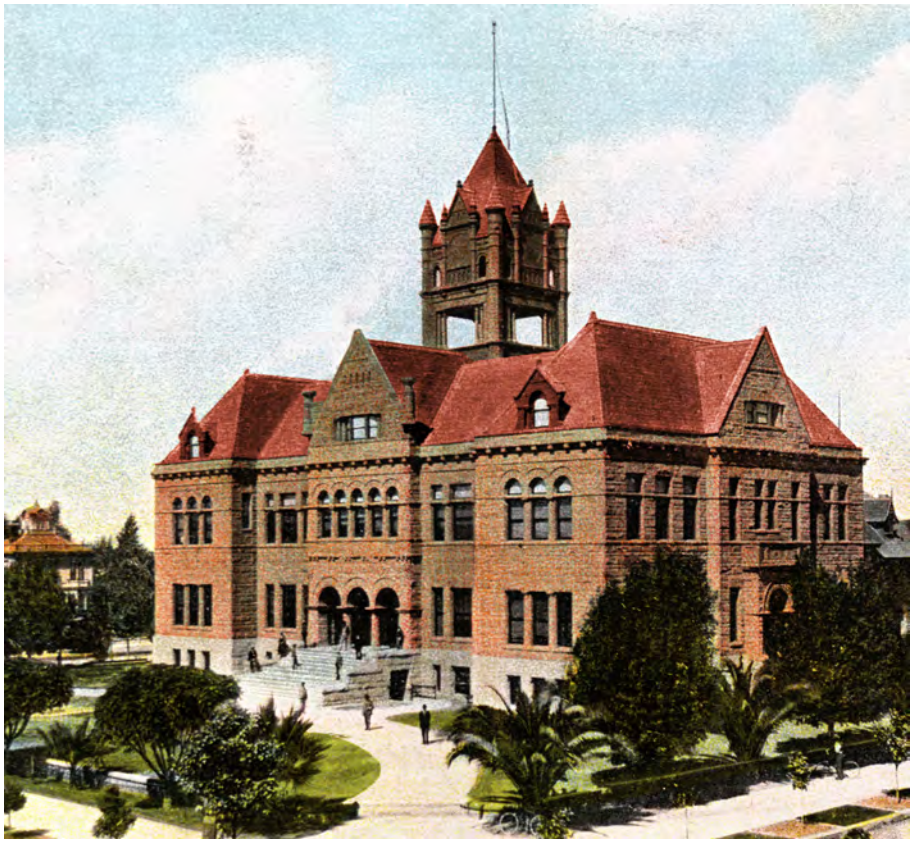
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules included in supplemental information in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Macias Gini & O'Connell LLP

Newport Beach, California
December 15, 2016



Courthouse 1901

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

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

This section of the County's Comprehensive Annual Financial Report (CAFR) provides a narrative overview and analysis of the financial activities of the County for the year ended June 30, 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

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</table>

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

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

Government-wide Financial Statements

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

The Statement of Net Position and the Statement of Activities distinguish functions of the County that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include (1) general government, (2) public protection, (3) public ways and facilities, (4) health and sanitation, (5) public assistance, (6) education, and (7) recreation and cultural services. The business-type activities of the County include airport, waste management, and compressed natural gas.

The government-wide financial statements also provide information regarding the County's component units, entities for which the County (the primary government) is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations and, therefore, data from these component units are combined with data of the primary government. Financial information for the 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: http://acdcweb01.ocgov.com/aclnternet/. A separate stand-alone annual financial report can be obtained for CalOptima by accessing the website at http://wpso.dmhc.ca.gov/fe/search/, and select the Health Plan "Orange County Health Authority" and Statement Type "Annual Audit Reports."

Fund Financial Statements

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

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

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

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

primary differences between the government-wide and fund financial statements relate to noncurrent assets, such as land and structures and improvements, and noncurrent liabilities, such as bonded debt 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.

Proprietary Funds **-** The County maintains two different types of proprietary funds: Enterprise Funds and Internal Service Funds. **Enterprise Funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Airport, Waste Management, and Compressed Natural Gas 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.

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

COMPONENTS OF NET POSITION

- Net Investment in Capital Assets
- Restricted
- Unrestricted

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.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and Other Assets	$ 3,451,250	$ 3,216,086	$ 878,991	$ 827,258	$ 4,330,241	$ 4,043,344
Capital Assets	2,808,923	2,783,675	848,929	835,176	3,657,852	3,618,851
Total Assets	**6,260,173**	**5,999,761**	**1,727,920**	**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	22,951	14,275	1,116,119	666,584
Total Deferred Outflows of Resources	**1,097,039**	**658,534**	**22,951**	**14,275**	**1,119,990**	**672,809**
LIABILITIES						
Long-term Liabilities	5,197,639	4,724,559	466,575	462,586	5,664,214	5,187,145
Other Liabilities	724,748	666,496	78,920	79,365	803,668	745,861
Total Liabilities	**5,922,387**	**5,391,055**	**545,495**	**541,951**	**6,467,882**	**5,933,006**
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows of Resources Related to Pension	444,828	385,819	9,664	8,429	454,492	394,248
Total Deferred Inflows of Resources	**444,828**	**385,819**	**9,664**	**8,429**	**454,492**	**394,248**
NET POSITION						
Net Investment in Capital Assets	2,707,493	2,670,577	663,280	642,427	3,370,773	3,313,004
Restricted	1,262,449	1,202,658	67,429	121,356	1,329,878	1,324,014
Unrestricted	(2,979,945)	(2,991,814)	465,003	362,546	(2,514,942)	(2,629,268)
Total Net Position	**$ 989,997**	**$ 881,421**	**$ 1,195,712**	**$ 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:

CHANGES IN NET POSITION – Primary Government
For the Years Ended June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues:						
Charges for Services	$ 557,450	$ 563,013	$ 297,293	$ 281,368	$ 854,743	$ 844,381
Operating Grants and Contributions	2,037,311	1,996,861	171	255	2,037,482	1,997,116
Capital Grants and Contributions	105,776	33,241	2,174	9,215	107,950	42,456
General Revenues:						
Property Taxes	500,507	505,189	--	--	500,507	505,189
Property Taxes in Lieu of Motor Vehicle License Fees	333,595	314,957	--	--	333,595	314,957
Other Taxes	78,184	71,613	72	109	78,256	71,722
Grants and Contributions not Restricted to Specific Programs	4,583	49,476	--	--	4,583	49,476
State Allocation of Motor 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	1,049,665	--	--	1,097,129	1,049,665
Education	46,170	43,314	--	--	46,170	43,314
Recreation and Cultural Services	115,136	102,069	--	--	115,136	102,069
Interest on Long-Term Debt	20,112	23,560	--	--	20,112	23,560
Airport	--	--	120,921	124,778	120,921	124,778
Waste Management	--	--	96,301	69,307	96,301	69,307
Compressed Natural Gas	--	--	283	331	283	331
Total Expenses	**3,612,305**	**3,388,407**	**217,505**	**194,416**	**3,829,810**	**3,582,823**
Excess before Transfers	87,058	223,292	90,901	101,170	177,959	324,462
Transfers	21,518	19,959	(21,518)	(19,959)	--	--
Change in Net Position	**108,576**	**243,251**	**69,383**	**81,211**	**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**	**$ 881,421**	**$ 1,195,712**	**$ 1,126,329**	**$ 2,185,709**	**$ 2,007,750**

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:

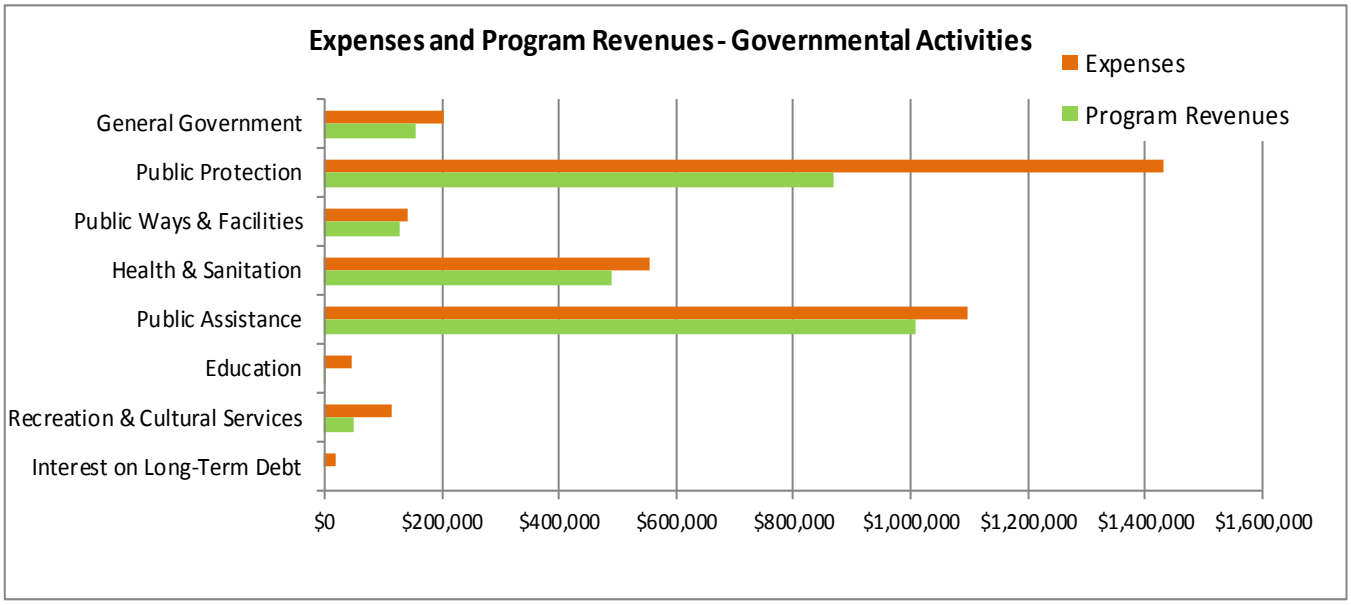
Revenues

- 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.

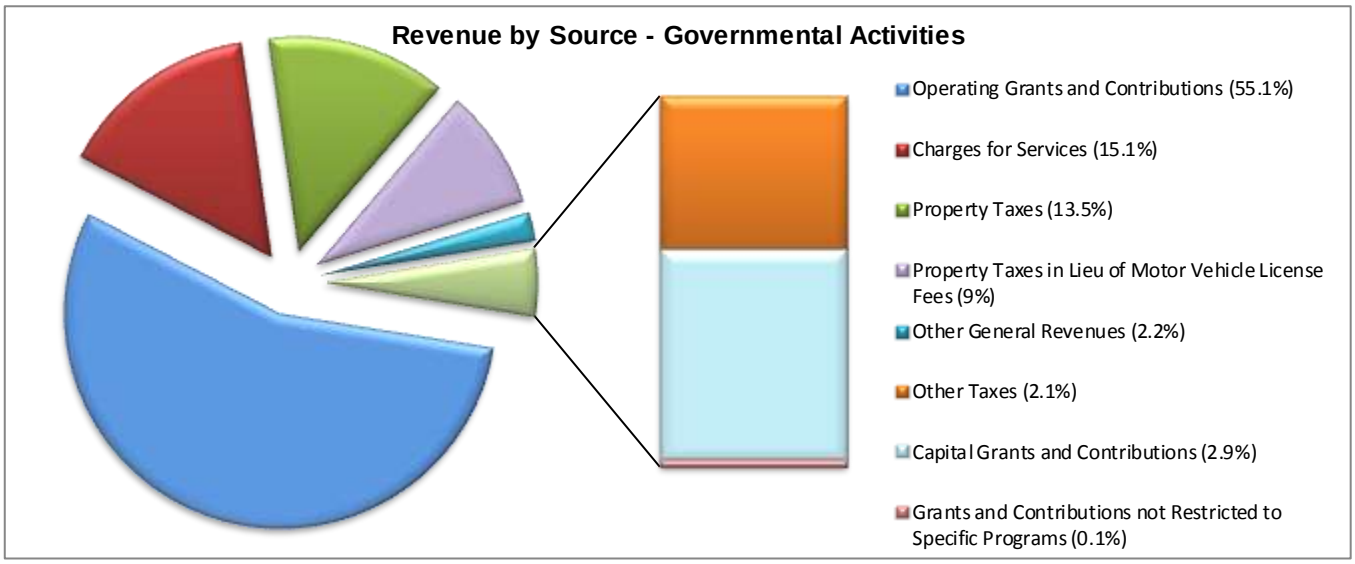
Expenses

- 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:

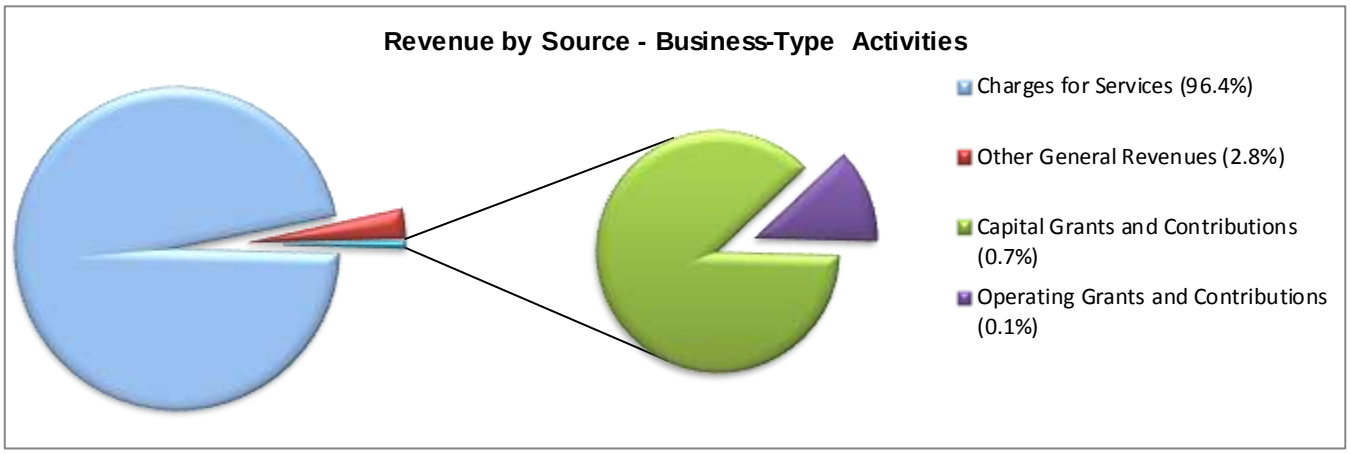


The chart below presents the percentage of total revenues by source for governmental activities:



