

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

SOCPFAS2014_FINAL.pdf posted 02/28/2017

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 21 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
839100HV9	08/15/2014
839100HW7	08/15/2015
839100HX5	08/15/2016
839100HY3	08/15/2017
839100HZ0	08/15/2018
839100JA3	08/15/2019
839100JB1	08/15/2020
839100JC9	08/15/2021
839100JD7	08/15/2022
839100JE5	08/15/2023
839100JF2	08/15/2024
839100JG0	08/15/2025

839100JJ4	08/15/2026
839100JL9	08/15/2027
839100JN5	08/15/2028
839100JQ8	08/15/2029
839100JS4	08/15/2030
839100JU9	08/15/2031
839100JW5	08/15/2032
839100JX3	08/15/2033
839100JY1	08/15/2034

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 REFUNDING BONDS 2014 SERIES A & B (LADERA RANCH) ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2016

Dated February 28, 2017

2014 Series A CUSIP Numbers

839100HV9	839100JC9	839100JN5
839100HW7	839100JD7	839100JQ8
839100HX5	839100JE5	839100JS4
839100HY3	839100JF2	839100JU9
839100HZ0	839100JG0	839100JW5
839100JA3	839100JJ4	839100JX3
839100JB1	839100JL9	839100JY1

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 Refunding Bonds 2014 Series A & B (Ladera Ranch) Annual Report For Fiscal Year Ended June 30, 2016

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EXHIB	ITS								

- Exhibit A An Update of Table 4 From The Official Statement, Fiscal Year 2016-2017 Assigned and Actual Special Taxes, and Special Tax Delinquency History
- Exhibit B California Debt and Investment Advisory Commission Yearly Fiscal Reports
- Exhibit C Comprehensive Annual Financial Report

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. 2002-1 and 2003-1 of the County of Orange (each a "District" and together the "Districts").

Bond Issue:

1. South Orange County Public Financing Authority Special Tax Revenue Refunding Bonds, 2014 Series A & B (Ladera Ranch)

Annual Report:

The Authority's Annual Report required by the Continuing Disclosure Certificate (the "Disclosure Certificate") dated January 1, 2014 with respect to the Series A Bonds for the Fiscal Year ended June 30, 2016 is attached hereto. Although not required by the Disclosure Certificate, certain information with respect to the Series B Bonds is also included for completeness.

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 4- CONTENT OF ANNUAL REPORT

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

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

While the financial statements of the County (which includes CFD Nos. 2002-1 and 2003-1) 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. 2002-1 and 2003-1 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.

b. <u>Financial and Operating Data</u>

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

The principal amount of Bonds outstanding as of August 16, 2016 was \$60,520,000 for Series A Bonds and \$37,860,000 for Series B Bonds.

ii. <u>The balance in each fund under the Indenture and the Series A Reserve Requirement</u> (as defined in the Indenture) as of August 16, 2016.

As of August 16, 2016									
CFD No. 2002-1		CFD No. 2003-1							
Special Tax Fund:	\$339,811.37	Special Tax Fund:	\$298,079.79						
Reserve Fund:	\$3,656,042.60	Reserve Fund:	\$2,986,649.32						
Interest Fund:	\$6,275.04	Interest Fund:	\$5,126.14						
Acquisition and Construction Fund:	-0-	Acquisition and Construction Fund:	\$						
Special Reserve Fund:	-0-	Special Reserve Fund:	\$						
Rebate Fund:	-0-	Rebate Fund:	\$						

The Series A Reserve Requirement as of August 16, 2016 is \$3,454,319.31 for CFD No. 2002-1 and \$2,822,680.69 for CFD No. 2003-1.

iii. Any changes to the Rates and Methods of Apportionment of the Special Taxes for the Districts approved or submitted to the qualified electors for approval prior to the filing of the Annual Report and a description of any parcels for which the Special

Taxes have been prepaid in the Fiscal Year for which the Annual Report is being prepared.

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

iv. An update of the estimated assessed value-to-lien ratio for the Districts substantially in the form of Table 4 in the Official Statement based upon the most recent Special Tax levy preceding the date of the Annual Report and on the assessed values of property for the current fiscal year.

An update of Table 4 is included in Exhibit A.

v. <u>The Percentage of the Maximum Special Taxes levied by the Districts with respect to</u> <u>each series of Local Obligations.</u>

See table entitled "Fiscal Year 2016-2017 Assigned and Actual Special Taxes" in Exhibit A.

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

CFD Nos. 2002-1 and 2003-1 are not required to initiate any foreclosure proceedings at this time.

vii. <u>A table showing by District the total Special Taxes Levied and the total Special Taxes</u> collected for the prior fiscal year and the total Special Taxes that, as of December 31, remain unpaid for each prior fiscal year in which Special Taxes were levied and the number of delinquent parcels in each District.

See table entitled "Special Tax Delinquency History" in Exhibit A.

viii. <u>A statement as to whether the Teeter Plan remains in effect with regard to the Districts.</u>

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

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

See Exhibit B attached for copies of the Mello-Roos Community Facilities District (CFD) Yearly Fiscal Status Reports for CFD No. 2002-1 and CFD No. 2003-1, 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 4, ASSESSED VALUE-TO-LIEN RATIO FISCAL YEAR 2016-2017 ASSIGNED AND ACTUAL SPECIAL TAXES SPECIAL TAX DELINQUENCY HISTORY

SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY THE DISTRICTS IN AGGREGATE TABLE 4 FROM THE OFFICIAL STATEMENT - ASSESSED VALUE-TO-LIEN RATIOS

District	Local Obligations [1]	Overlapping Debt [1]	Total Direct and Overlapping Debt	Assessed Value [2]	Estimated Assessed Value-to-Lien Ratios [3]		
CFD No. 2002-1 CFD No. 2003-1	\$54,040,000 \$44,340,000	\$28,590,639 \$20,549,140	\$82,630,639 \$64,889,140	\$1,032,218,467 \$766,051,645	12.49 11.81		
Total	\$98,380,000	\$49,139,779	\$147,519,779	\$1,798,270,112	12.19		

[1] As of September 2, 2016.

[2] Assessed valuation data obtained from the County of Orange 2016-2017 Assessor's Roll. Assessed value is calculated as the sum of land value and improvement value.

[3] Represents Assessed Value column divided by the Total Direct and Overlapping Debt column.

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

SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2002-1 (LADERA RANCH) FISCAL YEAR 2016-2017 ASSIGNED AND ACTUAL SPECIAL TAXES

Tax Class	Land Use	FY 2016-2017 Assigned/Maximum Special Tax [1]	FY 2016-2017 Actual Special Tax	Percent of Assigned/Maximum Special Tax
1	Residential Property (SFD > 3,600 SF)	\$4,956.25 per Unit	\$3,764.52 per Unit	75.96%
2	Residential Property (SFD 3,300 - 3,600 SF)	\$4,883.17 per Unit	\$3,709.02 per Unit	75.96%
3	Residential Property (SFD 3,000 - 3,299 SF)	\$4,580.16 per Unit	\$3,478.86 per Unit	75.95%
4	Residential Property (SFD 2,700 - 2,999 SF)	\$4,185.66 per Unit	\$3,179.22 per Unit	75.96%
5	Residential Property (SFD 2,400 - 2,699 SF)	\$4,143.33 per Unit	\$3,147.07 per Unit	75.96%
6	Residential Property (SFD 2,100 - 2,399 SF)	\$3,586.76 per Unit	\$2,724.33 per Unit	75.96%
7	Residential Property (SFD 1,800 - 2,099 SF)	\$3,279.65 per Unit	\$2,491.06 per Unit	75.96%
8	Residential Property (SFD < 1,800 SF)	\$3,031.19 per Unit	\$2,302.35 per Unit	75.96%
9	Residential Property (SFA > 1,500 SF)	\$2,552.69 per Unit	\$1,938.89 per Unit	75.95%
10	Residential Property (SFA 1,300 - 1,500 SF)	\$2,347.40 per Unit	\$1,782.97 per Unit	75.96%
11	Residential Property (SFA 1,100 - 1,299 SF)	\$2,107.77 per Unit	\$1,600.96 per Unit	75.96%
12	Residential Property (SFA < 1,100 SF)	\$1,764.36 per Unit	\$1,340.12 per Unit	75.96%
13	Apartments	\$1,014.15 per Unit	\$770.30 per Unit	75.96%
14	Senior Housing Property	\$760.61 per Unit	\$577.72 per Unit	75.95%
15	Day Care Property	\$10,589.21 per Acre	\$8,043.05 per Acre	75.96%
16	Non-Residential Property	\$17,648.68 per Acre	\$13,405.08 per Acre	75.96%
NA	Undeveloped Property	\$40,149.10 per Acre	\$0.00 per Acre	0.00%

[1] Assigned Special Tax rates for Developed Property (Tax Classes 1-16) and Maximum Special Tax rate for Undeveloped Property. The Maximum Special Tax for a parcel of Developed Property is equal to the greater of (i) the Backup Special Tax or (ii) the Assigned Special Tax determined by reference to Table 1 of Section C. The Fiscal Year 2016-2017 Backup Special Tax is \$38,829.62 per acre for Developed Property. The Backup, Assigned, and Maximum Special Tax rates escalate at two percent per year.

Source: David Taussig and Associates, Inc.

SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2003-1 (LADERA RANCH) FISCAL YEAR 2016-2017 ASSIGNED AND ACTUAL SPECIAL TAXES

Tax Class	Land Use	FY 2016-2017 Assigned/Maximum Special Tax [1]	FY 2016-2017 Actual Special Tax	Percent of Assigned/Maximum Special Tax
1	Residential Property (SFD > 3,600 SF)	\$6,079.01 per Unit	\$4,373.72 per Unit	71.95%
2	Residential Property (SFD 3,300 - 3,600 SF)	\$5,614.12 per Unit	\$4,039.25 per Unit	71.95%
3	Residential Property (SFD 3,000 - 3,299 SF)	\$5,149.23 per Unit	\$3,704.77 per Unit	71.95%
4	Residential Property (SFD 2,700 - 2,999 SF)	\$4,515.33 per Unit	\$3,248.69 per Unit	71.95%
5	Residential Property (SFD 2,400 - 2,699 SF)	\$4,360.08 per Unit	\$3,136.99 per Unit	71.95%
6	Residential Property (SFD 2,100 - 2,399 SF)	\$4,042.44 per Unit	\$2,908.45 per Unit	71.95%
7	Residential Property (SFD 1,800 - 2,099 SF)	\$3,673.99 per Unit	\$2,643.36 per Unit	71.95%
8	Residential Property (SFD < 1,800 SF)	\$3,125.82 per Unit	\$2,248.96 per Unit	71.95%
9	Residential Property (SFA > 1,900 SF)	\$3,125.82 per Unit	\$2,248.96 per Unit	71.95%
10	Residential Property (SFA 1,600 - 1,900 SF)	\$2,985.93 per Unit	\$2,148.32 per Unit	71.95%
11	Residential Property (SFA 1,300 - 1,599 SF)	\$2,433.41 per Unit	\$1,750.79 per Unit	71.95%
12	Residential Property (SFA < 1,300 SF)	\$1,966.32 per Unit	\$1,414.72 per Unit	71.95%
13	Apartments	\$1,014.14 per Unit	\$0.00 per Unit [2	2] 0.00%
14	Day Care Property	\$10,589.21 per Acre	\$7,618.72 per Acre	71.95%
15	Non-Residential Property	\$17,648.68 per Acre	\$0.00 per Acre [2	2] 0.00%
NA	Undeveloped Property	\$48,905.94 per Acre	\$0.00 per Acre	0.00%

[1] Assigned Special Tax rates for Developed Property (Tax Classes 1-15) and Maximum Special Tax rate for Undeveloped Property. The Maximum Special Tax for a parcel of Developed Property is equal to the greater of (i) the Backup Special Tax or (ii) the Assigned Special Tax determined by reference to Table 1 of Section C. The Fiscal Year 2016-2017 Backup Special Tax is \$48,860.28 per acre for Developed Property. The Backup, Assigned, and Maximum Special Tax rates escalate at two percent per year.

[2] For fiscal year 2016-2017, there were no units/acres in these tax classes.

Source: David Taussig and Associates, Inc.

SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2002-1 (LADERA RANCH) SPECIAL TAX DELINQUENCIES [1]

Fiscal Year	Total Tax Levy	Parcels Levied	Delinquent Special Tax as of FY End [2]	Delinquency Rate as of FY End [2]	Number of Delinquent Parcels as of 1/31/2017 [3]	Delinquent Special Tax as of 1/31/2017 [3]	Delinquency Rate as of 1/31/2017 [3]
2007-2008	\$3,701,548	1,278	\$159,779	4.32%	0	\$0	0.00%
2008-2009	\$3,829,129	1,280	\$199,252	5.20%	0	\$0	0.00%
2009-2010	\$4,077,053	1,282	\$132,632	3.25%	1	\$1,870	0.05%
2010-2011	\$4,188,887	1,282	\$85,814	2.05%	0	\$0	0.00%
2011-2012	\$4,157,571	1,282	\$77,253	1.86%	1	\$1,907	0.05%
2012-2013	\$4,501,133	1,283	\$48,043	1.07%	0	\$0	0.00%
2013-2014	\$4,591,103	1,283	\$35,006	0.76%	1	\$4,206	0.09%
2014-2015	\$4,186,308	1,282	\$26,551	0.63%	1	\$3,209	0.08%
2015-2016	\$4,069,790	1,290	\$18,345 [4] 0.45% [4] 2	\$6,293	0.15%

[1] District is a participant in the County's Teeter Plan.

[2] As of approximately June 30 of the fiscal year in which special taxes were levied.

[3] The remaining unpaid delinquencies for each prior fiscal year are being reported as of January 31, 2017 instead of December 31, which is stated in the Continuing Disclosure Certificate. Based on information provided by the County of Orange Treasurer-Tax Collector.

[4] Delinquency data reflects collections received through 6/30/16 as reported by the County of Orange Auditor-Controller website.

Source: County of Orange Treasurer-Tax Collector, County of Orange Auditor-Controller

SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2003-1 (LADERA RANCH) SPECIAL TAX DELINQUENCIES [1]

Fiscal Year	Total Tax Levy	Parcels Levied	Delinquent Special Tax as of FY End [2]	Delinquency Rate as of FY End [2]	Number of Delinquent Parcels as of 1/31/2017 [3]	Delinquent Special Tax as of 1/31/2017 [3]	Delinquency Rate as of 1/31/2017 [3]
2007-2008	\$3,088,942	1,260	\$227,120	7.35%	0	\$0	0.00%
2008-2009	\$3,200,459	1,260	\$226,077	7.06%	0	\$0	0.00%
2009-2010	\$3,398,546	1,260	\$152,260	4.48%	0	\$0	0.00%
2010-2011	\$3,448,679	1,260	\$99,165	2.88%	0	\$0	0.00%
2011-2012	\$3,285,037	1,260	\$83,618	2.55%	0	\$0	0.00%
2012-2013	\$3,736,010	1,260	\$66,810	1.79%	1	\$2,476	0.07%
2013-2014	\$3,808,525	1,260	\$41,454	1.09%	1	\$2,524	0.07%
2014-2015	\$3,305,905	1,260	\$40,319	1.22%	2	\$3,977	0.12%
2015-2016	\$3,198,126	1,258	\$19,120 [4] 0.60% [4] 2	\$2,841	0.09%

[1] District is a participant in the County's Teeter Plan.

[2] As of approximately June 30 of the fiscal year in which special taxes were levied.

[3] The remaining unpaid delinquencies for each prior fiscal year are being reported as of January 31, 2017 instead of December 31, which is stated in the Continuing Disclosure Certificate. Based on information provided by the County of Orange Treasurer-Tax Collector.

[4] Delinquency data reflects collections received through 6/30/16 as reported by the County of Orange Auditor-Controller website.

Source: County of Orange Treasurer-Tax Collector, County of Orange Auditor-Controller

Ехнівіт В

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION YEARLY FISCAL REPORTS

Submitted: Friday, October 28, 2016 3:12:35PM CDIAC #: 2014-0006

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

Fiscal Year

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

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 Bo Senior Issue Ye		No	2014 S	r Lien RE	-	bordinate Issue	Э	Yes			No	Х
C.Project Name			CFD No	os 2002-	1 & 2003-	1 Ladera Ranc	h Serie	s A				
D. Date of Bond Issue			1/15/20)14								
E. Original Principal Amount	t of Bonds		\$64,54	5,000.00								
F. Reserve Fund Minimum E	F. Reserve Fund Minimum Balance Required			Х	Amount	\$6,277,000.0	00			No		
G. Total Issuance Costs (Report Issuance Costs o				al filing)								
II. FUND BALANCE FISCAL S	TATUS											
Balances Reported as of:			6/30/2016									
 A. Principal Amount of Bonds Outstanding B. Total Bond Reserve Fund Bond Reserve Cash \$6,286,333.52 			\$61,955,000.00									
			\$6,286,333.52									
				Bond F	Reserve S	urety Bond	\$0.00					
C. Capitalized Interest Fund	l		\$0.00									

III. AUTHORITY FINANCIAL INFORMATION

A. Fees Paid for Professional Services (Annual Totals)

1. Type of Services	2. Amount of Fees
ADMIN	\$62,515.69
TAX CON	\$5,534.78
TRST	\$3,100.00
ОТН	\$869.87
	\$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
CFD 2002-1	BP	\$\$35,520,000.00	\$\$34,429.07
CFD 2003-1	BP	\$29,025,000.00	\$28,086.63

Submitted: Friday Octobe

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Friday, October 28, 2016 3:12:35PM CDIAC #: 2014-0006

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 Co 1. Terms of In a. Final Ma	vestment Contracts					
	b. Other (se	ee Guidelines for explanation)					
	2. Commission	n/Fee for Contract Total	\$0.00				
	3. Interest Ear	nings on Contract Current	\$0.00				
	D. Does this Age	ncy participate in the County's Teeter	r Plan?	Yes	Х	No	
T٢	. ISSUE RETIRED his issue is retired ndicate reason for re	and no longer subject to the Yearly F	iscal Status report	filing requiremen	ts.		
	Matured	Redeemed Entirely Dother					
	If Matured, indica	te final maturity date:					
	If Redeemed Ent	irely, state refunding bond title & CDI	AC #:				
	and redemption of	date:					
	If Other:						
	and date:						
V.	NAME OF PART	Y COMPLETING THIS FORM					
	Name	Gina Kim					
	Title	Public Finance Accountant					
	Firm/ Agency	South Orange County Public Finance	cing Authority				
	Address	333 West Santa Ana Boulevard 3rd	FL				
	City/ State/ Zip	Santa Ana, CA 92701-4062					
	Phone Number	(714) 834-3749		Date of Report	10/28/2016		
	E-Mail	gina.kim@ocgov.com					

VI. COMMENTS:

Submitted:

Friday, October 28, 2016 3:12:35PM CDIAC #: 2014-0006

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 3:20:28PM CDIAC #: 2014-0007

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

Fiscal Year

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

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 Senior Issue Yes	No	2014 Jr Lien RBs X Subordinate Issue Yes X No
C.Project Name		CFD Nos 2002-1 & 2003-1 Ladera Ranch Series B
D. Date of Bond Issue		1/15/2014
E. Original Principal Amount of Bonds		\$40,000,000.00
F. Reserve Fund Minimum Balance Required		Yes X Amount \$364,470.45 No
G. Total Issuance Costs (Report Issuance	Costs o	\$0.00 only at initial filing)
II. FUND BALANCE FISCAL STATUS		
Balances Reported as of:		6/30/2016
A. Principal Amount of Bonds Outstanding		\$38,875,000.00
B. Total Bond Reserve Fund		\$365,012.41
Bond Reserve Cash \$365,012.41		Bond Reserve Surety Bond \$0.00
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	\$38,316.08
TAX CON	\$3,392.29
TRST	\$1,900.00
ОТН	\$533.15
	\$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
CFD 2002-1	BP	\$\$22,065,000.00	\$\$21,101.69
CFD 2003-1	BP	\$17,935,000.00	\$17,214.39

Submitted: Friday, October 28, 2016 3:20:28PM

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CDIAC #: 2014-0007

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 Co 1. Terms of In a. Final Ma	vestment Contracts					
	b. Other (se	ee Guidelines for explanation)					
	2. Commission	n/Fee for Contract Total	\$0.00				
	3. Interest Ear	nings on Contract Current	\$0.00				
	D. Does this Age	ncy participate in the County's Teeter	r Plan?	Yes	X	No	
Th	. ISSUE RETIRED his issue is retired ndicate reason for re	and no longer subject to the Yearly F	iscal Status report	filing requiremer	nts.		
	Matured	Redeemed Entirely Other					
	If Matured, indica	te final maturity date:					
	If Redeemed Ent	irely, state refunding bond title & CDI	AC #:				
	and redemption of	late:					
	If Other:						
	and date:						
V.	NAME OF PART	COMPLETING THIS FORM					
	Name	Gina Kim					
	Title	Public Finance Accountant					
	Firm/ Agency	South Orange County Public Finance	cing Authority				
	Address	333 West Santa Ana Boulevard 3rd	FL				
	City/ State/ Zip	Santa Ana, CA 92701-4062					
	Phone Number	(714) 834-3749		Date of Report	10/28/2016		
	E-Mail	gina.kim@ocgov.com			-		

VI. COMMENTS:

Submitted:

Friday, October 28, 2016 3:20:28PM CDIAC #: 2014-0007

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

		-	-	LIFORNIA		
Submitted: Friday, October 28, 2016				ACILITIES	DISTRICT (CFD) PORT	For Office Use Only
3:33:46PM CDIAC #: 2014-0008	915 Capito P.O. Bo	ol Mall, Roo x 942809,	om 400, Sacram			Fiscal Year
I. GENERAL INFORMATION A. Issuer		Orange	County	CFD No 2	002-1	
B.Project Name		Ladera F	Ranch			
C. Name/ Title/ Series of Bond Issu	e	2014 Sp	ес Тах	Ref Bond	6	
D. Date of Bond Issue		1/15/201	4			
E. Original Principal Amount of Bon	lds	\$57,585,	,000.00)		
F. Reserve Fund Minimum Balance	Required	Yes	Х	Amount	\$3,655,370.32	No
II. FUND BALANCE FISCAL STATUS Balances Reported as of:		6/30/201	6			
A. Principal Amount of Bonds Outst	anding	\$55,465,	,000.00	1		
B. Bond Reserve Fund		\$3,660,8	05.63			
C. Capitalized Interest Fund		\$0.00				
D. Construction Fund(s)		\$0.00				
III. ASSESSED VALUE OF ALL PARC	ELS IN CFD SU	ВЈЕСТ ТС	O SPEC	CIAL TAX		
A. Assessed or Appraised Value Re	eported as of:	1/1/	2016			
	X	From Equ	alized 1	Fax Roll		
				f Property t year or bef	ore annual tax roll billing co	ommences)
B. Total Assessed Value of All Parc	els	\$1,03	2,218,4	467.00		
IV. TAX COLLECTION INFORMATION	1					
A. Total Amount of Special Taxes D	ue <u>Annually</u>	\$4,06	9,789.7	75		
B. Total Amount of Unpaid Special	Taxes <u>Annually</u>	\$18,3	44.56			
C. Taxes are Paid Under the Count	y's Teeter Plan?	Y				
V. DELINQUENT REPORTING INFOR	MATION					
Delinquent Parcel Information	Reported as of E	qualized 7	Fax Rol	ll of:	6/30/2016	
A. Total Number of Delinquent	Parcels: 10					
B. Total Amount of Taxes Due (Do not include penalties, pena		arcels:	\$18	3,344.56		

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 3:33:46PM CDIAC #: 2014-0008

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

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

Fiscal Year

VII. ISSUE RETIRED

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

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

If Matured, indicate final maturity date:

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

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

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

IX. ADDITIONAL COMMENTS:

Submitted: MELLO-ROO	S COMMUNITY FACILITIES DISTRICT (CFD)	
Friday, October 28, 2016	ARLY FISCAL STATUS REPORT	For Office Use Only
CDIAC #: 2014-0009 915 Cap P.O. E	Debt and Investment Advisory Commission tol Mall, Room 400, Sacramento, CA 95814 ox 942809, Sacramento, CA 94209-0001 916) 653-3269 Fax (916) 654-7440	Fiscal Year
I. GENERAL INFORMATION A. Issuer	Orange County CFD No 2003-1	
B.Project Name	Ladera Ranch	
C. Name/ Title/ Series of Bond Issue	2014 Spec Tax Ref Bonds	
D. Date of Bond Issue	1/15/2014	
E. Original Principal Amount of Bonds	\$46,960,000.00	
F. Reserve Fund Minimum Balance Required	Yes X Amount \$2,986,100.13	No
II. FUND BALANCE FISCAL STATUS Balances Reported as of:	6/30/2016	
A. Principal Amount of Bonds Outstanding	\$45,365,000.00	
B. Bond Reserve Fund	\$2,990,540.30	
C. Capitalized Interest Fund	\$0.00	
D. Construction Fund(s)	\$0.00	
III. ASSESSED VALUE OF ALL PARCELS IN CFD SI	IBJECT 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 comme	ences)
B. Total Assessed Value of All Parcels	\$766,051,645.00	
IV. TAX COLLECTION INFORMATION		
A. Total Amount of Special Taxes Due Annually	\$3,198,126.26	
B. Total Amount of Unpaid Special Taxes Annually	\$19,120.39	
C. Taxes are Paid Under the County's Teeter Plan	Y Y	
V. DELINQUENT REPORTING INFORMATION		
Delinquent Parcel Information Reported as of	Equalized Tax Roll of: 6/30/2016	
A. Total Number of Delinquent Parcels: 12		
 B. Total Amount of Taxes Due on Delinquent I (Do not include penalties, penalty interest, etc.) 	Parcels: \$19,120.39	

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 3:43:35PM CDIAC #: 2014-0009

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

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

Fiscal Year

VII. ISSUE RETIRED

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

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

If Matured, indicate final maturity date:

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

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

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

IX. ADDITIONAL COMMENTS:

EXHIBIT C

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

FOR THE YEAR ENDED JUNE 30, 2016













ERIC H. WOOLERY, CPA, AUDITOR-CONTROLLER

County of Orange

State of California

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016



Eric H. Woolery, CPA Auditor-Controller

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AUDITOR-CONTROLLER COUNTY OF ORANGE

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

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

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.

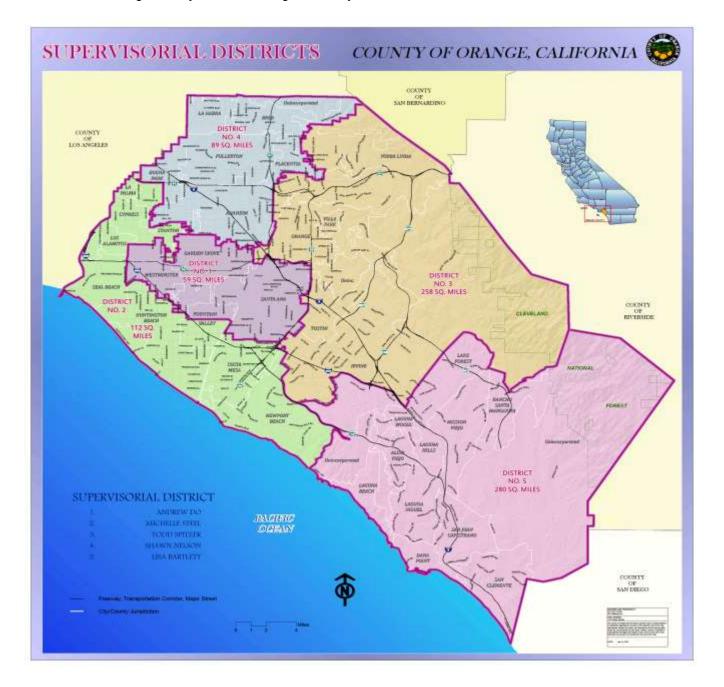
PROFILE OF THE GOVERNMENT

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:

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

In addition to these services, the County is also financially accountable for the reporting of component units. Blended and fiduciary component units, although legally separate entities, are, in substance, part of the County's operations and, therefore, data from these units are combined with data of the County. The County has two component units, the Children and Families Commission of Orange County (CFCOC) and CalOptima, which require discrete presentation in the government-wide financial statements. The County's fiduciary component unit, County of Orange Redevelopment Successor Agency (Successor Agency), was established as a result of the dissolution of the former Orange County Development Agency. The following entities are presented as blended component units in the basic financial statements for the year ended June 30, 2016: the Orange County Flood Control District, Orange County Housing Authority, Orange County Public Financing Authority, South Orange County Public Financing Authority, South Orange County Public Financing Authority, Assessment Districts, Community Facility Districts, and In-Home Supportive Services Public Authority. Additional information on these entities can be found in Note 1, Summary of Significant Accounting Policies, in the Notes to the Basic Financial Statements.

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

an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered appropriations do not lapse at year-end; outstanding encumbrances are carried forward to the following year's budget. Additional information on the budgetary process can be found in Note 1, Summary of Significant Accounting Policies, in the Notes to the Basic Financial Statements.

The County's eGovernment website portal at 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.

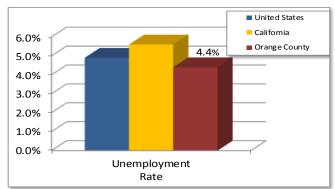
In terms of the external indicators, Orange County's economy continues to out-perform local surrounding counties, the state and national economies (in annual percentage growth), and, in fact, ranks higher (in absolute growth rate dollars) than the economies of the majority of the world's countries.

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

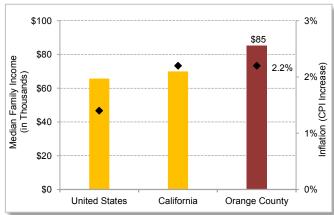
 Note:
 Unemployment rates are for the month of August 2016

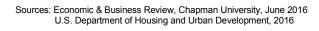
According to the Department of Housing and Urban Development, Orange County's median family income is expected to be \$85,000 (absolute dollars) in 2016, compared to \$85,900 (absolute dollars) in 2015. Median family incomes in Orange County continue to exceed all surrounding Southern California counties,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





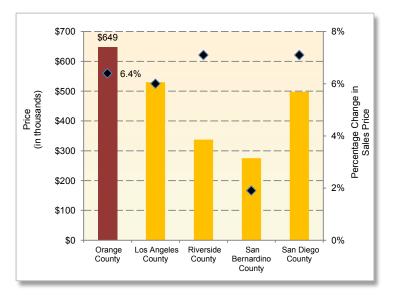
According to CoreLogic Information Systems, the median home sales price for new and existing homes in Orange County was \$649,000 (absolute dollars) in August 2016, representing a 6.4% increase relative to August 2015. The median sales price in Orange County continues to exceed all surrounding counties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

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

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

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

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



Sources: CoreLogic Information System, August 2016

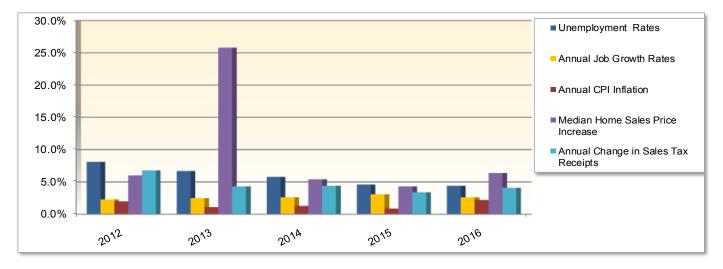
Comparisons of Inflation and Median Family Income

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

Table 5: Orange County Historical Data

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

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



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

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

Long–Term Financial Planning

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

The 2016 Strategic Financial Plan (SFP) was presented to the Board on December 6, 2016. The 2016 SFP is the foundation in planning for continued financial stability and will be augmented by the monitoring and establishment of budgetary control via the quarterly budget reporting process and adoption of the Annual Budget. The five-year SFP projections indicate that General Purpose Revenue growth will be in the range of 2.8% for the first year of the plan with growth rates averaging 2.3% in years two through five. The moderate growth rate for revenue, coupled with the increasing cost of doing business, will require the County to carefully manage programs and services levels. The

County continues to believe that sustained job growth and reduced unemployment are the key indicators for economic recovery.