Business-Type Activities

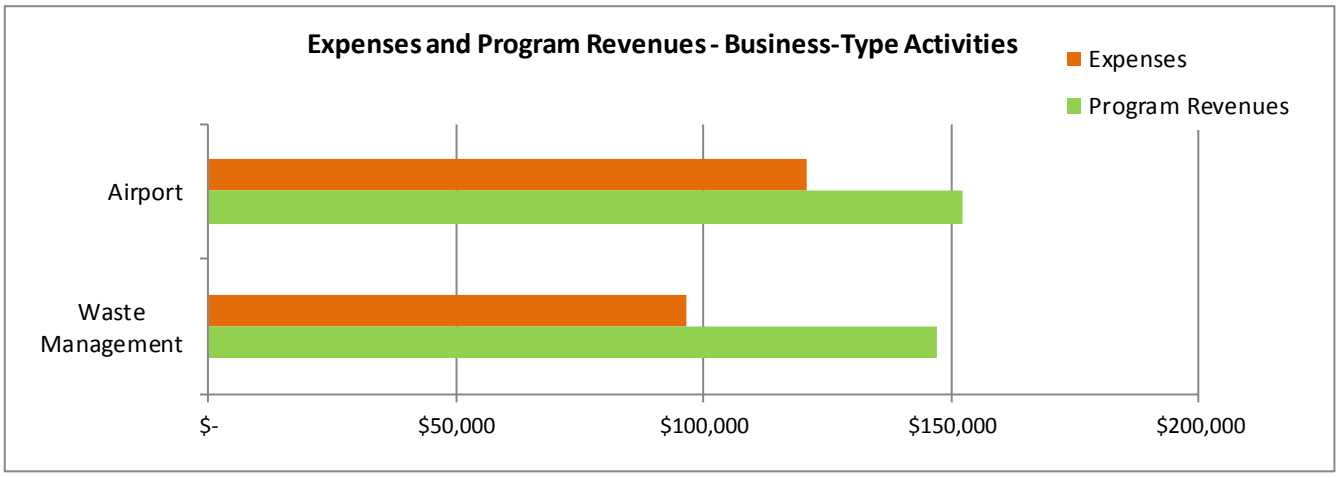
The County has three business-type activities: Airport, Waste Management, and Compressed Natural Gas. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported charges for services as their largest source of revenues.



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."

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



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to demonstrate legal compliance and 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		Expenditures and Other Financing Uses		Net Change in Fund Balances	
	2016	2015*	2016	2015*	2016	2015*
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)
Total	**$ 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

	Revenues, Contributions and Transfers		Expenses and Transfers		Change in Fund Net Position	
	2016	2015	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**

Airport

This fund accounts for major construction and self-supporting aviation related activities rendered at John Wayne Airport, Orange County (JWA). At the end of FY 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

	Governmental Activities		Business-Type Activities		Total		Increase (Decrease)
	2016	2015	2016	2015	2016	2015	% 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

Airport
- $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 OBLIGATIONS
June 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total		(Decrease)
	2016	2015	2016	2015	2016	2015	% 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**	**$ 202,536**	**$ 460,791**	**$ 467,513**	**(1)%**

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

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 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 re-amortizing 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 http://acdcweb01.ocgov.com/acInternet/Default.aspx.

Orange County's Finance Building, 1970

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

	Primary Government			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	43,107	--	43,107	--	--
Capital Assets					
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 Government			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	63,141	49,405	112,546	--	--
Due to Primary Government	--	--	--	375	--
Due to Component Unit	2	--	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	--	12,098	--	--
Bonds Payable	61,164	7,656	68,820	--	--
Pollution Remediation Obligation	--	449	449	--	--
Capital Asset Obligation	--	108	108	--	--
Landfill Site Closure/Postclosure Liability	--	2,659	2,659	--	--
Due in More than One Year					
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	--	--	--	4,067	6,537
Orange County Employees Retirement System	4,298,494	93,473	4,391,967	--	--
Extra-Help Defined Benefit Plan	2,783	62	2,845	--	--
Net Other Postemployment Benefit Obligation	--	--	--	--	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:					
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					
Regional Park Endowment	193	--	193	--	--
Unrestricted (Deficit)	(2,979,945)	465,003	(2,514,942)	51,622	518,188
Total Net Position	$ 989,997	$ 1,195,712	$ 2,185,709	$ 51,622	$ 662,467

Functions/Programs	Expenses: Direct Expenses	Expenses: Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
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	$ 3,178,024	$ --	$ 3,163,753	$ 42,758	$ --
General Revenues					
Taxes					
Property Taxes, Levied for General Fund					
Property Taxes, Levied for Flood Control District					
Property Taxes, Levied for OC Parks					
Property Taxes, Levied for OC Public Libraries					
Property Taxes in-Lieu of Motor Vehicle License Fees					
Other Taxes					
Grants and Contributions Not Restricted to Specific Programs					
State Allocation of Motor Vehicle License Fees					
Unrestricted Investment Earnings					
Miscellaneous					
Transfers					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - Beginning of Year					
Net Position - End of Year					

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

Net (Expense) Revenue and Change in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Governmental CFCOC	Proprietary CalOptima	Functions/Programs	
					Primary Government	
					Governmental Activities	
$ (48,555)	$ --	$ (48,555)	$ --	$ --	General Government	
(565,172)	--	(565,172)	--	--	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)	--	--	Total Governmental Activities	
					Business-Type Activities	
--	31,300	31,300	--	--	Airport	
--	50,847	50,847	--	--	Waste Management	
--	(14)	(14)	--	--	Compressed Natural Gas	
--	82,133	82,133	--	--	Total Business-Type Activities	
(911,768)	82,133	(829,635)	--	--	Total Primary Government	
					Component Units	
			(3,721)	--	Children and Families Commission or Orange County	
			-	32,208	CalOptima	
			(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	72	78,256	--	--	Other Taxes	
4,583	--	4,583	--	--	Grants and Contributions Not Restricted to Specific Programs	
1,100	--	1,100	--	--	State Allocation of Motor Vehicle License Fees	
17,032	6,526	23,558	442	--	Unrestricted Investment Earnings	
63,825	2,170	65,995	429	304	Miscellaneous	
21,518	(21,518)	--	--	--	Transfers	
1,020,344	(12,750)	1,007,594	871	304	Total General Revenues and Transfers	
108,576	69,383	177,959	(2,850)	32,512	Change in Net Position	
881,421	1,126,329	2,007,750	54,472	629,955	Net Position - Beginning of Year	
$ 989,997	$ 1,195,712	$ 2,185,709	$ 51,622	$ 662,467	Net Position - End of Year	

	General Fund	Flood Control District	Other Public Protection
ASSETS			
Pooled Cash/Investments	$ 419,457	$ 439,245	$ 182,014
Imprest Cash Funds	1,834	--	--
Restricted Cash and Investments with Trustee	15	--	--
Investments	221,772	--	--
Deposits In-Lieu of Cash	--	--	--
Receivables			
Accounts	10,486	500	76
Taxes	10,367	1,798	--
Interest/Dividends	1,454	723	343
Deposits	562	1,946	--
Advances	30	--	--
Allowance for Uncollectible Receivables	(4,844)	(191)	--
Due from Other Funds	78,793	1,787	5,174
Due from Component Unit	375	--	--
Due from Other Governmental Agencies, Net	353,668	37,724	2,042
Inventory of Materials and Supplies	891	393	290
Prepaid Costs	327,198	4,358	1,180
Advances to Other Funds	3,800	--	--
Notes Receivable, Net	--	--	--
Total Assets	$ 1,425,858	$ 488,283	$ 191,119
LIABILITIES			
Accounts Payable	$ 56,689	$ 2,351	$ 2,819
Retainage Payable	1,495	450	--
Salaries and Employee Benefits Payable	103,724	1,523	381
Interest Payable	1,671	--	--
Deposits from Others	1,615	6,127	16,335
Due to Other Funds	35,954	7,026	18,474
Due to Component Unit	--	--	--
Due to Other Governmental Agencies	20,410	499	5,908
Unearned Revenue	25,450	986	1,102
Bonds Payable	334,275	--	--
Advances from Other Funds	1,567	--	--
Total Liabilities	582,850	18,962	45,019
DEFERRED INFLOWS OF RESOURCES			
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	$ 1,425,858	$ 488,283	$ 191,119

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

Mental Health Services Act	Other Governmental Funds	Total Governmental 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
--	--	375	Due from Component Unit
18,904	11,471	423,809	Due from Other Governmental Agencies, Net
--	--	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
--	--	334,275	Bonds Payable
--	7,800	9,367	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	834,406	
Structures and Improvements	1,223,825	
Equipment	297,992	
Software	110,156	
Infrastructure	1,687,354	
Land Use Rights	7,602	
Land Improvements	2,629	
Construction/Intangible in Progress	121,418	
Accumulated Depreciation/Amortization	(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	111,639	
Prepaid Bond Insurance	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		3,871
Employer retirement contribution subsequent to measurement date and deferred recognition of changes to the net pension liability		908,461
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.		
Prepaid Pension Contribution		(173,223)
Deferred Outflows of Resources		173,223

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.		43,107
Net Position of Governmental Activities		$ 989,997

	General Fund	Flood Control District	Other Public Protection
Revenues			
Taxes	$ 671,363	$ 90,748	$ --
Licenses, Permits, and Franchises	25,154	159	361
Fines, Forfeitures and Penalties	44,375	14	4,821
Use of Money and Property	18,318	4,981	5,779
Intergovernmental	1,626,855	11,041	17,768
Charges for Services	386,117	14,103	14,362
Other	18,648	7,162	8,874
Total Revenues	2,790,830	128,208	51,965
Expenditures			
Current			
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			
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	--	254	--
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

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

Mental Health Services Act	Other Governmental Funds	Total Governmental Funds	
			Revenues
$ --	$ 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
116,978	627,597	3,715,578	Total Revenues
			Expenditures
			Current
--	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
163	717,701	3,693,794	Total Expenditures
116,815	(90,104)	21,784	Excess (Deficit) of Revenues Over Expenditures
			Other Financing Sources (Uses)
--	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
240,224	717,054	2,186,691	Fund Balances - Beginning of Year
$ 241,958	$ 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	(17,619)	
Property Tax Revenues	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	346	
Amortization of Deferred Charges	31,292	
Compensated Employee Absences Expense	(10,552)	
OCERS Investment Loss	(905)	
Estimated Litigation and Claims Expense	15,000	
Interest Accretion on Capital Appreciation Bonds	(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		$ 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				
Taxes	$ 652,756	$ 652,756	$ 671,490	$ 18,734
Licenses, Permits, and Franchises	23,776	24,802	24,451	(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	1,185	1,735	--	(1,735)
Total Revenues and Other Financing Sources	3,133,306	3,188,674	3,037,839	(150,835)
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	984	1,172	1,138	34
Board of Supervisors - 2nd District	984	1,172	930	242
Board of Supervisors - 3rd District	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	2,818	995	1,010	(15)
IBM Mainframe	3,171	3,171	3,171	--
IT Support Services	--	972	967	5
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:				
Alternate Defense	5,702	5,698	4,362	1,336
Building & Safety	11,167	12,567	12,295	272
Child Support Services	57,500	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	597,735	613,295	602,026	11,269
Sheriff-Coroner Communications	11,483	13,868	12,987	881
Sheriff Court Operations	56,354	57,633	57,473	160
Trial Courts	64,109	64,867	64,187	680
Public Ways and Facilities:				
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	638,796	638,796	638,796	
Fund Balances - End of Year	$ 620,887	$ 605,885	$ 688,657	

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

BUDGETARY COMPARISON STATEMENT
MAJOR GOVERNMENTAL FUNDS - FLOOD CONTROL DISTRICT

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Revenues and Other Financing Sources				
Taxes	$ 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

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Revenues and Other Financing Sources				
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	2	26
Total Expenditures and Other Financing Uses	136,670	149,346	65,854	83,492
Excess (Deficit) of Revenues and Other Financing 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	

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

BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS - MENTAL HEALTH SERVICES ACT

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Revenues and Other Financing Sources				
Use of Money and Property	$ 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	

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	
ASSETS					
Current Assets					
Pooled Cash/Investments	$ 213,207	$ 398,008	$ 543	$ 611,758	$ 230,786
Cash Equivalents/Specific Investments	24,845	--	--	24,845	--
Cash/Cash Equivalents	10,208	--	--	10,208	--
Imprest Cash Funds	14	35	--	49	133
Restricted Cash and Investments with Trustee	13,589	--	--	13,589	10
Restricted Pooled Cash/Investments	14,274	547	--	14,821	--
Deposits In-Lieu of Cash	31,429	16,571	--	48,000	--
Receivables					
Accounts	4,966	10,475	--	15,441	118
Passenger Facility Charges	2,141	--	--	2,141	--
Interest/Dividends	564	806	2	1,372	383
Deposits	--	100	--	100	--
Pollution Remediation Obligation Recoveries	261	--	--	261	--
Allowance for Uncollectible Receivables	--	(1)	--	(1)	(62)
Due from Other Funds	--	3,388	2	3,390	2,583
Due from Other Governmental Agencies	2,314	2,897	--	5,211	655
Inventory of Materials and Supplies	--	--	--	--	412
Prepaid Costs	1,898	2,037	--	3,935	1,613
Total Current Assets	319,710	434,863	547	755,120	236,631
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:					
Land	15,678	22,164	--	37,842	--
Construction in Progress	27,318	13,237	--	40,555	899
Intangible Assets in Progress	1,833	235	--	2,068	--
Structures and Improvements	757,825	24,409	--	782,234	11,788
Accumulated Depreciation	(271,625)	(11,458)	--	(283,083)	(6,110)
Equipment	12,444	69,533	--	81,977	119,648
Accumulated Depreciation	(9,596)	(48,483)	--	(58,079)	(73,906)
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	52,319
Total Noncurrent Assets	620,960	372,004	--	992,964	52,319
Total Assets	940,670	806,867	547	1,748,084	288,950
DEFERRED OUTFLOWS OF RESOURCES					
Deferred 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

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 7,526	$ 6,457	$ --	$ 13,983	$ 21,012
Retainage Payable	439	744	--	1,183	3
Salaries and Employee Benefits Payable	1,047	1,383	--	2,430	1,154
Unearned Revenue	3,463	120	--	3,583	--
Due to Other Funds	2,647	2,335	272	5,254	987
Due to Other Governmental Agencies	178	3,068	--	3,246	5
Insurance Claims Payable	--	--	--	--	60,214
Compensated Employee Absences Payable	1,133	1,417	--	2,550	1,151
Pollution Remediation Obligation	--	449	--	449	--
Capital Asset Obligation	101	7	--	108	--
Landfill Site Closure/Postclosure Liability	--	2,659	--	2,659	--
Bonds Payable	7,656	--	--	7,656	--
Capital Lease Obligations Payable	--	--	--	--	6,900
Interest Payable	5,090	--	--	5,090	--
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 Payable	--	--	--	--	159,282
Compensated Employee Absences Payable	909	1,334	--	2,243	963
Pollution Remediation Obligation	994	10,741	--	11,735	--
Capital Asset Obligation	140	13	--	153	--
Landfill Site Closure/Postclosure Liability	--	158,016	--	158,016	--
Bonds Payable	187,471	--	--	187,471	--
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
Total Liabilities	292,419	258,058	272	550,749	301,094
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources Related to Pension	4,287	5,377	--	9,664	4,410
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:					
Debt Service	8,499	--	--	8,499	--
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	--
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	
Cumulative Effect of Prior Years' Internal Service Funds Allocation				(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 Management	Compressed Natural Gas (Nonmajor)	Total	Governmental Activities - Internal Service 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					
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	17,501	63	55,941	59,447
Operating Leases	145	918	1	1,064	1,787
Insurance Claims and Premiums	--	--	--	--	284,500
Pollution Remediation Expense	--	18	--	18	--
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)
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	

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

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

	Business-Type Activities - Enterprise Funds				
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	$ 128,296	$ 145,784	$ 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)	(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	--	--	11	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
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In	--	--	--	--	13,008
Transfers Out	--	(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 Activities	153	(24,465)	(179)	(24,491)	13,001
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(24,293)	(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)	(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	494,098	476	732,630	214,048
Cash and Cash Equivalents - End of Year	$ 276,137	$ 498,785	$ 543	$ 775,465	$ 230,929

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

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Airport	Waste Management	Compressed Natural Gas (Nonmajor)	Total	
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	24,845	--	--	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

	Private-Purpose Trust Funds	Investment Trust Funds	Pension and Other Post-Employment Benefit Trust Funds	Agency Funds
ASSETS				
Pooled Cash/Investments	$ 54,761	$ 4,562,313	$ 8,655	$ 274,484
Cash/Cash Equivalents	--	--	--	270
Restricted Cash and Investments				
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	--	--	--	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	394	--	--	--
Total Deferred Outflows of Resources	394	--	--	--
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	$ --

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

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

	Private-Purpose Trust Funds	Investment Trust Funds	Pension and Other Post-Employment Benefit Trust Funds
Additions:			
Contributions to Pension and Other Postemployment Benefit Trust Funds:			
Employer	$ --	$ --	$ 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

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

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

W 4th St, Santa Ana

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

As required by generally accepted accounting principles (GAAP) in the United States of America, these financial statements present 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

Orange County Flood Control District The governing body of the District is the County's governing body. Among its duties, it approves the District's budget, determines the District's tax rates, approves contracts, and appoints the management. The District is reported in governmental fund types.

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

Orange County Public Financing Authority The Authority is a joint powers authority of the County and the Orange County Development Agency (OCDA), formed to provide financial assistance to the County by financing the acquisition, construction and improvement of public facilities in the County. The governing body of the Authority is the County's governing body. The Authority is reported in governmental fund types. With the passage of ABX1 26 dissolving redevelopment agencies statewide effective February 1, 2012, the Authority will not issue any new debt.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Orange County Public Facilities Corporation The Corporation has its own five member governing body appointed by the County's governing body and provides services entirely to the primary government, the County, through the 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.

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

In-Home Supportive Services (IHSS) Public Authority The governing body of the Authority is the County's governing body. The 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

County of Orange Redevelopment Successor Agency (Successor Agency) 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: http://ocgov.com/gov/auditor/info/financial/.

Discretely Presented Component Units

Children and Families Commission of Orange County The Commission is administered by a governing board of nine members, who are appointed by the Board. Its purpose is to develop, adopt, promote and implement early childhood development programs in the County. 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: http://ocgov.com/gov/auditor/info/financial/

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

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

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 http://wpso.dmhc.ca.gov/dashboard/finances.aspx, from the bottom select "Financial Statements" and select the Health Plan "Orange County Health Authority" and statement type "Annual Audit Reports."

B. Government-Wide and Fund Financial Statements

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

The fund financial statements for the governmental funds are prepared under the modified accrual basis of accounting and the current financial resources measurement focus. Fund financial statements are shown separately for specific major governmental 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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:

- Net Investment in Capital Assets This amount is derived by subtracting the outstanding debts incurred by the County, including debt-related deferred outflows and inflows of resources, to buy or construct capital assets shown in the Statement of Net Position, net of depreciation.
- Restricted Net Position This category represents restrictions imposed on the use of the County's resources by parties outside of the government or by law through constitutional provisions or enabling legislation. All of the County's net position restrictions are externally imposed by outside parties, constitutional provisions or enabling legislation. Examples of restricted net position include federal and state grants that are restricted by grant agreements for specific purposes and restricted cash set aside for debt service payments. At June 30, 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.
- Unrestricted Net Position These assets are resources of the County that can be used for any purpose, though they may not necessarily be liquid. In addition, assets in a fund that exceed the amounts required to be restricted by external parties or enabling legislation are reported as unrestricted net position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

The County reports the following proprietary enterprise funds:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

Additionally, the County reports the following fund types:

Internal Service Funds 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.

Fiduciary Fund Types 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:

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

Pension and Other Employee Benefits Trust The County reports six Pension and Other Postemployment Benefit Trust funds. These trust funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit and defined contribution pension and postemployment benefit plans.

Agency Funds These funds are 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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,

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budget Adoption and Revision (Continued).

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

Revenues and Other Financing Sources	General Fund	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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance

The County applies GASB Statement No. 54 for financial statement purposes. The intent of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

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

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

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

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

Assigned Fund Balance Amounts a government intends to use for a specific purpose that are neither restricted nor committed; intent can be expressed by the governing body (Board) or by an official or body to which the governing body delegates authority (County Executive Officer (CEO), County Department Heads, and County Purchasing Agent). The County's budget development guidelines provide the policy that is used by all County departments to determine the designation of assigned fund balance. Assigned fund balance includes the aggregation of resources for capital projects, which are expected to develop in future periods and fund balance reserved for outstanding contractual obligations for which goods and services have not yet been received or approved by the Board for appropriation in FY 2015-16, through the County's budget process.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

	General Fund	Flood Control District	Other Public Protection	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
Endowment	--	--	--	--	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 - Newport 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
Endowment	--	--	--	--	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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fund Balance (Continued)

	General Fund	Flood Control District	Other Public Protection	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	$ 431,668	$ 145,810	$ 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 medium-term notes, money market mutual funds, investment agreements, repurchase agreements, and U.S. Government securities. Short-term debt investments are reported at amortized cost, while long-term investments, such as U.S. Government securities, are stated at fair value. The trustee uses an independent service to value those securities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

Asset Type	Capitalization Threshold
Land	$ 0
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 Channels, Facility Improvements, Habitat, Landfill Gas/Environmental, Closure/Other Earthwork	3 to 71 years

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

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

	Governmental Activities	Airport	Waste Management	Total
Deferred Outflows of Resources Related to Pension per Actuarial Studies				
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	$ 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Property Taxes (Continued)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. DEFICIT FUND EQUITY

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

3. DEPOSITS AND INVESTMENTS (Continued)

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

3. DEPOSITS AND INVESTMENTS (Continued)

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

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Type of Investment	CGC % of Funds Permitted	Orange County IPS (%)	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (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.

3. DEPOSITS AND INVESTMENTS (Continued)

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.

With Treasurer: OCIP (2)	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
U.S. Government Agencies							
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**			**1.087** (4)		**100.00%**

With Treasurer: OCEIP (2)	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
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%
Money Market Mutual Funds	255,506	255,506	0.27 - 0.28%	07/01/16	0.003	AAA	6.01%
	$ 4,248,731	**$ 4,229,972**			**0.929** (4)		**100.00%**

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Investment Disclosures (Continued)

With Treasurer:	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
Specific Investments (2)							
U.S. Government Agencies							
FNMA Discount Notes	$ 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%**

With Trustees:	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
Restricted Investments w ith Trustees (2)							
U.S. Government Agencies							
FNMA Zero Coupon Bonds	$ 100,488	$ 46,234	0.00%	09/01/16-09/01/21	3.880	AA	27.00%
U.S. Treasuries	16,411	16,283	0.5% - 9.00%	09/15/16-11/15/18	0.590	AA	4.41%
U.S. Treasury Strips	359	54	0.00%	11/15/18	2.380	AA	0.10%
Investment Contracts	13,160	13,160	Variable	07/01/16-01/17/17	0.550	NR	3.54%
Money Market Mutual Funds							
Money Market Mutual Funds	144,363	144,363	Variable	07/01/16	0.000	AAA	38.79%
Money Market Mutual Funds	92,406	92,724	Variable	07/01/16	0.000	AAA	24.83%
Bond Mutual Funds	4,948	4,870	0.17% - 4.64%	07/01/16	0.000	NR	1.33%
	$ 372,135	**$ 317,688**			**1.04** (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

3. DEPOSITS AND INVESTMENTS (Continued)

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	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
OCIP				
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 Hierarchy:				
Money Market Mutual Funds	128,556			
Total	**$ 3,678,581**			
OCEIP				
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 Hierarchy:				
Money Market Mutual Funds	255,506			
Total	**$ 4,248,731**			

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Investment Disclosures (Continued)

		Fair Value Measurement		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 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 Hierarchy:				
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 Hierarchy:				
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.

3. DEPOSITS AND INVESTMENTS (Continued)

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:

Investment Type		Fair Value	Portfolio %	Effective Duration (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).

3. DEPOSITS AND INVESTMENTS (Continued)

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	$ 3,563,573	$ --	$ 3,563,573
Equity of External Pool Participants	342,928	4,229,856	4,572,784
Undistributed and Unrealized (Loss)	(527)	(332)	(859)
Total Net Position	$ 3,905,974	$ 4,229,524	$ 8,135,498

Statement of Changes in Net Position

Net Position at July 1, 2015	$ 3,630,316	$ 3,828,819	$ 7,459,135
Net Changes in Investments by Pool Participants	275,658	400,705	676,363
Net Position at June 30, 2016	$ 3,905,974	$ 4,229,524	$ 8,135,498

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Condensed Financial Statements (Continued)

External Pool Portion

Combining Statement of Fiduciary Net Position

	OCIP	OCEIP	Total
Assets			
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
Liabilities			
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.

3. DEPOSITS AND INVESTMENTS (Continued)

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:

	Investment Assets at Fair Value as of June 30, 2016			
	Level 1	Level 2	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.

3. DEPOSITS AND INVESTMENTS (Continued)

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 Maturities (In Years)	
	Fair Value	Less 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 Value, June 30, 2016
Asset-Back Securities	$ 115,567
Mortgage-Backed Securities	39,117
	$ 154,684

3. DEPOSITS AND INVESTMENTS (Continued)

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:

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End					
				AAA	Aa & Aa+	Aa-	A+	A/A-1	A-
U.S. Treasury Notes	$ 616,852	N/A	$ 616,852	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Agency Notes	309,300	N/A	309,300	-	-	-	-	-	-
Corporate Bonds	291,879	A-	-	6,771	20,109	33,513	81,896	100,120	49,471
FRN Securities	109,241	A-	-	29,305	10,348	7,764	22,470	23,481	15,872
Asset-Backed Securities	124,658	AAA	-	87,933	15,579	15,523	1,836	3,787	-
Mortgage-Backed Securities	73,327	A	-	73,327	-	-	-	-	-
Municipal Bonds	36,798	AAA	-	4,763	17,751	12,010	2,274	-	-
Supranational	27,322	AAA	-	27,322	-	-	-	-	-
Commercial Paper	19,930	A1/P1	-	19,930	-	-	-	-	-
Money Market Mutual Funds	84,620	AAA	-	84,620	-	-	-	-	-
Total	$1,693,927		$ 926,152	$333,971	$ 63,787	$68,810	$108,476	$127,388	$65,343

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:

Investment Type	Issuer	Percentage of Portfolio 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 July 1, 2015	Increases	Decreases	Adjustments	Balance June 30, 2016
Governmental Activities:					
Capital Assets Not Depreciated/Amortized:					
Land	$ 823,484	$ 10,922	$ --	$ --	$ 834,406
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 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, 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	(12)	(181)	--	--	(193)
Equipment	(295,794)	(18,141)	6,292	--	(307,643)
Software	(63,148)	(8,295)	--	--	(71,443)
Infrastructure:					
Flood Channels	(302,465)	(16,022)	--	--	(318,487)
Roads	(123,557)	(10,976)	742	--	(133,791)
Bridges	(36,900)	(2,230)	--	--	(39,130)
Trails	(32,610)	(1,251)	--	--	(33,861)
Traffic Signals	(10,674)	(158)	--	--	(10,832)
Harbors and Beaches	(29,124)	(1,008)	--	--	(30,132)
Total Accumulated 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

4. CHANGES IN CAPITAL ASSETS (Continued)

	Primary Government				
	Balance July 1, 2015	Increases	Decreases	Adjustments	Balance June 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, 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 Depreciation/Amortization	(659,594)	(44,203)	3,954	--	(699,843)
Total Capital Assets, 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. RECEIVABLES

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

Accounts Receivable

Accounts Receivable had a balance of $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. RECEIVABLES (Continued)

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:

	Receivable Funds							
Payable Funds	General Fund	Flood Control District	Other Public Protection	Other Governmental Funds	Waste Management	Compressed Natural Gas	Internal Service 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 Commission of Orange County	$ 375
Component Unit – Children and Families Commission of Orange County	Primary Government – Other Governmental Funds	2

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. COUNTY PROPERTY ON LEASE TO OTHERS

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

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

	Transfer In Funds					
Transfer Out Funds	General Fund	Flood Control District	Other Public Protection	Other Governmental Funds	Internal Service Funds	Total
General Fund	$ --	$ --	$ 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 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 year-round 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 re-budgeting 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 July 1, 2015	Issuances & Discount/ Premium Amortization	Retirements	Balance June 30, 2016	Amounts Due within One 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,

10. LONG-TERM OBLIGATIONS (Continued)

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.