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

- The 2016 SFP reflects only a 1% increase in Net County Cost limits in Fiscal Years (FY) 2017-18 and 2018-19, increasing to 2% in FYs 2019-20 through 2021-22, with the remaining excess funds distributed and/or setaside to address the most critical strategic needs for the County
- Continuation of the policy to not backfill State budget reductions
- · Position Policy: delete aged vacant positions
- Internal financing program to support major capital and information technology projects
- Maintaining prudent levels of General Fund and Contingency Reserves

The County continues to move forward on several large projects identified below. In addition, the County is in various stages of planning and implementing several other projects. Financial plans are in place for the 800 MHz Countywide Coordinated Communications System, replacement of Central Utility Facility infrastructure, new Animal Care Center, Homeless Shelter and the first phase of the Civic Center Master Plan. Development of the County property at the former Marine Corps Air Station El Toro in Irvine and other various County-owned properties will require up-front financial planning and investment in order to generate revenue in future years on a long-term basis.

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

The SARMP is designed to provide flood protection to the growing urban communities in Orange, Riverside and San Bernardino Counties. The proposed improvements to the system cover 75 miles, from the headwater of the Santa Ana River, east of the city of San Bernardino to the mouth of the river at the Pacific Ocean between the cities of Newport Beach and Huntington Beach. The project will increase levels of flood protection to more than 3.35 million people within the three county areas. The project includes seven independent features: Seven Oaks Dam, Mill Creek Levee, San Timoteo Creek, Oak Street Drain, Prado Dam, Santiago Creek and the Lower Santa Ana River. More information on the SARMP is available in Note 14, Construction and Other Significant Commitments. To learn more about the SARMP, visit the Orange County Flood Control Division's website at http://www.ocflood.com.

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

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

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

reimbursement by the State in full, and all future costs will be invoiced for reimbursement by the State on an ongoing basis until construction completion and occupancy. It is anticipated that costs will be reimbursed beginning in FY 2017-18.

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

La Pata Avenue Gap Closure and Camino Del Rio Extension Project: The County has begun the construction of the La Pata Avenue Gap Closure Project (Project) that will widen La Pata Avenue and implement a gap closure between the cities of San Juan Capistrano and San Clemente. This is a cooperative project between the City of San Clemente, City of San Juan Capistrano, OC Waste & Recycling, and OC Public Works, with the County acting as the lead agency. The total Project cost is estimated at \$127,000 and is funded from State 1B, Measure M1 and M2, gas tax, La Pata Fee Program, OC Waste & Recycling, developer agreement, and community facility district revenues. A construction contract for \$72,741 was awarded by the Board to Sukut Construction, Inc. on December 10, 2013. A construction management contract for \$7,706 was awarded to Hill International, Inc. on February 4, 2014. The groundbreaking ceremony was held on April 4, 2014. The ribbon cutting ceremony for the initial phase took place on August 13, 2016, and the roadway opened to the public on August 14, 2016. The tentative completion date for this phase is December of 2016. The remaining two phases, La Pata Widening and Camino Del Rio Extension, began construction in August 2016. Completion of the Camino Del Rio Extension Phase is anticipated in April 2017. Completion of the La Pata Widening Phase is anticipated in February 2018.

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

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

Relevant Financial Policies

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

General Fund Reserves Policy

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

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

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

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

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

- Fund Balance Assigned for Contingencies
- Fund Balance Assigned for Operations
- Fund Balance Assigned for Construction and Maintenance
- Fund Balance Assigned for Capital Projects
- Fund Balance Assigned for Teeter Loss Reserve
- Fund Balance Assigned for Reserve Target
- Reserve-Like Funds
- Reserve-Like Appropriations
- Department-Type Reserves

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

Reserve Targets and Descriptions

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

In implementing the GFOA's best practice, the County elected to establish a funding target based upon two months of General Fund operating revenues. Analysis of the historical average of two months of operating revenues, as well as FY 2016-17 adopted budgeted revenues, yielded a funding target of approximately 17% of General Fund operating revenues.

Contingencies

The purpose and use of this reserve is to cover unanticipated and severe economic downturns, major emergencies, or catastrophes that cannot be covered with existing appropriations. In particular, continued drought conditions with the attendant risk of wildfires, highlights the potential for catastrophic events within the County. A significant event could create the need for a higher funding level of this reserve. The target amount for this reserve is 15% of ongoing annual General Purpose Revenues (excluding fund balance unassigned and one-time amounts and transfers).

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

Relevant Financial Policies				
Multi-Year SFP	The County's SFP is based on a five-year financial forecast and includes a 10-year analysis of operating costs in cases where new programs and facilities are recommended to ensure the ability to pay for long-term operational costs. Performance measures and strategies are key elements of the SFP process.			
Five-Year Capital Improvement Plan	The County's five-year Capital Improvement Plan (CIP) is a long-term list of significant projects funded by the General Fund in the Capital Projects budget. It also includes the five-year capital program for Non-General Fund agencies. The CIP aids the County in its assessment of the best use of funds available in order to establish and prioritize its capital asset goals, while maintaining long-term financial stability.			
Information Technology Projects	The five-year Information Technology Plan (ITP) is a compilation of significant IT projects including upgrades or replacements of existing systems, greater or equal to \$150 and less than \$1,000 in any one fiscal year of the five years in the plan. Costs for ongoing system support and maintenance are included. The ITP is a tool used by the County to assess IT projects, leverage overlap, and prioritize the use of County General Funds available to IT projects.			
Quarterly Budget Report	The County Executive Office issues quarterly budget reports that provide the Board, County departments, members of the public, and other interested parties with an overview of the current status of budgeted revenues and expenditures, total budgeted positions and various departmental issues requiring adjustments to the County's budget.			
Annual Budget Policies and Guidelines	The Annual Budget reflects the County's disciplined approach to fiscal management and is consistent with the County's SFP process. Department budgets are consistent with the priorities and operations plans contained in the SFP. Departments use these planning processes, along with outcome indicators, to evaluate programs and redirect existing resources as needed for greater efficiency to reduce costs and minimize the need for additional resources.			
Fund Balance Reserve Policy	The County General Fund currently contains formal and informal reserves, appropriations for contingencies, appropriated reserve-type funds, and reserves held by others. The purpose of these reserves is to protect community programs and services from temporary revenue shortfalls and provide for unpredicted, sudden and unavoidable one-time expenditures.			
Contingency Planning Policy	The County's General Fund maintains a reserve for contingencies, which was established through the SFP process. The target amount for this reserve is 15% of ongoing annual General Purpose Revenues (excludes fund balance unassigned and one-time amounts and transfers), or \$108,438. This compares to the GFOA guidelines for funding contingencies at 15% or higher. The November 29, 2016 balance is \$62,300, approximately \$46,138 below the target.			
	In addition to the reserve for contingencies, the County budgets an annual appropriation for significant unanticipated emergencies, catastrophes, one-time expenditures and opportunities of no less than \$5,000 in the General Fund.			
Debt Disclosure Practices	The County presents a set of debt disclosures in the County's adopted Budget document and the CAFR, as well as Continuing Disclosure Annual Reports on its website and the Electronic Municipal Market Access (EMMA) repository.			

Relevant Financial Policies (Continued)				
Pay-as–you-go Capital Funding	The County's long-term practice has been to use pay-as-you-go funding for capital projects whenever possible. The use of systematic long range financial planning assists in making fiscal decisions such as debt vs. pay-as-you-go capital project financing. The SFP forecasts sources of the County's revenue and operating expenses and incorporates a list of previously identified and prioritized projects that will benefit the citizens of the County. The financial planning for capital projects considers the County's limited funding sources, the capital and operating costs, useful life of projects, and good business practices.			
Credit and Debt Management Policy	The County's long-term practice has been to rapidly repay debt when practicable. The Policy is intended to maintain long-term financial stability by ensuring that its long-term financing commitments are affordable and do not create undue risk or burden, achieve and maintain high credit ratings, minimize debt service interest expense and issuance costs, provide accurate and timely financial disclosure and reporting, and comply with applicable State and Federal laws and financing covenants.			
Public Financing Advisory Committee	The Public Financing Advisory Committee (PFAC) is responsible for the review, approval, modification or denial of debt financing proposals. No debt financing proposal is considered by the Board unless recommended in writing by the PFAC. The PFAC membership consists of the following: five public voting members, each representing a district, and three Ex-Officio County government members (the County Executive Officer (non-voting), the elected Treasurer-Tax Collector, and the elected Auditor-Controller).			
Audit Oversight Committee	The Audit Oversight Committee (AOC) is an advisory committee to the Board that provides oversight of the activities of the County Auditor-Controller's Internal Audit Division and the County's external audit coverage, including financial reporting and federal and state audit activities, and discusses the adequacy of the County's internal control structure. The AOC membership includes the Chair and Vice-Chair of the Board, the County Executive Officer, and five private sector members appointed by the Board. The private sector members shall be appointed by the Board for a term of four years and may be reappointed or removed by the Board.			
Treasury Oversight Committee	The Treasury Oversight Committee (TOC) is responsible for reviewing and monitoring the annual Investment Policy Statement (IPS) prepared by the Treasurer. In addition, the TOC causes an annual audit of the Treasurer's compliance with the IPS. The TOC shall also investigate any and all irregularities in the Treasurer's operations, which become known to the TOC. The TOC will develop and document policy and procedures to investigate and report such irregularities.			
	Annually, the TOC reviews the Treasurer's IPS, including all proposed amendments or modifications to the policy. The Treasurer then submits the IPS to the Board for approval, including any additions or amendments thereto. The TOC membership consists of the following: The elected Auditor-Controller, the County Executive Officer, the elected County Superintendent of Schools, or their respective designees, and four members of the public. The public members shall be nominated by the Treasurer and confirmed by the Board.			
24/7 Fraud Hotline	The Fraud Hotline is part of an ongoing fraud detection and prevention effort. The Fraud Hotline is intended for use by County employees, the general public, or vendors for reporting suspected waste, fraud, violations of County policy or misuse of County resources by vendors, contractors or County employees.			

Major Initiatives

<u>Funding Equity</u>: The County hovers at the bottom of funding for counties statewide, receiving the lowest percentage of property taxes in California to support services-about 6 cents on the dollar; the state average is 17 cents. The formula for returning local property taxes to the counties where they were collected was set in 1978 and has not been updated since. This systematically disadvantages the County's ability to provide services to its diverse population.

The County's predicament does not have easy fixes. Shifting funding formulas could affect other counties receiving more of their share of taxes, as well as other taxing entities such as cities, special districts, and schools, which have constitutional protections for state funding. Therefore, the answer to assuring funding equity for Orange County lies in increasing funding, programs, and partnerships that specifically benefit County programs and services. When the state shifts or adds responsibilities at the county level, the County will seek enough funding for those programs to ensure their success. The County's robust legislative agenda seeks creative and substantive ways to assure our residents are provided with their fair share of the taxes they pay to support the programs and services they deserve.

<u>State Prison Realignment:</u> With the passage of Assembly Bill 109 in 2011, California ordered the realignment of certain state prisoners to serve their sentences in county jails instead of state prisons to comply with court-ordered overcrowding reductions. The County accounts for 8.1% of the state's population and 6.4% of the total prison population. In FY 2015-16, the County spent \$72,100 and carried over \$0 surplus to FY 2016-17.

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

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

AWARDS AND ACKNOWLEDGEMENTS

<u>GFOA Awards:</u> The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the year ended June 30, 2015; this represents the County's 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

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

be awarded, a government must publish a PAFR that reflects the program standards of creativity, presentation, understandability and reader appeal. The "OC Citizens' Report" is available for viewing at http://acdcweb01.ocgov.com/acInternet/Reports/CitizensReports.aspx

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

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

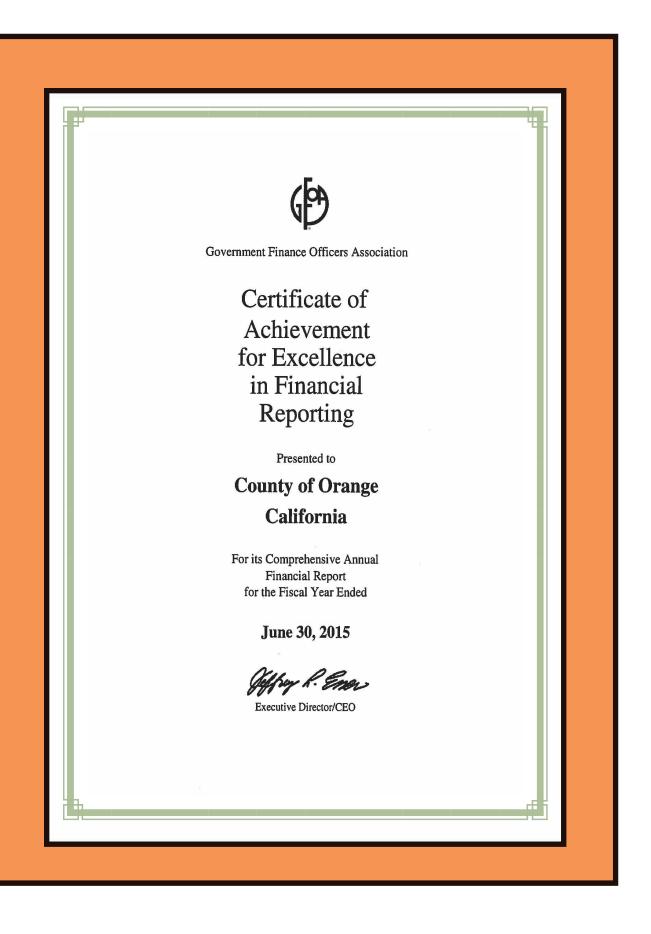
Respectfully submitted,

En H. Wooley

Eric H. Woolery, CPA Auditor-Controller

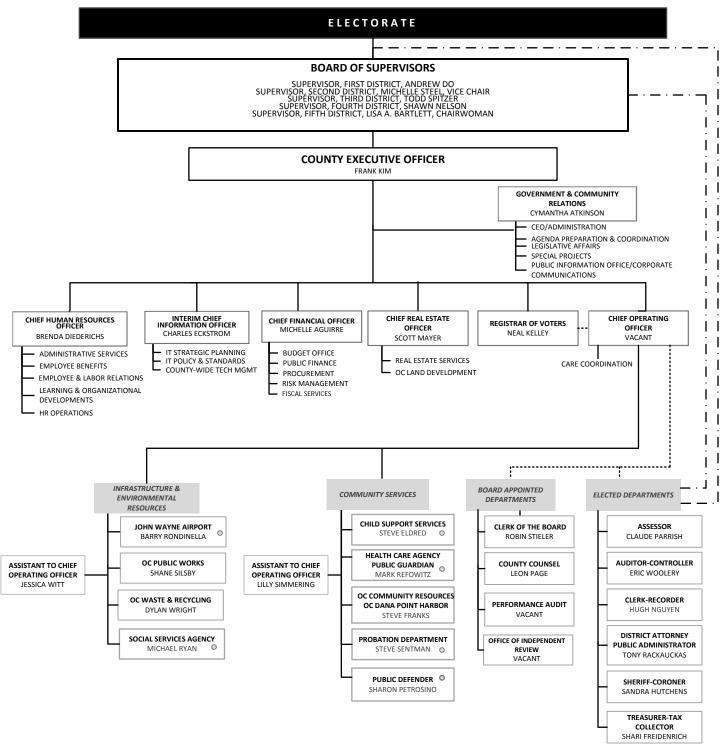
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Michelle Aguirre Chief Financial Officer



ORGANIZATIONAL CHART

(As of September 30, 2016)



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



Civic Center Plan 1952





Independent Auditor's Report

The Honorable Board of Supervisors County of Orange, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Woodland Hills

Century City

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Flood Control District Fund, Other Public Protection Fund, and Mental Health Services Act Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, effective July 1, 2015, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the basic financial statements, the total net pension liability of the County as of June 30, 2016, which was measured as of December 31, 2015, was \$4.4 billion for the Orange County Employees Retirement System (OCERS). The fiduciary net position as a percentage of the total pension liability as of December 31, 2015, was 65.66% for OCERS. The actuarial valuation is very sensitive to the underlying actuarial assumptions, including a discount rate of 7.25%, which represents the long-term expected rate of return for OCERS. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

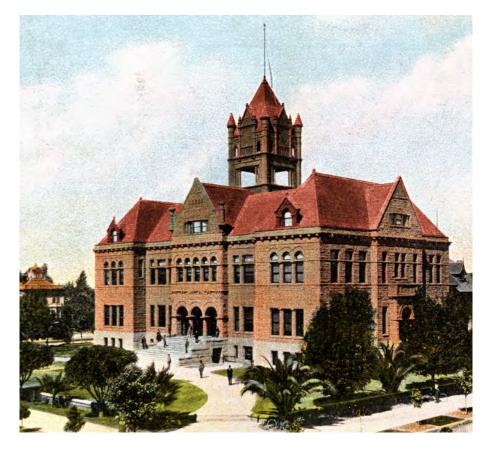
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules included in supplemental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

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

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

Macias Gini É O'Connell LP

Newport Beach, California December 15, 2016



Courthouse 1901



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

This section of the County's Comprehensive Annual Financial Report (CAFR) provides a narrative overview and analysis of the financial activities of the County for the year ended June 30, 2016. We hope that the information presented here, in conjunction with the Letter of Transmittal, provides a clear picture of the County's overall financial status. Unless otherwise indicated, all amounts in this section are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The total change in net position, which is the difference between total revenues (including transfers in) and expenses (including transfers out), was \$177,959 for the fiscal year and it increased net position by 9% from the prior year.
- Long-term bonded debt decreased by \$6,722 or 1% during the current fiscal year.
- The County's governmental funds reported combined ending fund balances of \$2,357,526, an increase of \$170,835, or 8% in comparison with the prior year.
- General Fund revenues and other financing sources ended the year 5% below budget.
- General Fund expenditures and other financing uses ended the year 7% below budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

	Government-wide	Fund Financial Statements			
	Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds	
Type of Financial Statement	Statement of Net Position	Balance Sheet	Statement of Net Position	Statement of Fiduciary Net Position	
	Statement of Activities	Statement of Revenues, Expenditures, and Changes in Fund Balances Budgetary Comparison Statements	Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	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 <u>accrual basis of accounting</u> and the <u>economic resources measurement focus</u>. The **Statement of Net Position** provides information regarding <u>all</u> of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The **Statement of Activities**, on the other hand, provides information on how the government's net position changed during the most recent fiscal year regardless of the period when the related cash or cash equivalent is received or paid. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements also provide information regarding the County's component units, entities for which the County (the primary government) is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations and, therefore, data from these component units are combined with data of the primary government. Financial information for the CFCOC and CalOptima, discretely presented component units, are reported separately from the financial information presented for the primary government itself. A separate stand-alone annual financial report can be obtained for the CFCOC by accessing the County's website at the following address: http://acdcweb01.ocgov.com/acInternet/. A separate stand-alone annual financial report can be obtained for CalOptima by accessing the website at <a href="http://www.http://wwww.http://www.http://ww

Fund Financial Statements

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

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

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

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

primary differences between the government-wide and fund financial statements relate to noncurrent assets, such as land and structures and improvements, and noncurrent liabilities, such as bonded debt and amounts owed for compensated absences and capital lease obligations, which are reported in the government-wide statements but not in the fund financial statements.

The County maintains several individual governmental funds organized according to their type (General Fund, Special Revenue, Debt Service, Capital Projects and Permanent Funds). Information is presented separately in the governmental funds' Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is always a major fund, and all other major funds. Information for nonmajor funds is presented in the aggregate in these statements. Individual fund data for each of the nonmajor governmental funds is presented in the Supplemental Information Section of this report. The County adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with the budget.

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

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

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

Notes to the Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. At June 30, 2016, the County's combined net position (governmental and business-type activities) totaled \$2,185,709 an increase of 9% from FY 2014-15.

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

COMPONENTS OF NET POSITION

- Net Investment in Capital Assets
- Restricted
- Unrestricted

The County's **restricted** net position totals \$1,329,878. Restricted net position represents resources that are subject to external restrictions on their use and are available to meet the County's ongoing obligations for programs with external restrictions. External restrictions include those imposed by grantors, contributors, laws/regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation, including those passed by the County itself.

The final component of net position is **unrestricted** net position. Unrestricted net position is resources that the County may use to meet its ongoing obligations to citizens and creditors. As of June 30, 2016, the County's unrestricted net position totals a deficit of \$2,514,942. Among governmental activities the deficit was \$2,979,945 in unrestricted net position, compared to its deficit of \$2,991,814 at June 30, 2015. The main contributor of the deficit continues to be the reporting of the County's proportionate share of net pension liability on the financial statements.

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

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

As of June 30, 2016, the County's total assets and deferred outflows of resources increased by 9% or \$773,079 during the current fiscal year. Deferred outflows of resources related to pension increased by \$449,535 due to the changes in net pension liability measurements as required by GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27,*" (GASB Statement No. 68) and employer pension contributions made after the measurement date as required by GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*" (GASB Statement No. 71). In addition, an increase of \$231,765 in cash and equivalents is another contributing factor. This increase was primarily due to increased passenger facility charge revenues, receipt of grants for capital improvement projects, and bond proceeds to construct the new community facility district (CFD), Village of Esencia; the debt will be paid by a special tax levied on properties within the CFD.

Total liabilities and deferred inflows of resources for FY 2015-16 increased by 9% or \$595,120. Long-term liabilities increased by 9% or \$477,069, as a result of recording the County's proportionate share of the net pension liability. Deferred inflows of resources related to pension increased \$60,244 due to the changes in the net pension liability measurements used in the actuarial study as required by GASB Statement No. 68.

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

		mental		ss-Type				
		vities		vities	Total			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>		
REVENUES								
Program Revenues:	¢ 557.450	¢ 500.040	¢ 007.000	¢ 004.000	¢ 054.740	¢ 044.004		
Charges for Services Operating Grants and Contributions	\$ 557,450 2,037,311	\$ 563,013 1,996,861	\$ 297,293 171	\$ 281,368 255	\$ 854,743 2,037,482	\$ 844,381 1,997,116		
Capital Grants and Contributions	105,776	33,241	2,174	9,215	107,950	42,456		
General Revenues:	100,110	55,241	2,174	5,215	107,550	42,400		
Property Taxes	500,507	E0E 190			500,507	EOE 190		
Property Taxes in Lieu of	500,507	505,189			500,507	505,189		
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	70,104	71,015	12	109	70,230	11,122		
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:

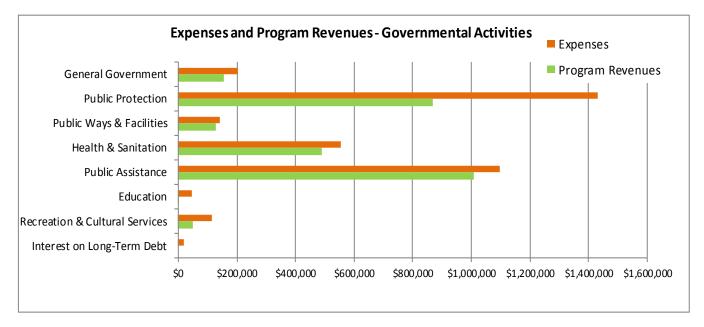
Revenues

- 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.

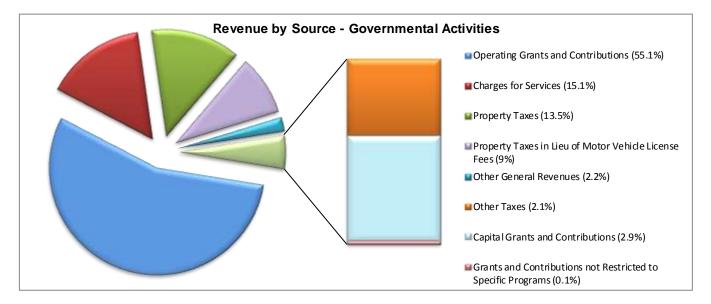
Expenses

- 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:

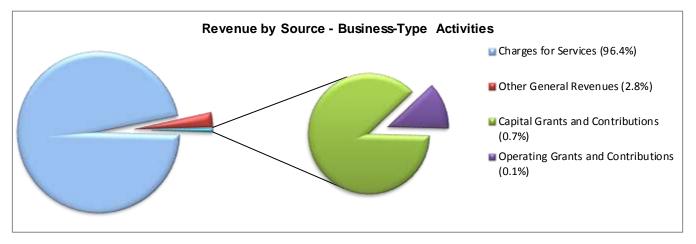


The chart below presents the percentage of total revenues by source for governmental activities:



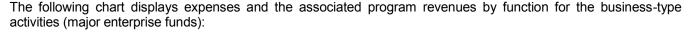
Business-Type Activities

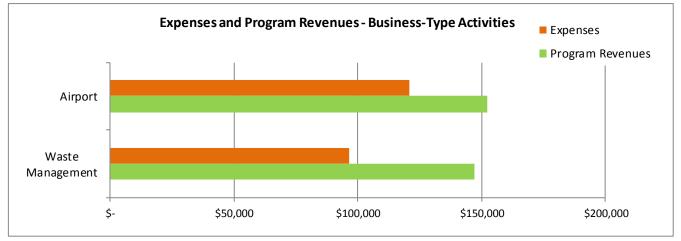
The County has three business-type activities: Airport, Waste Management, and Compressed Natural Gas. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported charges for services as their largest source of revenues.



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."





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

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

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

General Fund

The General Fund is the chief operating fund of the County. At the end of FY 2015-16, revenues and other financing sources exceeded expenditures and other financing uses resulting in an increase in fund balances of \$63,330 compared to last year's increase in fund balances of \$148,122. Revenues and other financing sources increased by \$37,248 and expenditures and other financing uses increased by \$122,040. The following is a brief summary of the primary factors that contributed to the increase in the net change in fund balance for the General Fund in FY 2015-16:

Revenues

 Tax revenue increased by \$41,760, which was primarily due to increases in secured property taxes and property taxes in-lieu of vehicle license fees (VLF) resulting from an increase in secured assessed values. Additionally, there was an increase in supplemental and other property tax revenues.

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

Expenditures

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

Flood Control District

This fund accounts for the planning, construction, and operation of flood control and water conservation works, such as dams, basins, and trunk channels, and for the retardation, conservation, and controlled discharge of storm waters. At the end of FY 2015-16, there was an increase in fund balance of \$12,723, compared to last year's increase of \$41,809. Revenues and other financing sources decreased by \$34,167, mainly due to a decrease in intergovernmental revenues related to a reduction in SAR Subvention claims and a reduction in revenue from the Department of Water Resources for the Santa Ana River Interceptor (SARI) Line project claims. Refer to Note 10 for detailed information regarding the SARI project and financing agreement. Expenditures and other financing uses decreased by \$5,081, primarily due to a decrease in capital outlay expenditures related to property acquisitions for the Prado Dam and a decrease in the repayment of SARI Line Project loans to the Orange County Sanitation District (OCSD) and Santa Ana Watershed Project Authority (SAWPA).

Other Public Protection

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

Mental Health Services Act

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

Other Governmental Funds

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

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

COMPARATIVE FUND BALANCE Governmental Funds June 30, 2016 and 2015				
		2016	2015 *	Increase/(Decrease) %
General Fund		\$ 727,838	\$ 664,508	10 %
Flood Control District		431,668	418,945	3 %
Other Public Protection		145,810	145,960	
Mental Health Services Act		241,958	240,224	1 %
Other Governmental Funds		810,252	717,054	13 %
	Total	\$ 2,357,526	\$ 2,186,691	8 %

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

Proprietary Funds

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

Comparative Analysis of Changes in Fund Net Position

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

ENTERPRISE FUNDS

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, CONTRIBUTIONS, TRANSFERS AND CHANGES IN FUND NET POSITION For the Years Ended June 30, 2016 and 2015

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

<u>Airport</u>

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

Waste Management

This fund is used to account for the operation, expansion, closing of existing landfills and the opening of new landfills. Monies are collected through gate tipping fees, which users pay based primarily on tonnage. At the end of FY 2015-16, there was an increase in fund net position of \$34,963, which was a smaller increase when compared to the prior year increase of \$53,133. Revenues and transfers increased by \$10,380 which was primarily due to an increase in sanitation and landfill disposal fees collected for waste, recycling, and importation, as well as importation tonnage and in-county disposal tonnage. Expenses and transfers increased by \$28,550 primarily due to an increase in provision for closure and postclosure care costs and pollution remediation expenses.

Compressed Natural Gas (CNG)

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Original Revenue Budget vs. Final Amended Revenue Budget

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

Intergovernmental Revenue

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

Transfers In

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

Use of Money and Property

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

Charges for Services

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

Final Revenue Budget vs. Actual Revenue Amounts

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

Transfers In

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

Intergovernmental

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

Charges for Services

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

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

Original Expenditure Budget vs. Final Amended Expenditure Budget

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

Sheriff-Coroner

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

Social Services Agency

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

2005 Lease Revenue Refunding

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

Health Care Agency

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

Final Expenditure Budget vs. Actual Expenditure Amounts

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

Social Services Agency

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

Health Care Agency

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

OC Community Resources

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

Capital Projects

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

Sheriff-Coroner

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

Capital Assets

At June 30, 2016, the County's capital assets for both the governmental and business-type activities amounted to \$3,657,852, net of accumulated depreciation. The investment in capital assets includes land, structures and improvements, land improvements, equipment, intangibles (software, land use rights, water and mineral rights), infrastructure (roads, bridges, flood channels, trails, traffic signals, and harbors), intangible in progress, and construction in progress. The total increase in the County's investment in capital assets for the current year was 1%.