10. LONG-TERM OBLIGATIONS (Continued)

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.

10. LONG-TERM OBLIGATIONS (Continued)

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.

10. LONG-TERM OBLIGATIONS (Continued)

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: CAB - 6.85% to 7.05%						
Original Amount: CIB - $24,495						
Original Amount: CAB - $9,084						
FY 2015-16 Principal and Interest: $2,603						
FY 2015-16 Total Pledged Revenues: $2,470						
Maturing in Installments Through December 1, 2018	1,744	--	--	(482)	1,262	451
Interest Accretion on CAB	7,036	--	630	(2,121)	5,545	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)	--	(3,630)	8,574	4,178

10. LONG-TERM OBLIGATIONS (Continued)

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

Description	Balance July 1, 2015	Issuances and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2016	Amounts Due within One Year
County of Orange						
Taxable Refunding Pension						
Obligation Bonds - Series 1996 A:						
Date Issued: June 1, 1996 - Current Interest Rate Bonds (CIB)						
Date Issued: June 12, 1996 - Capital Appreciation Bonds (CAB)						
To Refund the Taxable POBs Series 1994 B						
Interest Rate: CIB - 7.47% to 7.72%						
Interest Rate: CAB - 8.09% to 8.26%						
Original Amount: CIB - $81,680						
Original Amount: CAB - $40,000						
Maturing in installments through September 1, 2010 (CIB) and September 1, 2016 (CAB)	$ 11,015	$ --	$ --	$ (5,944)	$ 5,071	$ 5,071
Interest Accretion on CAB	39,010	--	3,056	(22,115)	19,951	20,984
County of Orange						
Taxable Refunding Pension						
Obligation Bonds - Series 1997 A:						
Date Issued: January 1, 1997 - Current Interest Rate Bonds (CIB)						
Date Issued: January 14, 1997 - Capital Appreciation Bonds (CAB)						
To Refund the Taxable POBs Series 1994 A						
Interest Rate: CIB - 5.71% to 7.36%						
Interest Rate: CAB - 7.33% to 7.96%						
Original Amount: CIB - $71,605						
Original Amount: CAB - $65,318						
Maturing in installments through September 1, 2010 (CIB) and September 1, 2021 (CAB)	16,212	--	--	(2,143)	14,069	2,849
Interest Accretion on CAB	50,257	--	5,026	(6,853)	48,430	10,214
County of Orange						
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						
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						
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						
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

10. LONG-TERM OBLIGATIONS (Continued)

Schedule of Long-Term Debt Service Requirements to Maturity

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

	Governmental Activities		Business-Type 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 July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within One 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.

10. LONG-TERM OBLIGATIONS (Continued)

Changes in Long-Term Liabilities (Continued)

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within One 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,

10. LONG-TERM OBLIGATIONS (Continued)

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 district bonds outstanding as 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. LEASES

Operating Leases

The County is committed under various operating leases, primarily for office buildings, office equipment and other equipment. The following is a schedule of future minimum payments required under operating leases entered into by the County that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 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
	15,651
Flood Control District	
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	
Frank R. Bowerman Landfill Soil Buttress and Liner	3,043
	3,043
Total Commitments	$ 213,358

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:

	Workers' Compensation	Property & Casualty Risk	Unemployment Insurance	Health & Other Self- Insured Employee	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.

Cannery Former Refuse Disposal Station A park owned by the City of Huntington Beach (City) and an elementary school playground are located on a site that was formerly used as a refuse disposal station operated by the County from 1957 to 1969. Levels of methane gas that exceed regulatory limits were detected on the property. The Local Enforcement Agency (LEA) issued a Notice and Order to the City requiring the City to remedy the landfill gas 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.

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

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

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

Forster Former Refuse Disposal Station The site, located in the City of San Juan Capistrano, was formerly leased and operated as a refuse disposal station by the County from 1958 to 1976. The current owner, Advanced Group 99-SJ, proposed a change in land use for the property and 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. RETIREMENT PLANS

Orange County Employees Retirement System (OCERS)

Plan Description: Substantially all County employees participate in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer public employee retirement system established by the voters of Orange County in 1945 pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31451 et. seq. (the Retirement Law). OCERS is an independent defined-benefit retirement plan in which employees of the County, Orange County Superior Court, and employees of certain cities and special districts within the County participate. OCERS is governed by the Board of Retirement (the OCERS Board). Certain attributes of independence of OCERS are guaranteed under the California Constitution. The OCERS Board consists of nine regular members and one alternate. Four OCERS Board members are appointed by the 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.

17. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Plan Description (Continued)

The Retirement Law requires an actuarial valuation to be performed at least once every three years. OCERS' practice has been to conduct an actuarial valuation annually as of December 31, which is the end of the OCERS fiscal year.

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

Benefits Provided: OCERS provides for retirement, death, disability, and cost-of-living benefits. Under OCERS, each County employee receives a defined-benefit pension at retirement, that is, a specific amount per month determined in accordance with the Retirement Law, which amount is not dependent upon the amount of money credited to the employee's account at the time of retirement. 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 www.ocers.org. The OCERS Board does not set the benefit amounts. OCERS administers benefits that are set by the County Board through the collective bargaining process with County employees in accordance with the Retirement Law.

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

Effective July 1, 2005, as part of collective bargaining agreements with County employees, most General Members who work for the County 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

17. RETIREMENT PLANS (Continued)

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.

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

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:

	Deferred Outflows of Resources	Deferred Inflows of 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.

17. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

The County reported the full amount of prepaid pension contribution as a part of the prepaid cost at 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	-

Actuarial Assumptions: The actuarial assumptions included a 3.0% inflation rate, 4.25% to 13.5% projected salary increases to general members and 5.00% to 17.50% to safety members, and a 7.25% investment rate of return, net of investment expense. The mortality assumptions used were based on the results of the actuarial experience study for the period of January 1, 2011 through December 31, 2013 using the RP-2000 Combined Healthy Mortality Table projected with the Society of Actuaries Scale BB to 2020.

Discount Rate: The discount rate used to measure the total pension liability was 7.25%, the long-term expected rate of return on plan assets. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the actuarially determined contribution rates.

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.

17. RETIREMENT PLANS (Continued)

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:

Asset class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	14.90%	5.92%
Small/Mid Cap U.S. Equity	2.73%	6.49%
Developed International Equity	10.88%	6.90%
Emerging International Equity	6.49%	8.34%
Core Bonds	10.00%	0.73%
Global Bonds	2.00%	0.30%
Emerging Market Debt	3.00%	4.00%
Real Estate	10.00%	4.96%
Diversified Credit (US Credit)	8.00%	4.97%
Diversified Credit (Non-US Credit)	2.00%	6.76%
Hedge Funds	7.00%	4.13%
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% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	$6,172,769	$4,391,967	$2,926,682

Pension Plan Fiduciary Net Position: OCERS issues an audited stand-alone annual financial report for each year ending December 31. Detailed information about the pension plan's fiduciary net position is available and can be obtained online at www.ocers.org, in writing to the Orange County Employees Retirement System, 2223 Wellington Avenue, Santa Ana, CA 92701, or by calling (714) 558-6200.

County Administered Pension Plans

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

Plan Description: On April 20, 2010, the Board approved and adopted the resolution implementing the 1.62% at 65 retirement formula for certain eligible employees. Effective May 7, 2010, as amended and restated on

17. RETIREMENT PLANS (Continued)

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 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.

Funding Policy: 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.

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

17. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

County of Orange 401(a) Defined Contribution Plan

Plan Description: Effective January 1, 1999, as amended and restated on March 24, 2015, the Board established the County 401(a) Plan for the benefit of eligible employees, elected officials, which includes members of the Board, certain executive managers, certain administrative managers once classified as confidential and grandfathered 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.

Funding Policy: This plan is a defined contribution plan funded entirely by employer contributions. County contributions to the plan vary according to employee classification and range from 4% to 8% of bi-weekly compensation. 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.

Administrative Cost: There is an annual administrative fee of 0.18% charged to participants (at a monthly rate of 0.015%), which is capped for account balances at $100. Each month, participant fees are based on the average daily balance of their account(s) over a 30-day period, and are reflected on participants' quarterly statements. No employer-level fees are charged for the plan.

Extra-Help Defined Benefit Plan

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

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

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

17. RETIREMENT PLANS (Continued)

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.

Contributions: The County has the authority to determine plan contributions. GASB Statement No. 67 requires the County to have an actuarial valuation performed at least biennially to determine the plan's total pension liability. This valuation is currently performed biennially. The plan's total pension liability was calculated using the data and assets as of 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.

Investment policy: The County has sole authority for establishing and amending the plan's investment policy and allocation of the invested assets. The plan's policy in regard to the allocation of invested assets may be established and amended by the plan's Trustee. The plan may invest in bonds, mortgages, notes, common or preferred stock, mutual funds, or other securities, policies of life insurance, annuity contracts, or property (real, bank deposits, or retain in cash or other property).

Concentrations: The plan 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.

Discount Rate: 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.

17. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Discount Rate (Continued)

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 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 Resources	Deferred Inflows 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

17. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Actuarial Assumptions: 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the collective plan and the County's proportionate share, calculated using the discount rate of 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:

Net Pension Liability	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (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

Plan Description: Effective March 1, 2002, as amended and restated on February 10, 2015, the Board established the Extra-Help Defined Contribution Plan to replace the Extra-Help Defined Benefit Retirement Plan for (a) new employees hired on or after March 1, 2002, and supplements the benefits of the Extra-Help Defined Benefit Retirement Plan for employees hired prior to March 1, 2002 and (b) effective February 10, 2015, employees hired on or after such date (i) who attained age 60 by such hire date, (ii) who waive membership in the 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 in OCERS, (iii) whose Employer has signed the OCERS Employer's Concurrence – Waiver of Membership form or any other documents that may be required by OCERS, and (iv) who sign the OCERS Employees' Waiver of Membership form and provide any other documents required by OCERS to waive membership. Eligible employees of this plan are not covered by OCERS or Social Security. This plan is a tax-deferred retirement plan, established in accordance with IRC Sections 457 and 3121 and is intended to comply with the Omnibus Budget Reconciliation Act of 1990 and meet the requirements to be a Social Security replacement plan. The Board has the authority to amend the plan. As of June 30, 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.

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

17. RETIREMENT PLANS (Continued)

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.

Administrative Cost: There is an annual administrative fee of 0.18% charged to participants (at a monthly rate of 0.015%), which is capped for account balances at $100. 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	Extra-Help Defined Benefit Plan	Extra-Help Defined Contribution Plan	401(a) Defined Contribution Plan	1.62% at 65 Retirement, 401(a) Defined Contribution Plan
Assets					
Pooled Cash/Investments	$ 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. RETIREMENT PLANS (Continued)

County Administered Pension Plans (Continued)

Condensed Financial Statements (Continued)

Statement of Changes in Fiduciary Net Position

	Total	Extra-Help Defined Benefit Plan	Extra-Help Defined Contribution Plan	401(a) Defined Contribution Plan	1.62% at 65 Retirement, 401(a) Defined Contribution Plan
Additions:					
Contributions to Pension Trust:					
Employer	$ 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

Plan Description: 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.

Funding Policy: The County implemented an employer contribution in an amount equal to the Annual Required Contribution (ARC) for the affected labor groups except AOCDS. In order to more adequately fund benefits under the Retiree Medical Plan, on June 19, 2007, the Board adopted the County of Orange Retiree Medical Trust (Trust) effective July 2, 2007. The Trust is an Internal Revenue Code section 115 trust for which the County Chief Financial Officer is the Trustee. In addition, OCERS has established an Internal Revenue Code section 401(h) account to invest monies and acts as Trustee for the 401(h) account which is used to pay the Grant. OCERS issues a Comprehensive Annual Financial Report (CAFR) for each year ending on December 31, which includes the Retiree Medical Trust. OCERS' CAFR can be obtained online at www.ocers.org, 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.

Actuarial Methods and Assumptions: The County contracts with an outside actuarial consultant to prepare a biennial actuarial valuation in conformance with GASB Statement No. 45. The County received a June 30, 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.

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

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 Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (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)	$ 614,500
Actuarial Value of Plan Assets	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)

Plan Description: On October 23, 2007, the Board approved and adopted a Memorandum of Understanding (MOU) agreement with the AOCDS. The MOU restructured the Retiree Medical Plan and established a Defined Contribution Plan (Health Reimbursement Arrangement) to replace the Retiree Medical Plan for new employees, and to supplement the current employees' frozen service hour accruals for the Grant.

On June 24, 2008, the Board approved the County of Orange Health Reimbursement Arrangement (HRA) Plan 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.

Funding Policy: 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. Employee contributions for employees represented by ACLEM and OCAA are mandatory pursuant to the MOU. For employees represented by ACLEM, the County contributes 1.0% of base salary each pay period and employees are also required to contribute 1.0% of base salary each pay period. When implemented, for employees represented by OCAA, the County will contribute 1.0% of base salary each pay period and employees will also be required to 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.

Administrative Cost: 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	Retiree Medical Plan (Combined 401(h) and 115 Trusts)	Health Reimbursement Arrangement Plan
Assets			
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	Retiree Medical Plan (Combined 401(h) and 115 Trusts)	Health Reimbursement Arrangement 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

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:

Teeter Plan Notes: 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.

Moody's Credit Rating Upgrades: 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

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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.

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	$ 784	$ 421	$ 421
Contributions in relation to the actuarially determined contribution	784	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 (2)	$ 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 (2)	$ 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 Plan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a=c)	Funded Ratio (a/b)	Annual Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (c/d)
2011	$ 116,804	$ 528,639	$ 411,835	22.1%	$ 1,273,636	32.3%
2013	155,702	573,763	418,061	27.1%	1,217,052	34.4%
2015	217,556	614,500	396,944	35.4%	1,188,727	33.4%

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

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Welfare Building, 1970

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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.

Roads
This fund accounts for proceeds restricted for the maintenance and construction of roadways, and for specialized engineering services to other governmental units and the public. Revenues consist primarily of the County's share of state highway users' taxes, federal funds, and charges for engineering services provided.

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.