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

CAPITAL ASSETS (Net of Depreciation)										
June 30, 2016 and 2015	Govern	me	ntal	Busine	ss-	Туре			Increase	
	Activ	vitie	s	Activ	/iti	es	То	(Decrease)		
	<u>2016</u>		<u>2015</u>	<u>2016</u>		<u>2015</u>	<u>2016</u>	<u>2015</u>	% Change	
Land	\$ 834,406	\$	823,484	\$ 37,842	\$	37,842	\$ 872,248	\$ 861,326	1 %	
Structures and										
Improvements	572,331		585,638	499,151		507,111	1,071,482	1,092,749	(2)%	
Land Improvements	2,436		473				2,436	473	415 %	
Equipment	109,997		96,094	23,898		21,998	133,895	118,092	13 %	
Software	38,713		46,589	1,126		891	39,839	47,480	(16)%	
Infrastructure	1,121,121		1,113,759	244,289		192,367	1,365,410	1,306,126	5 %	
Intangible in										
Progress	3,453		857	2,068		879	5,521	1,736	218 %	
Land Use Rights	7,602		6,992				7,602	6,992	9 %	
Construction in										
Progress	118,864		109,789	40,555		74,088	159,419	183,877	(13)%	
Total	\$ 2,808,923	\$	2,783,675	\$ 848,929	\$	835,176	\$ 3,657,852	\$ 3,618,851	1 %	

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

General Fund

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

Flood Control District

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

Other Public Protection

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

Other Governmental Funds

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

<u>Airport</u>

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

Waste Management

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

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

Commitments for Capital Expenditures

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

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

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

Long-Term Debt

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

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

The following table summarizes the County's outstanding bonds at June 30, 2016:

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

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

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

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

<u>Teeter Plan Notes</u> On July 15, 2015, the County issued an additional \$30,542 in Teeter Plan Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan. On December 30, 2015, the County used all of the accumulated base taxes to redeem \$23,978 of the Teeter Plan Notes. On January 29, 2016, the Note Purchase and Reimbursement Agreement was extended. Teeter Plan Obligation Notes, Series B were issued for \$40,387 to retire the old Teeter Notes maturing January 29, 2016.

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

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

Bond Ratings

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

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

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

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

LONG-TERM DEBT RATINGS June 30, 2016			
	Standard & Poor's	Moody's	Fitch
2005 Lease Revenue Bonds	AA	Aa3	AA
2006 Lease Revenue Bonds	AA	Aa3	AA
2012 Lease Revenue Bonds	AA	Aa3	NR
2016 Lease Revenue Bonds	AA	NR	NR
1991 Parking COPs	NR	Aa3	NR
Teeter Plan Notes	NR	NR	NR
1996A Pension Obligation Bonds	NR	Aa1	AA
1997A Pension Obligation Bonds	NR	Aa1	AA
Airport 2009A Revenue Bonds	AA-	Aa3	AA-
Airport 2009B Revenue Bonds	AA-	Aa3	AA-

OTHER POTENTIALLY SIGNIFICANT MATTERS

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

State Legislation and Budget

Orange County Vehicle License Fees (VLF)

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

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

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

The Court's ruling resulted in the loss of the \$73,500 VLFAA revenue and a requirement for the County to repay \$150,000 to the State (\$147,000 retained in FYs 2011-12 and 2012-13, plus interest). On September 27, 2013, Assembly Bill (AB) 701 was signed by the Governor to resolve the dispute between the State and the County. AB 701 provides for an additional \$53,000 in annual VLFAA beginning in FY 2013-14, including growth, in lieu of the \$50,000 in property tax revenue previously provided by SB 8 X3, which was a flat amount with no growth. AB 701 provides stability for the County by securing the property tax revenues, including growth, and by allowing for repayment of the \$150,000 over five years. The \$150,000 due to the State was formally set aside in reserve in the FY 2013-14 First Quarter Budget Report. As of June 30, 2016, the remaining obligation to the state is \$130,000.

Long-Term Financial Planning

Property Tax Management System Upgrade

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

In January 2006, a contract was awarded to a vendor to conduct a needs assessment and to document the requirements of the new PTMS, with the needs assessment project being completed in July 2007. On July 15, 2008, the Board approved a contract to develop and implement the new PTMS based on the requirement specifications documented during the needs assessment. However, only two out of twenty-seven modules were implemented and remain in partial operation. The software development vendor tried to complete the remaining modules until their contract expired and the project was placed on hold on January 9, 2013. The County filed charges against the vendor a few months later.

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

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

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

The funded ratio of the System is a measure of the ability of the System to make obligated payments to current retirees and future retirees. The funded ratio (actuarial value of plan assets divided by actuarial accrued liability) dropped from 82.76% in 2002 to 70.85% in 2004. Since 2004, the funded ratio increased to 74.08% in 2007 before dropping to 62.52% as of December 31, 2012. As of December 31, 2015, the funded ratio was 71.72%. An increase in funding status is caused by multiple factors, including: (1) additional UAAL (Unfunded Actuarial Accrued Liability) payments by certain plan sponsors, (2) lower than expected salary growth, and (3) lower than expected cost of living adjustment (COLA) increases, offset slightly by (1) actual contributions less than expected, (2) unfavorable investment returns (after smoothing), and (3) higher than expected retirement experience.

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

Reduction in OCERS Assumed Investment Rate of Return

The assumed investment rate of return is the rate of investment yield that the Plan will earn over the long-term future.

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

Actuarial Funding Policy (Amortization)

On November 18, 2013, the OCERS Board adopted the actuarial funding policy to reduce the amortization period for future Unfunded Actuarial Accrued Liability (UAAL) from 30 years to 20 years, which included combining and reamortizing the entire outstanding UAAL balance as of December 31, 2012, over a single 20-year period. This will allow for future UAAL to be paid off in a shorter period of time and will ultimately reduce retirement rates and costs over time.

Actuarial Assumptions

The 2012 and 2013 valuations were impacted by economic assumption changes, which flowed from the 2012 Review of Economic Actuarial Assumptions. These changes included a decrease in inflation assumptions from 3.50% to 3.25% per annum and an increase in the current real "across the board" salary assumption increase from .25% to .50%. These two assumptions had a cancelling effect on one another.

Requests for Information

We hope that the preceding information provided a general overview of the County's overall financial status. For questions or comments concerning information contained in this report, please contact the Auditor-Controller's Office, County of Orange, 12 Civic Center Plaza, Santa Ana, CA 92702 or you can access our website at http://acdcweb01.ocgov.com/acInternet/Default.aspx.



Orange County's Finance Building, 1970



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

DEFERRED OUTFLOWS OF RESOURCES

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

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

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

	 Expe	ense	s	-		Pro	gram Revenue	s		
Functions/Programs	 Direct Expenses		Indirect Expenses Allocation	c	harges for Services		Operating Grants and ontributions	-	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

General Revenues

Taxes

3,178,024 \$

\$

Property Taxes, Levied for General Fund Property Taxes, Levied for Flood Control District

Property Taxes, Levied for OC Parks

\$

Property Taxes, Levied for OC Public Libraries

Property Taxes in-Lieu of Motor Vehicle License Fees

3,163,753 \$

42,758 \$

Other Taxes

Grants and Contributions Not Restricted to Specific Programs

State Allocation of Motor Vehicle License Fees

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and Change in Net Position

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

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

	Mental		Other	Total	
	Health	Go	overnmental	Governmental	
Se	rvices Act		Funds	Funds	
					ASSETS
\$	240,571	\$	642,887	\$ 1,924,174	Pooled Cash/Investments
				1,834	Imprest Cash Funds
			226,789	226,804	Restricted Cash and Investments with Trustee
			84	221,856	Investments
			25	25	Deposits In-Lieu of Cash
					Receivables
			2,276	13,338	Accounts
			20,171	32,336	Taxes
	404		923	3,847	Interest/Dividends
			2,159	4,667	Deposits
				30	Advances
			(84)	(5,119)	Allowance for Uncollectible Receivables
			29,316	115,070	Due from Other Funds Due from Component Unit
	 18,904			375	Due from Other Governmental Agencies, Net
	10,904		11,471	423,809 1,574	Inventory of Materials and Supplies
			 14,087	346,823	Prepaid Costs
				3,800	Advances to Other Funds
			27,900	27,900	Notes Receivable, Net
\$	259,879	\$	978,004	\$ 3,343,143	Total Assets
					LIABILITIES
\$		\$	34,889	\$ 96,748	Accounts Payable
			2,418	4,363	Retainage Payable
			4,764	110,392	Salaries and Employee Benefits Payable
			24	1,695	Interest Payable
			39,064	63,141	Deposits from Others
	10,466		42,882	114,802	Due to Other Funds
			2	2	Due to Component Unit
	248		9,048	36,113	Due to Other Governmental Agencies
	7,207		19,721	54,466	Unearned Revenue
			 7,800	334,275 9,367	Bonds Payable Advances from Other Funds
	17,921		160,612	825,364	Total Liabilities
					DEFERRED INFLOWS OF RESOURCES
			5,140	110,476	Unavailable Revenue - Intergovernmental Revenues
				28,404	Unavailable Revenue - Senate Bill 90 Mandated Claims, Net
			1,620	11,606	Unavailable Revenue - Property Taxes
			368	368	Unavailable Revenue - Long-Term Notes Receivables
			12	9,399	Unavailable Revenue - Other
			7,140	160,253	Total Deferred Inflows of Resources
					FUND BALANCES
			14,280	352,390	Nonspendable
	241,958		666,190	1,528,635	Restricted
			129,782	450,846	Assigned
				25,655	Unassigned
	241,958		810,252	2,357,526	Total Fund Balances
\$	259,879	\$	978,004	\$ 3,343,143	Total Liabilities, Deferred Inflows of Resources and Fund Balances

The governmental funds Balance Sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. The difference in fund balances of (\$1,367,529) is due to the long-term economic focus of the Statement of Net Position versus the short-term economic focus of the governmental funds. The components of the difference are described below.

Total Fund Balances - Governmental Funds	\$	2,357,526
Capital assets used in the operations of the County are not reported in the governmental funds financial statements:		
Land Structures and Improvements Equipment Software Infrastructure Land Use Rights Land Improvements Construction/Intangible in Progress Accumulated Depreciation/Amortization	834,406 1,223,825 297,992 110,156 1,687,354 7,602 2,629 121,418 (1,528,778)	2,756,604
Other assets used in governmental activities do not consume current financial resources, and therefore, are not reported in the governmental funds:		
Prepaid Pension Investment with OCERS Prepaid Bond Insurance	111,639 199	111,838
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		9,840
Deferred outflows of resources are similar to assets, but they do not meet the definition of an asset at June 30, 2016. When all the recognition criteria are met, the deferred outflows of resources will become an expense. The counterpart to deferred outflows of resources are deferred inflows of resources, which are not technically liabilities at June 30, 2016. When all recognition criteria are met, the deferred inflows of resources will become revenue or an increase to net position. The County reports the different types of deferred outflows and inflows of resources in the Statement of Net Position as follows:		
Deferred Outflows of Resources: Deferred Charge on Refunding Employer retirement contribution subsequent to measurement date		3,871
and deferred recognition of changes to the net pension liability Reclassification of prepaid pension contribution from prepaid costs to deferred outflows of resources for the portion to be recognized in the next measurement period. Refer to Note 17, Retirement Plans for futher information.		908,461
Prepaid Pension Contribution Deferred Outflows of Resources		(173,223) 173,223

43,107

989,997

\$

Deferred Inflows of Resources:

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

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

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

Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" requires an employer to record a net Other Postemployment Benefits (OPEB) obligation (asset) for the difference between the annual required contribution (ARC) and the amounts actually contributed to the OPEB Plan.

Net Position of Governmental Activities

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

\$ \$ 114,697 \$ 876,808 Taxes 1,985 27,659 Licenses, Permits, and Franchises 12,459 61,669 Fines, Forfeitures and Penalties 2,121 57,012 88,211 Use of Money and Property 114,852 354,620 2,125,136 Intergovernmental 52,077 466,659 Charges for Services 5 34,747 69,436 Other 2,525 1,289,902 Public Protection 2,525 1,289,902 Public Ways and Facilities 2,525 1,289,902 Public Ways and Facilities 92,348 123,140 Public Ways and Facilities 163 1,103 527,482 Health and Sanitation 43,928 43,928 Education 62,583 116,569 Capital Outlay Debt Service 62,583 116,569 Capital Outlay 137,283 396	Mental Health Services Act	Other Governmental Funds	Total Governmental Funds	Devenues
- 1,985 27,659 Licenses, Permits, and Franchises - 12,459 61,669 Fines, Forfeitures and Penalties 2,121 57,012 88,211 Use of Money and Property 114,852 354,620 2,125,136 Intergovernmental - 52,077 466,659 Charges for Services 5 34,747 69,436 Other 116,978 627,597 3,715,578 Total Revenues - 85,385 261,387 General Government - 2,525 1,289,902 Public Protection - 92,348 123,140 Public Ways and Facilities 163 1,103 527,482 Health and Sanitation - 180,386 1,061,647 Public Ways and Facilities - 100,381 100,381 Recreation and Cultural Services - 62,583 116,569 Capital Outlay Debt Service - 113,484 126,319 Principal Retirement - 35,578 43,039 Interes	^	¢ 444.007	¢ 070.000	Revenues
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	\$ -			
2,121 57,012 88,211 Use of Money and Property 114,852 354,620 2,125,136 Intergovernmental - 52,077 466,659 Charges for Services 5 34,747 69,436 Other 116,978 627,597 3,715,578 Total Revenues - 85,385 261,387 General Government - 92,348 123,140 Public Protection - 92,348 123,140 Public Assistance - 180,386 1,061,647 Public Assistance - 43,928 43,928 Education - 62,583 116,569 Capital Outlay - 113,484 126,319 Principal Retirement - 35,578 43,039 Interest - 113,484 126,319 Principal Retirement - 35,578 43,039 Interest - 116,815 (90,104) 21,784 Over Expenditures - 137,283 396,952 Transfers In Transfers Out - 127,494	-		,	
114,852 354,620 2,125,136 Intergovernmental - 52,077 466,659 Charges for Services 5 34,747 69,436 Other 116,978 627,597 3,715,578 Total Revenues - 85,385 261,387 General Government - 2,525 1,289,902 Public Protection - 92,348 123,140 Public Protection - 92,348 123,140 Public Notection - 92,348 123,140 Public Notection - 92,348 123,140 Public Notection - 180,386 1,061,647 Public Assistance - 130,381 100,381 Recreation and Cultural Services - 103,814 126,319 Principal Retirement - 35,578 43,039 Interest 116,815 (90,104) 21,784 Over Expenditures - 137,283 396,952 Transfers In - 137,283 396,952 Transfers N - 127,494 127,494 <td< td=""><td>-</td><td></td><td></td><td></td></td<>	-			
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$				
5 34,747 69,436 Other 116,978 627,597 3,715,578 Total Revenues Expenditures 85,385 261,387 General Government 2,525 1,289,902 Public Protection 92,348 123,140 Public Ways and Facilities 163 1,103 527,482 Health and Sanitation 180,386 1,061,647 Public Assistance 43,928 43,928 Education 100,381 100,381 Recreation and Cultural Services 113,484 126,319 Principal Retirement 35,578 43,039 Interest 116,815 (90,104) 21,784 Over Expenditures Excess (Deficit) of Revenues Excess (Deficit) of Revenues 137,283 396,952 Transfers In 117,724 11,724 Transfers In 127,494 127,494 Debt Issued </td <td>-</td> <td></td> <td></td> <td>5</td>	-			5
116,978 627,597 3,715,578 Total Revenues 85,385 261,387 General Government 2,525 1,289,902 Public Protection 92,348 123,140 Public Protection 92,348 123,140 Public Protection 92,348 123,140 Public Assistance 180,386 1,061,647 Public Assistance 43,928 43,928 Education 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay Debt Service 113,484 126,319 Principal Retirement 35,578 43,039 Interest Exxcess (Deficit) of Revenues 116,815 (90,104) 21,784 Over Expenditures Exxcess (Deficit) of Revenues 137,283 396,952 Transfers In Transfers In (115,081) (93,199) (387,373) Transfers In 127,494				-
85,385 261,387 General Government 2,525 1,289,902 Public Protection 92,348 123,140 Public Ways and Facilities 163 1,103 527,482 Health and Sanitation 180,386 1,061,647 Public Assistance 43,928 43,928 Education 100,381 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay Debt Service 113,484 126,319 35,578 43,039 Interest 35,578 43,039 Interest 113,484 126,319 Principal Retirement 35,578 43,039 Interest 116,815 (90,104) 21,784 Over Expenditures Excess (Deficit) of Revenues Over Expenditures Excess (Deficit) of Revenues 137,283 396,952 Transfers In 127,494				
	116,978	627,597	3,715,578	Total Revenues
85,385 261,387 General Government 2,525 1,289,902 Public Protection 92,348 123,140 Public Ways and Facilities 163 1,103 527,482 Health and Sanitation 180,386 1,061,647 Public Assistance 43,928 43,928 Education 100,381 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay Debt Service 113,484 126,319 Principal Retirement 35,578 43,039 Interest Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Sout 11,724 11,724 Debt Issued - 254 Capital Leases <td></td> <td></td> <td></td> <td>Expenditures</td>				Expenditures
2,525 1,289,902 Public Protection 92,348 123,140 Public Ways and Facilities 163 1,103 527,482 Health and Sanitation 180,386 1,061,647 Public Assistance 43,928 43,928 Education 43,928 43,928 Education 100,381 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay Debt Service 113,484 126,319 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued -254				Current
92,348 123,140 Public Ways and Facilities 163 1,103 527,482 Health and Sanitation 180,386 1,061,647 Public Assistance 43,928 43,928 Education 43,928 43,928 Education 100,381 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay Debt Service 113,484 126,319 35,578 43,039 Interest 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued - 254 Capital Leases (115,081) 183,302 149,051	-	- 85,385	261,387	General Government
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	-	- 2,525	1,289,902	Public Protection
180,386 1,061,647 Public Assistance 43,928 43,928 Education 100,381 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay 113,484 126,319 Principal Retirement 35,578 43,039 Interest 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued - 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198<	-	- 92,348	123,140	Public Ways and Facilities
43,928 43,928 Education 100,381 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay Debt Service 113,484 126,319 Principal Retirement 35,578 43,039 Interest 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	163	3 1,103	527,482	Health and Sanitation
100,381 100,381 Recreation and Cultural Services 62,583 116,569 Capital Outlay 113,484 126,319 Principal Retirement 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 117,724 117,724 Debt Issued 117,744 117,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-	- 180,386	1,061,647	Public Assistance
62,583 116,569 Capital Outlay Debt Service 113,484 126,319 Principal Retirement 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 11,724 11,724 Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-	- 43,928	43,928	Education
113,484 126,319 Principal Retirement 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-	- 100,381	100,381	Recreation and Cultural Services
113,484 126,319 Principal Retirement 35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In 137,283 396,952 Transfers Sources (Uses) 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-	- 62,583	116,569	Capital Outlay
35,578 43,039 Interest 163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances				Debt Service
163 717,701 3,693,794 Total Expenditures 116,815 (90,104) 21,784 Over Expenditures 116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-	- 113,484	126,319	Principal Retirement
116,815 (90,104) 21,784 Excess (Deficit) of Revenues Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-	- 35,578	43,039	Interest
116,815 (90,104) 21,784 Excess (Deficit) of Revenues Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	163	3 717,701	3,693,794	Total Expenditures
116,815 (90,104) 21,784 Over Expenditures 137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances				•
137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	116,815	5 (90,104)	21,784	
137,283 396,952 Transfers In (115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances				Other Financing Sources (Uses)
(115,081) (93,199) (387,373) Transfers Out 127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-	- 137,283	396 952	c ()
127,494 127,494 Debt Issued 11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	(115.08)			
11,724 11,724 Premium on Debt Issued 254 Capital Leases (115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	(110,00		(,	
254Capital Leases(115,081)183,302149,051Total Other Financing Sources (Uses)1,73493,198170,835Net Change in Fund Balances	-			
(115,081) 183,302 149,051 Total Other Financing Sources (Uses) 1,734 93,198 170,835 Net Change in Fund Balances	-			
	(115,087	183,302		•
	1,734	93,198	170,835	Net Change in Fund Balances
	240,224	717,054	2,186,691	Fund Balances - Beginning of Year
\$ 241,958 \$ 810,252 \$ 2,357,526 Fund Balances - End of Year	\$ 241,958	8 810,252	\$ 2,357,526	Fund Balances - End of Year

The Net Change in Fund Balances for governmental funds of \$170,835 in the Statement of Revenues, Expenditures, and Changes in Fund Balances differs from the Change in Net Position for governmental activities of \$108,576 reported in the government-wide Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The main components of the difference are described below.

Net Change in Fund Balances – Total Governmental Funds	\$ 170,835

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

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

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

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

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

Revenues related to prior years that are available in the current fiscal year are reported as revenue in the governmental funds. In contrast, revenues that are earned, but unavailable in the current year are deferred in the governmental funds. For government-wide reporting, revenue is recognized when earned, regardless of availability. The following amounts reflect the net effect of the timing differences for revenue recognition:		
Government Mandated and Voluntary Nonexchange Property Tax Revenues	(17,619) 2,217	(15,402)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds until paid. The following amounts represent the net effect of these differences in the treatment of long-term liabilities:		
Accrued Interest Expense on Bonds Payable Amortization of Deferred Charges Compensated Employee Absences Expense OCERS Investment Loss Estimated Litigation and Claims Expense Interest Accretion on Capital Appreciation Bonds	346 31,292 (10,552) (905) 15,000 (8,712)	26,469
Internal service funds (ISF) are used by management to charge the costs of certain activities, such as insurance, transportation, and telephone services to individual governmental funds. The loss of internal service funds is eliminated in the Statement of Activities as an adjustment to the various functions to arrive at a break-even basis. Also, general or non-program revenues and expenses of the internal service funds are recorded in governmental activities.		
Allocation of ISF's Operating Loss to Governmental Activities, net of Business-Type Activities	(2,986)	
Consolidation of Nonoperating Revenues, Expenses and Transfers to Governmental Activities	19,941	16,955
For FY 2015-16, the OPEB cost was \$44,439, and the County contributed \$42,490, which was deposited in the Retiree Medical Trust. The County contributed less than the required OPEB cost. Cumulatively, the County still has a net OPEB Asset.		(1,949)
GASB Statement No. 68 requires an employer to record pension expense and employer contribution that affects the County's proportionate share of the net pension liability.		(100,144)
Change in Net Position of Governmental Activities	<u>\$</u>	108,576

BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - GENERAL FUND

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

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

BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - FLOOD CONTROL DISTRICT

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

BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - OTHER PUBLIC PROTECTION

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

BUDGETARY COMPARISON SCHEDULE MAJOR GOVERNMENTAL FUNDS - MENTAL HEALTH SERVICES ACT

	Oric	ginal Budget	Fii	nal Budget	 ctual on Jetary Basis	Variance Positive (Negative)
Revenues and Other Financing Sources		<u> </u>		· · · ·		 · · · · ·
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								
ASSETS		Airport		Waste nagement	Nat	npressed rural Gas onmajor)	Total		A	overnmental Activities - Internal rvice Funds
Current Assets	¢	040.007	¢	200.000	¢	540	¢	044 750	¢	000 700
Pooled Cash/Investments	\$	213,207	\$	398,008	\$	543	\$	611,758	\$	230,786
Cash Equivalents/Specific Investments Cash/Cash Equivalents		24,845 10,208						24,845 10.208		
•		10,208		35				10,208		133
Imprest Cash Funds Restricted Cash and Investments with Trustee		13,589						49 13,589		10
Restricted Cash and investments with trustee										10
		14,274		547 16 571				14,821		
Deposits In-Lieu of Cash Receivables		31,429		16,571				48,000		
Accounts		4,966		10,475				15,441		118
Passenger Facility Charges		2,141		10,475				2,141		110
Interest/Dividends		564		806		2		1,372		383
Deposits				100				100		305
Pollution Remediation Obligation Recoveries		261		100				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		2,505
Inventory of Materials and Supplies		2,014		2,007				5,211		412
Prepaid Costs		1,898		2,037				3,935		1,613
Total Current Assets	·	319,710		434,863		547		755,120		236,631
								<u> </u>		
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
		10,120		12,020				22,001		11,101

August Wasis Compressed Nutrue Gas Total Governmental Nutrue Gas LABLITES Total Severa Funda Normal (1) Total Severa Funda Control Lishines Example of the severa Funda Severa Funda Severa Funda Severa Funda August Statistics and Employee Benths Psyable 1.047 1.033 - 3.0483 5 2.1012 Due to Other Funda 2.647 2.338 2.243 6.87 - 3.0486 5 Due to Other Funda 2.647 2.338 2.72 3.0244 5 Insuran Clame Psyable 1.133 1.417 - - 4.0204 - Capital Loss Other Strands 1.011 7 - 4.0604 - - - - - 0.000 - - 0.000 - - 0.000 - - 0.000 - - 0.000 - - 0.000 - - 0.000 - - 0.000 - - <th></th> <th></th> <th></th> <th></th>									
Current Labilities Current Labilities S 7.528 \$ 6.457 \$ - \$ 13.983 \$ 21.012 Relatinge Prayable 1.047 1.383 - - 2.430 1.154 Unearrisof Revenue 3.463 120 - 3.583 - 3.543 1.20 - 3.583 - 3.244 5 5 1.154 - 3.583 - 3.244 5 5 1.151 1.153 1.141 - 2.525 1.151 1.151 1.152 1.153 1.141 - 2.550 1.151 1.151 1.151 1.152 1.151 1.152 1.151 1.152 1.151 1.153 1.141 - 2.550 1.151 1.153 1.141 - 2.550 1.151 1.153 1.141 1.153 1.141 1.153 1.153 1.154 1.153 1.154 1.153 1.154 1.154 1.152 1.154 1.153 1.154 1.153 <t< th=""><th></th><th colspan="2">Waste Natural Gas</th><th>atural Gas</th><th> Total</th><th>Ac I</th><th>tivities - nternal</th></t<>		Waste Natural Gas		atural Gas	 Total	Ac I	tivities - nternal		
Accourts Payable \$ 7.526 \$ \$ 13.83 \$ 21.012 Retainage Payable 1.047 1.383 2.430 1.154 Unearroot Revenue 3.643 120 3.633 Due to Other Funds 2.647 2.335 272 5.544 897 Compensated Employee Absences Psyshie 6.0214 Compensated Employee Absences Psyshie 6.0214 Compensated Employee Absences Psyshie 6.0214 Donds Psyshe 7.666 6.000 6.000 6.000 6.000	LIABILITIES								
Retainings Psyable 438 744 1,183 3 Statistis and Employee Burnits Psyable 1,047 1,383 2,430 1,154 Unearmed Revenue 3,463 120 3,683 2,524 627 Due to Other Funds 2,647 2,335 272 5,524 687 Insurance Colligation Psyable 60,214 Compensated Employee Absences Psyable 1,133 1,417 2,659 60,214 Compensated Employee Absences Psyable 7,655 7,655 7,655 7,656 6,000 6,000 5,000 6,000 5,000	Current Liabilities								
statisticant Employee Benefits Payable 1.047 1.383		\$		\$	\$		\$	\$	
Uneared Revenue 3.463 120 - 3.683 - Due to Other Governmental Agencies 178 3.068 - 3.246 967 Due to Other Governmental Agencies 178 3.068 - 3.246 967 Due to Other Governmental Agencies 178 3.068 - 3.246 967 Due to Other Governmental Agencies 178 3.068 - 3.246 967 Compensated Employee Absences Psyable 1133 1417 - 2.669 - Capital Lesse Obligations Psyable 7.656 - - 7.666 - Capital Lesse Obligations Psyable 5.000 - - 5.000 - Total Current Liabilities 61.419 35.805 2722 97.596 91.426 Noncurrent Liabilities 61.419 35.805 2722 97.596 91.426 Noncurrent Liabilities 61.419 35.805 2722 97.596 91.426 Noncurrent Liabilities 61.419 35.805 2722 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
Due to Other Funds 2.647 2.33 272 5.244 987 Due to Other Funds 178 3.068 - - - 60.214 Compensated Employee Assences Payable 1.133 1.417 - 2.559 - - 60.214 Compensated Employee Assences Payable 1.133 1.417 - 2.559 - - 6.000 Captal Asset Obligation 101 7 - 108 - - 6.000 - - - 6.000 - - 6.000 - - - 6.000 - - - 6.000 - - - 6.000 - - - 6.000 - - - - 6.000 - - - - 6.000 - - - - - 6.000 - - - - 6.000 - - - - 6.000 - - - 6.000									1,154
Due to Other Governmental Agencies 178 3.088 - 3.246 5 Insurance Commentale Employee Absences Psychie 1.133 1.417 - 2.650 1.161 Compensated Employee Absences Psychie 1.133 1.417 - 2.659 - Capital Asset Obligation 101 7 - 108 - Capital Asset Obligation Psychie 7.656 - - 7.656 - Capital Lesse Obligation Psychie 5.000 - - 5.000 - Operation Others 3.2139 17.266 - - 5.000 - Total Current Liabilities 61.419 35.505 2722 97.596 91.426 Noncurrent Liabilities 61.419 35.505 2722 97.596 91.426 Noncurrent Liabilities 61.419 35.505 2722 97.596 91.426 Name 101.0741 - 2.43 95.925 - 45.92 Insurance Comprenside Employne Abisances Psychie 007.41									
Insurance Claims Payable - - - - 60,214 Compensated Employee Absences Payable 1,133 1,117 - 2,550 1,151 Pollution Remediation Obligation 101 7 - 108 - Capital Asset Obligation 101 7 - 108 - - Bonds Payable 7,656 - - - 7,656 - Capital Asset Obligation 7,656 - - - 6,900 - - - 6,900 - - - 6,900 - - - 6,900 - - - 6,900 - - - - 6,900 - - - - 6,900 - - - - - - - - - - - - - - - - 150,216 - - - 150,216 - 150,316 - 150,316									
Compensated Employee Absences Payable 1.133 1.417 2.550 1.151 Pollution Remediation Obligation 101 7 108 Capital Asset Obligation 101 7 108 Capital Lasse Obligations Payable - 2.659 - 6.900 Interest Payable 5.900 - - 6.900 Deposits from Others 22.139 17.2666 - - 6.900 Interest Payable 0.1419 33.905 2272 97.596 - 169.282 - - - - 169.282 - - - 169.282 - - 169.282 - - 169.282 - - 169.282 - - 169.41							3,246		
Polition Remediation Obligation - -449 - - 449 - Capital Asset Obligation 101 7 - 108 - - 2659 - - 2659 - - 2659 - - 7,656 - - - 7,656 - - - 5090 - - 5090 - - 5090 - - 5090 - - 5090 - - 5090 - - 5090 - - 5090 - - 5090 - - 5090 - - - 5090 - - 5090 - - - - 5090 - - 5090 - - - - 5090 - - - 159,016 - 159,016 - 159,016 - 159,016 - 169,421 - - 59,016 - 169,010 -	-								
Capital Asset Obligation 101 7 - 106 - Landfill Site Obligation Payable 7,656 - - 7,656 - Capital Lasse Obligations Payable 5,000 - - 6,000 Interset Payable 5,000 - - 49,405 - Deposits from Others 22,138 17,256 - 49,405 - Total Current Labilities - - - - - 119,282 Noncurrent Labilities - <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1,151</td>									1,151
Landfill Site Clearue/Postchoure Liability - 2,659 - 7,656 - Bonds Payable 7,656 - - 7,656 - Capital Lesse Obligations Payable 5,000 - - 5,000 - Deposits From Others 32,133 17,266 - 49,405 - Instrume Clabilities 01,419 35,505 2272 97,596 91,426 Noncurrent Liabilities 01,419 35,505 2272 97,596 91,426 Noncurrent Liabilities 01,419 35,414 - 153,242 933 Pollution Renealision Obligation 1944 10,4741 - 11,735 - Campensated Employee Absences Payable 909 1,334 - 12,835 - Capital Lesse Obligation 140 13 - 115,35 - - Capital Lesse Obligation Payable 187,471 - 118,071 - 6,900 Net Pension Liability 41,486 52,049 - 93,555 42,623 Total Liabilities 292,419 256,056	-								
Bords Payable 7,656 7,656 Capital Less Obligations Payable 5,090 5,090 Deposits from Others 32,139 17,266 49,405 Total Current Liabilities 01,419 35,500 272 97,596 91,426 Noncurrent Liabilities 159,282 Compensate Employee Absences Payable 159,282 Compensate Chipitype Absences Payable 994 10,741 117,355 Capteria Lasse Chipiton 140 13 158,016 6,900 Net Persion Liability 6,900 Net Persion Liability 41,486 52,049 453,155 205,668 Total Labilities 231,000 222,153 453,155 205,668 2272 55,07,49 301,094 Deferred Inflows of Resources Related to Pension 4,287									
Capital Lesse Obligations Psyable - - - 6,000 Interest Psyable 5,000 - - 5,000 - Deposits from Others 32,139 17,286 - 49,405 - Total Current Liabilities 61,419 35,905 2272 97,596 91,426 Noncurrent Liabilities - - - - - 159,282 Compensated Employee Absences Psyable 309 1,334 - 2,243 963 Polition Readation Obligation 949 10,741 - 1153 - Landfill Stet Colosure/Pastoce Liability - 158,016 - 6,000 Net Pension Liabilities 231,000 222,153 - 453,153 209,666 Total Liabilities 292,419 258,058 272 550,749 301,094 Deferred Inflows of Resources 4,287 5,377 - 9,664 4,410 Total Liabilities 39,058 266,222 - 663,280 38,519 Passenger Racill Charges Approved Capital Projects 14,705 - - </td <td>•</td> <td></td> <td></td> <td>2,659</td> <td></td> <td></td> <td></td> <td></td> <td></td>	•			2,659					
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Deferred Inflows of Resources Related to Pension4.2875.3779.6644.410Total Deferred Inflows of Resources4.2875.3779.6644.410NET POSITIONNet Investment in Capital Assets397,058266,222663,28038,519Restricted for:8,499Debt Service8,49914,705Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001000Landfill Closure/Postclosure82458,245Unrestricted879104104Unrestricted232,828246,810275479,913(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service137137137137137Cumulative Effect of Prior Years' Internal Service137137137137	Total Liabilities	2	92,419	 258,058		272	 550,749		301,094
Total Deferred Inflows of Resources4,2875,3779,6644,410NET POSITIONNet Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure8,2458,2458,245Landfill Corrective Action879879104Unrestricted232,828246,810275479,913(43,589)(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation137 (15,047)137	DEFERRED INFLOWS OF RESOURCES								
Total Deferred Inflows of Resources4,2875,3779,6644,410NET POSITIONNet Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure8,2458,2458,245Landfill Corrective Action879879104Unrestricted232,828246,810275479,913(43,589)(43,589)Total Net Position\$654,090\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation137 (15,047)137	Deferred Inflows of Resources Related to Pension		4.287	5.377			9.664		4.410
Net Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Adjustment to Reflect the Consolidation of Internal Service\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service\$137(15,047)(15,047)									
Net Investment in Capital Assets397,058266,222663,28038,519Restricted for: Debt Service8,4998,499Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,00010,000Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Adjustment to Reflect the Consolidation of Internal Service\$556,257\$2751,210,622\$(5,070)Adjustment to Reflect the Consolidation of Internal Service137(15,047)137(15,047)									
Restricted for:									00 540
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Passenger Facility Charges Approved Capital Projects14,70514,705Capital Projects - Replacements and Renewals1,0001,000Landfill Closure/Postclosure33,99733,997Landfill Corrective Action8,2458,245Wetland879879Prima Deshecha/La Pata Closure104104Unrestricted232,828246,810275479,913(43,589)Total Net Position\$ 654,090\$ 556,257\$ 2751,210,622\$ (5,070)Adjustment to Reflect the Consolidation of Internal Service			0.400				0.400		
Capital Projects - Replacements and Renewals 1,000 1,000 Landfill Closure/Postclosure 33,997 33,997 Landfill Corrective Action 8,245 8,245 Wetland 879 8,245 Wetland 879 8,245 Prima Deshecha/La Pata Closure 104 104 Unrestricted 232,828 246,810 275 479,913 (43,589) Total Net Position \$ 654,090 \$ 556,257 \$ 275 1,210,622 \$ (5,070) Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds 137 (15,047) (15,047)									
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Unrestricted 232,828 246,810 275 479,913 (43,589) Total Net Position \$ 654,090 \$ 556,257 \$ 275 1,210,622 \$ (5,070) Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation									
Total Net Position \$ 654,090 \$ 556,257 \$ 275 1,210,622 \$ (5,070) Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds 137 Cumulative Effect of Prior Years' Internal Service Funds Allocation (15,047)		2							(42 590)
Adjustment to Reflect the Consolidation of Internal Service Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocation (15,047)			<u> </u>				 <u>,</u>		
Funds' Activities Related to Enterprise Funds 137 Cumulative Effect of Prior Years' Internal Service Funds Allocation (15,047)	Total Net Position	<u>\$6</u>	54,090	\$ 556,257	\$	275	 1,210,622	\$	(5,070)
Cumulative Effect of Prior Years' Internal Service Funds Allocation (15,047)	Adjustment to Reflect the Consolidation of Internal Service								
	•						137		
Net Position of Rusiness-Type Activities \$ 1,195,712	Cumulative Effect of Prior Years' Internal Service Funds Allocation	n					 (15,047)		
	Net Position of Business-Type Activities						\$ 1,195,712		