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COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

		Special Revenue		
	Total Nonmajor Governmental Funds	Parking Facilities	Service Areas, Lighting, Maintenance, & Assessment Districts	Other Environmental Management
ASSETS				
Pooled Cash/Investments	$ 642,887	$ 3,447	$ 55,583	$ 4,700
Restricted Cash and Investments with Trustee	226,789	--	--	--
Investments	84	--	--	--
Deposits In-Lieu of Cash	25	--	--	--
Receivables				
Accounts	2,276	21	--	1
Taxes	20,171	--	18	--
Interest/Dividends	923	7	89	8
Deposits	2,159	--	--	--
Allowance for Uncollectible Receivables	(84)	--	--	--
Due from Other Funds	29,316	409	--	--
Due from Other Governmental Agencies	11,471	276	--	40
Prepaid Costs	14,087	56	--	--
Notes Receivable, Net	27,900	--	--	368
Total Assets	$ 978,004	$ 4,216	$ 55,690	$ 5,117
LIABILITIES				
Accounts Payable	$ 34,889	$ 189	$ 15,612	$ 8
Retainage Payable	2,418	--	1	--
Salaries and Employee Benefits Payable	4,764	27	--	--
Interest Payable	24	--	--	--
Deposits from Others	39,064	--	--	--
Due to Other Funds	42,882	132	13	31
Due to Component Unit	2	--	--	--
Due to Other Governmental Agencies	9,048	765	2,690	--
Unearned Revenue	19,721	--	--	--
Advances from Other Funds	7,800	--	--	--
Total Liabilities	160,612	1,113	18,316	39
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Intergovernmental Revenues	5,140	--	--	--
Unavailable Revenue - Property Taxes	1,620	--	9	--
Unavailable Revenue - Long-Term Notes Receivables	368	--	--	368
Unavailable Revenue - Other	12	--	--	--
Total Deferred Inflows of Resources	7,140	--	9	368
FUND BALANCES				
Nonspendable	14,280	56	--	--
Restricted	666,190	2,207	37,365	1,869
Assigned	129,782	840	--	2,841
Total Fund Balances	810,252	3,103	37,365	4,710
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 978,004	$ 4,216	$ 55,690	$ 5,117

Tobacco Settlement	Community & Welfare Services	OC Parks	OC Dana 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
					LIABILITIES
$ --	$ 2,508	$ 2,973	$ 1,242	$ --	Accounts Payable
--	68	767	537	--	Retainage Payable
--	70	1,463	64	--	Salaries and Employee Benefits Payable
--	--	--	--	--	Interest Payable
--	1	1,370	2,938	--	Deposits from Others
2,025	17,524	2,511	711	154	Due to Other Funds
--	--	--	--	--	Due to Component Unit
--	773	19	101	--	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
--	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

	Special Revenue				
	Schedule I County - Administered Accounts	OC Public Libraries	Plan of Adjustment Available Cash	Health Care Programs	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	--	--	--	--	4,148
Unavailable Revenue - Property Taxes	--	666	--	--	--
Unavailable Revenue - Long-Term Notes Receivables	--	--	--	--	--
Unavailable Revenue - Other	--	--	--	--	--
Total Deferred Inflows of Resources	--	666	--	--	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 Revenue		Debt Service			
Orange County Housing Authority	Other Governmental Resources	Teeter Plan Notes	Orange County Public Facilities Corporation Bonds, Master Lease	Pension Obligation Bonds	
					ASSETS
$ 11,205	$ 1,194	$ 30,716	$ --	$ 107	Pooled Cash/Investments
3,559	--	25	3,154	100,493	Restricted Cash and Investments with Trustee
--	--	--	--	--	Investments
--	--	--	--	--	Deposits In-Lieu of Cash
		--			Receivables
497	--	--	--	--	Accounts
--	--	17,854	--	--	Taxes
18	1	62	--	--	Interest/Dividends
--	--	--	--	--	Deposits
(69)	--	--	--	--	Allowance for Uncollectible Receivables
270	--	--	--	--	Due from Other Funds
772	--	--	--	--	Due from Other Governmental Agencies
1,403	--	--	--	--	Prepaid Costs
2,055	--	--	--	--	Notes Receivable, Net
$ 19,710	$ 1,195	$ 48,657	$ 3,154	$ 100,600	Total Assets
					LIABILITIES
$ 725	$ --	$ --	$ --	$ --	Accounts Payable
--	--	--	--	--	Retainage payable
441	--	--	--	--	Salaries and Employee Benefits Payable
--	--	24	--	--	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
					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
--	--	27,697	--	--	Assigned
16,874	1,195	48,632	3,154	100,598	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		Permanent
	South OC Public Financing Authority	Orange County Public Financing Authority	Criminal Justice Facilities	Countywide Capital Projects Non-General Fund	Regional Park Endowment
ASSETS					
Pooled Cash/Investments	$ --	$ --	$ 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 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

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

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

		Special Revenue		
	Total Nonmajor Governmental Funds	Parking Facilities	Service Area, Lighting, Maintenance, & Assessment Districts	Other Environmental Management
Revenues				
Taxes	$ 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	Community & Welfare Services	OC Parks	OC Dana Point Harbor	Housing Asset	
					Revenues
$ --	$ --	$ 66,375	$ --	$ --	Taxes
--	757	412	10	--	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	10	--	Intergovernmental
--	3,081	9,240	1,021	--	Charges for Services
25,946	1,043	1,530	89	35	Other
26,074	38,122	92,053	27,532	302	Total 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

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

	Special Revenue				
	Schedule I County - Administered Accounts	OC Public Libraries	Plan of Adjustment Available Cash	Health Care Programs	Roads
Revenues					
Taxes	$ --	$ 47,733	$ --	$ --	$ --
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 Service			
Orange 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
(241)	264	(74,802)	(2,534)	(34,950)	Excess (Deficit) of Revenues 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

	Debt Service		Capital Projects		Permanent
	South OC Public Financing Authority	Orange County Public Financing Authority	Criminal Justice Facilities	Countywide Capital Projects Non-General Fund	Regional Park Endowment
Revenues					
Taxes	$ --	$ --	$ --	$ --	$ --
Licenses, Permits, and Franchises	--	--	--	--	--
Fines, Forfeitures and Penalties	--	--	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)	(974)	(3,634)	(7,831)	--
Debt Issued	56,565	--	--	--	--
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

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Parking Facilities				
Revenues and Other Financing Sources				
Use of Money and Property	$ 2,983	$ 6,567	$ 5,830	$ (737)
Charges for Services	3,779	235	303	68
Other	16	16	41	25
Total Revenues and Other Financing Sources	6,778	6,818	6,174	(644)
Expenditures and Other Financing Uses				
Public Ways and Facilities:				
Parking Facilities	6,778	6,818	5,855	963
Total Expenditures and Other Financing Uses	6,778	6,818	5,855	963
Excess (Deficit) of Revenues and Other Financing 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	(774)	(774)	(774)	
Fund Balances - End of Year	$ 518	$ 518	$ 837	
Service Area, Lighting, Maintenance and Assessment Districts				
Revenues and Other Financing Sources				
Taxes	$ 569	$ 569	$ 589	$ 20
Use of Money and Property	10	16	310	294
Intergovernmental	4	4	4	--
Charges for Services	29	29	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	4	1,441	1,437	4
CFD 2015-1 RMV (Village of Esencia) Construction	--	85,000	55,163	29,837
Public Ways and Facilities:				
North Tustin Landscaping and Lighting Assessment District	2,996	2,996	136	2,860
County Service Area No. 13- La Mirada	18	18	9	9
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	90,571	57,526	33,045
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(2,668)	(4,855)	32,109	$ 36,964
Fund Balances - Beginning of Year	5,100	5,100	5,100	
Fund Balances - End of Year	$ 2,432	$ 245	$ 37,209	
Other Environmental Management				
Revenues and Other Financing Sources				
Use of Money and Property	$ 399	$ 399	$ 418	$ 19
Intergovernmental	249	249	537	288
Charges for Services	75	75	549	474
Other	169	169	216	47
Total Revenues and Other Financing Sources	892	892	1,720	828
Expenditures and Other Financing Uses				
General Government:				
Real Estate Development Program	419	1,129	41	1,088
Air Quality Improvement	358	603	122	481
Public Protection:				
Survey Monument Preservation	331	331	100	231
Public Ways and Facilities:				
El Toro Improvement Fund	335	335	188	147
Total Expenditures and Other Financing Uses	1,443	2,398	451	1,947
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(551)	(1,506)	1,269	$ 2,775
Fund Balances - Beginning of Year	3,427	3,427	3,427	
Fund Balances - End of Year	$ 2,876	$ 1,921	$ 4,696	

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

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Tobacco Settlement				
Revenues and Other Financing Sources				
Other	$ 25,708	$ 25,708	$ 25,946	$ 238
Total Revenues and Other Financing Sources	25,708	25,708	25,946	238
Expenditures and Other Financing Uses				
General Government:				
Orange County Tobacco Settlement Fund	34,690	37,752	25,529	12,223
Total Expenditures and Other Financing Uses	34,690	37,752	25,529	12,223
Excess (Deficit) of Revenues and Other Financing 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	41,431	41,431	29,754	(11,677)
Charges for Services	3,506	3,506	3,081	(425)
Other	452	482	1,043	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:				
MHSA Housing Fund	1,513	1,513	18	1,495
OC Animal Care Donations	--	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	143	143	52	91
In-Home Support Services Public Authority	1,723	1,723	1,427	296
SSA Donations and Fees	1,248	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	92,399	90,623	50,455	40,168
Excess (Deficit) of Revenues and Other Financing 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	10	10	47	37
Use of Money and Property	9,576	9,576	11,025	1,449
Intergovernmental	6,496	6,496	3,209	(3,287)
Charges for Services	7,019	7,019	9,240	2,221
Other	1,305	1,305	1,384	79
Transfers In	14,535	19,310	19,310	--
Total Revenues and Other Financing Sources	101,814	106,589	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	

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

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
OC Dana Point Harbor				
Revenues and Other Financing Sources				
Licenses, Permits, and Franchises	$ 10	$ 10	$ 10	$ --
Fines, Forfeitures and Penalties	113	113	254	141
Use of Money and Property	24,183	24,183	25,734	1,551
Intergovernmental	--	--	10	10
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				
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	
Housing Asset				
Revenues and Other Financing Sources				
Use of Money and Property	$ 208	$ 208	$ 239	$ 31
Other	95	95	121	26
Total Revenues and Other Financing Sources	303	303	360	57
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 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	
Schedule I County-Administered Accounts				
Revenues and Other Financing Sources				
Use of Money and Property	$ 20	$ 20	$ 12	$ (8)
Total Revenues and Other Financing Sources	20	20	12	(8)
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	

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

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
OC Public Libraries				
Revenues and Other Financing Sources				
Taxes	$ 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	562	439	(123)
Charges for Services	1,064	1,064	1,197	133
Other	633	633	654	21
Transfers In	1,550	1,550	1,550	--
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
Fund Balances - Beginning of Year	27,882	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	--	--	2,344	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	
Health Care Programs				
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	410	635	110	(525)
Total Revenues and Other Financing Sources	17,733	20,433	16,004	(4,429)
Expenditures and Other Financing Uses				
Health and Sanitation:				
Medi-Cal Administrative Activities Targeted Case Management	1,607	1,627	1,229	398
Emergency Medical Services	9,795	9,795	7,977	1,818
HCA Purpose Restricted Revenues	2,479	2,679	1,088	1,591
HCA Interest Bearing Purpose Restricted Revenues	106	106	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 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	

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

	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 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	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 Balances - Beginning of Year	932	932	932	
Fund Balances - End of Year	$ 651	$ 651	$ 1,193	

BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Teeter Plan Notes				
Revenues and Other Financing Sources				
Fines, Forfeitures and Penalties	$ 10,500	$ 10,500	$ --	$ (10,500)
Use of Money and Property	200	200	242	42
Other	--	--	2	2
Bond Issuance Proceeds	81,535	81,535	30,542	(50,993)
Total Revenues and Other Financing Sources	92,235	92,235	30,786	(61,449)
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	1
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

	Original Budget	Final Budget	Actual on Budgetary 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	45,759	--	(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	Actual on Budgetary Basis	Variance Positive (Negative)
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	

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

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 cost-reimbursement basis.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

	Total	Health and Other Self-Insured Employee Benefits	HMO Health Insurance
ASSETS			
Current Assets			
Pooled Cash/Investments	$ 230,786	$ 30,299	$ 2,809
Imprest Cash Funds	133	125	--
Restricted Cash and Investments with Trustee	10	10	--
Receivables			
Accounts	118	6	8
Interest/Dividends	383	52	--
Allowance for Uncollectible Receivables	(62)	--	--
Due from Other Funds	2,583	700	--
Due from Other Governmental Agencies	655	293	--
Inventory of Materials and Supplies	412	--	--
Prepaid Costs	1,613	--	--
Total Current Assets	236,631	31,485	2,817
Noncurrent Assets			
Capital Assets			
Construction in Progress	899	--	--
Structures and Improvements	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	1,151	--	--
Capital Lease Obligations Payable	6,900	--	--
Total Current Liabilities	91,426	13,269	--
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

Life Insurance	Workers' Compensation	Unemployment Insurance	
			ASSETS
			Current Assets
$ 122	$ 74,550	$ 10,037	Pooled Cash/Investments
--	--	--	Imprest Cash Funds
--	--	--	Restricted Cash and Investments with Trustee
			Receivables
--	--	--	Accounts
--	130	16	Interest/Dividends
--	--	--	Allowance for Uncollectible Receivables
--	--	--	Due from Other Funds
--	2	--	Due from Other Governmental Agencies
--	--	--	Inventory of Materials and Supplies
--	176	--	Prepaid Costs
122	74,858	10,053	Total Current Assets
			Noncurrent Assets
			Capital Assets
--	--	--	Construction in Progress
--	--	--	Structures and Improvements
--	--	--	Accumulated Depreciation
--	8	--	Equipment
--	(8)	--	Accumulated Depreciation
--	--	--	Total Capital Assets
122	74,858	10,053	Total Assets
			DEFERRED OUTFLOWS OF RESOURCES
--	2,698	--	Deferred Outflows of Resources Related to Pension
--	2,698	--	Total Deferred Outflows of Resources
			LIABILITIES
			Current Liabilities
--	1,418	23	Accounts Payable
--	--	--	Retainage Payable
--	144	--	Salaries and Employee Benefits Payable
--	3	--	Due to Other Funds
--	--	--	Due to Other Governmental Agencies
--	29,650	808	Insurance Claims Payable
--	148	--	Compensated Employee Absences Payable
--	--	--	Capital Lease Obligations Payable
--	31,363	831	Total Current Liabilities
			Noncurrent Liabilities
--	130,040	--	Insurance Claims Payable
--	128	--	Compensated Employee Absences Payable
--	--	--	Capital Lease Obligations Payable
--	8,580	--	Net Pension Liability
--	138,748	--	Total Noncurrent Liabilities
--	170,111	831	Total Liabilities
			DEFERRED INFLOWS OF RESOURCES
--	896	--	Deferred Inflows of Resources Related to Pension
--	896	--	Total Deferred Inflows of Resources
			NET POSITION
--	--	--	Net Investment in Capital Assets
122	(93,451)	9,222	Unrestricted
$ 122	$ (93,451)	$ 9,222	Total Net Position