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

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

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



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

	Business-Type Activities - Enterprise Funds								
	Airport		Waste Management		Compressed Natural Gas (Nonmajor)		Total	A	vernmental ctivities - Internal vice Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from Customers	\$ 128,296	\$ 14	5,784	\$	269	\$	274,349	\$	26,321
Cash Received for Premiums within the County's Entity									304,693
Payments to Suppliers for Goods and Services	(62,416)	(3	8,477)		(283)		(101,176)		(366,461)
Payments to Employees for Services	(18,416)	•	5,620)				(44,036)		(19,418)
Payments for Interfund Services			5,545)		256		(5,289)		(946)
Receipts for Interfund Services Used	11	`					(0,200)		68,688
Landfill Site Closure/Postclosure Care Costs		(2,659)				(2,659)		
Taxes and Other Fees			2,623)				(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		2,091		242		111,291		15,602
Net Cash Florided by Operating Activities	40,930		2,031		242		111,291		13,002
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers In									13,008
Transfers Out		(2	1,267)		(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	(2	4,465)		(179)		(24,491)		13,001
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition of Capital Assets	(24,293)	(3	7,584)				(61,877)		(6,619)
Capital Asset Obligation			20				20		
Principal Paid on Bonds	(7,205)						(7,205)		
Interest Paid on Long-Term Debt	(10,338)						(10,338)		
Capital Grant Contributions	3,716						3,716		
Passenger Facility Charges Received	20,287						20,287		
Principal Paid on Capital Lease Obligations									(6,900)
Proceeds from Sale of Capital Assets	15		406				421		
Net Cash Used by Capital and Related Financing									
Activities	(17,818)	(3	7,158)				(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		4,098	¢	476	¢	732,630	¢	214,048
Cash and Cash Equivalents - End of Year	\$ 276,137	\$ 49	8,785	\$	543	\$	775,465	\$	230,929

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

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

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

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

Pooled Cash/Investments \$ 5, 54,761 \$ 4,562,313 \$ 8,655 \$ 274,484 Cash/Cash Equivalents - - - - 270 Restricted Cash and Investments - - - 220 Money Market Mutual Funds - - - 4,948 - Stable Value Fund - - - 4,948 - Total Restricted Cash with Orange County - - - 29,465 Investments 4,647 - - 29,465 Investments 4,647 - - 29,465 Investments - - - 19,454 Receivables - - - 28,465 Interest/Dividends 186 10,724 65 9,022 Allowance for Uncollectible Receivables - - - - Allowance for Uncollectible Receivables - - - - - Defered Outrollectible	ASSETS	Private- Purpose Trust Investment Funds Trust Funds			Irpose Trust Investment Employment Benefi				Agency Funds
Cash Capivalents - - - 270 Restricted Chrvestments - - - 270 Restricted Twestments with Trustee - - 92,406 29,465 Mutual Bond Funds - - 4,948 - Restricted Cash with Orange County - - 7,299 - Restricted Cash with Orange County - - 214,769 - Total Restricted Cash and Investments 4,647 - 319,422 29,465 Investments - - - 1,082 29,465 Investments 4,647 - - 1,082 29,465 Investments - - - 1,082 29,465 Restricted Cash with Orange County - - - 1,082 Restricted Cash with Orange County - - - 1,082 Receivable - - - - - Alter Restricted Charge on Refunding - - <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>									
Money Market Mutual Funds 4,647 - 92,406 29,465 Mutual Bond Funds - - 4,943 - Stable Value Fund - - 7,299 - Total Restricted Cash with Orange County - - 7,299 - Total Restricted Cash and Investments 4,647 - 319,422 29,465 Investments 4,647 - 319,422 29,465 Investments - - - 19,625 Deposits In-Lie uo Cash - - - 19,426 Receivables - - - 340,178 Interest/Dividends 186 10,724 65 9,022 Allowance for Uncollectible Receivables - - - 346 3,266 Land and Improvements Held for Resale 133 - - - 20,674 Notes Receivable - - - 20,674 - - Deferred Charge on Refunding - -	Cash/Cash Equivalents Restricted Cash and Investments	\$	54,761 	\$	4,562,313 	\$	8,655 	\$,
Mutual Bord Funds - - 4,943 - Restricted Cash with Orange County - - 7,299 - Total Restricted Cash with Orange County - - 214,769 - Total Restricted Cash and Investments 4,647 - 319,422 29,465 Investments - - - 1,082 29,465 Receivables - - - 1,082 29,465 Receivables - - - 1,082 29,465 Receivables - - - 1,082 29,465 Accounts - - - 1,082 29,465 Interest/Dividends 165 10,724 65 9,022 Allowance for Uncollectible Receivables - - - - - 39,493 3,2690 53,9,302 Due from Other Governmental Agencies 59,727 4,573,037 332,090 539,302 - - - - - -									
Stable Value Fund - - 7.299 - Restricted Cash with Orange County - - 214.769 - Total Restricted Cash and Investments 4,647 - 319.422 29.465 Investments - - - 1.082 29.465 Investments - - - 1.082 29.465 Investments - - - 1.082 29.465 Receivables - - - 1.082 Accounts - - - 34.178 Interest/Dividends 186 10.724 65 9.022 Allowance for Uncollectible Receivables - - - - Oten Other Governmental Agencies - - - - - Notes Receivable -	-		4,647						29,465
Restricted Cash with Orange County									
Employees Retirement System (ÖCERS) - - 214,769 - Total Restricted Cash and Investments 4,647 - 319,422 29,465 Investments - - - 1,082 29,465 Deposits In-Lieu of Cash - - - 19,454 Receivables - - - 28,465 Accounts - - - 28,401 Interest/Dividends 186 10,724 66 9,022 Allowance for Uncollectible Receivables - - - - Land and Inprovements Helf of Resale 133 - - - Land and Inprovements Helf of Resale 59,727 4,573,037 332,090 539,302 DEFERRED OUTFLOWS OF RESOURCES - - - - - Deferred Charge on Refunding 394 - - - - Total Assets 50,027 585 - 14,509 - - Interest Payable 30							7,299		
Total Restricted Cash and Investments 4,647 - 319,422 29,465 Investments - - - 1,082 Deposits In-Lie of Cash - - - 19,454 Receivables - - - 19,454 Accounts - - - 28 Allowance for Uncollectible Receivables - - - - 20,674 Land and Improvements Held for Resale 133 - - - - 29,674 Total Assets 59,727 4,573,037 332,090 539,302 Deferred Charge on Refunding 394 - - - - Total Assets 30,041 - - - 14,505 Monies Held f							214 760		
Investments - - - 1,082 Deposits In-Lieu of Cash - - 19,454 Receivables - - - 28 Taxes - - - 340,178 Interest/Dividends 186 10,724 65 9,022 Allowance for Uncollectible Receivables - - - 3,948 3,2266 Land and Improvements Held for Resale 133 - - - - 29,674 Total Assets 59,727 4,573,037 332,090 539,302 539,302 DEFERRED OUTFLOWS OF RESOURCES Deferred Charge on Refunding 394 - - - - Total Deferred Outhows of Resources 394 - - - - LABILITIES 30,041 - - - - - - Deposits from Others - - - - 14,505 - - - - - - - - - - - - - -		-	4 647	-				-	20.465
Deposits In-Lieu of Cash - - - 19,454 Receivables - - - 28 Accounts - - - 340,178 Interest/Dividends 186 10,724 65 9,022 Allowance for Uncollectible Receivables - - - 3,948 3,266 Land and Improvements Held for Resale 133 - - - - Notes Receivable - - - 29,674 - - - 20,674 Defered Charge on Refunding 394 -			4,047				519,422		
Receivables - - - 28 Accounts - - - 340,178 Interest/Dividends 186 10,724 65 9,022 Allowance for Uncollectible Receivables - - - 3,948 3,266 Land and Improvements Held for Resale 133 -									
Accounts 28 Taxes 340,178 Interest/Dividends 186 10,724 65 9,022 Allowance for Uncollectible Receivables (167,621) Due form 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 LABILITIES Bonds Payable 30,041 Interest Payable 386 8,269 Deposits from Others 14,505 Moles Held for Others Due to Other Governmental Agencies 350 585 6,324 <td>-</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>10,101</td>	-								10,101
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 -									28
Allowance for Uncollectible Receivables - - - - (167,621) Due from Other Governmental Agencies - - - 3,948 3,266 Land and Improvements Held for Resale 133 - <	Taxes								340,178
Due from Other Governmental Agencies - - 3,948 3,266 Land and Improvements Held for Resale 133 - - - - Notes Receivable - - - 29,674 - - - 29,674 Total Assets 59,727 4,573,037 332,090 539,302 - - - - - - 29,674 Deferred OutFLOWS OF RESOURCES - - - - 29,674 - - - - 29,674 Deferred Charge on Refunding 59,727 4,573,037 332,090 539,302 - <td< td=""><td>Interest/Dividends</td><td></td><td>186</td><td></td><td>10,724</td><td></td><td>65</td><td></td><td>9,022</td></td<>	Interest/Dividends		186		10,724		65		9,022
Land and Improvements Held for Resale 133 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 350 147,095 132 Due to Other Governmental Agencies 30,777 585 539,302 Deferred Inflows of Resources 132 Total Liabilities 30,777 585 - 539,302 Deferred Inflows of Resources 132	Allowance for Uncollectible Receivables								(167,621)
Notes Receivable 29,674 Total Assets 59,727 4,573,037 332,090 539,302 DEFERRED OUTFLOWS OF RESOURCES 29,674 539,302 DEFERRED OUTFLOWS OF RESOURCES 14,505 Monies Heid for Others 147,095 Deto to ther Governmental Agencies 350 585 61,324 Unaportioned Taxes	Due from Other Governmental Agencies						3,948		3,266
Total Assets 59,727 4,573,037 332,090 539,302 DEFERRED OUTFLOWS OF RESOURCES	Land and Improvements Held for Resale		133						
DEFERRED OUTFLOWS OF RESOURCES Deferred Charge on Refunding 394 Total Deferred Outflows of Resources 394 LABILITIES 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 308,109 308,109 Total Liabilities 30,777 585 539,302 DEFERRED INFLOWS OF RESOURCES Deferred Charge on Refunding 132 Deferred Charge on Refunding 132 NET POSITION Restricted for Pension Benefits and Other Purposes 29,212 <td>Notes Receivable</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>29,674</td>	Notes Receivable								29,674
Deferred Charge on Refunding Total Deferred Outflows of Resources 394 14505 Monies Held for Others 147,095 Deferred Covernmental Agencies 350 585 61,324 Unapportioned Taxes	Total Assets		59,727		4,573,037		332,090		539,302
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			394				-		
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 308,109 308,109 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						_			
Interest Payable3868,269Deposits from Others14,505Monies Held for Others147,095Due to Other Governmental Agencies35058561,324Unapportioned Taxes308,109Total Liabilities30,777585539,302DEFERRED INFLOWS OF RESOURCESNet PositionNET POSITIONRestricted for Pension Benefits and Other Purposes29,2124,572,452332,090	LIABILITIES								
Deposits from Others 14,505 Monies Held for Others 147,095 147,095 Due to Other Governmental Agencies 350 585 61,324 Unapportioned Taxes 308,109 30,777 585 539,302 DEFERRED INFLOWS OF RESOURCES Deferred Charge on Refunding 132 539,302 Deferred Charge on Refunding 132	Bonds Payable		30,041						
Monies Held for Others147,095Due to Other Governmental Agencies35058561,324Unapportioned Taxes308,109Total Liabilities30,777585539,302DEFERRED INFLOWS OF RESOURCESDeferred Charge on Refunding132Total Deferred Inflows of Resources132NET POSITIONRestricted for Pension Benefits and Other Purposes29,2124,572,452332,090	Interest Payable		386						8,269
Due to Other Governmental Agencies35058561,324Unapportioned Taxes308,109Total Liabilities30,777585539,302DEFERRED INFLOWS OF RESOURCESDeferred Charge on Refunding132Total Deferred Inflows of Resources132NET POSITIONRestricted for Pension Benefits and Other Purposes29,2124,572,452332,090	Deposits from Others								14,505
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 Liabilities30,777585539,302DEFERRED INFLOWS OF RESOURCESDeferred Charge on Refunding132Total Deferred Inflows of Resources132NET POSITIONRestricted for Pension Benefits and Other Purposes29,2124,572,452332,090			350		585				
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						_			
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 Liabilities		30,777		585	_			539,302
Total Deferred Inflows of Resources 132 NET POSITION Restricted for Pension Benefits and Other Purposes 29,212 4,572,452 332,090	DEFERRED INFLOWS OF RESOURCES								
NET POSITION Restricted for Pension Benefits and Other Purposes 29,212 4,572,452 332,090			132						
Restricted for Pension Benefits and Other Purposes 29,212 4,572,452 332,090			132			_			
	NET POSITION								
	Restricted for Pension Benefits and Other Purposes		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		Employ	and Other Post- yment Benefit ust 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.





W 4th St, Santa Ana



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. <u>Reporting Entity</u>

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

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

Blended Component Units

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

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

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

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

A. Reporting Entity (Continued)

Blended Component Units (Continued)

<u>Orange County Public Facilities Corporation</u> The Corporation has its own five member governing body appointed by the County's governing body and provides services entirely to the primary government, the County, through the purchases, construction or leasing of land and/or facilities, which are then leased back to the County. The Corporation is reported in governmental fund types.

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

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

Fiduciary Component Unit

<u>County of Orange Redevelopment Successor Agency (Successor Agency)</u> The Successor Agency was established when Orange County Development Agency (OCDA) was dissolved effective February 1, 2012 in accordance with ABX1 26 and Health and Safety Code 34172. An Oversight Board was appointed to oversee the dissolution process. A Private-Purpose Trust Fund, administered by the County of Orange, was established to account for the assets and liabilities of the former OCDA. For additional information related to the activities of the Successor Agency and its on-going Enforceable Obligations, please refer to its separate financial statements. Copies of the Successor Agency's financial statements can be obtained from the OC Community Resources Department or by accessing Orange County's website at the following address: http://ocgov.com/gov/auditor/info/financial/.

Discretely Presented Component Units

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

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

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

Discretely Presented Component Units (Continued)

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

Medi-Cal, OneCare (HMO SNP), OneCare-Connect Cal MediConnect Plan, and Program of All-Inclusive Care for the Elderly (PACE). CalOptima is presented as a discretely presented component unit of the County because, although the County Board has no control over the revenues, budgets, staff, or funding decisions made by CalOptima, the appointed CalOptima members serve at the will of the Board members who appoint them. CalOptima will continue until such time as the Board takes action to terminate CalOptima. A separate stand-alone annual financial report can be obtained by writing to CalOptima, 505 City Parkway West, Orange, CA 92868. Alternately, you can access the website <u>http://wpso.dmhc.ca.gov/dashboard/finances.aspx</u>, from the bottom select "Financial Statements" and select the Health Plan "Orange County Health Authority" and statement type "Annual Audit Reports."

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

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

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

Government-Wide Financial Statements

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

- Statement of Net Position
- Statement of Activities

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

Governmental activities, which are normally supported by taxes, intergovernmental revenues, other nonexchange revenues, and business-type activities, which are financed by fees charged to external parties for goods or services, are reported in separate columns with a combined total column presented for the primary government. Likewise, the primary government is reported separately from the legally separate component units, Children and Families Commission of Orange County and CalOptima, for which the

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

Government-Wide Financial Statements (Continued)

primary government is financially accountable. The government-wide Statement of Net Position displays the financial position of the primary government, in this case, the County and its discretely presented component units. The Statement of Net Position reports the County's financial and capital resources, including infrastructure, as well as the County's long-term obligations. The difference between the County's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources is its net position. Net position represents the resources that the County has available for use in providing services after its debt is settled.

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

- <u>Net Investment in Capital Assets</u> This amount is derived by subtracting the outstanding debts incurred by the County, including debt-related deferred outflows and inflows of resources, to buy or construct capital assets shown in the Statement of Net Position, net of depreciation.
- <u>Restricted Net Position</u> This category represents restrictions imposed on the use of the County's resources by parties outside of the government or by law through constitutional provisions or enabling legislation. All of the County's net position restrictions are externally imposed by outside parties, constitutional provisions or enabling legislation. Examples of restricted net position include federal and state grants that are restricted by grant agreements for specific purposes and restricted cash set aside for debt service payments. At June 30, 2016, the County's governmental activities reported restricted net position of \$1,262,449 and is restricted for pension benefits related to the Orange County Retirement System (OCERS) Investment Account, capital projects, debt service, legally segregated funds restricted for grants and other purposes, and regional park endowment. Restricted Net Position for business-type activities amounted to \$67,429 and is restricted for the use of Airport and Waste Management activities, including debt service, passenger facility charges (PFC), capital projects replacements and renewals, landfill closure/postclosure, and landfill corrective action. At June 30, 2016, the County reported \$14,705 of net position restricted by enabling legislation related to the Airport's PFC.
- <u>Unrestricted Net Position</u> These assets are resources of the County that can be used for any purpose, though they may not necessarily be liquid. In addition, assets in a fund that exceed the amounts required to be restricted by external parties or enabling legislation are reported as unrestricted net position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

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

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

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

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

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

The County reports the following proprietary enterprise funds:

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

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

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

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

Fund Financial Statements (Continued)

Additionally, the County reports the following fund types:

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

<u>Fiduciary Fund Types</u> The County has a total of 351 individual trust and agency funds for FY 2015-16. These trust and agency funds are used to account for assets held on behalf of outside parties or employees, including other governments. When these assets are held under the terms of a formal trust agreement, a private-purpose trust, pension trust or Other Post-Employment Benefits (OPEB) trust fund is used. An investment trust fund is used for the portion of the County investment pool representing external pool participants. Agency funds are used to account for assets that the County holds on behalf of others as their agent.

The County reports the following trust and agency funds:

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

Investment Trust

Orange County Investment Pool

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

Orange County Educational Investment Pool

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

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

<u>Agency Funds</u> These funds are custodial in nature and do not report operating results. These funds are used to account for assets held by the County as an agent for various local governments and individuals, such as unapportioned taxes for other local government agencies, monies collected for the Redevelopment Property Tax Trust funds, civil filing fees, and special assessment districts debt service funds. Accordingly, assets reported in the statements are offset by a liability for resources held on behalf of others.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Governmental Fund Financial Statements

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of accounting, revenues and other governmental fund type financial resources (i.e., bond issuance proceeds) are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period.

Revenues that are accrued include real and personal property taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, fines, forfeitures and penalties, interest, federal and state grants and subventions, charges for current services, and the portion of long-term sales contracts and leases receivable that are measurable and available and where collectability is assured. Revenues that are not considered susceptible to accrual include penalties on delinquent property taxes and minor licenses and permits. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, provided that the revenues are also available. If intergovernmental revenues are expected to be received later than 60 days following the end of the fiscal year, then a receivable is record along with deferred inflows of resources. Once the grant reimbursement is received, revenue and cash are recorded, and the receivable and deferred inflows of resources are eliminated. Receipts that have

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

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

Most expenditures are recorded when the related fund liabilities are incurred. However, inventory type items are considered expenditures at the time of use and principal and interest expenditures on bonded debt and capital leases are recorded in the year they become due for payment. Costs of claims, judgments, compensated employee absences and employer pension contributions are recorded as expenditures at fiscal year-end if they are due and payable. The related long-term obligation is recorded in the government-wide financial statements. Commitments such as purchase orders and contracts for materials and services are recorded as encumbrances.

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

Proprietary Fund Financial Statements

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

There are two types of proprietary funds:

- Enterprise Funds
- Internal Service Funds

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

Internal Services Funds are used to report activities that provide goods or services to other funds of the County. The internal service funds receive revenues through cost-reimbursements of the goods and services provided to other County departments and agencies. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Fiduciary Fund Financial Statements

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

D. Budget Adoption and Revision

No later than October 2nd of each year, after conducting public hearings concerning the recommended budget, the Board adopts a budget in accordance with Government Code Sections 29000-29144 and 30200. The County publishes the results of this initial budgeting process in a separate report, the "Adopted Budget," which specifies all accounts established within each fund/department/budget control (a collection of account numbers necessary to fund a certain division or set of goal-related activities).

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

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

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

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

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

- Under the budgetary basis, investment income is recognized on an amortized cost basis. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB Statement No. 31), all investment income, including changes in fair value (gains/losses) of investments, are recognized as investment income.
- Under the budgetary basis, redirected investment income is recognized as investment income in the recipient fund. In accordance with GASB Statement No. 31, investment income assigned to another fund due to management decision is recognized in the fund that reports the investment and reported as a transfer to the recipient fund in the GAAP financial statements.
- Under the budgetary basis, revenues are recorded when earned. For GAAP basis, in accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB Statement No. 33), and GASB Statement No. 65, it states that all nonexchange transactions,

D. Budget Adoption and Revision (Continued)

such as government-mandated nonexchange transactions and voluntary nonexchange transactions, can be accrued only if they are measurable and "available." "Available" has been defined by GASB Statement No. 33 as "collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period." The County has established the availability period as 60 days after the end of the fiscal year. In order to ensure all transactions for the current fiscal year meet this criterion, the County analyzes revenue receipts through August 30 and records adjustments to deferred inflows of resources for transactions that are not collected.

- GASB Statement No. 34 states, "Fiduciary funds should be used to report assets held in a trustee or agency capacity for others and therefore, cannot be used to support the government's own programs." For the GAAP financial statements, an adjustment to record public purpose trust monies as revenue in the benefitting funds is recorded for funds, which continue to be accounted for as fiduciary funds on a budgetary basis but no longer meet the definition of a fiduciary fund.
- Under the budgetary basis, intrafund transfers are recognized as other financing sources (uses). For the GAAP financial statements, intrafund transfers are eliminated to minimize the "grossing-up" of interfund transfers.
- The County reclassified to the General Fund all the activities of certain special revenue funds, which no longer meet the definition of a special revenue fund in accordance with GASB Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"* (GASB Statement No. 54).
- For budgetary purposes, the loan from Waste Management to the General Fund was recognized as other financing sources (uses). In accordance with GASB Statement No. 34, an adjustment to record the interfund loan as an interfund receivable in the lender fund and interfund payable in the borrower fund was recorded for the GAAP financial statements.
- Under the budgetary basis, interfund reimbursements or repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are recorded as revenues in the payer fund. In accordance with GASB Statement No. 34, an adjustment to eliminate interfund reimbursements is recorded for the GAAP financial statements.
- In accordance with GAAP, the County has established guidelines for recording accruals. In order to reasonably ensure that accruals for current fiscal year transactions are materially accurate, the County performs an analysis to identify expenditure accruals for the GAAP financial statements.
- Per GAAP, a rental rebate should be recorded as a reduction to rental expense.
- Per GAAP, at the inception of a capital lease, both expenditure and other financing source should be recorded with the amounts equal to the present value of the minimum lease payment.
- The General Fund revenue adjustment was recorded due to the overbilling to OCWR for the Republic Services and LA Sanitation District importation proceeds.
- The OC Animal Care uses cash basis to record money receives from invoicing due to the low collection rate. Per GAAP, the receivables and the amount of the allowance for the doubtful accounts should be recorded.

D. Budget Adoption and Revision (Continued).

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

Revenues and Other Financing Sources	 General Fund	Flood Control District	Other Public Protection	Mental Health Services Act
Total Revenues and Other Financing Sources from the Budgetary				
Comparison Statements	\$ 3,037,839 \$	147,161\$	63,129 \$	116,457
Differences-budget to GAAP:				
Change in unrealized gain on investment	1,349	961	352	521
GASB 31 adjustment to report redirected investment				
income as transfers			10	
GASB 33/65 adjustment of revenue accruals for 60 day recognition period	16,103	(19,162)	(15)	
GASB 34 adjustment to record Public Purpose Trust Fund's monies				
as revenue in benefitting fund	(1,286)	2		
Adjustment to eliminate intrafund transfers			(2,175)	
Record new equipment lease		254		
Reclassification of direct billing reimbursements paid by fund for the				
benefit of other funds	(13,223)	(287)		
Certain budgeted special revenue funds do not meet the criteria for				
separate reporting and are reported within the General Fund in the				
GAAP financial statements	33			
Revenues and Other Financing sources for non-budgeted funds are				
excluded in the Budgetary Comparison Statements			2,205	
Recognition of outstanding invoices for OC Animal Care	702			
Adjustment of importation overpayment to the General Fund	(2,976)			
Rent rebate for HCA	 (50)			
Total Revenues and Other Financing Sources as reported on the Statement				
of Revenues, Expenditures, and Changes in Fund Balances	\$ 3,038,491 \$	128,929 \$	63,506	116,978

Expenditures and Other Financing Uses	General Fund		Flood Control District	Other Public Protection	Mental Health Services Act
Actual expenditures and Other Financing Uses from the Budgetary					
Comparison Statements	\$	2,987,978 \$	116,258\$	65,854 \$	115,244
Differences-budget to GAAP:					
GASB 31 adjustment to report redirected investment					
income as transfers				10	
Adjustment of expenditure accruals for timing differences		1,237	(19)	(57)	
Adjustment to eliminate intrafund transfers				(2,175)	
Reclassification of direct billing reimbursements paid by fund for the					
benefit of other funds		(13,223)	(287)		
Record new equipment lease			254		
Expenditures and Other Financing Uses for non-budgeted					
funds are excluded in the Budgetary Comparison Statements				24	
Certain budgeted special revenue funds do not meet the criteria for					
separate reporting and are reported within the General Fund in the					
GAAP financial statements		3			
Rent rebate for HCA		(50)			
Reclassification of loan repayment from General Fund					
to OC Waste Management		(784)			
Total Expenditures and Other Financing Uses as reported on the Statement					
of Revenues, Expenditures and Changes in Fund Balances	\$	2,975,161 \$	116,206 \$	63,656	\$ 115,244

E. Fund Balance

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

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

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

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

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

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

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

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

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

E. Fund Balance (Continued)

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

E. Fund Balance (Continued)

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

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

The County prepays its pension contribution and reports the prepaid amount as Nonspendable Fund Balance rather than Unassigned Fund Balance as required by GASB Statement No. 54. For FY 2015-16, the proceeds of \$334,275 was for short-term Taxable Pension Obligation Bonds to prepay its FY 2016-17 pension contribution at a discount. Of this amount \$326,820 is the prepaid costs for General Fund and is Nonspendable. Refer to Note 9, Short-Term Obligations and Note 17, Retirement Plans for additional information.