COMBINING STATEMENT OF NET POSITION (Continued)
INTERNAL SERVICE FUNDS

	Property & Casualty Risk	Transportation	Reprographics	Information & Technology
ASSETS				
Current Assets				
Pooled Cash/Investments	$ 50,953	$ 19,139	$ 2,531	$ 40,346
Imprest Cash Funds	5	--	--	3
Restricted Cash and Investments with Trustee	--	--	--	--
Receivables				
Accounts	14	56	--	34
Interest/Dividends	89	18	3	75
Allowance for Uncollectible Receivables	(10)	(51)	--	(1)
Due from Other Funds	190	1,432	--	261
Due from Other Governmental Agencies	20	53	85	202
Inventory of Materials and Supplies	--	412	--	--
Prepaid Costs	123	553	91	670
Total Current Assets	51,384	21,612	2,710	41,590
Noncurrent Assets				
Capital Assets				
Construction in Progress	--	138	--	761
Structures and Improvements	--	8,986	--	2,802
Accumulated Depreciation	--	(5,278)	--	(832)
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				
Deferred Outflows of Resources Related to Pension	779	3,455	611	3,941
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
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				
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				
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 Net Position	$ 710	$ 27,853	$ 411	$ 29,030

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

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

	Total	Health and Other Self-Insured Employee Benefits	HMO Health Insurance
Operating Revenues			
Use of Money and Property	$ 1,770	$ --	$ --
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 Insurance	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	Transportation	Reprographics	Information & Technology
Operating Revenues				
Use of Money and Property	$ --	$ --	$ --	$ 1,770
Charges for Services	--	20,285	3,639	67,499
Insurance Premiums	32,317	--	--	--
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

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

	Total	Health and Other Self-Insured Employee Benefits	HMO Health Insurance	Life Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 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				
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
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	$ (2,849)	$ (3,530)	$ (1,610)	$ (29)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
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	44	--	--	--
Deferred Outflows of Resources Related to Pension	(5,067)	--	--	--
Increases (Decreases) In:				
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

Workers' Compensation	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
			Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities
$ (3,890)	$ (862)	$ 5,207	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)	(6)	(3)
Other Operating Receipts	286	206	180
Other Operating Payments	(20)	(354)	(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	106	16	364
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	188	37	210
Total Adjustments	4,744	18	(2,258)
Net Cash Provided (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

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

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 extra-help. This retirement plan was closed to new participants as of February 28, 2002. The eligible employees of these plans are not covered by the Orange County Employees Retirement System (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 Administration Trust Funds	Successor Agency
ASSETS			
Pooled Cash/Investments	$ 54,761	$ 46,644	$ 8,117
Restricted Cash and Investments			
Restricted Investments with Trustee	4,647	--	4,647
Receivables			
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	30,041	--	30,041
Interest Payable	386	--	386
Due to Other Governmental Agencies	350	348	2
Total Liabilities	30,777	348	30,429
DEFERRED INFLOWS OF RESOURCES			
Deferred Charge on Refunding	132	--	132
Total Deferred Inflows of Resources	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	Public Administration Trust 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

	Total	Extra-Help Defined Benefit Plan	Extra-Help Defined Contribution Plan	401(a) Defined Contribution Plan
ASSETS				
Pooled Cash/Investments	$ 8,655	$ 1,398	$ --	$ --
Restricted Cash and Investments				
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	
			ASSETS
$ --	$ 7,211	$ 46	Pooled Cash/Investments
			Restricted Cash and Investments
1,237	--	77,716	Restricted Investments with Trustee
--	214,769	--	Restricted Cash with OCERS
			Receivables
--	58	--	Interest/Dividends
56	3,254	524	Due from Other Governmental Agencies
1,293	225,292	78,286	Total Assets
			NET POSITION
1,293	225,292	78,286	Restricted for Pension and OPEB Benefits
$ 1,293	$ 225,292	$ 78,286	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

1.62%@65 Retirement, 401(a) Defined Contribution Plan	Retiree Medical Plan (Combined 401(h) and 115 Trusts)	Health Reimbursement Arrangement 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	Unapportioned Tax 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	$ --	$ --	$ --

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

COMBINING STATEMENT OF CHANGES ASSETS AND LIABILITIES
ALL AGENCY FUNDS

UNAPPORTIONED TAX AND INTEREST FUNDS	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Pooled Cash/Investments	$ 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 End 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	3,439	664,924	665,607	2,756
Notes Receivable	30,376	--	702	29,674
Total Assets	$ 234,640	$ 4,143,259	$ 4,154,977	$ 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

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

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.

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

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

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

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

	Fiscal Year				
	2015-16	2014-15	2013-14 [3]	2012-13	2011-12 [3]
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					
Regional Park Endowment	193	188	185	183	319
Unrestricted	(2,979,945)	(2,991,814)	331,408	196,850	37,790
Total Governmental Activities 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 Closure	104	104	104	104	--
Airport [2]	--	--	--	--	58,149
Waste Management [2]	--	--	--	--	82,205
Unrestricted	465,003	362,546	384,871	335,122	350,474
Total Business-Type Activities Net Position	$ 1,195,712	$ 1,126,329	$ 1,125,640	$ 1,085,606	$ 1,065,810

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
$ 2,626,281	$ 2,560,468	$ 2,445,397	$ 2,302,926	$ 2,273,891	Net Investment in Capital Assets
					Restricted for:
					Expendable
41,609	43,580	57,322	46,442	--	Other Postemployment 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
1,133,256	1,069,801	1,047,284	990,198	916,563	Legally Segregated for Grants and Other Purposes
--	--	--	--	--	Regional Park Endowment
					Nonexpendable
315	154	149	139	125	Regional Park Endowment
(73,741)	(9,986)	(1,271)	57,812	135,826	Unrestricted
$ 3,978,999	$ 3,799,900	$ 3,700,593	$ 3,777,411	$ 3,729,600	Total Governmental Activities Net Position
					Business-Type Activities
$ 591,664	$ 537,375	$ 493,658	$ 395,227	$ 359,544	Net Investment in Capital Assets
					Restricted for:
					Expendable
--	--	--	--	--	Debt Service
--	--	--	--	--	Passenger Facility Charges
--	--	--	--	--	Approved Capital Projects
--	--	--	--	--	Replacements and Renewals
--	--	--	--	--	Landfill Closure/Postclosure
--	--	--	--	--	Landfill Corrective Action
--	--	--	--	--	Wetland
--	--	--	--	--	Prima Deshecha/La Pata Closure
50,899	48,225	176,225	218,293	194,038	Airport
84,070	86,943	284,943	294,068	292,847	Waste Management
313,568	321,778	--	--	--	Unrestricted
$ 1,040,201	$ 994,321	$ 954,826	$ 907,588	$ 846,429	Total Business-Type Activities 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[1]
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 [2]	--	--	--	--	58,149
Waste Management [2]	--	--	--	--	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.

Fiscal Year					
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)

	Fiscal Year				
	2015-16	2014-15	2013-14 [1]	2012-13	2011-12 [1]
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
Compressed Natural Gas	283	331	379	305	306
Subtotal Business-Type Activities	217,505	194,416	215,271	217,610	201,979
Total Primary Government 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	288,185	286,644	273,215	283,031	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 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 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

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

Fiscal 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
					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
310,773	278,355	289,014	295,740	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
					Recreation and Cultural
37,560	38,223	40,138	40,449	39,028	Cultural Services
					Operating Grants and
1,706,231	1,741,762	1,641,501	1,735,820	1,759,887	Contributions
					Capital Grants and
170,516	16,828	94,031	46,308	69,340	Contributions
					Subtotal Governmental Activities
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
					Total Primary Government
$ 2,678,632	$ 2,485,958	$ 2,492,970	$ 2,549,096	$ 2,580,082	Program Revenues

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

	Fiscal Year				
	2015-16	2014-15	2013-14 [3]	2012-13	2011-12 [3]
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 OC Public Libraries	45,364	42,333	39,734	37,961	37,389
Property Tax Increments [2]	--	--	--	--	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 Programs	4,583	49,476	14,192	6,711	9,377
State Allocation of Motor 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) Dissolution of OCDA [1]	--	--	--	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					
Governmental Activities	$ 108,576	$ 243,251	$ 240,548	$ 90,687	$ (51,091)
Business-Type Activities	69,383	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.

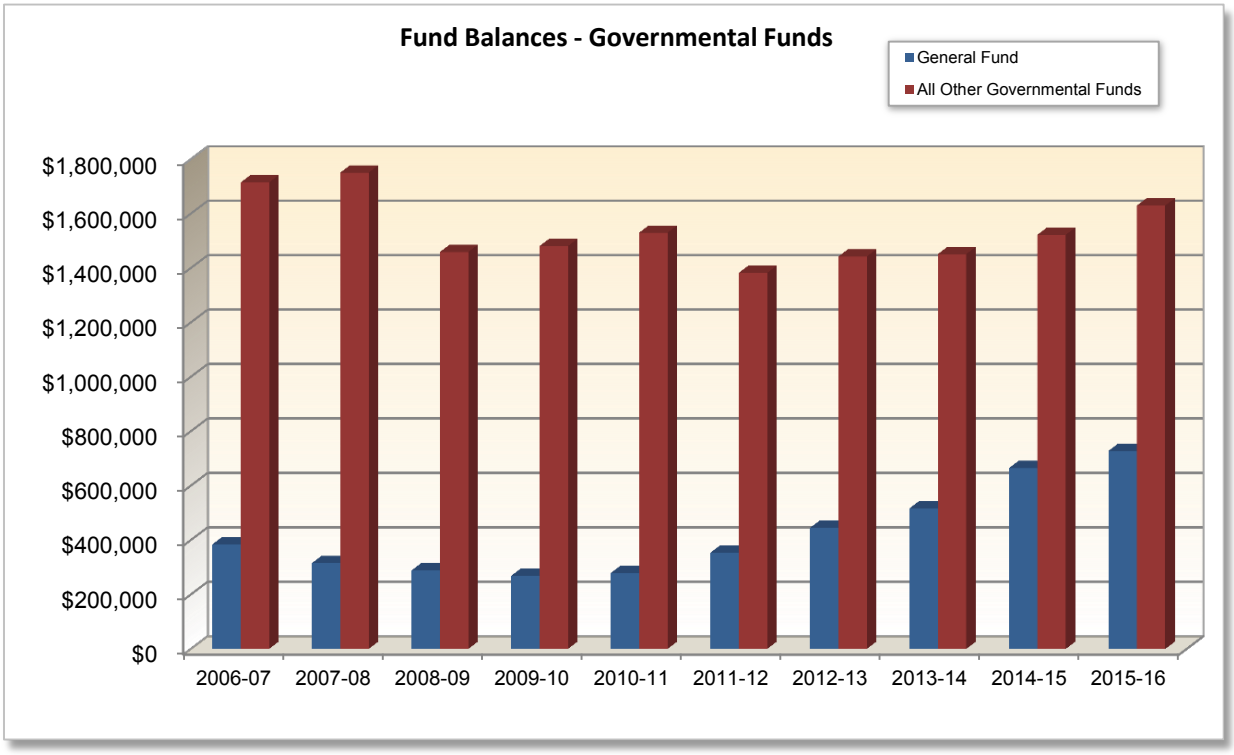
Fiscal Year					
2010-11	2009-10	2008-09	2007-08	2006-07	
					Net (Expense)/Revenue
$ (803,665)	$ (875,117)	$ (1,015,863)	$ (880,837)	$ (601,922)	Governmental Activities
51,943	41,819	54,855	52,704	70,629	Business-Type Activities
$ (751,722)	$ (833,298)	$ (961,008)	$ (828,133)	$ (531,293)	Total Primary Government Net Revenue/(Expense)
					General Revenue and Other Changes in Net Position
					Governmental Activities:
					Taxes
$ 298,953	$ 290,054	$ 263,893	$ 273,259	$ 283,112	Property Taxes, Levied for General Fund
73,260	67,103	68,747	68,042	63,209	Property Taxes, Levied for Flood Control District
51,554	49,857	51,076	50,551	46,965	Property Taxes, Levied for OC Parks
37,590	37,057	37,932	37,454	34,427	Property Taxes, Levied for OC Public Libraries
30,755	31,917	35,276	32,376	25,828	Property Tax Increments
228,421	229,635	232,760	224,210	206,933	Property Taxes in-Lieu of Motor Vehicle License Fees
83,938	93,024	94,184	84,434	54,644	Other Taxes
27,457	10,299	27,637	23,434	1,917	Grants and Contributions Not Restricted to Specific Programs
49,889	46,697	50,390	54,656	58,487	State Allocation of Motor Vehicle License Fees
23,703	15,541	13,583	27,773	60,856	Unrestricted Investment Earnings
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
					Business-Type Activities:
-	--	--	--	--	Other Taxes
5,509	6,411	17,332	29,206	34,500	Unrestricted Investment Earnings
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 Activities
$ 976,701	$ 934,544	$ 943,034	$ 968,333	$ 964,306	Total Primary Government
					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 [1]	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 [1]	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 [1]	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: (1) In accordance with GASB Statement No. 54, which was implemented in FY 2010-11, the classification of fund balance was redefined.
(2) The balances shown have not been restated to include prior period adjustments.