F. Deposits and Investments

The County maintains two cash and investment pools: the Orange County Investment Pool (OCIP) and the Orange County Educational Investment Pool (OCEIP), the latter of which is utilized exclusively by the County's public school and community college districts. These pools are maintained for the County and other Non-County entities for the purpose of benefitting from economies of scale through pooled investment activities. In addition, the County maintains certain other non-pooled specific investments.

The County has stated required investments at fair value in the accompanying financial statements, using the fair value measurement within the fair value hierarchy established by GAAP.

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

F. Deposits and Investments (Continued)

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

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

G. Inventory of Materials and Supplies

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

H. Prepaid Costs

The County pays for certain types of services in advance, such as pension costs and rents, and recognizes these costs in the period during which services are provided. Prepaid costs in the governmental funds Balance Sheet include \$346,823, which primarily consist of \$346,444 for the County's FY 2016-17 pension contribution at a discount.

Prepaid costs in the government-wide financial statements include the prepaid costs reported in the fund financial statements, reduced for 50% of the prepaid asset related to the pension contribution after the measurement date in accordance with GASB Statement No. 68 and GASB Statement No. 71. Refer to Note 17, Retirement Plans for additional information.

I. Land and Improvements Held for Resale

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

J. Capital Assets

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

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

J. Capital Assets (Continued)

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

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the related assets. No depreciation or amortization is provided on construction in progress or intangible assets in progress, respectively, until the project is completed and the asset is placed into service. Estimated useful lives of structures and improvements, equipment, intangible, and infrastructure are as follows:

Structures and Improvements	10 to 60 years
Land Improvements	10 to 20 years
Equipment	2 to 20 years
Intangibles:	
Computer Software	3 to 15 years
Infrastructure:	
Flood Channels	20 to 100 years
Roads	10 to 20 years
Bridges	50 to 75 years
Trails	20 years
Traffic Signals	15 to 20 years
Harbors	20 to 50 years
Airport – Runways, Taxis, and Aprons	15 to 60 years
Waste Management – Cell Development, Drainage	3 to 71 years
Channels, Facility Improvements, Habitat, Landfill	
Gas/Environmental, Closure/Other Earthwork	

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

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

K. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide Statement of Net Position reports a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has two items that qualify for reporting in this category. They are the deferred charge on refunding and deferred outflows of resources related to pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the

K. Deferred Outflows/Inflows of Resources (Continued)

shorter of the life of the refunded or refunding debt. The deferral of resources related to pension results from the net difference between projected and actual investment earnings on pension plan investments, changes of assumptions and changes in proportion and differences between employer contributions and the proportionate share of contributions calculated by actuarial study. The deferred outflows of resources related to pensions also include employer contributions made after the measurement date and a portion of the County's prepaid retirement contribution.

In addition to liabilities, the Statement of Net Position sometimes reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, which represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. They are the deferred inflows of resources related to unavailable revenues and deferred inflows of resources related to pension. The County has deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes, intergovernmental revenues, SB90, and other sources as appropriate. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available. The SB90 deferred inflows of resources amount of \$28,404 is net of an allowance for the estimated uncollectible of \$13,045.

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

	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

M. Property Taxes (Continued)

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

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

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

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

Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due within the fiscal year and collected within 60 days after the fiscal year-end. Property tax revenues are also recognized for unsecured and supplemental property taxes that are due at year-end, and are collected within 60 days after the fiscal year-end, but will not be apportioned until the next fiscal year due to the timing of the tax apportionment schedule. The County's portion of the unapportioned taxes at June 30, 2016 is allocated to and recorded in the corresponding funds for reporting purposes.

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

The County maintains records of disputed property taxes, such as those properties for which the values have been appealed to the local Assessment Appeals Boards. Upon final disposition of the appeals and disputes, the amounts are either refunded to taxpayers or the tax bills are corrected. As of June 30, 2016, tax refunds and assessed value tax roll corrections resulting from property tax appeals and other disputes represented approximately 0.85% of the combined beginning secured and unsecured property tax roll charge.

The following are significant dates on the property tax calendar:

	California Revenue & Taxation Code Section
Supplemental assessments are effective on the 1st day of the month following the new construction or ownership change.	75.41
Property tax lien date is January 1.	2192
Unsecured taxes on the roll as of July 31 are delinquent August 31.	2922
Assessor delivers roll to Auditor-Controller July 1.	616, 617
Tax roll is delivered to the Tax Collector on or before the levy date (the 4th Monday in September).	2601

M. Property Taxes (Continued)

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

N. Compensated Employee Absences

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

O. Pensions

The County recognizes a net pension liability to reflect the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the County's retirement plans. The actuarial valuation for the retirement plans through OCERS is based on the December 31, 2015 measurement date for the County reporting as of June 30, 2016. The actuarial valuation for the Extra-Help Defined Benefit Plan is based on the June 30, 2016 measurement date for the County reporting as of June 30, 2016.

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

At June 30, 2016, the County's net pension liability from OCERS was measured as of December 31, 2015, and the total pension liability (TPL) used to calculate the net pension liability was determined by rolling forward the December 31, 2014 valuation to December 31, 2015. The County's net pension liability from Extra-Help Defined Benefit Plan was measured as of June 30, 2016; the plan's TPL was calculated using the data and assets as of June 30, 2015, rolled forward to June 30, 2016 using actual benefit payments for the FY 2015-16.

P. Statement of Cash Flows

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

Q. Indirect Costs

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

Q. Indirect Costs (Continued)

Regulation, Title 2, Part 200. The County has elected to allocate indirect costs to departments within the General Fund that are not charged through CWCAP in order to match the reimbursement of indirect costs recorded as program revenues to the same function that the related expense is recorded in.

R. Effects of New Pronouncements

The following lists recent GASB pronouncements implemented or are effective in FY 2015-16:

In February 2015, GASB issued Statement No. 72, "*Fair Value Measurement and Application*." This statement addresses accounting and financial reporting standards related to fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For some assets and liabilities, observable market information might not be available. The objective of fair value measurement is to determine the price that would take place between market participants at the measurement date under current market conditions. Valuation techniques used to determine fair value are one or more of three approaches to measure fair value: the market approach, cost approach, and income approach. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2015, which requires the County to implement this statement in FY 2015-16. The statement was implemented without a fiscal impact to the County's financial statements. However, more disclosures are presented in the note as a result of this GASB statement. Refer to Note 3, Deposits and Investments, for additional information.

In June 2015, GASB issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68." This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing useful information, supporting assessments of accountability and interperiod equity and creating additional transparency. This statement establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27," as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of GASB Statement No. 67, "Financial Reporting for Pension Plans," GASB Statement No. 68 for pension plans, and pensions that are within their respective scopes. The provisions of this statement will be analyzed on an annual basis. The statement was implemented without an impact to the County.

In June 2015, GASB issued Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*" The "GAAP hierarchy" identifies the sources of guidance that state and local governments follow when preparing financial statements in conformity with GAAP and lists the order of priority for pronouncements to which a government should look for guidance. The objective of this statement is to simplify the structure of the hierarchy of GAAP to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*" These changes are intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance with less variation. The provisions of this statement are effective for financial reporting for periods beginning after June 15, 2015, and should be applied retroactively, which requires the County to implement this statement in FY 2015-16. The statement was implemented without an impact to the County.

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

R. Effects of New Pronouncements (Continued)

that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The requirements of this statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for reporting periods beginning after December 15, 2015. This requires the County to implement this statement in FY 2015-16. The statement was implemented without an impact to the County.

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

In June 2015, GASB issued Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*" (GASB Statement No. 74). This statement replaces Statements No. 43, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*," as amended, and No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*." It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *"Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*," as amended, Statement No. 43, and Statement No. 50, *"Pension Disclosures."* The provisions of this statement are effective for financial statements for periods beginning after June 15, 2016, which requires the County to implement this statement in FY 2016-17. The requirements of this statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria.

In June 2015, GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This statement replaces the requirements of Statements No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," as amended, and No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB." Statement No. 74 establishes new accounting and financial reporting requirements for OPEB plans. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this statement are effective for financial statement for periods beginning after June 15, 2017, which requires the County to implement this statement in FY 2017-18.

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

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

R. Effects of New Pronouncements (Continued)

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

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

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

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

S. Use of Estimates

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

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

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

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

Government-Wide Statement of Net Position Line Item	Corresponding Governmental and Proprietary Funds Balance Sheet or Statement of Net Position Line Item
Cash and Cash Equivalents	Pooled Cash/Investments; Cash Equivalents/Specific Investments; Imprest Cash Funds; and Cash/Cash Equivalents
Restricted Cash and Cash Equivalents	Restricted Cash and Investments with Trustee; Restricted Pooled Cash/Investments; and Restricted Pooled Cash/Investments – Closure and Postclosure Care Costs
Capital Assets – Not Depreciable/Amortizable	Land; Land Use Rights; Construction in Progress; and Intangible Assets in Progress
Capital Assets – Depreciable/Amortizable (Net)	Structures and Improvements and Accumulated Depreciation; Equipment and Accumulated Depreciation; Infrastructure and Accumulated Depreciation; and Intangible Assets and Accumulated Amortization; Land Improvements

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

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

Effective with OCDA's dissolution on February 1, 2012, the assets and liabilities (including bond debt) were transferred to and reported in a private-purpose trust fund of the County. This transfer and reporting structure reflect the custodial role accepted by the Successor Agency. The Successor Agency private-purpose trust fund reported a deficit net position of \$17,238. The deficit for the Successor Agency increased by \$4,419 from the previous fiscal year as a result of a decrease in intergovernmental revenues in the current fiscal year.

3. DEPOSITS AND INVESTMENTS

The Treasurer is responsible for authorizing all County bank accounts and pursuant to California Government Code (CGC) Sections 27000.1 – 27000.5, 27130 – 27137 and 53600 – 53686, and is responsible for conducting County investment activities of the County's investment pooled funds in addition to various individual investment accounts outside of the pooled funds. These public funds are called the Orange County Investment Fund (OCIF). Within the OCIF, the Treasurer maintains an Orange County Investment Pool (OCIP) and an Orange County Educational Investment Pool (OCEIP), which are "external investment pools" wherein monies of the County and other legally separate external entities, which are not part of the County reporting entity, are commingled (pooled) and invested on the participants' behalf. In addition, the Treasurer maintains the John Wayne Airport Investment Pool (JWA Pool) and other separately managed investments. The County's Investment Pools are not registered with the Securities and Exchange Commission (SEC) as an investment company.

The Treasurer further invests pooled funds from the OCIP and OCEIP into three funds, the Orange County Money Market Fund (OCMMF), the Orange County Educational Money Market Fund (OCEMMF), and the Extended Fund. On June 16, 2016, Standard & Poor's (S&P) reaffirmed an AAA Principal Stability Fund Rating (AAAm) for the OCMMF and the OCEMMF. The two money market funds are required to maintain a Net Asset

Value (NAV) of between \$0.995 (in absolute dollar amounts) and \$1.005 (in absolute dollar amounts) to maintain an AAAm rating. Neither the Money Market Funds nor the Extended Fund have any legally binding guarantees of share values.

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

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

The investment practices and policies of the Treasurer are based on compliance with state law and prudent money management. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested, with secondary emphasis on providing adequate liquidity to Pool Participants. The last goal is to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

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

Deposits and investments with the Treasurer, before timing differences, totaled \$8,270,826 as of June 30, 2016, consisting of \$3,692,694 for the OCIP, \$4,269,894 for the OCEIP, and \$308,238 for Specific Investments.

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

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

A. Deposits

CGC 53652 et. seq. and the IPS prescribe the amount of collateral that is required to secure the deposit of public funds. The pledge to secure deposits is administered by the California Commissioner of Business Oversight. Collateral is required for demand deposits at 110% of all deposits not covered by Federal

A. Deposits (Continued)

Depository Insurance Corporation (FDIC) if obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of the County. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them.

Written custodial agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution. FDIC is available for interest-bearing funds deposited at any one financial institution up to a maximum of \$250.

Custodial Credit Risk - Deposits

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

B. Investments

The CGC Sections 53601 & 53635, Board ordinances and resolutions, the County's IPS, the bond indenture documents, trust agreements, and other contractual agreements govern the investments that may be purchased and may include certain restrictions on investment maturity, maximum portfolio percentages, term, value, credit quality and timing to minimize the risk of loss. The IPS adds further restrictions to permitted investments from the CGC. As of June 30, 2016, the Treasurer was in full compliance with the more restrictive IPS for the OCIP, OCEIP, and JWA Pool.

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

Type of Investment	CGC % of Funds Permitted	Orange County IPS (%)	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (All Pooled Funds Except Short-Term Funds)	Orange County IPS Maximum Final Maturity (Short-Term Fund)
U.S. Treasury Securities	100%	100%	5 Years	5 Years	397 Days
U.S. Government Agency Securities	100%	100% total, no more than 33% in one issuer excluding securities with final maturities of 30 days or less	5 Years	5 Years	397 Days
Municipal Debt	100%	30% total, no more than 5% in one issuer except 10%- County of Orange	5 Years	5 Years	397 Days
Medium-Term Notes	30%	30% total, no more than 5% in one issuer	5 Years	5 Years	397 Days
Bankers Acceptances	40%, 30% of a single issuer	40% total, no more than 5% in one issuer	180 Days	180 Days	180 Days
Commercial Paper	40%, 10% of a single issuer	40% total, no more than 5% in one issuer	270 Days	270 Days	270 Days

B. Investments (Continued)

Type of Investment	CGC % of Funds Permitted	Orange County IPS (%)	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (All Pooled Funds Except Short-Term Funds)	Orange County IPS Maximum Final Maturity (Short-Term Fund)
Negotiable Certificates of Deposits	30%	30% total, no more than 5% in one issuer	5 Years	5 Years	397 Days
State of California Local Agency Investment Fund	\$50 million per account	\$50 million per pool	N/A	N/A	N/A
Repurchase Agreements	100%	20% total, no more than 10% in one issuer	1 Year	1 Year	1 Year
Money Market Mutual Funds	20%	20% total	N/A	N/A	N/A
Investment Pools	100%	20% total, no more than 10% in one pool	N/A	N/A	N/A
Supranationals	30%	30% total, no more than 5% in one issuer	5 Years	5 Years	397 Days

The current IPS expressly prohibits leverage, reverse repurchase agreements as defined by CGC, structured notes, structured investment vehicles, and derivatives. All investments must be United States dollar denominated. No investment may be purchased from an issuer and all related entities, including parent and subsidiaries, that has been placed on credit watch-negative by any of the Nationally Recognized Statistical Rating Organizations (NRSROs), or whose credit rating by any of the NRSROs is less than the minimum rating required by the IPS for that class of security unless the issuer has a short-term rating of A-1+ or F1+ or a long-term rating of at least a AA or Aa2 by S&P, Fitch or Moody's; and the Treasurer has approved the purchase in writing prior to purchase.

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

Unless otherwise required in a trust agreement or other financing document, assessment districts and public school and community college districts are required by legal provisions to deposit their funds with the County Treasurer. The OCEIP consists entirely of public school and community college districts' funds and therefore includes 100% involuntary participants. At June 30, 2016, the OCIP includes approximately 11.57% of involuntary participant deposits including funds for the Superior Court, certain assessment districts, and certain bond related funds for public school districts.

B. Investments (Continued)

Investment Disclosures

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

					Interest Rate		Weighted Average Maturity		% of
With Treasurer:	F	air Value		Principal	Range (%)	Maturity Range	(Years)	Rating (1)	Portfolio
OCIP (2)									
U.S. Government Agencies	•		•	45 450	0.00 0.050/				4 000/
FNMA Discount Notes	\$	45,115	\$	45,152	0.29 - 0.65%	08/12/16 - 01/05/17	0.230	A-1	1.23%
FNMA Bonds		447,622		445,125	0.30 - 1.18%	07/05/16 - 02/26/19	1.354	AA	12.17%
FFCB Discount Notes		63,971		64,096	0.47 - 0.59%	12/21/16 - 12/27/16	0.485	A-1	1.73%
FFCB Bonds		185,626		184,911	0.29 - 1.18%	08/11/16 - 04/26/19	1.626	AA	5.05%
FFCB Bonds - Floating Rate		60,021		60,000	0.29 - 1.18%	11/04/16 - 11/07/16	0.002	AA	1.63%
FHLB Discount Notes		411,243		411,312	0.24 - 0.50%	07/01/16 - 09/26/16	0.009	A-1	11.18%
FHLB Bonds		402,822		401,523	0.49 - 1.64%	08/26/16 - 12/20/18	1.240	AA	10.95%
FHLMC Bonds		611,477		607,522	0.37 - 1.14%	08/25/16 - 04/16/19	1.689	AA	16.62%
Negotiable Certificates of Deposit									
Fixed Rate		157,881		156,581	0.66 - 1.75%	08/26/16 - 03/29/19	0.439	AA	4.29%
Floating Rate		5,000		5,000	0.94%	07/28/16	0.077	A-1	0.14%
Medium-Term Corporate Notes									
Corporate Notes		68,617		67,110	0.55 - 1.35%	08/15/16 - 08/15/18	1.290	Α	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:	F	air Value		Principal	Interest Rate Range (%)	Maturity Range	Maturity (Years)	Rating (1)	% of Portfolio
OCEIP (2)									
U.S. Government Agencies									
FNMA Discount Notes	\$	42,983	\$	43,000	0.23 - 1.088%	08/24/16 - 09/19/16	0.157	A-1	1.02%
FNMA Bonds		454,050		451,766	0.28 - 1.18%	07/05/16 - 02/26/16	1.291	AA	10.69%
FNMA Bonds - Floating Rate		25,003		25,000	0.28%	07/05/16	0.004	AA	0.59%
FFCB Discount Notes		123,660		123,803	0.25 - 0.72%	07/01/16 - 12/27/16	0.309	A-1	2.92%
FFCB Bonds		186,293		185,467	0.29 - 1.18%	08/11/16 - 04/26/19	1.579	AA	4.38%
FFCB Bonds - Floating Rate		76,018		76,000	0.28 - 0.58%	07/20/16 - 11/07/16	0.003	AA	1.79%
FHLB Discount Notes		599,706		599,889	0.27 - 0.74%	07/06/16 - 03/10/17	0.115	A-1	14.11%
FHLB Bonds		453,828		452,522	0.37 - 1.64%	08/26/16 - 12/20/18	1.545	AA	10.68%
FHLMC Discount Notes		99,973		100,000	0.23 - 0.30%	07/07/16 - 09/15/16	0.112	A-1	2.35%
FHLMC Bonds		593,063		589,254	0.37 - 1.14%	08/25/16 - 04/16/19	1.679	AA	13.96%
Negotiable Certificates of Deposit									
Fixed Rate		138,652		137,419	0.58 - 1.75%	08/29/16 - 03/29/19	0.408	AA	3.26%
Floating Rate		16,702		16,700	0.58 - 0.98%	07/05/16 - 04/06/17	0.000	AA	0.39%
Medium-Term Corporate Notes									
Corporate Notes		73,668		72,151	0.55 - 1.35%	08/15/16 - 08/15/18	1.221	Α	1.73%
Corporate Notes		110,896		108,453	0.65 - 1.49%	04/05/17 - 12/15/18	1.149	AA	2.61%
Corporate Notes - Floating Rate		15,153		15,145	0.65 - 0.67%	11/28/16 - 05/12/17	0.015	AA	0.36%
Corporate Notes		29,485		28,832	0.93 - 1.41%	08/15/17 - 12/05/18	1.911	AAA	0.69%
Corporate Notes - Floating Rate		500		500	0.67%	11/28/16	0.003	AAA	0.01%
Municipal Debt		75,477		75,299	0.75 - 1.21%	08/01/16 - 06/30/17	0.239	AA	1.78%
U.S. Treasuries		878,115		873,266	0.23 - 1.12%	07/15/16 - 04/30/19	0.913	AA	20.67%
Manager Mander (Manter al Error da		255 506			0.07 0.000/	07/01/16	0.000	A A A	C 010/

255,506

\$ 4,229,972

0.27 - 0.28%

07/01/16

6.01%

100.00%

AAA

0.003

0.929 (4)

255,506

4,248,731

\$

Money Market Mutual Funds

Weighted

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Investment Disclosures (Continued)

							weighted		
					had a marked Data		Average		0/ - 5
	Б.		-	N -line - I	Interest Rate		Maturity	Detire a (4)	% of
With Treasurer:	Fa	air Value	F	Principal	Range (%)	Maturity Range	(Years)	Rating (1)	Portfolio
Specific Investments (2)									
U.S. Government Agencies	¢	1 400	¢	1 500	0.20 0.260/	07/25/16 10/12/16	0.215	Λ 1	0.400/
FNMA Discount Notes	\$	1,499	\$	1,500	0.30 - 0.36%	07/25/16 - 10/13/16	0.215	A-1	0.49%
FNMA Bonds		22,384		22,118	0.35 - 1.62%	07/05/16 - 05/06/21	1.902	AA	7.26%
FFCB Bonds		8,486		8,435	0.29 - 1.08%	07/12/16 - 06/25/18	0.918	AA	2.75%
FFCB Bonds - Floating Rate		5,061		5,060	0.29 - 0.58%	08/15/16 - 02/23/17	0.005	AA	1.64%
FHLB Discount Notes		9,117		9,121	0.28 - 0.53%	07/19/16 - 10/28/16	0.147	A-1	2.96%
FHLB Bonds		18,363		18,110	0.35 - 1.78%	07/20/16 - 07/29/20	1.726	AA	5.96%
FHLMC Discount Notes		1,671		1,672	0.33 - 0.54%	07/06/16 - 09/21/16	0.143	A-1	0.54%
FHLMC Bonds		6,562		6,547	0.35 - 0.94%	07/18/16 - 01/12/18	0.888	AA	2.13%
GNMA Bonds		87		84	6.25%	09/20/29	13.233	AA	0.02%
Negotiable Certificates of Deposit									
Fixed Rate		1,750		1,750	0.59 - 0.80%	07/25/16 - 09/29/16	0.094	A-1	0.57%
Floating Rate		1,600		1,600	0.24 - 0.28%	07/05/16	0.014	A-1	0.52%
Medium-Term Corporate Notes									
Corporate Notes - Floating Rate		402		401	0.69 - 0.71%	01/10/17 - 04/21/17	0.454	AA	0.13%
Corporate Notes - Floating Rate		100		100	0.61%	11/28/16	0.162	AAA	0.03%
Municipal Debt		6,501		6,500	4.81%	07/01/16	0.003	AA	2.11%
U.S. Treasuries		3,564		3,500	1.50%	01/31/21	4.592	AA	1.16%
Repurchase Agreements		1,082		1,082	6.20%	08/15/19	3.126	AA	0.35%
Money Market Mutual Funds		220,009		220,009	0.22 - 0.28%	07/01/16	0.093	AAA	71.38%
	\$	308,238	\$	307,589	-		0.363 (4)		100.00%
					=	•	Weighted		
							Average		
					Interest Rate		Maturity		% of
With Trustees:	E,	air Value		Principal	Range (%)	Maturity Range	(Years)	Rating (1)	Portfolio
Restricted Investments with Trustees (2)	10		r	Пісіраі	Tange (70)	Maturity Narige	(16015)	Trating (1)	FOILIOID
U.S. Government Agencies									
FNMA Zero Coupon Bonds	\$	100,488	\$	46,234	0.00%	09/01/16-09/01/21	3.880	AA	27.00%
U.S. Treasuries	φ	16,411	φ	40,234	0.5% - 9.00%	09/15/16-11/15/18	0.590	AA	4.41%
U.S. Treasury Strips		359		10,283 54	0.00%	11/15/18	2.380	AA	4.41% 0.10%
Investment Contracts		359 13,160		54 13,160	Variable	07/01/16-01/17/17	2.360 0.550	NR	0.10% 3.54%
Money Market Mutual Funds		13,100		13,100	variable	07/01/10-01/17/17	0.550	INFX	5.54 %
5		144 262		144 262	Variable	07/01/16	0.000	AAA	38.79%
Money Market Mutual Funds		144,363		144,363	Variable	07/01/16		AAA AAA	
Money Market Mutual Funds		92,406		92,724			0.000	NR	24.83%
Bond Mutual Funds	*	4,948	*	4,870	0.17% - 4.64%	07/01/16	0.000	, INR	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

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.

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\$ \$ 2,227,897 \$\$ 2,227,897 \$ \$ 2,227,897 \$\$ \$ 2,227,897 \$Negotiable Certificates of Deposit162,881 230,591 162,881 162,881 230,591 Municipal Debt77,851 3,550,025 \$ 3,550,025 \$ 3,550,025 \$Investments Not Subject to Fair V=IVE Woney Market Mutual Funds U.S. Government Agencies128,556 \$ \$ 2,654,577 \$\$ \$ 2,654,577 \$OCEIP U.S. Government Agencies\$ 2,654,577 \$ 3,678,581\$ \$ 2,654,577\$ \$ 2,654,577 \$\$ \$ 2,654,577 \$Negotiable Certificates of Deposit155,354 \$ \$ 2,29,702 \$ 2,29,702 \$U.S. Government Agencies\$ 2,654,577 \$ \$ 2,29,702\$ \$U.S. Government Agencies\$ 2,654,577 \$ \$ 3,678,581\$ \$ 3,5364 \$U.S. Government Agencies\$ 2,654,577 \$ \$ 3,678,781\$ \$ 3,5364 \$U.S. Government Agencies\$ 2,654,577 \$ \$ 3,678,781\$ \$ 3,993,225\$ \$U.S. Treasuries\$ 2,654,577 \$ \$ 3,993,225\$ \$ 3,993,225\$ \$ 3,993,225\$ \$ 3,993,225U.S. T				Fair Value Measurement						
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 \$ 3,550,025 \$ Sub-total 3,550,025 \$ \$ 3,550,025 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 128,556 \$ 3,678,581 OCEIP U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ Medium-Term Corporate Notes 229,702 229,702 Municipal Debt 75,477 75,477 Municipal Debt 75,477 878,115 U.S. Treasuries 878,115 878,115 Sub-total 3,993,225 \$ \$ 3,993,225 <th></th> <th></th> <th>Total</th> <th>in A Mark Identica</th> <th>ets for Active</th> <th></th> <th>Other Observable Inputs</th> <th>Unobs In</th> <th>servable puts</th>			Total	in A Mark Identica	ets for Active		Other Observable Inputs	Unobs In	servable puts	
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 \$ 3,550,025 \$ Sub-total 3,550,025 \$ \$ 3,550,025 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 128,556 \$ 3,678,581 OCEIP U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ Negotiable Certificates of Deposit 155,354 155,354 Negotiable Certificates of Deposit 155,354 229,702 Municipal Debt 75,477 \$ 75,477 Municipal Debt 75,477 \$ 3,993,225 \$ Sub-total 3,993,225 \$ \$ 3,993,225 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 255,506 \$ 3,993,225 \$	<u>OCIP</u>									
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 \$ 3,678,581 OCEIP U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ Negotiable Certificates of Deposit 155,354 155,354 Municipal Debt 75,477 \$ 75,477 878,115 Municipal Debt 3,993,225 \$ \$ 3,993,225 \$ \$ 878,115 U.S. Treasuries 3,993,225 \$ \$ 3,993,225 \$ \$ 3,993,225 \$ \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 255,506 \$ 3,993,225 \$ \$ \$ 3,9	U.S. Government Agencies	\$	2,227,897	\$		\$	2,227,897	\$		
Municipal Debt 77,851 77,851 U.S. Treasuries 850,805 \$ 3,550,025 \$ Sub-total 3,550,025 \$ \$ 3,550,025 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 128,556 \$ \$ 3,678,581 OCEIP U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ Negotiable Certificates of Deposit 155,354 155,354 Municipal Debt 75,477 229,702 Municipal Debt 75,477 878,115 Sub-total 3,993,225 \$ \$ 3,993,225 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 255,506 \$ 3,993,225 \$	Negotiable Certificates of Deposit		162,881				162,881			
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 \$ 3,550,025 \$ OCEIP U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ Negotiable Certificates of Deposit 155,354 \$ 2,654,577 \$ Municipal Debt 75,477 \$ 2,654,577 \$ U.S. Treasuries 878,115 \$ 3,993,225 \$ Municipal Debt 75,477 \$ 3,993,225 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 255,506 \$ \$ 3,993,225 \$	Medium-Term Corporate Notes		230,591				230,591			
Sub-total 3,550,025 \$ \$ 3,550,025 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 128,556 \$ \$ 3,678,581 OCEIP U.S. Government Agencies \$ 2,654,577 \$ \$ 2,654,577 \$ Negotiable Certificates of Deposit 155,354 \$ 2,654,577 \$ Municipal Debt 75,477 \$ 2,654,777 \$ U.S. Treasuries 878,115 \$ 3,993,225 \$ Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 255,506 \$ \$ 3,993,225 \$	Municipal Debt		77,851				77,851			
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 \$ 2,654,577 \$ Negotiable Certificates of Deposit 155,354 Medium-Term Corporate Notes 229,702 \$ 229,702 \$ 75,477 U.S. Treasuries 878,115 \$ 878,115 \$ 878,115 Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 255,506	U.S. Treasuries		850,805				850,805	_		
Money Market Mutual Funds Total 128,556 \$ 3,678,581 OCEIP U.S. Government Agencies \$ 2,654,577 \$ Negotiable Certificates of Deposit 155,354 \$ 2,654,577 \$ Medium-Term Corporate Notes 229,702 229,702 229,702 Municipal Debt 75,477 878,115 878,115 Sub-total 3,993,225 \$ \$ 3,993,225 \$ Investments Not Subject to Fair V=/// Market Mutual Funds 255,506 \$ 3,993,225 \$	Sub-total		3,550,025	\$		\$	3,550,025	\$		
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	•	Value F	lierarchy:							
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	,		,	-						
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 255,506 255,506	Total	\$	3,678,581							
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 \$	OCEP									
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 \$	U.S. Government Agencies	\$	2,654,577	\$		\$	2,654,577	\$		
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 \$	Negotiable Certificates of Deposit		155,354				155,354			
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 \$ \$	Medium-Term Corporate Notes		229,702				229,702			
Sub-total3,993,225\$\$3,993,225\$Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds255,506	Municipal Debt		75,477				75,477			
Investments Not Subject to Fair Value Hierarchy: Money Market Mutual Funds 255,506	U.S. Treasuries		878,115				878,115			
Money Market Mutual Funds 255,506	Sub-total		3,993,225	\$		\$	3,993,225	\$		
	Investments Not Subject to Fair	Value ⊦	lierarchy:							
Total \$ 4,248,731	Money Market Mutual Funds		255,506							
	Total	\$	4,248,731	-						

B. Investments (Continued)

Investment Disclosures (Continued)

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

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

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

Interest Rate Risk - Investments

This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. Declines in the fair value of investments are managed by limiting the length of the maturity of the securities. In general, the maximum maturity allowed is five years unless the Board has granted express authority either specifically or as part of an investment policy. Actual weighted average days to maturity by investment type for the funds invested in the Pools are presented in the table in the Investment Disclosures section.

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

B. Investments (Continued)

Interest Rate Risk – Investments (Continued)

As of June 30, 2016, variable-rate notes comprised 2.2% and 2.5% of the OCIP and the OCEIP, respectively. The notes are tied to the Federal Funds rate, 90-day Treasury Bill rate, one-month and three-month London Interbank Offered Rate (LIBOR) with daily, monthly and quarterly coupon resets. The fair value of variable-rate securities is generally less susceptible to changes in value because the variable-rate coupon resets back to a market rate on a periodic basis. Effectively, at each reset date, a variable-rate investment reprices back to par value, eliminating interest rate risk at each periodic reset. For purposes of computing weighted average maturity (WAM), the maturity date of variable-rate notes is the length of time until the next reset date rather than the stated maturity.

The annual average daily investment balance of the OCIP and the OCEIP was \$3,820,526 and \$3,833,613, respectively, with an annual net yield of 0.65% and 0.66% respectively for the pools, for the year ended June 30, 2016.

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

At June 30, 2016, the OCMMF and OCEMMF amounted to \$928,469 and \$1,611,312, respectively. In accordance with the Board formally approved IPS, the Treasurer manages the Pool's exposure to declines in fair value for deposits and investments by limiting the WAM to 60 days in the Money Market Funds. At June 30, 2016, the WAM of the OCMMF was 56 days and the OCEMMF was 57 days. At the same date, the NAV of the Money Market Funds for both pools was \$1.00 (in absolute dollar amounts).

Interest Rate Risk-Duration (Extended Fund)

At June 30, 2016, the Extended Fund (which includes funds from both the OCIP and the OCEIP) balance was \$5,387,531. Of this amount, the OCIP owned 51.1% and the OCEIP owned 48.9%. In accordance with the IPS, the Treasurer manages investment related risk for deposits and investments by limiting duration to +25% of a leading 1-3 Year index (2.35). The portfolio duration for the Extended Fund as of June 30, 2016 was 1.31 years. This was computed using the effective duration method, which takes into account the way in which changes in yield will affect the expected cash flows for callable bonds.

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

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

Custodial Credit Risk

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

3. <u>DEPOSITS AND INVESTMENTS (Continued)</u>

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

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Condensed Financial Statements (Continued)

External Pool Portion

Combining Statement of Fiduciary Net Position

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

Combining Statement of Changes in Fiduciary Net Position

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

C. Restricted Deposits and Investments with Trustees

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

D. CalOptima's Cash and Investments

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

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:

	Invest), 2016	6				
	 Level 1		_evel 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	Le	ess Than 1		1-5				
U.S. Agencies	\$ 207,912	\$	134,250	\$	73,661				
Asset-Backed Securities	115,567		33,757		81,810				
Corporate Bonds	342,562		182,151		160,411				
Government	103,571		86,462		17,109				
Money Market Funds	49,203		49,203						
Mortgage-Backed Securities	39,117		4,572		34,545				
Municipal Bonds	74,648		38,093		36,554				
Tax Exempt	70		70						
U.S. Treasury Notes	609,520		443,005		166,515				
Cash Equivalents	145,777		102,544		43,233				
Cash	2,435		2,435						
Total	\$ 1,690,382	\$	1,076,544	\$	613,839				
Accrued Interest Receivable	3,545								
	\$ 1,693,927								

Investment with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

	Fair Va	Fair Value, June 30, 2016					
Asset-Back Securities Mortgage-Backed Securities	\$	115,567 39.117					
Mongage-Dacked Securities	\$	154,684					

3. <u>DEPOSITS AND INVESTMENTS (Continued)</u>

D. CalOptima's Cash and Investments (Continued)

Credit Risk

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

As of June 30, 2016, following are the credit ratings of investments and cash equivalents:

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of CalOptima's investment in a single issuer. CalOptima's investment policy limits to no more than 5 percent of the total fair value of investments in the securities of any one issuer, except for obligations of the U.S. government, U.S. government agencies or government-sponsored enterprises; and no more than 10 percent may be invested in one money market mutual fund unless approved by the governing board. The investment policy also places a limit of 35 percent of the amount of investment holdings with any one government-sponsored issuer and 5 percent of all other issuers. At June 30, 2016, all holdings complied with the foregoing limitations. The following holdings exceeded 5 percent of the portfolio at June 30, 2016:

		Percentage of Portfolio
Investment Type	lssuer	2016

U.S. Treasury Notes

United States Treasury

35.14

4. CHANGES IN CAPITAL ASSETS

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

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

4. CHANGES IN CAPITAL ASSETS (Continued)

	Primary Government										
	Balance July 1, 2015		In	creases	Decreases		Adjustments			Balance ne 30, 2016	
Business-Type Activities:											
Capital Assets Not Depreciated/Amortized:											
Land	\$	37,842	\$		\$		\$		\$	37,842	
Construction in Progress		74,088		48,128		(81,661)				40,555	
Intangible in Progress		879		1,189						2,068	
Total Capital Assets Not											
Being Depreciated/Amortized		112,809		49,317		(81,661)				80,465	
Capital Assets, Depreciable:											
Structures and Improvements		766,047		16,187						782,234	
Equipment		78,513		7,614		(4,150)				81,977	
Software		1,010		397						1,407	
Infrastructure		536,391		66,298						602,689	
Total Capital Assets,										,	
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		(0.1.1,0_1)		(,						(000,000)	
Depreciation/Amortization		(659,594)		(44,203)		3,954				(699,843)	
Total Capital Assets,		(110,001)		(11,200)		2,001				(113,010)	
Depreciable/Amortizable (Net)		722,367		46,293		(196)				768,464	
Business-Type Activities Total Capital Assets, Net	\$	835,176	\$	95,610	\$	(81,857)	\$		\$	848,929	

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

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

4. CHANGES IN CAPITAL ASSETS (Continued)

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

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

Capital Asset Impairments:

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

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

5. <u>RECEIVABLES</u>

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

Accounts Receivable

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

Deposits Receivable

Deposits Receivable had a balance of \$4,767 as of June 30, 2016. Of this amount, \$4,387 is not expected to be collected within the next fiscal year. This primarily consists of \$2,883 in operating accounts for Dana Point Harbor operators and Green River Golf Course.

Due from Other Governmental Agencies

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

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

Notes Receivable

Notes Receivable had a balance of \$27,900 as of June 30, 2016. Of this amount, \$27,459 is not expected to be received within the next fiscal year. This primarily consists of \$24,969 for loans to build affordable, low to moderate income, and senior housing and \$2,030 is for housing loans for Mental Health Services Act (MHSA) programs. The remaining \$460 is for loans provided to first time home buyers.

6. INTERFUND RECEIVABLES AND PAYABLES

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

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

Due from/to other funds:

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

Interfund transactions between the Primary Government and Component Unit:

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

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

Advances to/from other funds:

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

6. INTERFUND RECEIVABLES AND PAYABLES (Continued)

The interfund loans represent an advance to the Courthouse Construction Fund from the General Fund to backfill the deficit as a result of a state audit of court revenues for FY 2003-04 through FY 2011-12. The Waste Management Fund made advances to the General Fund for various information technology capital projects and to Other Governmental Funds for the Sheriff-Coroner's James A. Musick Facility Expansion project, which was approved by the Board on December 11, 2012 to expand the Jame A. Musick Facility jail by more than 500 beds. The Sheriff-Coroner will repay all borrowed funds to the Waste Management Fund within the required three-year period.

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

The County has noncancelable operating leases for certain buildings, which are not material to the County's general operations. The Airport Enterprise Fund derives a substantial portion of its revenues from noncancelable operating leases with air carriers and concessionaires, and the Waste Management Enterprise Fund derives revenue from landfill gas lease agreements, cell tower operators and a material recovery facility. The Enterprise Funds' property under operating leases, consisting primarily of structures and improvements, at June 30, 2016, approximates \$57,273, net of accumulated depreciation.

The County leases real property to others under operating lease agreements for recreational boating, retail, restaurant, and other commercial operations. Future minimum rentals to be received under these noncancelable operating leases as of June 30, 2016 are as follows:

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

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

8. INTERFUND TRANSFERS

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

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

Interfund transfers reflect a flow of assets between funds and blended component units of the primary government without an equivalent flow of assets in return. Routine transfers were made in the current fiscal year to (1) relay cash/resources from contributing County funds to various debt service funds for the retirement of long-term obligations, (2) transfer Measure H Tobacco Settlement revenues and Public Safety Sales Tax (PSST) excess revenue in compliance with the specific statutory requirements, (3) provide resources for services provided within the County's Wraparound Program, (4) make available cash distributions based on the Bankruptcy Recovery Plan, (5) contribute resources to comply with Proposition 63 Mental Health Services Act, and (6) transfer excess unrestricted revenues to finance various County programs based on budgetary authorizations by the Board. The details of the significant transfers are outlined below:

Routine Transfers

From the General Fund

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

From Flood Control District

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

From Other Public Protection

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

8. INTERFUND TRANSFERS (Continued)

Routine Transfers (Continued)

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

From Mental Health Services Act

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

From Other Governmental Funds

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

From Enterprise Funds

• \$21,238 was transferred from Waste Management to the General Fund primarily to pay bankruptcy related obligations in accordance with the County's comprehensive recovery plan.

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

Non-Recurring Transfers

From the General Fund

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

From Flood Control District

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

From Other Public Protection

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

8. INTERFUND TRANSFERS (Continued)

Non-Recurring Transfers (Continued)

From Other Governmental Funds

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

9. SHORT-TERM OBLIGATIONS

Taxable Pension Obligation Bonds, 2015 Series A

On January 13, 2015, the County issued Taxable Pension Obligation Bonds, 2015 Series A (the 2015 POBs) in the principal amount of \$339,625. The 2015 POBs were issued in order to prepay the County's FY 2015-16 pension contribution at a discount. The 2015 POBs were issued as standard bonds, with five fixed rate tranches, and with a final maturity date of June 30, 2016. The obligation of the County to pay principal and interest on the 2015 POBs is imposed by law and is absolute and unconditional. The County repaid in full the outstanding balance of the bonds on June 30, 2016.

Taxable Pension Obligation Bonds, 2016 Series A

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

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

10. LONG-TERM OBLIGATIONS

General Bonded Debt

General Obligation Bonded Debt

The amount of general obligation bonded indebtedness the County can incur is limited by law to 1.25% of the last equalized assessment property tax roll. At June 30, 2016, the County had no net general obligation bonded debt. The County's legal debt limit for the year was \$6,308,130. In order for the County to issue general obligation bonds secured by ad valorem taxes on real property, California Constitution Article XIIIA, Section 1 requires the approval of 2/3 of the voters voting on the proposition.

Bankruptcy Obligations

Lease Revenue Refunding Bonds, Series 2005

On August 16, 2005, the Orange County Public Financing Authority (OCPFA) issued its \$419,755 Lease Revenue Refunding Bonds Series 2005 (Series 2005 Bonds) at a premium of \$19,973. The proceeds of which, together with certain monies contributed by the County and other funds available to the trustee of the 1996 Recovery Certificates of Participation (Recovery COPs), were used to defease certain non-callable Recovery COPs, the remainder was used to fund a debt service reserve fund for the Series 2005 Bonds, and pay costs of issuance of the Series 2005 Bonds. As of June 30, 2016, the outstanding principal amount, including the premium of the Series 2005 Bonds, and remaining interest were \$46,706 and \$1,332, respectively.

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

Revenue Bonds Payable and Certificates of Participation

Refunding Certificates of Participation (Civic Center Parking Facilities Project)

In December 1987, Certificates of Participation (COPs) representing the proportionate interests of the owners thereof in lease payments made by the County under lease agreements between the County and the Orange County Public Facilities Corporation were delivered. The proceeds were used to finance the acquisition, construction, and installation of two parking structures located in the City of Santa Ana. These certificates were refunded in August 1991 with the \$33,579 Refunding COPs (Civic Center Parking Facilities Project), which are payable through December 2018. At June 30, 2016, the outstanding principal amount, interest accretion, and unaccreted interest of the Refunding COPs were \$1,262, \$5,545 and \$999, respectively.

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

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

On April 25, 2012, the South Orange County Public Financing Authority (SOCPFA) issued the Juvenile Justice Center Facility Lease Revenue Refunding Bonds, Series 2012 Bonds, in the principal amount of \$34,380, payable through June 2019, with a premium of \$2,927. The Lease Revenue Refunding Bonds were issued to redeem the outstanding OCPFA Juvenile Justice Center Facility Lease Revenue Refunding Bonds, Series 2002, fund a Reserve Fund, and pay costs relating to the issuance of the bonds. As of June 30, 2016, the outstanding principal amount, including the premium of the Series 2012 Bonds, and remaining interest were \$17,576 and \$1,452, respectively.

The bonds are special obligations of the SOCPFA payable solely from and secured by the base rental payments to be made by the County pursuant to a lease, dated as of April 1, 2012, between the SOCPFA and the County,

Revenue Bonds Payable and Certificates of Participation (Continued)

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

and other amounts held by the trustee in the funds and accounts established under the indenture (other than the rebate fund), except as otherwise provided in the indenture.

Lease Revenue Bonds, Series 2006

On October 19, 2006, the OCPFA issued its \$32,700 Lease Revenue Bonds, Series 2006 (Series 2006 Bonds) at a premium of \$2,140. The Lease Revenue Bonds, payable through June 2018, were issued to finance the construction of a cogeneration conversion project at the County's Central Utility Facility, fund a debt service reserve fund for the bonds, and pay costs relating to the issuance of the bonds. As of June 30, 2016, the outstanding principal amount, including the premium of the Series 2006 Bonds, and remaining interest were \$8,574 and \$591, respectively.

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

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

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

On May 11, 2000, a cash tender offer of certain outstanding Pension Obligation Bonds was completed. The County purchased and canceled \$288,290 (maturity value) of Pension Obligation Bonds for a cost of \$179,016. On June 22, 2000, the debt service on the outstanding Pension Obligation Bonds was provided for through the deposit with the trustee of \$175,492 principal amount of "AAA" rated debt securities issued by Fannie Mae, along with \$9,151 in debt service funds already being held by the trustee. In accordance with irrevocable instructions, these securities, together with other cash amounts and investments held by the trustee, will be used solely to retire the remaining Pension Obligation Bonds as they mature. Because this was an economic defeasance and not a legal defeasance, this debt will be reported in the County's financial statements until it is fully redeemed. As of June 30, 2016, the outstanding principal amounts for the Series 1996A and 1997A Pension Bonds were \$5,071 and \$14,069, respectively and the interest accretion balances were \$19,951 and \$48,430, respectively. The unaccreted interest amounts for the Series 1996A and 1997A Pension Bonds were \$1,034 and \$14,106, respectively.

Airport Revenue Bonds, Series 2009A and 2009B

On July 9, 2009, the Airport issued the Airport Revenue Bonds, Series 2009A and 2009B (2009A and 2009B Bonds) in the aggregate principal amount of \$233,115, with an original issue net premium of \$288 and interest rates ranging from 3.00% to 5.75%. The 2009A and 2009B Bonds were issued to finance a portion of the Airport Improvement Program (AIP), fund the debt service requirement for the bonds, fund capitalized interest on a portion of the bonds and pay costs relating to the issuance of the bonds. The AIP consists of numerous direct improvements to the Airport facilities such as the construction of the new Terminal C, Parking Structure C and two new commuter/regional holdrooms at the north and south ends of the extended Terminal. For the year ended June 30, 2016, the total interest expense incurred and the amount included as part of the cost of capital assets under construction were \$9,975 and \$870, respectively. As of June 30, 2016, the outstanding principal amount, including net discount, of the 2009A and 2009B Bonds were \$59,664 and \$135,463, respectively. The interest expense of the 2009A and 2009B Bonds for the year ended June 30, 2016 were \$3,094 and \$7,085, respectively, including accrued interest of \$1,547 and \$3,543, respectively.

Revenue Bonds Payable and Certificates of Participation (Continued)

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

The 2009A and 2009B Bonds are secured by a pledge of (1) operating revenues, net of specified operating expenses, (2) interest earnings, (3) other miscellaneous revenue, and (4) available PFC revenue. The 2009A and 2009B Bonds are payable through July 2039. For each fiscal year, the pledged net operating revenues are expected to be a minimum of 125% of the aggregate debt service requirement over the life of the bonds. For the year ended June 30, 2016, the total principal and interest paid and total net revenues were \$17,543 and \$60,828, respectively. The total net revenues include \$11,197 available PFC revenue for the year ended June 30, 2016.

Advance Refunding

In prior years, various bonds, COPs and other obligations have been advance refunded. These obligations are considered defeased, and the long-term debt liability has been removed from the related governmental funds and enterprise funds. As of June 30, 2016, \$9,780 of legally defeased debt remains outstanding.

Fiscal Year 2015-16 Debt Obligation Activity

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

Central Utility Facility Lease Revenue Bonds, Series 2016

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

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

Teeter Plan Notes

On February 1, 2013, the County issued its three-year tax exempt Teeter Plan Notes, Series B with Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Bank, National Association, under the Note Purchase and Reimbursement Agreement. The Teeter Plan Notes are authorized for a total amount of \$150,000, and certain delinquent taxes (excluding penalties and interest) are pledged revenues for the Teeter Plan Notes. The rate for the Teeter Plan Notes will be based on the weekly Securities Industry and Financial Markets Association (SIFMA) index plus 0.58%. All of the Teeter Plan Notes will be issued within three years of February 1, 2013, with a maturity date of January 29, 2016. The total amount of the notes issued on February 1, 2013 was \$57,935, which reflects the issuance of the Teeter Plan Notes and the establishment of a Cost of Issuance Fund in the amount of \$188. As of July 1, 2015, the outstanding balance was \$33,823.

On July 15, 2015, the County issued an additional \$30,542 in Teeter Plan Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan, leaving an outstanding balance of \$64,365. Proceeds of this issuance paid the participating agencies in the Teeter Plan the full amount of their taxes from the secured property tax roll.

Fiscal Year 2015-16 Debt Obligation Activity (Continued)

Teeter Plan Notes (Continued)

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

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

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

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

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

Description	Balance July 1, 2015	Issuances and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2016	Amounts Due within One Year
Governmental Activities:						
Orange County Public Financing Authority Lease Revenue Refunding Bonds, Series 2005 Date Issued: August 16, 2005 to Refund and Defease the 1996 Recovery Certificates of Participation - Series 1996A Interest Rate: 3.00% to 5.75% Original Amount: \$419,755 FY 2015-16 Principal and Interest: \$24,453 FY 2015-16 Total Pledged Revenues: \$44,418 Maturing in installments through July 1, 2017	\$ 70,388	\$ (1,892)	\$	\$ (21,790)	\$ 46,706	\$ 40,668
Orange County Public Facilities Corporation, Refunding Certificates of Participation (Civic Center Parking Facilities Project)Date Issued: August 1, 1991 - Current Interest Rate Bonds (CIB) and Capital Appreciation Bonds (CAB) to Refund the 1987 COPs Bond Issue Interest Rate: CIB - 4.40% to 6.75% Interest Rate: CIB - 4.40% to 7.05% Original Amount: CIB - \$24,495 Original Amount: CIB - \$24,495 Original Amount: CAB - \$9,084FY 2015-16 Principal and Interest: \$2,603 FY 2015-16 Total Pledged Revenues: \$2,470 Maturing in Installments Through December 1, 2018 Interest Accretion on CAB	1,744 7,036		 630	(482) (2,121)	1,262 5,545	451 2,157
South Orange County Public Financing Authority Juvenile Justice Center Facility Lease Revenue Refunding Bonds - Series 2012 Date Issued: April 25, 2012 to refund the 2002 Juvenile Justice Center Bonds issue Interest Rate: 1.00% to 5.00% Original Amount: \$34,380 FY 2015-16 Principal and Interest: \$5,826 FY 2015-16 Total Pledged Revenues: \$5,557 Maturing in installments through June 1, 2019	22,946	(450)		(4,920)	17,576	5,683
South Orange County Public Financing Authority Central Utility Facility Lease Revenue Bonds. Series 2016 Date Issued: June 2, 2016 Interest Rate: 3.00% to 5.00% Original Amount: \$56,565 FY 2015-16 Principal and Interest: \$0 FY 2015-16 Total Pledged Revenues: \$5,557 Maturing in installments through April 1, 2036		68,289			68,289	2,264
Orange County Public Financing Authority Lease Revenue Bonds, Series 2006 Date Issued: October 19, 2006 Interest Rate: 4.00% to 5.00% Original Amount: \$32,700 FY 2015-16 Principal and Interest: \$4,202 FY 2015-16 Total Pledged Revenues: \$44,418 Maturing in installments through June 1, 2018	12,546	(342)	. .	(3,630)	8,574	4,178

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

Description	Balance	Issuances and Discount/ Balance Premium Accreted uly 1, 2015 Amortization Interest Retirements		Retirements	Balance June 30, 2016	Amounts Due within One Year
			intereet			
<u>County of Orange</u> <u>Taxable Refunding Pension</u> Obligation Bonds - Series 1996 A:						
Date Issued: June 1, 1996 - Current Interest Rate Bonds (CIB)						
Date Issued: June 12, 1996 - Capital Appreciation Bonds (CAB) To Refund the Taxable POBs Series 1994 B Interest Rate: CIB - 7.47% to 7.72%						
Interest Rate: CAB - 8.09% to 8.26% Original Amount: CIB - \$81,680 Original Amount: CAB - \$40,000						
Maturing in installments through September 1, 2010 (CIB) and September 1, 2016 (CAB) Interest Accretion on CAB	\$ 11,015 39,010	\$ 	\$ 3,056	\$ (5,944) (22,115)	\$	\$
<u>County of Orange</u> <u>Taxable Refunding Pension</u> Obligation Bonds - Series 1997 A:						
Date Issued: January 1, 1997 - Current Interest Rate Bonds (CIB) Date Issued: January 14, 1997 - Capital Appreciation Bonds (CAB)						
To Refund the Taxable POBs Series 1994 A Interest Rate: CIB - 5.71% to 7.36% Interest Rate: CAB - 7.33% to 7.96% Original Amount: CIB - \$71,605						
Original Amount: CAB - \$65,318 Maturing in installments through September 1, 2010 (CIB) and September 1, 2021 (CAB) Interest Accretion on CAB	16,212 50,257		5.026	(2,143) (6,853)	14,069 48,430	2,849 10,214
County of Orange	50,257		5,020	(0,855)	40,430	10,214
Teeter Plan Notes Date of Original Issuance: February 1, 2013 Interest Rate: SIFMA Index + 0.58% Original Amount: \$57,935	33,823	30,542		(64,365)		
Maturing on January 29, 2016	00,020	00,012		(01,000)		
Date of Issuance: January 29, 2016 Interest Rate: SIFMA Index + 0.58% Original Amount: \$40,387		40,387		(10,196)	30,191	
Maturing on July 31, 2018 Subtotal - Governmental Activities	264,977	136,534	8,712	(144,559)	265,664	94,519
Business-Type Activities		,		(11,000)		
Airport Revenue Bonds - Series 2009A and 2009B:						
Date Issued: July 9, 2009 Interest Rate: 3.00% to 5.75% Original Amount: \$233,115 FY 2015-16 Principal and Interest: \$17,543 FY 2015-16 Total Pledged Revenues: \$60,828		(22.1)		(7.005)	405 407	7.050
Maturing in Installments Through July 1, 2039	202,536	(204)		(7,205)	195,127	7,656
Subtotal - Business-Type Activities	202,536	(204)		(7,205)	195,127	7,656
Total	\$ 467,513	\$ 136,330	\$ 8,712	\$ (151,764)	\$ 460,791	\$ 102,175

Schedule of Long-Term Debt Service Requirements to Maturity

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

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

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

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

Changes in Long-Term Liabilities (Continued)

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

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

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

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

Compensated Employee Absences

The estimated compensated employee absences payable for governmental activities recorded at June 30, 2016 is \$184,948. Employees are entitled to be paid annual leave, compensated time, and in some cases vacation and sick time depending on job classification, length of service, and other factors. For the governmental funds, most of the compensated absences liability will ultimately be paid from the General Fund.

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

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

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

the Board awarded the construction contract for the SARI Yorba Linda Spur in the amount of \$7,210, and the Board awarded the construction contract for the SARI Mainline in the amount of \$42,000 in August 2011. In February 2013, construction of the SARI Yorba Linda Spur was completed and the total amount paid to the contractor was \$7,067. Construction of the SARI Mainline was completed on August 17, 2015 and the total amount paid to the contractor was \$38,511. As of June 30, 2016, the total outstanding loan principal was \$28,022.

Special Assessment District Bonds

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

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

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

The County is acting as an agent of the assessment and community facilities districts in collecting the assessments and special taxes, forwarding the collections to other paying agents or directly to bondholders, and initiating any necessary foreclosure proceedings. Because of the County's limited obligation in connection with special assessment district and community facilities district debt, related transactions are reflected in Agency Departmental Funds. Major capital outlay expenditures relating to these bonds are accounted for in the "Service Areas, Lighting Maintenance and Assessment Districts" Special Revenue Fund. Special assessment district and community facilities of June 30, 2016, amounted to \$428,295.

11. CONDUIT DEBT OBLIGATIONS AND SUCCESSOR AGENCY DEBT

Single and Multi-Family Housing Bonds

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

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

The bonds do not constitute a liability of the County. Neither the County, the State of California, nor any political subdivisions thereof is obligated in any manner for the repayment of the bonds. In no event shall the bonds be payable out of any funds or properties of the County. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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

Single and Multi-Family Housing Bonds (Continued)

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

Orange County Development Agency (OCDA) Successor Agency Bond Debt

On December 29, 2011, the California Supreme Court issued an opinion in California Redevelopment Association (CRA) v. Matosantos, upholding the constitutionality of ABX1 26, eliminating Redevelopment Agencies (RDA) statewide effective February 1, 2012. Under ABX1 26, a successor agency was created for each dissolved RDA, including OCDA, and charged with winding down the dissolved RDA's operations and performing enforceable obligations (as defined in the law). The OCDA Successor Agency assumed the dissolved RDA's enforceable obligations, which include bond debt obligations. The FY 2015-16 Neighborhood Development and Preservation Project (NDAPP) and Santa Ana Heights Project (SAHP) Refunding Bonds debt service obligations appeared on the OCDA Successor Agency Recognized Obligation Payment Schedule (ROPS) and were approved by the Successor Agency Oversight Board, the State Department of Finance, and were paid to bondholders according to the debt service schedule.

Effective with OCDA's dissolution on February 1, 2012, the assets and liabilities (including bond debt) were transferred to and reported in a private-purpose trust fund of the County. This transfer and reporting structure reflect the custodial role accepted by the successor agency. As of June 30, 2016, the outstanding principal amount, including the premium of the OCDA Successor Agency bonds and remaining interest were \$30,041 and \$4,668, respectively.

The bonds do not constitute a liability of the County. Neither the County, the State of California, nor any political subdivisions thereof is obligated in any manner for the repayment of the bonds. In no event shall the bonds be payable out of any funds or properties of the County. Accordingly, the bonds are reported as liabilities in the private-purpose trust fund.

12. <u>LEASES</u>

Operating Leases

The County is committed under various operating leases, primarily for office buildings, office equipment and other equipment. The following is a schedule of future minimum payments required under operating leases entered into by the County that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2016:

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

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

12. LEASES (Continued)

Capital Leases

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

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

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

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

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

13. LANDFILL SITE CLOSURE AND POSTCLOSURE CARE COSTS

State laws and regulations require OCWR to place final covers on its landfill sites when the landfills stop accepting waste and perform certain postclosure maintenance and monitoring functions at the site for a minimum of 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date each respective landfill stops accepting waste, OCWR will report a portion of these closure and postclosure care costs as an operating expense in each period based on the landfill capacity used as of each Statement of Net Position date.

OCWR owns or operates the following waste disposal sites:

- Frank R. Bowerman (FRB) (Irvine Active)
- Olinda Alpha (Brea Active)
- Prima Deshecha (San Juan Capistrano Active)
- Santiago Canyon (Orange Ceased accepting waste in 1996, final closure certification in 2005)
- Coyote Canyon (Newport Beach Ceased accepting waste in 1990, final closure certification in 1995)

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

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

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

In compliance with Title 27 – Environmental Protection of California Code of Regulations, OCWR makes annual cash contributions to its escrow funds to provide financial assurance for estimated future landfill closure costs based on the GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", formula. Also in compliance with regulations, OCWR has executed pledge of revenue agreements to provide financial assurance for estimated future landfill postclosure costs. The agreements state that OCWR pledges revenue from future gate fees deposited to pay for estimated postclosure maintenance or shall obtain alternative coverage within sixty (60) days if OCWR ceases at any time to retain control of its ability to allocate pledged revenue to pay postclosure maintenance costs. OCWR has proactively pre-funded this cost based on the State mandated formula that computes landfill capacity as a percentage of the total landfill capacity times the total estimated cost for postclosure maintenance. The estimated costs for future closure and postclosure maintenance are annually adjusted based on State provided inflation factors. The State mandated formula under which contributions to both closure and postclosure funds are calculated would provide for the accumulation of sufficient cash to cover all estimated costs when each landfill site reaches maximum capacity. If additional costs for closure or postclosure maintenance are determined due to changes in technology or higher regulatory requirements, these costs may need to be covered by increasing the amount charged to landfill customers.

As of June 30, 2016, a total of \$90,848 has been set aside for estimated closure and postclosure costs and is included in the accompanying Proprietary Funds Statement of Net Position as Restricted Pooled Cash/Investments – Closure and Postclosure Care Costs.

Regulations governing solid waste management are promulgated by government agencies on the federal, state and local levels. These regulations address the design, construction, operation, maintenance, closure and postclosure maintenance of various types of facilities, acceptable and prohibited waste types, and inspection, permitting, environmental monitoring and solid waste recycling requirements. Regulations at both the state and federal levels could impose retroactive liability, particularly with respect to cleanup activities relating to any landfill site ever operated by the County, whether or not owned by the County. Refer to Note 16, Pollution Remediation, for additional discussion regarding pollution remediation liabilities.

14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Encumbrances

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

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

14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments

At June 30, 2016, the County's total commitments for major contracts entered into for equipment, land, and structures and improvements were as follows, listed by fund within governmental or business-type activities:

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

In addition, the County is involved in the Santa Ana River Mainstem Project (SARMP). The SARMP is a major flood control project implemented and funded by the Federal government and three local sponsors – the Orange County Flood Control District (OCFCD), San Bernardino County Flood Control District, and Riverside County Flood Control and Water Conservation District. A component of the initial project has been re-designated as the Prado Dam Project (Project), which is being implemented and funded by the Federal Government and the

14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments (Continued)

OCFCD through a separate Project Cooperation Agreement (PCA). The purpose of the SARMP is to prevent the devastating damage caused by large-scale flooding of the Santa Ana River flood plain. When the SARMP was initiated in 1989, the U.S. Army Corps of Engineers (COE) considered this flood plain to constitute the worst flood threat west of the Mississippi River as to impacts to the population and property. The Project involves a combination of flood channel improvements and constructing new channels in Orange, San Bernardino, and Riverside counties, construction of the Seven Oaks Dam in San Bernardino County, construction of improvements and protection at the Santiago retention basin and along the creek, raising the existing Prado Dam and increasing its flood flow outlet gates and reservoir capacity, along with several environmental mitigation related studies, habitat restoration and protection activities, recreation amenities, and preservation of historical sites and records.