Fiscal Year 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**
					All Other Governmental Funds
$ --	$ 540,745	$ 517,375	$ 671,739	$ 626,134	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 (1)
34,173	--	--	--	--	Assigned
(8,074)	--	--	--	--	Unassigned (1)
$ 1,529,656	$ 1,480,596	$ 1,458,779	$ 1,750,514	$ 1,714,323	**Total All Other Governmental Funds**



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

	Fiscal Year				
	2015-16	2014-15	2013-14	2012-13	2011-12 [1]
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	2006-07	
					Revenues
$ 738,109	$ 741,850	$ 727,159	$ 719,742	$ 674,278	Taxes
16,831	14,976	17,965	20,516	23,289	Licenses, Permits and Franchises
93,461	102,959	112,882	89,700	73,353	Fines, Forfeitures and Penalties
89,514	88,350	69,667	146,983	165,042	Use of Money and Property
1,745,066	1,769,253	1,697,017	1,743,637	1,722,951	Intergovernmental
478,916	418,373	443,456	423,611	406,071	Charges for Services
64,125	65,727	89,064	91,197	104,046	Other
3,226,022	3,201,488	3,157,210	3,235,386	3,169,030	Total Revenues
					Expenditures
207,193	211,434	277,369	252,781	204,585	General Government
1,068,267	1,054,947	1,117,882	1,103,442	1,005,737	Public Protection
110,789	106,985	110,548	117,963	90,683	Public Ways and Facilities
576,793	559,315	576,964	564,335	516,901	Health and Sanitation
911,704	903,733	878,436	851,836	788,326	Public Assistance
37,671	38,921	39,666	37,091	35,904	Education
84,506	82,826	79,889	70,084	73,386	Recreation and Cultural Services
84,311	124,077	155,286	143,468	154,373	Capital Outlay
					Debt Service
87,685	88,962	205,268	301,066	191,012	Principal Retirement
--	--	--	--	--	Escrow Bond Agent
40,634	39,565	46,697	53,478	58,586	Interest
--	--	--	--	799	Debt Issuance Costs
3,209,553	3,210,765	3,488,005	3,495,544	3,120,292	Total Expenditures
16,469	(9,277)	(330,795)	(260,158)	48,738	Excess (Deficit) of Revenues Over Expenditures
					Other Financing Sources (Uses)
395,752	382,154	793,528	359,791	298,138	Transfers In
(388,274)	(370,820)	(781,397)	(345,674)	(288,045)	Transfers Out
36,000	--	--	--	32,700	Debt Issued
--	--	--	--	2,140	Premium on Debt Issued
--	--	--	211,065	105,991	Principal Payment on Demand Bonds
--	--	--	--	--	Refunding Bonds Issued
(710)	--	--	--	--	Payment to Refunded Bond Escrow
--	--	--	--	--	Provisions for Increase in Land Held for Resale
133	--	--	2,400	--	Capital Leases
42,901	11,334	12,131	227,582	150,924	Total Other Financing Sources
--	--	--	--	--	Extraordinary Loss
$ 59,370	$ 2,057	$ (318,664)	$ (32,576)	$ 199,662	Net Change in Fund Balances
4.12%	4.18%	7.54%	10.43%	8.44%	Debt Service as a Percentage of Noncapital Expenditures:

Assessed Value of Taxable Property [1]

Last Ten Fiscal Years

Fiscal Year	Residential Property	Industrial/ Commercial Property	Other Property [2]	Unsecured Roll Gross Total [3]
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 [1]
$ 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]	Overlapping Rates [2]				
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

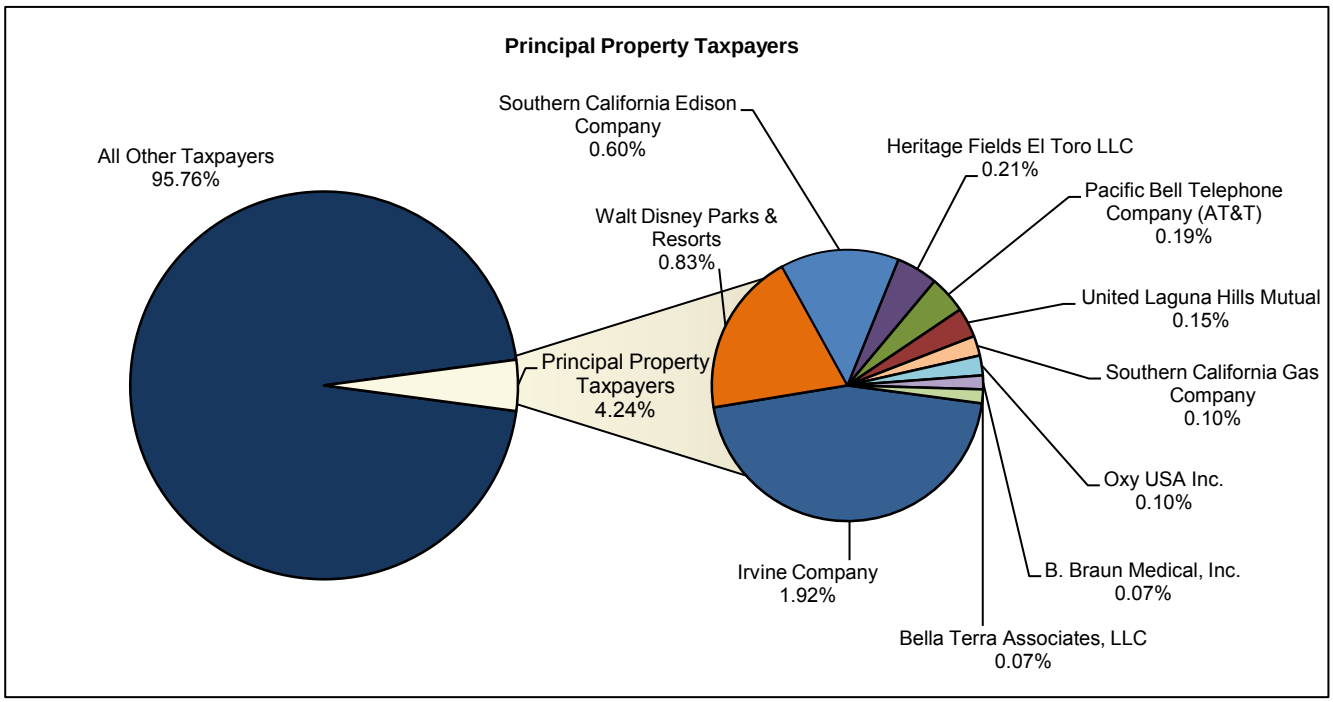
Notes:
(1) Article XIIIA, added to the California Constitution by Proposition 13 in 1978, fixed the base valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. The full cash value can be increased to reflect the annual inflation up to 2 percent, 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.

Source: Treasurer-Tax Collector, County of Orange

ORANGE COUNTY AUDITOR-CONTROLLER
CALIFORNIA

Principal Property Taxpayers
Current Year and Nine Years Ago

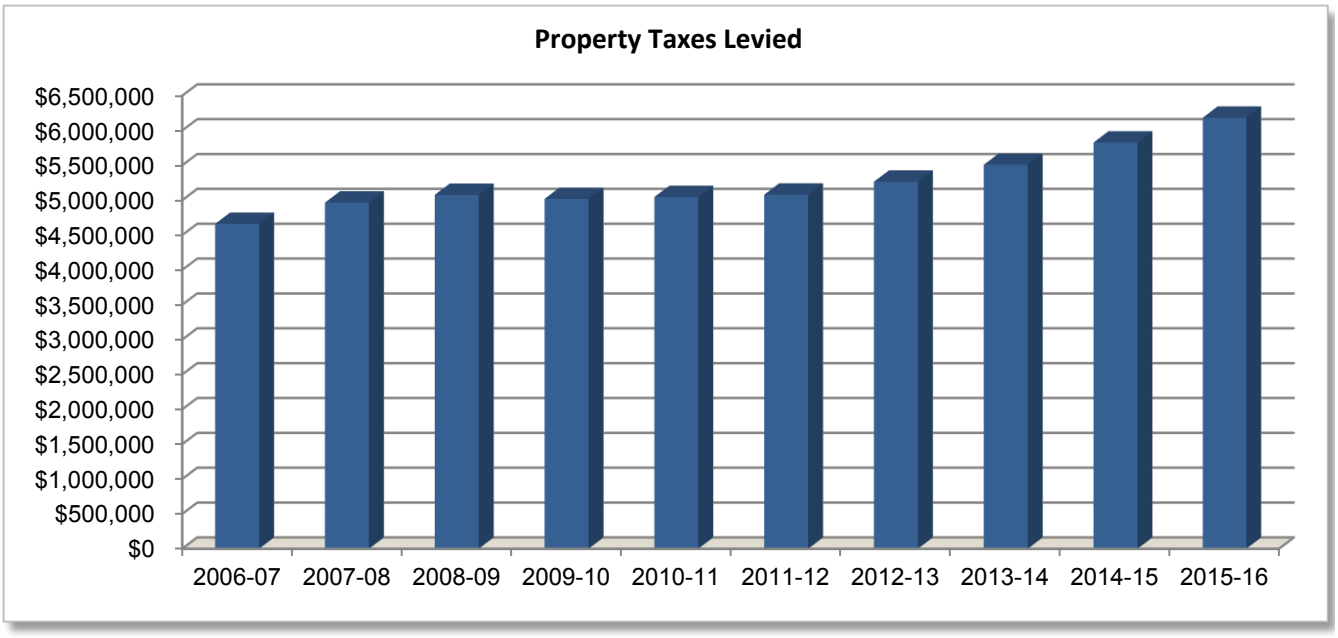
	2016			2007		
Taxpayer	Actual Taxes Levied	Rank	Percentage of Total Taxes Levied	Actual Taxes Levied	Rank	Percentage of Total Taxes Levied
Irvine Company	$ 111,040	1	1.92%	$ 50,787	1	1.09%
Walt Disney Parks & Resorts	48,011	2	0.83%	37,935	2 & 6	0.81%
Southern California Edison Company	34,709	3	0.60%	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

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year[1]	Collections Within the Fiscal Year of the Levy[2]		Collections of Delinquent Taxes from Prior Years[4]	Total Collections for the Fiscal Year[3]	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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.

Source: Auditor-Controller, County of Orange

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

	Governmental Activities					
Fiscal Year	Refunding Recovery Bonds [6]	Redevelopment Bonds [2]	Certificates of Participation [5]	Pension Obligation Bonds [5]	Teeter Plan Revenue Bonds	Teeter Plan Notes
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	--

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

Business-Type Activities							
Lease Revenue Bonds [6], [7]	Capital Lease Obligations [3]	Interest Accretion on CAB	Airport Revenue Bonds [7]	Waste Management System Revenue Bonds	Total Primary Government	Percentage of Personal Income [4]	Per Capita [4]
$ 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 [1] Outstanding
Last Ten Fiscal Years (in Thousands Except Per Capita)
(Accrual Basis of Accounting)

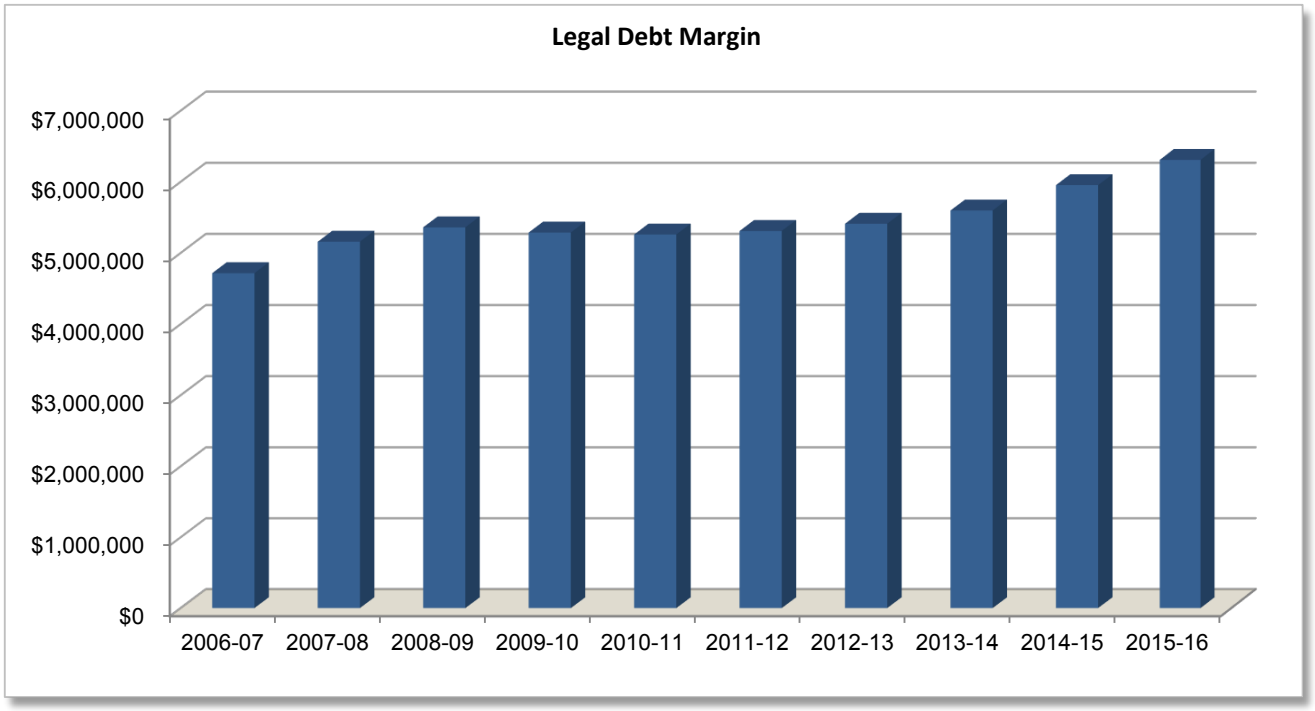
	General Debt Outstanding					
Fiscal Year	Refunding Recovery Bonds	Pension Obligation Bonds [3]	Restricted for Debt Payments [3]	Total (Excess)/ Under	Percentage of Assessed Value	Per Capita [2]
2015-16	$ -	$ 87,521	$ 87,521	$ -	0.00%	$ -
2014-15	-	116,494	116,494	-	0.00%	-
2013-14	19,172	127,206	127,206	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

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

Fiscal Year	Assessed Value	Legal Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
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%