The COE's estimated combined cost of all project components is \$2,371,000. OCFCD's combined cost share is estimated to be \$786,633 for the entire Santa Ana River Project. As of June 30, 2016, the OCFCD has expended about \$610,014 on the entire Santa Ana River Project.

The construction of Seven Oaks Dam and most channel improvements in Riverside, San Bernardino, and Orange counties have been completed. The relocation and protection of State Route (SR) 71 adjacent to Prado Dam (a joint OCFCD and Caltrans project) and construction to raise the Prado Dam embankments and install new outlet gates is complete. Landscaping along the Santa Ana River in Orange County was completed in May 2010. Design for the construction of interior dikes in the Prado Dam reservoir, and for improvements and protection of SR-91 in the Santa Ana River canyon are also underway. The COE completed construction of National Housing Tract Dike and Sewage Treatment Plant in 2008. Landscaping for these dikes began in September 2009 and were completed in June 2011. Several environmental mitigation studies and restoration/preservation projects are underway in all three counties. All property right acquisitions for the Seven Oaks Dam and along the lower Santa Ana River in Orange County up to Weir Canyon Road are completed. The escrow for purchase of the Green River Golf Course was closed on September 29, 2006. This property is required for construction of protection along SR-91 and nearby mobile homes, open space/recreation mitigation, and to accommodate increased flooding when the Prado Dam outlet gates are constructed and operational. The first phase of SR-91 protection (Reach 9 Phase 2B Project) was completed in September 2014. The second phase (Reach 9 Phase 3) started construction in January 2014 and was completed in March 2015. As continuation to the ongoing Reach 9 Project, the COE determined that bank improvements needed to continue east on the south side of the Santa Ana River along SR-91. As such, the Reach 9 Phase 4 Project was developed and the project was awarded on April 13, 2016 at an estimated cost of \$15,300. Completion of the Reach 9, Phase 4 Project is expected to occur in October 2018. The COE is also constructing bank improvements on the north side of the Santa Ana River adjacent to La Palma Avenue from Weir Canyon Road to the railroad (Reach 9 Phase 5A and Phase 5B). Phase 5A was awarded on September 28, 2015 at a cost of \$22,500 and is expected to be completed in December 2017. The construction contract for Phase 5B was awarded in September 2016 with an estimated cost of \$25,500 and expected to be completed in August 2019. The OCFCD awarded the construction contract on August 9, 2011 for the four miles of Santa Ana River Interceptor Line (SARI) relocation project, which was completed by August 2014. Phase I of the Auxiliary Embankment (an extension of Prado Dam) was completed in September 2012 and the earliest date for construction of Phase II would be September 2017. As an alternative, the COE may elect to make Phase II part of the contract awarded to construct the Prado Dam Spillway, which is planned for some time in the year 2020. A contract for the construction of the Yorba-Slaughter Adobe Dike was awarded in December of 2012 at a cost of \$6,000 and is expected to be completed in December 2016. The Women's Prison Dike (to protect the California Institute of Women) was awarded September 2014 for \$12,700 and is expected to be completed in February 2017 with a \$3,400 modification which was awarded in August 2015. The OCFCD continues to acquire property rights for the Prado Dam Project, subject to the availability of funding.

The project has been authorized by the State Legislature for reimbursement of up to 70% of the Local Sponsors' expenses through the State Flood Control Subvention Fund, which is administered by the Department of Water Resources (DWR). As of June 30, 2016, OCFCD has submitted \$400,122 in claims, and received \$369,641 in reimbursements. An additional \$11,680 in claims is in the process of being prepared for submittal to the DWR.

14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments (Continued)

Of the total amount outstanding, \$15,252 was accrued as revenue, and \$19,121 was reported as deferred inflows of resources at the fund level and recognized as revenue in the government-wide financial statements. Once a claim is reviewed and approved by DWR, 90% of the eligible expenditures can be paid, subject to available funding, with the remaining 10% paid after an audit by the State Controller's Office.

15. SELF-INSURANCE

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; unemployment; salary continuance; and providing health benefits to employees, retirees and their dependents. The County has chosen to establish Internal Service Funds (ISFs) where assets are set aside for claim settlements and judgments associated with such losses.

The Workers' Compensation ISF addresses the risks related to employee injury through its Safety Program, which is responsible for injury and illness prevention. The Workers' Compensation Program ensures that all benefits are properly provided and administers the contract for the third party workers' compensation claims administration. Workers' compensation claims are self-funded up to \$20,000.

The Property and Casualty Risk ISF is responsible for managing losses related to torts; theft of, damage to and destruction of assets, errors and omissions, civil rights claims, and natural disasters. Tort liability is also self-funded, up to \$5,000. Commercial insurance is purchased for property and other risk exposures. Excess liability insurance provides up to an additional \$100,000 in liability coverage. In the past three fiscal years, there were no losses that impacted the County's excess insurance coverage.

Independent actuarial studies are prepared annually for the Workers' Compensation and Property and Casualty Risk ISFs. The reported unpaid claims liabilities are based on the results of those annual actuarial studies and include case reserves, development of known claims, incurred but not reported claims, allocated loss adjustment expenses and unallocated loss adjustment expenses. Unpaid claims liabilities are calculated considering inflation, claims cost trends, including frequency and payout of settlements and judgments, interest earnings, and changes in legal and economic factors. Unpaid claims liabilities have been discounted at a rate of 3.50% in the Workers' Compensation ISF and 2.50% in the Property and Casualty Risk ISF to reflect anticipated future investment earnings.

All County departments and other governmental agencies authorized by the Board to participate in the Workers' Compensation ISF are charged for their pro rata share of costs based upon employee classification rates, claims experience, and funding for the Workers' Compensation program. All County departments participate in the Property and Casualty Risk self-insurance program and are charged for their pro rata share based upon claims experience, actual number of positions from a biweekly County payroll report, and funding for the Property and Casualty Risk program. The rate calculations for Workers' Compensation and Property and Casualty Risk ISFs are based upon guidelines established by the State Controller's Office for cost plan allocations.

The County has established: the Unemployment Insurance ISF, which covers all employees and is paid through the State of California; the County self-insured PPO Health Plans ISF, which provides health plan benefits; and the Health and Other Self-Insured Benefits ISF, which provides dental and short-term disability benefits for a portion of the County's employees and accidental death and dismemberment (AD&D) benefit for Reserve Deputy Sheriffs.

The County's Wellwise Choice, Wellwise Retiree, Sharewell Choice, and Sharewell Retiree plans have no lifetime coverage maximums. The dental insurance coverage is up to \$1,500 annually (absolute dollars) for each covered employee or dependent. The short-term disability insurance coverage is up to 12 months or when

15. SELF-INSURANCE (Continued)

the employee returns to work, whichever occurs first. Unemployment benefits covered by law is up to 26 weeks per individual or when the employee returns to work or no longer meets the requirements for the benefit. The self-insured AD&D benefit is for Reserve Deputy Sheriffs only and has a maximum benefit of \$5,000 (absolute dollars).

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

			Pi	roperty &			Hea	Ith & Other	
	1	Workers'	C	Casualty	Un	employment	Sel	f- Insured	
	Cor	mpensation		Risk		Insurance	E	mployee	 Total
Unpaid Claims, Beginning of FY 2014-15	\$	150,741	\$	39,248	\$	783	\$	12,327	\$ 203,099
Claims and Changes in Estimates		40,937		14,392		1,112		58,850	115,291
Claim Payments		(36,104)		(14,349)		(943)		(59,417)	 (110,813)
Unpaid Claims, End of FY 2014-15		155,574		39,291		952		11,760	207,577
Claims and Changes in Estimates		42,149		16,521		796		60,528	119,994
Claim Payments		(38,033)		(9,792)		(940)		(59,310)	 (108,075)
Unpaid Claims, End of FY 2015-16	\$	159,690	\$	46,020	\$	808	\$	12,978	\$ 219,496

16. POLLUTION REMEDIATION

GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," requires state and local governments to provide the public with better information about the financial impact of environmental cleanup and identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation. The County has identified several environmental sites at John Wayne Airport (JWA) and OC Waste and Recycling (OCWR) for which a pollution remediation liability has been recorded in the County's financial statements. The following describes the nature of the obligating events, and the estimated liability as they relate to JWA and OCWR.

John Wayne Airport (JWA)

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

In 2008, the sites were sampled as part of an assessment and the results revealed that the soil and groundwater were still impacted by chemical pollutants. In an effort to increase the removal of the chemicals, JWA's environmental consultant reevaluated the sites and recommended a change to the remediation plan. The consultant calculated the new estimated pollution remediation liability based on a more active method of remediation that includes remedial technologies such as soil vapor extraction, dual phasing sparging, and bioremediation.

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

In 1995, JWA entered into Memorandum of Understanding (MOU) with one of its fixed-base operator (FBO) lessees to address the remediation of the Old Fuel Farm. The FBO was identified as the operator of the site

16. POLLUTION REMEDIATION (Continued)

John Wayne Airport (JWA) (Continued)

and the other responsible party. The lessee agreed to be obligated to pay 50% of the remediation costs associated with the Old Fuel Farm site. Reported in the Statement of Net Position – Proprietary Funds as part of accounts receivable, the total expected recovery for the Old Fuel Farm site is \$261 as of June 30, 2016.

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

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

Orange County Waste and Recycling (OCWR)

Five closed sites were identified. The remediation costs and time periods were calculated for each of these sites based upon the type of remediation needed and historical trend data for closed landfill sites. The combined pollution remediation obligation ending balance as of June 30, 2016, after deducting actual pollution remediation expenses incurred, is \$11,190.

<u>Cannery Former Refuse Disposal Station</u> A park owned by the City of Huntington Beach (City) and an elementary school playground are located on a site that was formerly used as a refuse disposal station operated by the County from 1957 to 1969. Levels of methane gas that exceed regulatory limits were detected on the property. The Local Enforcement Agency (LEA) issued a Notice and Order to the City requiring the City to remedy the landfill gas exceedances and to control potential offsite migration of landfill gases. In response to the LEA's Notice and Order, the City and the Huntington Beach City School District (School District) issued the Notices of Intent to sue under the Resource Conservative and Recovery Act, and the Comprehensive Environmental Response, Compensation, and Liability Act to the County in 2004. The City's and School District's claims were tolled until June 2006 under a tolling agreement with the County. The City, County and School District entered into a Settlement Agreement in 2007, whereby the City would be responsible for maintaining the cover of the former disposal site and the County would assume responsibility for the collection and control of landfill gas.

Based on engineering estimates and existing contracts for the operation and maintenance of other disposal sites of a similar size, the age of the site, the length of time that the wastes have been buried, and other factors, the County anticipates that the landfill gas collection system will operate fully for 15 years.

The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is \$44.

Lane Road Former Refuse Disposal Station The site located in the City of Irvine and owned by NGP Realty Sub, L.P. and others, was leased and operated by the County as a refuse disposal facility from 1961 until its closure in 1964. An investigation revealed that landfill gas is present above regulatory limits in close proximity to residential housing units. The LEA issued a Notice and Order to the property owners requiring them to remedy the landfill gas exceedances and to control potential offsite migration of landfill gases. In response to the LEA's Notice and Order, a claim was filed with CEO Risk Management. The County entered into a Settlement Agreement with the property owners in 2005. Per terms of that Settlement Agreement, the County funded the construction of a landfill gas collection and control system, including a carbon treatment element, for the eastern portion of the site. After verification that the system was operating as planned, the County assumed ownership of the system and responsibility for its operation, maintenance and monitoring in 2008. Also in 2008, it was discovered that landfill gas was elevated in the northern portion of the site. Pursuant to the Settlement Agreement, the County designed and constructed an upgrade and enhancement to the existing landfill gas system to control landfill gas migration on the northern portion of the site.

16. POLLUTION REMEDIATION (Continued)

Orange County Waste and Recycling (OCWR) (Continued)

Lane Road Former Refuse Disposal Station (Continued)

Based on engineering estimates and existing contracts for the operation and maintenance of other similar disposal sites, the County anticipates that the landfill gas collection system will operate fully for 25 years, then will most likely either be inactive or be converted to a passive system. The cost for the operation, maintenance and monitoring of the system was highest in the first full year of operation when the carbon canisters needed more regular replacement. The cost to operate and maintain the landfill gas collection system at the site for the next year of operation is \$310.

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

<u>San Joaquin Former Refuse Disposal Station</u> The site, owned by the University of California at Irvine, was leased and operated by the County as a refuse disposal facility from 1954 to 1961. In 1996, a portion of the site was sold to the United States Food and Drug Administration. Levels of methane gas that exceed regulatory limits were detected on the property. As both parties expressed an interest in avoiding costly litigation, the County entered into negotiations to cooperatively address site concerns, resulting in a Cooperative Agreement with the University that was approved by the Board in May 2005. Pursuant to the Cooperative Agreement, the County constructed a landfill gas collection and control system including a carbon treatment element.

The County retains responsibility for the operation, maintenance, and monitoring of that system. Based on engineering estimates and existing contracts for the operation and maintenance of similar disposal sites, the County anticipates that the landfill gas collection system will operate fully for 15 years. The cost to operate and maintain the landfill gas collection system at the site for the next year of operation is \$135.

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

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

DTSC requested that the County enter into a Voluntary Cleanup Agreement with DTSC. In lieu of entering into a Voluntary Cleanup Agreement, the County conducted a series of additional site investigations and assessments. Based on the findings of the site investigations, the YMCA is performing required methane monitoring. The County reimburses the YMCA for the costs associated with the monitoring efforts and are accrued as estimable at June 30, 2016.

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

The County will continue to attempt to work with the property owner to ensure that the property is maintained and monitored in a manner that is consistent with the former use of the property as a municipal solid waste disposal facility.

16. POLLUTION REMEDIATION (Continued)

Orange County Waste and Recycling (OCWR) (Continued)

<u>Forster Former Refuse Disposal Station</u> The site, located in the City of San Juan Capistrano, was formerly leased and operated as a refuse disposal station by the County from 1958 to 1976. The current owner, Advanced Group 99-SJ, proposed a change in land use for the property and has notified the County of its position that the County was responsible for re-closure of the site to meet current commercial and redevelopment requirements. The County disputed responsibility for site development related costs. In early 2010, the City of San Juan Capistrano approved the proposed project and certified the Environmental Impact Report (EIR). The EIR was a subject of a citizen's referendum that ultimately resulted in affirmation of the proposed project. Subsequent to the City approval of the proposed development plan, Advanced Group 99-SJ and the County entered into negotiations to resolve issues related to environmental responsibility at the site. These negotiations resulted in a settlement agreement and release of claims, brought about by a threat of litigation over the California Environmental paid by the County for environmental controls to be installed at the site, an operation and maintenance fund and for environmental insurance, subject to conditions such as obtaining grading permits for the site for its actual development. In exchange, indemnification and environmental releases were provided by the developer to the County.

Total obligation by the County for environmental infrastructure and controls at the site as agreed upon in the Settlement Agreement is \$7,500. The entire sum is expected to be released within a five year period, but is dependent upon actions by the owner and regulatory approvals for the project. As of June 30, 2016, the County has not released payment. The County will continue to incur additional costs for work related to the County's current obligation to monitor the groundwater underlying the site. This responsibility will be transferred to the site owner upon completion of one of the settlement agreement milestones. But due to the uncertainty of specific timing, the County is unable to fully estimate the remaining ground water obligations.

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

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

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

17. <u>RETIREMENT PLANS</u>

Orange County Employees Retirement System (OCERS)

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

The OCERS Board supervises the investment of OCERS assets and the distribution of benefits to retired employees. The OCERS Board also determines the annual contributions required of the County and other participating local governmental entities to fund OCERS.

Orange County Employees Retirement System (OCERS) (Continued)

Plan Description (Continued)

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

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

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

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

Effective July 1, 2005, as part of collective bargaining agreements with County employees, most General Members who work for the County of Orange (approximately 14,000) became eligible for an enhanced annual annuity equal to a retirement benefit formula of 2.7% of the member's "final compensation" for each year of service rendered at age 55. In collective bargaining agreements with General Members, the employee associations agreed to pay the increased retirement costs related to the difference between the prior retirement benefit formulas and the new 2.7% at age 55 enhanced formula, as well as the annual amortization of the unfunded liability created by the retroactive application of the increased benefit. Members of the American Federation of State, County and Municipal Employees (AFSCME) did not elect the 2.7% at age 55 retirement formula and remain at the previous benefit formulas. The benefit formulas for AFSCME are an annual annuity equal to 2% of the "final compensation" for each year of service rendered at age 57 for Tier I General members and 1.667% of the member's "final compensation" for each year of service rendered at age 57.5 for Tier II General members. Due to the passage of the Public Employees' Pension Reform Act (PEPRA) of 2013, most new employees hired on or after January 1, 2013, except for Safety members and members represented by AFSCME and the Orange County Attorneys Association (OCAA), will receive an annual annuity equal to a retirement benefit formula of 1.62% of the member's "final compensation" for each year of service rendered at age 65. The 1.62% at age 65 retirement formula includes a voluntary defined contribution component with an employer match.

Non-vested Supplemental Targeted Additional Retiree Cost of Living Adjustment (STAR COLA) benefits are also paid by OCERS to eligible retirees and survivors. Pursuant to Government Code Section 31874.3 of the Retirement Law, the OCERS Board has the sole authority to grant STAR COLA each year. The OCERS Board

Orange County Employees Retirement System (OCERS) (Continued)

Benefits Provided (Continued)

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

Retirees who have lost more than 20% of their purchasing power since retirement are eligible for this benefit, and currently, approximately 346 retirees (of which 337 are County retirees) who retired before April 1, 1980, and their survivors receive the STAR COLA. The STAR COLA benefits are excluded from the actuarial valuation and are funded annually through current employer contributions. Benefits are considered immaterial to the plan.

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

Employer contributions are based on what is needed to properly fund the system. The law, however, does allow employers and employees to negotiate some variation in who pays the contributions. OCERS' responsibility is to make certain the total required contribution is paid, regardless of how the employers and employees share the cost. For FY 2015-16, employer's contributions, as a percentage of covered payrolls, were 37.02% for General members, 56.35% for Safety-Law Enforcement members and 40.70% for Safety-Probation members, as determined by the December 31, 2013, actuarial valuation.

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

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

	 rred Outflows of Resources	De	ferred 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.

Orange County Employees Retirement System (OCERS) (Continued)

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

The County reported the full amount of prepaid pension contribution as a part of the prepaid cost at the fund level. However, due to the difference in the County's fiscal year end date and the net pension liability measurement date, half of the prepaid pension contribution of \$178,459 is recognized as deferred outflows of resources, and the other half will remain as a prepaid cost on the government-wide statement.

In September 1994, the County issued \$320,000 of pension obligation bonds, of which \$318,000 in proceeds were paid to OCERS. OCERS maintains the proceeds in a County Investment Account. Amounts in the County Investment Account have been used to fund a portion of the County's contributions over time, pursuant to agreements between OCERS and the County, which allows the County significant discretion in applying the credit. As of June 30, 2016, \$111,639 of such proceeds remains in the County Investment Account available for future credits to the County's pension obligations. For the year ended June 30, 2016, the County did not utilize funds available in the County Investment Account to meet its annual required contribution. The County's total contribution to OCERS for the year ended June 30, 2016 was \$384,133.

On January 13, 2016, the County issued its short-term Taxable Pension Obligation Bonds, 2016 Series A in the amount of \$334,275. Of the \$334,275 bond proceeds, \$333,811 was combined with \$23,106 in contributions from certain County agencies and departments to prepay the estimated FY 2016-17 actuarially required contribution related to both the amortization of the UAAL and the normal annual contribution to OCERS. In return, the County received a 5.80% discount or \$20,701 on the required employer contribution amount. The discount, combined with the interest and issuance costs, resulted in a net savings of \$16,236 to the County. Refer to Note 3, Deposits and Investments, and Note 9, Short-term Obligations, for additional information.

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

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

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

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

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.25% investment return assumption used in this accounting valuation is net of investment expenses. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. The difference is not material to the County's financial statements.

Orange County Employees Retirement System (OCERS) (Continued)

Discount Rate (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage adding expected inflation and deducting expected investment expenses and a risk margin.

The target allocation (approved by the OCERS Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

		Long-Term Expected
Asset class	Target Allocation	Real Rate of Return
Large Cap U.S. Equity	14.90%	5.92%
Small/Mid Cap U.S. Equity	2.73%	6.49%
Developed International Equity	10.88%	6.90%
Emerging International Equity	6.49%	8.34%
Core Bonds	10.00%	0.73%
Global Bonds	2.00%	0.30%
Emerging Market Debt	3.00%	4.00%
Real Estate	10.00%	4.96%
Diversified Credit (US Credit)	8.00%	4.97%
Diversified Credit (Non-US Credit)	2.00%	6.76%
Hedge Funds	7.00%	4.13%
Global Tactical Asset Allocation	7.00%	4.22%
Real Return	10.00%	5.86%
Private Equity	6.00%	9.60%
Total	100.00%	

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.25%)	(7.25%)	(8.25%)
County's proportionate share of the net pension liability	\$6,172,769	\$4,391,967	\$2,926,682

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

County Administered Pension Plans

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

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

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

County Administered Pension Plans (Continued)

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

Plan Description (Continued)

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

On September 12, 2012, the Governor signed the PEPRA of 2013. PEPRA created a new pension retirement formula, commonly referred to as 2% at 62 retirement formula, for all new non-safety public employees hired on or after January 1, 2013. PEPRA also allowed a public employer to continue to offer another retirement formula, if offered before December 31, 2012, to new public employees if the retirement formula has a lower benefit factor at normal retirement age and results in a lower normal cost than the 2% at 62 PEPRA retirement formula. On December 18, 2012, the Board approved and adopted the 1.62% at 65 retirement formula for certain general (non-safety) public employees hired on or after January 1, 2013.

The Board has the authority to amend the plan. The plan is intended to comply with the requirements of Internal Revenue Code (IRC) Section 401(a) and is intended for retirement. Matching employer contributions are determined by the County and approved by the Board, as stipulated in the Participants' bargaining units Memorandum of Understanding (MOU) or Personnel and Salary Resolution, as applicable. Employer contributions vest on employees' behalf after five years of continuous service with the County. For the purposes of eligibility and vesting, year of service means a 12-consecutive-month period during which the employee completes at least 2080 hours of service, exclusive of overtime. If the employee leaves employment with the County prior to the vesting period, the employee will only be entitled to the employee contributions to the plan.

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

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

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

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

County Administered Pension Plans (Continued)

County of Orange 401(a) Defined Contribution Plan

<u>Plan Description</u>: Effective January 1, 1999, as amended and restated on March 24, 2015, the Board established the County 401(a) Plan for the benefit of eligible employees, elected officials, which includes members of the Board, certain executive managers, certain administrative managers once classified as confidential and grandfathered in the plan, attorneys represented by the Orange County Attorney's Association, and certain other employee classifications as defined in the plan document. The Board also has the authority to amend the plan. The plan was closed to the attorneys effective June 24, 2005. The plan was closed to new administrative managers included in the Executive Policy Unit effective June 23, 2006. The plan is intended for retirement and funds may not be withdrawn until participants have separated from the County. The plan benefits for a participant who separates from service with the County or retires on or after the normal retirement date will be dependent upon the accumulated value of individual contributions and investment return. As of June 30, 2016, the plan had 662 participants with a balance in the plan, with 109 participants actively contributing to the plan as of the end of June payroll.

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

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

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

Extra-Help Defined Benefit Plan

<u>Plan Description</u>: The plan is a cost-sharing multiple-employer defined benefit retirement plan for employees working less than half-time or as extra-help for the County and six (6) other cost-sharing agencies. Eligible employees of this plan are not covered by OCERS or Social Security. Initially, the normal retirement benefits for a participant who retired on or after the normal retirement date was a monthly amount equal to one-twelfth of 2% of the participant's career earnings during the final 30 years of credited service. There are no automatic cost-of-living adjustment (COLA) increases and no ad hoc COLAs have ever been granted. The current benefit for a participant who terminates or retires after November 20, 2008 is a lump sum payment, which is equal to the actuarial equivalent of the participant's contribution plus interest earnings. The normal retirement date is the first day of the month coinciding with or immediately preceding a participant's 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. <u>RETIREMENT PLANS (Continued)</u>

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Plan Description (Continued)

greater of the participant's account balance or the present value of their normal retirement benefit. As of June 30, 2016, the plan consists of 42 active plan participants, 225 terminated plan participants entitled to but not yet receiving benefits, and 41 retirees receiving benefits.

The plan financial statements are prepared using the accrual basis of accounting. County contributions are recognized in the period in which contributions are due, pursuant to the plan documentation and as may be required by statutory requirements. The benefits paid to participants and refunds of prior contributions are recognized when due and payable, in accordance with the terms of the plan.

The County charges a benefits administration fee to County agencies, which funds the cost of administering all of the County benefit programs, including the Extra-Help Defined Benefit Retirement Plan. The County Treasurer-Tax Collector charges its normal investment management fee related to the Pension Trust Fund's participation in the County Pool.

<u>Contributions</u>: The County has the authority to determine plan contributions. GASB Statement No. 67 requires the County to have an actuarial valuation performed at least biennially to determine the plan's total pension liability. This valuation is currently performed biennially. The plan's total pension liability was calculated using the data and assets as of July 01, 2015, rolled forward to June 30, 2016 and June 30, 2017 using actual benefit payments for FY 2015-16 and FY 2016-17. In both the 2015 valuation and the 2016 roll forward calculations the actuarial assets are valued at market value. The actuary has determined the County's actuarially determined contribution using the projected unit credit method, which is (a) normal cost, plus (b) 5-year amortization of the UAAL. Further information on the County's net pension liability and contributions can be found in the Required Supplementary Information (RSI) section following the notes to the basic financial statements. Based on the plan actuary's advice, the County determines the amount necessary for contribution to the plan. Since the plan's inception, the County and six (6) cost-sharing agencies have contributed \$5,688. For the year ended June 30, 2016, the County and six (6) cost-sharing agencies contributed the total actuarially determined contribution of \$784, which is equal to normal cost plus 5-year amortization of the UAAL. The County's proportionate share of the contribution was \$769.

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

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

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

<u>Discount Rate</u>: For the year ended June 30, 2016, the annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was 2.22%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The discount rate used to measure the total pension liability was 5.25%, the same as long-term expected rate of return on plan assets.

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Discount Rate (Continued)

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in this accounting valuation is 5.25%.

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions: The components of the collective net pension liability of the County and the six (6) cost-sharing agencies at June 30, 2016 were as follows:

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

the Total Pension Liability

65.89%

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

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

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

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

Year ended June 30:	
2017	\$ 61
2018	61
2019	61
2020	31

County Administered Pension Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

<u>Actuarial Assumptions</u>: The total pension liability based on the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement: (a) 3% inflation, (b) 5.25% investment return, (c) the 417(e) lump sum mortality table used for ERISA-governed plans and the 30-year Treasury rate with a look-back month of November grading into the long-term assumption of 5.0%, and (d) RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020. This plan does not have a salary increase assumption or post-retirement benefit increase assumption as these factors do not impact the benefits of this frozen plan.

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

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

Extra-Help Defined Contribution Plan

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

The plan is intended for retirement and funds may not be withdrawn until participants have separated from the County. The plan benefits for a participant who separates from service with the County or retires on or after the normal retirement date will be dependent upon the accumulated value of individual contributions and investment return.

If a participant's employment status changes from a part-time or extra-help employee to a permanent full-time employee or a part-time employee working 20 hours or more per week, those participants may elect to transfer the balance to the County's Section 457 Defined Contribution Plan or leave the balance in the plan until they are no longer employed with the County.

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

County Administered Pension Plans (Continued)

Extra-Help Defined Contribution Plan (Continued)

Funding Policy (Continued)

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

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

Condensed Financial Statements

In lieu of separately issued financial statements for the County administered retirement funds, condensed financial statements are presented below as of and for the year ended June 30, 2016:

Statement of Fiduciary Net Position

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

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

County Administered Pension Plans (Continued)

Condensed Financial Statements (Continued)

Statement of Changes in Fiduciary

Net Position	 Total	D	tra-Help refined Benefit Plan	fined Defined Defined F enefit Contribution Contribution 40		Defined Contribution		Defined Defined ontribution Contribution		R0 401	62% at 65 etirement, (a) Defined ribution Plan
Contributions to Pension Trust:											
Employer	\$ 2,511	\$	784	\$		\$	991	\$	736		
Employee	951				951						
Other Revenues	7		7								
Interest and Investment Income	317		123		158		19		17		
Less: Investment Expense	(28)		(4)		(8)		(14)		(2)		
Total Additions	 3,758		910		1,101		996		751		
Deductions:											
Benefits Paid to Participants	2,507		428		1,339		740				
Total Deductions	 2,507		428		1,339		740				
Change in Net Position for											
Employees's Retirement	1,251		482		(238)		256		751		
Net Position at July 1, 2015	 27,261		5,117		7,597		14,005		542		
Net Position at June 30, 2016	\$ 28,512	\$	5,599	\$	7,359	\$	14,261	\$	1,293		

18. POSTEMPLOYMENT HEALTH CARE BENEFITS

County of Orange Retiree Medical Plan

<u>Plan Description</u>: The County of Orange Third Amended Retiree Medical Plan (the Retiree Medical Plan) is a single employer defined benefit OPEB plan, intended to assist career employees in maintaining health insurance coverage following retirement from County service. The Retiree Medical Plan was established by the Board. The Board is also the authority for amending the Retiree Medical Plan. The Retiree Medical Plan is not required by the Retirement Law – the statute governing County employee retirement benefits. Eligible retired County employees receive a monthly grant (the Grant), which helps offset the cost of monthly County-offered health plans and/or Medicare A and/or B premiums. The Retiree Medical Plan specifically states that it does not create any vested right to the benefits.

In order to be eligible to receive the Grant upon retirement, the employee must have completed at least 10 years of continuous County service (although exceptions for disability retirements exist), be enrolled in a County sponsored health plan and/or Medicare, qualify as a retiree as defined by the Retiree Medical Plan and be able to receive a monthly benefit payment from OCERS. To qualify as a retiree as defined by the Retiree Medical Plan, the employee upon retirement must be at least 50 years of age or have at least 20 years of service for a safety member of OCERS or at least 30 years of service for a general member of OCERS.

The monthly Grant amount is determined by a formula that multiplies a base number by the number of years of qualifying County employment up to a maximum of 25 years. The base number for calendar year 2015 was \$21.13 (absolute dollars) per year of County service, and the maximum base monthly Grant was \$528.25 (absolute dollars). The base number for calendar year 2016 is \$21.45 (absolute dollars) per year of County

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.

County of Orange Retiree Medical Plan (Continued)

Plan Description (Continued)

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

<u>Funding Policy</u>: The County implemented an employer contribution in an amount equal to the Annual Required Contribution (ARC) for the affected labor groups except AOCDS. In order to more adequately fund benefits under the Retiree Medical Plan, on June 19, 2007, the Board adopted the County of Orange Retiree Medical Trust (Trust) effective July 2, 2007. The Trust is an Internal Revenue Code section 115 trust for which the County Chief Financial Officer is the Trustee. In addition, OCERS has established an Internal Revenue Code section 401(h) account to invest monies and acts as Trustee for the 401(h) account which is used to pay the Grant. OCERS issues a Comprehensive Annual Financial Report (CAFR) for each year ending on December 31, which includes the Retiree Medical Trust. OCERS' CAFR can be obtained online at <u>www.ocers.org</u>, by written request to the Orange County Employees Retirement System, 2223 Wellington Avenue, Santa Ana, CA 92701, or by calling (714) 558-6200.