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[1]
Last Ten Fiscal Years

South Orange County Public Financing Authority

Funding Source: Interest Earnings, Rents and Concessions, and Transfers

Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015-16	$ 5,828	$ 271	$ 5,557	$ 4,920	$ 906	0.95
2014-15	5,830	--	5,830	4,780	1,049	1.00
2013-14	5,825	--	5,825	4,680	1,143	1.00
2012-13	5,841	--	5,841	4,520	1,307	1.00
2011-12	--	262	(262)	--	--	--
2010-11	--	--	--	--	--	--
2009-10	--	--	--	--	--	--
2008-09	--	--	--	--	--	--
2007-08	--	--	--	--	--	--
2006-07	--	--	--	--	--	--

Orange County Public Financing Authority

Funding Source: Interest Earnings, Rents and Concessions, and Transfers

Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015-16	$ 44,418	--	$ 44,418	$ 25,420	$ 3,235	1.55
2014-15	29,928	--	29,928	24,235	4,455	1.04
2013-14	29,949	--	29,949	23,115	5,605	1.04
2012-13	29,952	--	29,952	22,160	6,638	1.04
2011-12	35,697	--	35,697	61,630	10,837	0.49
2010-11	74,725	--	74,725	58,990	13,643	1.03
2009-10	74,838	--	74,838	56,580	16,151	1.03
2008-09	77,027	--	77,027	56,225	18,385	1.03
2007-08	77,308	--	77,308	51,680	20,283	1.07
2006-07	76,162	2,137	74,025	52,050	21,656	1.00

Airport Revenue Bonds

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

Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015-16	$ 143,661	$ 82,833	$ 60,828	$ 7,205	$ 10,338	3.47
2014-15	135,491	82,558	52,933	6,995	10,603	3.01
2013-14	131,285	84,708	46,577	30,473	11,395	1.11
2012-13	126,966	79,739	47,227	9,250	12,250	2.20
2011-12	124,403	77,628	46,775	7,851	12,592	2.29
2010-11	120,088	70,521	49,567	7,460	12,906	2.43
2009-10	121,761	68,771	52,990	2,865	7,163	5.28
2008-09	115,026	67,749	47,277	13,480	4,567	2.62
2007-08	118,105	63,174	54,931	12,765	5,280	3.04
2006-07	117,879	82,383	35,496	12,120	6,249	1.93

Orange County Public Facilities Corporation Bonds

Funding Source: Interest Earnings and Transfers

Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015-16	$ 2,470	$ --	$ 2,470	$ 482	$ 2,121	0.95
2014-15	2,475	--	2,475	518	2,090	0.95
2013-14	2,459	--	2,459	560	2,045	0.94
2012-13	2,403	44	2,359	600	2,005	0.91
2011-12	2,770	--	2,770	642	1,958	1.07
2010-11	2,525	--	2,525	694	1,906	0.97
2009-10	2,743	--	2,743	744	1,861	1.05
2008-09	2,700	--	2,700	804	1,801	1.04
2007-08	2,789	--	2,789	859	1,741	1.07
2006-07	2,605	--	2,605	927	1,678	1.00

Teeter Plan Notes

Funding Source: Delinquent Property Taxes Collected

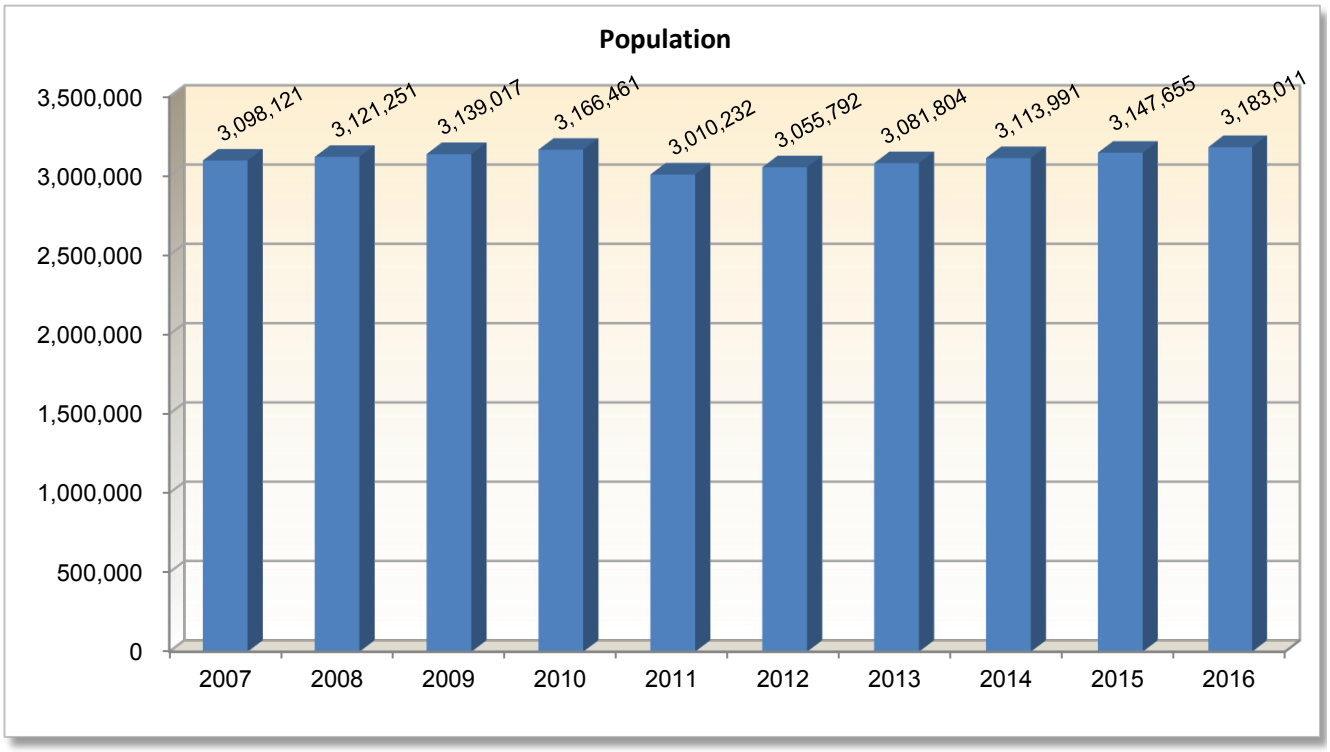
Fiscal Year (3)	Gross Revenue	Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2015-16	$ 316	$ 210	$ 106	$ 74,561	$ 347	0.00
2014-15	174	2,954	(2,780)[4]	37,548	352	(0.07)
2013-14	11,147	251	10,896	43,295	413	0.25
2012-13	15,706	1,032	14,674	14,449	327	0.99
2011-12	--	--	--	--	--	--
2010-11	--	--	--	--	--	--
2009-10	--	--	--	--	--	--
2008-09	--	--	--	--	--	--
2007-08	--	--	--	--	--	--
2006-07	--	--	--	--	--	--

Notes: (1) Details regarding the County's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.
(2) For FY 2008-09, there is a deficit balance for Net Available Revenue due to additional expenditures resulting from the establishment of the Teeter tax loss reserves in the Tax Loss Reserve Agency Fund during the first year of the program.
(3) Teeter Plan Notes were converted from short-term commercial paper to long-term note in FY 2012-13, 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

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population [1]	Personal Income [2]	Per Capita Personal Income (Absolute Dollars) [2]	Median Age [3]	Public School Enrollment (In Thousands) [4]	Unemployment Rate [5]
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, http://www.dof.ca.gov
(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

2016

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

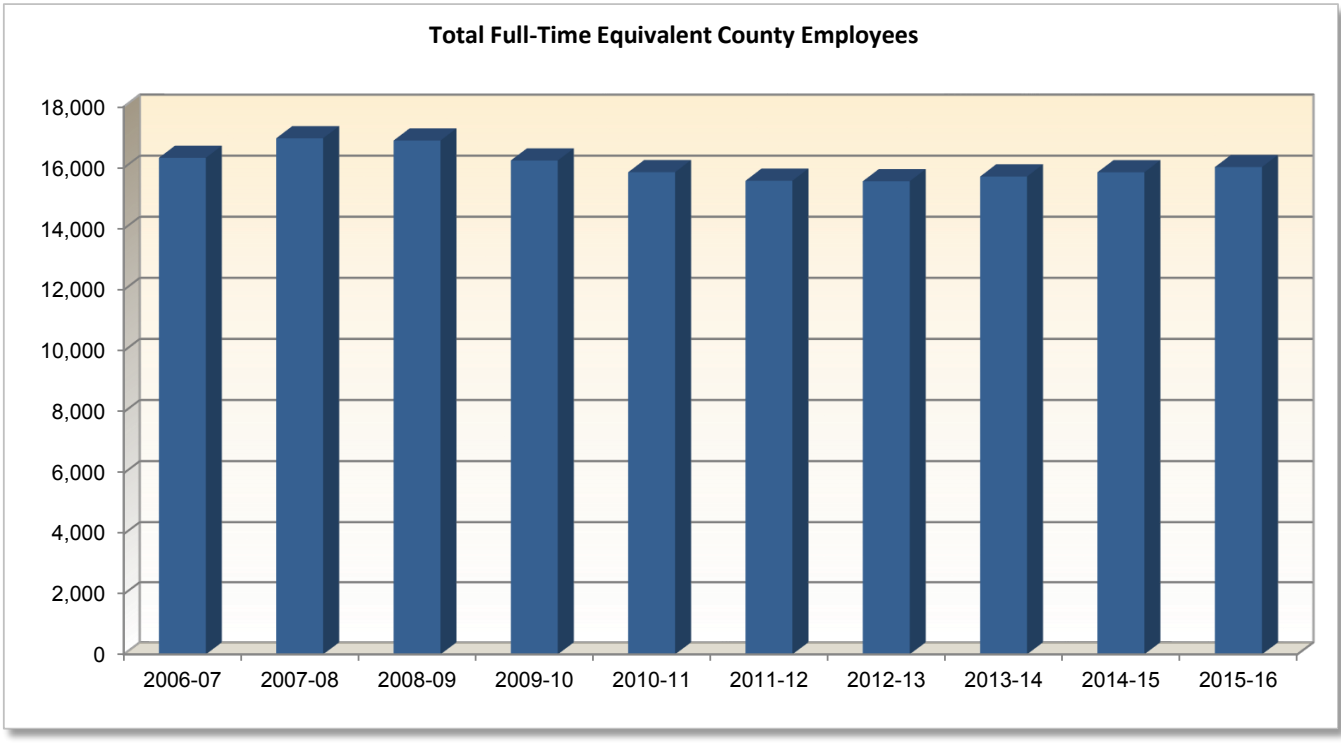
Employer	Number of Employees	Rank	Percentage of Total County Employment
Walt Disney Co.	20,000	1	1.22%
County of Orange	18,301	2	1.12%
University of California, Irvine	17,579	3	1.08%
St. Joseph Health System	10,047	4	0.61%
Boeing Co.	9,961	5	0.61%
Yum! Brands Inc.	7,200	6	0.44%
AT&T Incorporated	6,000	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 Commission of Orange County	11	11	11	11	13	14	16	17	17	16
Total Full-time Equivalent Employees [1]	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

	Fiscal 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 Population	125,420	124,014	121,473	120,396	119,698
Number of Bookings to Orange County Jail System	56,163	56,135	61,262	63,439	65,256
Average Daily Jail Head Count	6,028	6,055	7,039	6,805	6,265
District Attorney					
Defendants Prosecuted - Adult	61,521	56,233	55,906	57,873	61,759
Defendants Prosecuted - Juvenile	3,564	4,482	5,103	6,651	6,743
Probation					
Physical Arrests - Adult	*	*	*	2,947	2,307
Physical Arrests - Juvenile	*	*	*	640	467
Probationers under Supervision as of June 30th-Adult	11,714	10,725	14,425	14,186	14,788
Probationers under Supervision as of 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					
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	21,339	20,894	21,088	Marriage Licenses Issued
*	*	*	*	*	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
					Treasurer-Tax Collector
$ 22,295	$ 35,656	$ 67,242	$ 141,824	$ 167,107	Orange County Investment Pool Income
$ 6,183,195	$ 5,975,392	$ 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	*	*	*	*	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
121,488	120,088	119,480	118,136	120,174	Patrolled Unincorporated Areas Population
63,615	58,322	61,778	64,596	66,869	Number of Bookings to Orange County 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
13,243	13,476	15,022	16,223	16,646	Probationers under Supervision as of June 30th-Adult
5,792	6,527	6,492	6,569	6,112	Probationers under Supervision as of June 30th-Juvenile
417	428	455	490	502	Avg. Daily Juvenile Hall Population
194	191	310	438	333	Avg. Daily Camp Population
					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				
Function/Program	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)					
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					
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	29,219	31,258	35,101	34,953	32,498
Number of Low Income Children Dental Health 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
Public Assistance					
OC Community Resources					
Adult Day Care Hours of Service	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					
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	16	16	16	16	Special Events at the Harbor
					Public Ways and Facilities
					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
1,533	1,520	979	660	1,055	Number of Low Income Children Dental Health Services
61	20	26	11	3	Number of Ocean Water Days of Closure (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
185,489	150,141	109,491	88,284	82,132	Average Monthly CalFresh (formerly Food 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
604	598	531	549	509	Average Elder and Adult Abuse Unduplicated Reports Received
					Education
					OC Community Resources
7,796,954	7,629,378	7,314,615	6,908,477	6,767,502	Total Volumes Borrowed at Library Branches
					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
3,209,725	3,390,965	3,441,343	3,766,898	3,695,743	Gallons of Leachate and Impacted Ground Water Collected

Capital Asset Statistics by Function
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				
Function/Program	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					
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					
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
Health					
Clinics (1)	4	4	3	3	3
Laboratories (1)	2	2	2	2	2
Trailers (1)	12	12	8	11	27
Vehicles and Trucks (1)	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

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
					Health
2	2	2	49	37	Clinics [1]
2	2	1	2	2	Laboratories [1]
27	27	27	25	25	Trailers [1]
27	26	25	68	68	Vehicles and Trucks [1]
					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	*	*	*	*	*
Airport					
Acres	501	501	501	501	501
Runways	2	2	2	2	2
Public Parking Structures/Lots	5	5	5	5	5
Terminals	3	3	3	3	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

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
					Airport
501	501	501	501	501	Acres
2	2	2	2	2	Runways
5	5	5	5	5	Public Parking Structures/Lots
1	1	1	1	1	Terminals
4	4	4	4	4	Fire Trucks
					Waste Management
3	3	3	3	3	Active Landfills
2	2	2	2	2	Inactive Landfills
					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

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