The County is currently setting aside contributions of 0.4% for AFSCME, 0.4% for OCAA, 3.3% for AOCDS, 6.9% for law enforcement management, 3.9% for the Probation Department safety personnel, and 4.0% of payroll for all other labor groups, which is the ARC for those groups. Additionally, effective July 10, 2015, contributions by employees represented by AOCDS and ACLEM hired before April 4, 2009 were reduced from 2.6% to 1.6% of base, while employees hired on or after April 4, 2009 were reduced from 1% to 0%.

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

<u>Actuarial Methods and Assumptions</u>: The County contracts with an outside actuarial consultant to prepare a biennial actuarial valuation in conformance with GASB Statement No. 45. The County received a June 30, 2015 valuation for FY 2015-16, 2016-17 and 2017-18 for the Retiree Medical Plan (the Report). Among the actuarial methods and assumptions used in the Report are:

- The entry age normal actuarial cost method
- Closed period amortization of the June 30, 2008 UAAL over 29 years as a level percentage of payroll (21 years remaining as of June 30, 2016)
- A 7.25% long-term expected rate of return on funds held in the Trusts
- A 3.50% per annum payroll increase assumption
- A 3.00% per annum general inflation rate assumption
- The assumed annual increases in the monthly Grant of 3% for non-AFSCME employees and 5% for AFSCME employees. The healthcare trend was assumed to be greater than or equal to the annual increase to the Grant through 2021 and beyond. Therefore, healthcare trend rates have little impact on the projected benefits and the UAAL due to the 3% (or 5% for AFSCME) cap on Grant annual increases.
- There are an estimated 26,218 participants in the plan of which 17,925 are employees, 25 are deferred retirees, and 8,268 are retirees.

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

County of Orange Retiree Medical Plan (Continued)

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

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

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

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

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

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

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

The preceding noted actuarial accrued liability was based on the June 30, 2015 actuarial valuation. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial valuations contained in the report involve estimates of the values of reported amounts and assumptions about the probability of events far into the future and will be subject to continual revision as they reflect a long-term perspective. Assumptions used in the report also include techniques designed to reduce short-term volatility in AAL and the actuarial value of assets. Current estimates of the funded status and trend information about the funding progress and the employer contributions are presented in the Required Supplementary Information section following the notes to the basic financial statements.

County of Orange Health Reimbursement Arrangement (HRA)

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

On June 24, 2008, the Board approved the County of Orange Health Reimbursement Arrangement (HRA) Plan Document. The HRA Plan is not required by the Retirement Law. The plan is intended to fund the reimbursement accounts of eligible employees on a pre-tax basis and reimburse the eligible unreimbursed and substantiated qualified medical expenses of retired participants.

On March 10, 2009, the Board approved the restructuring of the Retiree Medical Plan and establishment of a Defined Contribution Plan HRA for employees represented by ACLEM effective June 19, 2009. The HRA replaces the Retiree Medical Plan for new employees, and supplements the current ACLEM employees' frozen service hour accruals for the Grant.

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

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

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

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

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

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

Funding Policy (Continued)

ICMA Retirement Corporation serves on behalf of the County as the third party administrator of the HRA. Contributions to the HRA Plan default to the age-appropriate target-date fund upon initial enrollment. Once enrolled, HRA participants may self-direct the investment of plan contributions into any of a number of eligible investment options offered under the HRA. As of June 30, 2016, the value of HRA assets was \$78,286.

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

Condensed Financial Statements

In lieu of separately issued financial statements for the County administered postemployment health care benefit trust funds, condensed financial statements are presented below as of and for the year ended June 30, 2016:

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

Statement of Changes in Fiduciary Net Position

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

Retiree Medical Plan

Health

19. CONTINGENCIES

Estimated Liability for Litigation and Claims

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

Sales and Use Taxes

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

20. SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2016:

<u>Teeter Plan Notes</u>: On July 13, 2016, the County issued an additional \$31,536 in Teeter Plan Series B Notes to finance the purchase of the delinquent property tax receivables associated with the Teeter Plan, leaving an outstanding balance of \$61,727. Proceeds of this issuance paid the participating agencies in the Teeter Plan the full amount of their taxes from the secured property tax roll. For additional information regarding the Teeter Plan Series B Notes, refer to Note 10, Long-Term Obligations.

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

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

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

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

20. SUBSEQUENT EVENTS (Continued)

Investment Policy Statement (Continued)

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



Main St, Huntington Beach



Required Supplementary Information (Dollar Amounts in Thousands)

Orange County Extra-Help Defined Benefit Plan

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

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

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

Schedule of Investment Returns

	2016	2015	2014
Actual money-weighted rate of return, net of			
investment expense	2.22%	0.35%	0.26%

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

Orange County Extra-Help Defined Benefit Plan (Continued)

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

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

Schedule of Collective Plan Contributions

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

Schedule of County Contributions

	 2016	 2015	 2014
Actuarially determined contribution	\$ 769	\$ 413	\$ 421
Contributions in relation to the actuarially determined contribution	769	413	421
Contribution deficiency (excess)	\$ 	\$ 	\$
Covered employee payroll	\$ 1,747	\$ 1,829	\$ 1,876
Contributions as a percentage of covered - employee payroll	44.02%	22.58%	22.44%

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

Orange County Extra-Help Defined Benefit Plan (Continued)

Notes to Schedule

Valuation date	July 01, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, open
Remaining amortization period	5 years
Asset valuation method	Market Value
Inflation	3.00%
Salary increases	n/a
Investment rate of return	5.25%, net of investment expenses
Retirement age	100% retirement at age 65
Participation assumption	100%
Mortality	RP-2000 Combined Healthy Mortality Table projected with Scale BB to 2020
Actuarial Equivalence for Lump Sums – Mortality	417(e) lump sum table
Actuarial Equivalence for Lump Sums – Interest Rate	30-year Treasury rate with look-back month of November, current rates grading into 5% long-term assumption

Orange County Employees Retirement System (OCERS)

Schedule of County's Proportionate Share of the Net Pension Liability (1)

	 2016	2015	2014		
County's proportion of the net pension liability	76.83%	76.68%		74.20%	
County's proportionate share of the net pension liability	\$ 4,391,967	\$ 3,897,223	\$	3,925,919	
Covered-employee payroll ⁽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 lan Assets (a)	ActuarialUnfundedAccruedActuarialLiabilityAccrued Liability(AAL)(UAAL)(b)(b-a=c)		ed Actuarial Annual ity Accrued Liability Funded Covered _) (UAAL) Ratio Payroll				
2011 2013 2015	\$ 116,804 155,702 217,556	\$ 528,639 573,763 614,500	\$	411,835 418,061 396,944	22.1% 27.1% 35.4%	\$	1,273,636 1,217,052 1,188,727	32.3% 34.4% 33.4%

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





Welfare Building, 1970



NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources (other than the permanent fund or for major capital projects) that have either legal or operational requirements to restrict expenditures for specified purposes.

Parking Facilities

This fund is used to account for revenues and expenditures related to parking facilities. This includes costs to lease parking spaces for County staff, costs and revenue from the Manchester and Hall of Administration lots, interest revenue, and the County's operating and maintenance costs.

Service Areas, Lighting, Maintenance and Assessment Districts

This group of funds is used to account for the construction of public facilities from the proceeds of various Mello-Roos districts (also known as Community Facilities Districts) bond issues, special assessment district bond issues, and interfund transfers from County Service Area operating funds. Upon completion of construction, the public facilities are transferred to the Special Assessment and Community Facilities Districts. It is also used to account for local park and recreation facilities, highway lighting, and street sweeping services within unincorporated areas of the County. Revenues consist primarily of property taxes and state grants.

Other Environmental Management

This group of funds is used to account for Local Redevelopment Authority (LRA) activities, fees from violations of fish and game laws, usage of various state tidelands held in trust by the County, registration of off-highway vehicles, and motor vehicle fees levied by the South Coast Air Quality Management District.

Tobacco Settlement

This fund accounts for tobacco settlement monies allocated to the County from the State of California, pursuant to the Master Settlement Agreement concluded on November 23, 1998 between the major tobacco companies and 46 states (including California), the District of Columbia and four U.S. Territories. On November 7, 2000, Orange County voters passed Measure H. This measure requires the County to utilize its share of the national tobacco litigation settlement revenues in the following percentages:

- 80% for specified health care services
- 20% for public safety

Community and Welfare Services

This group of funds is used to account for the Orange County Workforce Investment Act, Welfare-to-Work, Shelter Care Facilities, In Home Supportive Services, Housing and Community Development, Substance Abuse Treatment, and Other Community and Welfare Social Programs. Revenues consist primarily of Federal grants passed through the State, as well as State grants.

OC Parks

This fund accounts for the development and maintenance of County tidelands and related aquatic recreational facilities, as well as the acquisition, operation and maintenance of County beaches, inland, regional park facilities and community park sites in the unincorporated areas. Revenues consist primarily of property taxes, state aid, lease and concession revenues, and park and recreation fees.

OC Dana Point Harbor

This fund accounts for monies received primarily through rent and concession revenues which are dedicated to providing public coastal access, environmental stewardship, and a diverse regional recreational facility so all users and visitors may experience the unique Dana Point Harbor resource in a safe and enjoyable way.

Housing Asset

The Orange County Development Agency (OCDA) was dissolved effective February 1, 2012 in accordance with Health and Safety Code 34172. The Orange County Housing Authority assumed the housing functions

previously performed by OCDA. The Housing Asset Fund was established and the housing assets from the OCDA Low and Moderate Income Housing Fund were transferred into the Fund.

Schedule I County-Administered Accounts

These funds are used to account for the portion of the 1996 Recovery Certificates of Participation which were used to reimburse certain County-administered accounts for their allocated share of the Orange County Investment Pool loss, in accordance with the County's Modified Second Amended Plan of Adjustment ("Plan of Adjustment"), Exhibit 8 - "Schedule I - County-Administered Accounts." In addition, on February 2, 2000, the Bankruptcy Court ordered a segregation of litigation proceeds to ensure indemnification of the representative, Tom Hayes, and others pursuant to the plan, to pay future expenses, fees, and charges incurred by the representative, and to pay litigation costs. The residual balances in these funds were distributed in FY 2015-16.

OC Public Libraries

This fund accounts for library services for the unincorporated areas as well as some of the incorporated areas within the County. Property taxes provide most of the fund's revenue and licenses, permits, federal and state aid, and charges for services provide the remaining revenue.

Plan of Adjustment Available Cash

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

Health Care Programs

This group of funds is used to account for Board-approved Realignment Reserves for Health Care, Medi-Cal Mental Health Managed Care programs, Medi-Cal Administrative Activities and Targeted Case Management, Bioterrorism Preparedness grant funds, Emergency Medical Services allocations, and other purpose-restricted revenues related to health care programs. Revenues consist primarily of State grants and allocations, and Federal grants passed through the State.

<u>Roads</u>

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

Orange County Housing Authority

This fund is used to account for revenues received from the Federal Government for Section 8 Rental Assistance Program expenditures. This program assists low-income families to obtain decent, safe and sanitary housing through a system of rental subsidies.

Other Governmental Resources

This group of funds is used to account for fees charged for property characteristics information that are purpose-restricted for technological and capital acquisitions and/or improvements.

NONMAJOR GOVERNMENTAL FUNDS (Continued) DEBT SERVICE FUNDS

These funds are used to account for the accumulation and disbursement of taxes and other revenues for the periodic payment of principal and interest on general long-term debt that includes general obligation, revenue, and demand bond issues.

Teeter Plan Notes

This fund accounts for the financing of the County's purchase of delinquent taxes receivable pursuant to the Teeter Plan. The Teeter Plan is an alternate secured property tax distribution plan, whereby, the County distributes 100% of the local secured levy to the taxing agencies participating in the Teeter Plan and in exchange receives the right to keep the delinquent taxes, penalties and interest.

Orange County Public Facilities Corporation Bonds, Master Lease

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

Pension Obligation Bonds

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

South OC Public Financing Authority

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

Orange County Public Financing Authority

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

CAPITAL PROJECTS FUNDS

These funds are used to account for the acquisition and construction of major capital facilities (other than those financed by the proprietary funds).

Criminal Justice Facilities

This group of funds is used to account for monies received from surcharges and penalty assessments on offenses used for capital improvements to court and other criminal justice facilities.

Countywide Capital Projects Non-General Fund

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

PERMANENT FUND

A Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Regional Park Endowment

This fund is used to account for costs associated with the repair and maintenance of a mitigation area in Limestone Regional Park.



COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

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

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

COMBINING BALANCE SHEET (Continued) NONMAJOR GOVERNMENTAL FUNDS

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

LIABILITIES

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

Special 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
									AGETS
\$	11,205 3,559	\$	1,194 	\$ 30,716 25	\$	 3,154	\$	107 100,493	Pooled Cash/Investments Restricted Cash and Investments with Trustee
				 					Investments Deposits In-Lieu of Cash Receivables
	497			 17,854					Accounts Taxes
	18		1	62					Interest/Dividends
	(69)								Deposits Allowance for Uncollectible Receivables
	270								Due from Other Funds
	772								Due from Other Governmental Agencies
	1,403								Prepaid Costs
\$	2,055 19,710	\$	1,195	\$ 48,657	\$	3,154	\$	100,600	Notes Receivable, Net Total Assets
									LIABILITIES
\$	725	\$		\$	\$		\$		Accounts Payable
									Retainage payable
	441			 24					Salaries and Employee Benefits Payable Interest Payable
									Deposits from Others
	1,669			1				2	Due to Other Funds
									Due to Component Unit
	1								Due to Other Governmental Agencies
									Unearned Revenue Advances from Other Funds
	2,836			25				2	Total Liabilities
									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 27,697		3,154		100,598 	Restricted 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	
ASSETS	South OC Public Financing Authority		Orange County Public Financing Authority		Criminal Justice Facilities		Countywide Capital Projects Non-General Fund		Regional Park Endowment	
Pooled Cash/Investments	\$		\$		\$	13,841	\$	29,258	\$	336
Restricted Cash and Investments with Trustee		63,994		55,564						
Investments										
Deposits In-Lieu of Cash Receivables										
Accounts										
Taxes										
Interest/Dividends						21				1
Deposits										
Allowance for Uncollectible Receivables										
Due from Other Funds						6,099		5,405		
Due from Other Governmental Agencies						420				
Prepaid Costs										
Notes Receivable, Net										
Total Assets	\$	63,994	\$	55,564	\$	20,381	\$	34,663	\$	337
LIABILITIES										
Accounts Payable	\$		\$		\$	1,381	\$	3,034	\$	
Retainage payable						330				
Salaries and Employee Benefits Payable										
Interest Payable										
Deposits from Others										
Due to Other Funds		3,050				340		16		
Due to Component Unit										

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



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

8	Other Environmental Management \$ 429 537 549 216 1,731
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 Intergovernmental 354,620 1,457 88,704 Charges for Services 52,077 303 29 Other 34,747 41 4 Total Revenues 627,597 13,528 89,790 Expenditures	429 537 549 216
Licenses, Permits, and Franchises 1,985 Fines, Forfeitures and Penalties 12,459 Use of Money and Property 57,012 11,727 464 Intergovernmental 354,620 1,457 88,704 Charges for Services 52,077 303 29 Other 34,747 41 4 Total Revenues 627,597 13,528 89,790 Expenditures Current 2,525 Public Protection 2,525 Public Vays and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Debt Service - - Principal Retirement 113,484	429 537 549 216
Fines, Forfeitures and Penalties 12,459 Use of Money and Property 57,012 11,727 464 Intergovernmental 354,620 1,457 88,704 Charges for Services 52,077 303 29 Other 34,747 41 4 Total Revenues 627,597 13,528 89,790 Expenditures 627,597 13,528 89,790 Current 627,597 13,528 89,790 Public Protection 2,525 Public Protection 2,525 Public Vays and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 - Recreation and Cultural Services 100,381 Debt Service Principal Retirement 113,484 Interest 35,578	537 549 216
Use of Money and Property 57,012 11,727 464 Intergovernmental 354,620 1,457 88,704 Charges for Services 52,077 303 29 Other 34,747 41 4 Total Revenues 627,597 13,528 89,790 Expenditures 627,597 13,528 89,790 Current 85,385 57,342 Public Protection 2,525 Public Protection 2,525 Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 - Recreation and Cultural Services 100,381 Debt Service Principal Retirement 113,484 Interest 35,578	537 549 216
Intergovernmental 354,620 1,457 88,704 Charges for Services 52,077 303 29 Other 34,747 41 4 Total Revenues 627,597 13,528 89,790 Expenditures 627,597 13,528 89,790 627,342 Current 85,385 57,342 Public Protection 2,525 Public Protection 2,525 Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Debt Service Principal Retirement 113,484 Interest 35,578	537 549 216
Charges for Services 52,077 303 29 Other 34,747 41 4 Total Revenues 627,597 13,528 89,790 Expenditures 627,597 13,528 89,790 Current 85,385 57,342 Public Protection 2,525 Public Protection 2,525 Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Debt Service Principal Retirement 113,484 Interest 35,578	549 216
Other 34,747 41 4 Total Revenues 627,597 13,528 89,790 Expenditures 627,597 13,528 89,790 Current 85,385 57,342 Public Protection 2,525 Public Vays and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Debt Service Principal Retirement 113,484 Interest 35,578	216
Total Revenues 627,597 13,528 89,790 Expenditures Current 627,597 13,528 89,790 Expenditures Current 85,385 57,342 Public Protection 2,525 Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Debt Service Principal Retirement 113,484 Interest 35,578	
ExpendituresCurrentGeneral Government85,38557,342Public Protection2,525Public Ways and Facilities92,3487,574184Health and Sanitation1,103Public Assistance180,386Education43,928Recreation and Cultural Services100,381Capital Outlay62,583Debt ServiceInterest35,578	1,731
Current 85,385 57,342 Public Protection 2,525 Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Debt Service Principal Retirement 113,484 Interest 35,578	
General Government 85,385 57,342 Public Protection 2,525 Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	
Public Protection 2,525 Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	
Public Ways and Facilities 92,348 7,574 184 Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	91
Health and Sanitation 1,103 Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	99
Public Assistance 180,386 Education 43,928 Recreation and Cultural Services 100,381 Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	188
Education 43,928 Recreation and Cultural Services 100,381 Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	
Recreation and Cultural Services 100,381 Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	
Capital Outlay 62,583 Debt Service Principal Retirement 113,484 Interest 35,578	
Debt Service 113,484 Principal Retirement 113,484 Interest 35,578	
Principal Retirement 113,484 Interest 35,578	72
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 \$	3, .20

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

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

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

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

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

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



	Original Budget		Final Budget	Actual on Budgetary Basis	F	′ariance Positive legative)
Parking Facilities						
Revenues and Other Financing Sources						
Use of Money and Property	\$ 2,983	3	\$ 6,567	\$ 5,830	\$	(737)
Charges for Services	3,779	9	235	303		68
Other	16		16	41		25
Total Revenues and Other Financing Sources	6,778	3	6,818	6,174		(644)
Expenditures and Other Financing Uses						
Public Ways and Facilities:	0.770		0.040	E 0.55		000
Parking Facilities Total Expenditures and Other Financing Uses	6,778		6,818 6,818	<u> </u>		963 963
Excess (Deficit) of Revenues and Other Financing	0,110	<u> </u>	0,010	0,000	·	500
Sources Over Expenditures and Other Financing Uses	-	-		319	\$	319
Fund Balances - Beginning of Year	1,292		1,292	1,292		
Net Decrease in Fund Balances - Non-Budgeted Fund		1)	(774)	(774)		
Fund Balances - End of Year	\$ 518	3	\$ 518	\$ 837		
Service Area, Lighting, Maintenance and Assessment Districts						
Revenues and Other Financing Sources	•		•		<u>^</u>	
Taxes	\$ 569		\$ 569	\$ 589	\$	20
Use of Money and Property	10		16 4	310 4		294
Intergovernmental Charges for Services	29		4 29	4 29		
Other	98		98	4		(94)
Premiums on Bonds Issued				5,803		5,803
Bond Issuance Proceeds	-	-	85,000	82,896		(2,104)
Total Revenues and Other Financing Sources	710)	85,716	89,635		3,919
Expenditures and Other Financing Uses						
General Government:		-				
Special Assessment-Top of the World Improvement	55		55			55
CFD 2002-1 Ladera Construction	-		741	741		
CFD 2004-1 Ladera Construction	2	-	1,441	1,437		4
CFD 2015-1 RMV (Village of Esencia) Construction Public Ways and Facilities:		-	85,000	55,163		29,837
North Tustin Landscaping and Lighting Assessment District	2,996	3	2,996	136		2,860
County Service Area No. 13- La Mirada	2,000		2,000	9		2,000
County Service Area No. 20- La Habra	200		200	1		199
County Service Area No. 22- East Yorba Linda	105		120	39		81
Total Expenditures and Other Financing Uses	3,378	3	90,571	57,526		33,045
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(2,668	3)	(4,855)	32,109	\$	36,964
					<u> </u>	
Fund Balances - Beginning of Year Fund Balances - End of Year	<u>5,100</u> \$ 2,432		<u>5,100</u> \$ 245	<u>5,100</u> \$ 37,209	-	
	ψ 2,432	<u> </u>	ψ 243	φ 57,209		
<u>Other Environmental Management</u> Revenues and Other Financing Sources						
Use of Money and Property	\$ 399	9	\$ 399	\$ 418	\$	19
Intergovernmental	249		249	537		288
Charges for Services	75		75	549		474
Other Total Revenues and Other Financing Sources	169 892		169 892	216 1,720		47 828
Expenditures and Other Financing Uses General Government:						
Real Estate Development Program	419	3	1,129	41		1,088
Air Quality Improvement	358		603	122		481
Public Protection:	000	-		122		
Survey Monument Preservation	331	1	331	100		231
Public Ways and Facilities: El Toro Improvement Fund	335	5	335	188		147
Total Expenditures and Other Financing Uses	1,443		2,398	451		1,947
Excess (Deficit) of Revenues and Other Financing		<u> </u>	2,000			1,0-1
Sources Over Expenditures and Other Financing Uses	(551	1)	(1,506)	1,269	\$	2,775
Fund Balances - Beginning of Year	3,427	7	3,427	3,427		
Fund Balances - End of Year	\$ 2,876		\$ 1,921	\$ 4,696	•	
	Ψ 2,070	<u> </u>	Ψ 1,0 ∠ 1	т ,590		

	Orig	jinal Budget	<u> </u>	Final Budget	Actual on Budgetary Basis		Variance Positive (Negative)
Tobacco Settlement							
Revenues and Other Financing Sources Other	¢	25 709	¢	25,708	\$ 25,946	\$	220
Total Revenues and Other Financing Sources	\$	25,708 25,708	\$	25,708	\$ 25,946 25,946	<u> </u>	238 238
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 Use of Money and Property	\$	1,100	\$	1,100	\$ 757	\$	(343)
Intergovernmental		822 41,431		822 41,431	1,093 29,754		271 (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:		4 540		4 540	40		4 405
MHSA Housing Fund OC Animal Care Donations		1,513		1,513 30	18		1,495 30
Dispute Resolution Program		1,167		1,120	 661		459
Domestic Violence Program		1,319		1,319	785		534
Facilities Development and Maintenance		12,343		12,343	394		11,949
Workforce Investment Act		23,297		22,918	14,729		8,189
County Executive Office- Single Family Housing		11,795		5,330	3,806		1,524
OC Housing		7,884		7,884	4,606		3,278
Strategic Priority Affordable Housing In-Home Support Services Public Authority		143 1,723		143 1,723	52 1,427		91 296
SSA Donations and Fees		1,723		1,248	831		417
SSA Wraparound		28,982		29,067	19,937		9,130
CalHome Program Reuse Fund		655		655	27		628
OC Animal Shelter Fund				5,000	2,853		2,147
SARC Lease Conveyance		330		330	329		1
Total Expenditures and Other Financing Uses Excess (Deficit) of Revenues and Other Financing		92,399		90,623	50,455		40,168
Sources Over Expenditures and Other Financing Uses		(23,874)		(23,533)	4,918	\$	28,451
Fund Balances - Beginning of Year		95,997		95,997	95,997	_	
Fund Balances - End of Year	\$	72,123	\$	72,464	\$ 100,915	=	
OC Parks							
Revenues and Other Financing Sources Taxes	\$	62,668	\$	62,668	\$ 66,366	\$	3,698
Licenses, Permits, and Franchises	φ	205	φ	205	φ 00,300 412	φ	207
Fines, Forfeitures and Penalties		10		10	47		37
Use of Money and Property Intergovernmental		9,576 6,496		9,576 6,496	11,025 3,209		1,449 (3,287)
Charges for Services		7,019		7,019	9,240		2,221
Other		1,305		1,305	1,384		79
Transfers In Total Revenues and Other Financing Sources		14,535 101,814		<u>19,310</u> 106,589	<u>19,310</u> 110,993		4,404
Expenditures and Other Financing Sources							
Recreation and Cultural Services: County Tidelands - Newport Bay		6,272		6,272	4,159		2,113
OC Parks		6,272 94,398		98,398	4,159 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		82 714		83,711	00 714		
Fund Balances - Beginning of Year Fund Balances - End of Year	\$	83,711 58,279	\$	52,897	<u>83,711</u> \$ 91,957	-	
	Ψ	50,210		02,001	- 01,001	=	

	Origi	nal Budget		Final Budget		ictual on jetary Basis	I	/ariance Positive Vegative)
OC Dana Point Harbor								
Revenues and Other Financing Sources								
Licenses, Permits, and Franchises Fines, Forfeitures and Penalties	\$	10	\$	10	\$	10	\$	
Use of Money and Property		113 24,183		113 24,183		254 25,734		141 1,551
Intergovernmental		24,103		24,105		23,734		1,551
Charges for Services		745		745		1,021		276
Other		82		82		82		
Transfers In		300		3,244		2,944		(300)
Total Revenues and Other Financing Sources		25,433		28,377		30,055		1,678
Expenditures and Other Financing Uses Recreation and Cultural Services:								
OC Dana Point Harbor		36,888		36,888		24,568		12,320
Dana Point Marina Department of Boating and Waterways		0.040		0.047		0.045		000
Emergency Repair Fund		3,243		3,247		2,945		302
Total Expenditures and Other Financing Uses		40,131	· —	40,135		27,513		12,622
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(14,698)		(11,758)		2,542	\$	14,300
Fund Balances - Beginning of Year		62,591		62,591		62.591		
Fund Balances - End of Year	\$	47,893	\$	50,833	\$	65,133		
	<u> </u>	41,000	· -	00,000	Ψ	00,100		
Housing Asset								
Revenues and Other Financing Sources	•	000	•	000	•	000	•	04
Use of Money and Property	\$	208	\$	208	\$	239	\$	31
Other Total Revenues and Other Financing Sources		95 303		<u>95</u> 303		<u>121</u> 360		<u>26</u> 57
-		000						
Expenditures and Other Financing Uses Public Assistance:								
Orange County Development Agency Housing Asset		6,911		6.911		576		(6,335)
Total Expenditures and Other Financing Uses		6.911		6.911		576		(6,335)
Excess (Deficit) of Revenues and Other Financing		0,911		0,911		570		(0,333)
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					•	10	•	(2)
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		
	<u> </u>		-					

	Origi	nal Budget		Final Budget		octual on getary Basis		Variance Positive Negative)
OC Public Libraries								
Revenues and Other Financing Sources								
Taxes	\$	43,104	\$	43,104	\$	47,725	\$	4,621
Licenses, Permits, and Franchises		186		186				(186)
Fines, Forfeitures and Penalties		19		19		8		(11)
Use of Money and Property		166		166		305		139
Intergovernmental		562		562		439		(123)
Charges for Services		1,064		1,064		1,197		133
Other Transfers In		633		633 1,550		654		21
Total Revenues and Other Financing Sources		1,550 47,284	_	47,284		1,550 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	•		•	00	•		•	
Use of Money and Property Other	\$	20	\$	20	\$	34	\$	14
Other Transfers In		3,274		11,509		2,344 11,222		2,344 (287)
Total Revenues and Other Financing Sources		3,274		11,509		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	\$	20,010	\$	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	Ŧ	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 Delegander Designing of Vers		00.000		00.000		00.000		
Fund Balances - Beginning of Year Fund Balances - End of Year	¢	33,396 32,721	¢	33,396 32,569	¢	<u>33,396</u> 33,857		
	\$	32,121	\$	32,509	\$	33,857		

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

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

BUDGETARY COMPARISON SCHEDULES NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS

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

BUDGETARY COMPARISON SCHEDULE NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUND

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



INTERNAL SERVICE FUNDS

These funds are used to account for the financing of goods or services provided by one County department or agency to other County departments or agencies, or to other governmental entities, on a cost-reimbursement basis.

Health and Other Self-Insured Employee Benefits

These funds are used to account for the County's self-funded health insurance programs, group salary continuance plan, and group dental insurance programs.

Health Maintenance Organization (HMO) Health Insurance

This fund is used to account for the fully insured health plans for the County employees and retirees, the wellness program, and flexible spending accounts.

Life Insurance

This fund is used to account for the County's life insurance and accidental death and dismemberment insurance for employees.

Workers' Compensation

This fund is used to account for the County's self-funded workers' compensation insurance program.

Unemployment Insurance

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

Property and Casualty Risk

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

Transportation

This fund is used to account for motor pool repair and maintenance, and for other transportation services, which are provided to departments and agencies on a cost-reimbursement basis.

Reprographics

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

Information and Technology

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

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

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

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

ASSETS

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

Total Assets

DEFERRED OUTFLOWS OF RESOURCES

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

LIABILITIES

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

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

Total Liabilities

DEFERRED INFLOWS OF RESOURCES

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

NET POSITION

Net Investment in Capital Assets
 Unrestricted
 Total Net Position

COMBINING STATEMENT OF NET POSITION (Continued) INTERNAL SERVICE FUNDS

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



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

	Total		Se	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	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

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



COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

		Total	Se	th and Other elf-Insured byee Benefits	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		(6.040)						
Acquisition of Capital Assets		(6,619)						
Principal Paid on Capital Lease Obligations		(6,900)						
Net Cash Used by Capital and Related Financing Activities		(13,519)						
CASH FLOW FROM INVESTING ACTIVITIES								
Interest on Investments		1,797		266		57		1
Net Cash Provided by Investing Activities		1,797		266		57		1
Net Increase (Decrease) in Cash and Cash Equivalents		16,881		1,860		(1,203)		(29)
Cash and Cash Equivalents - Beginning of Year		214,048		28,574		4,012		151
Cash and Cash Equivalents - End of Year	\$	230,929	\$	30,434	\$	2,809	\$	122
Provided (Used) by Operating Activities Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	\$	(2,849)	\$	(3,530)	\$	(1,610)	\$	(29)
Depreciation		5,783						
Other Revenue		4,908		2,302		381		
(Increases) Decreases In:				_				
Accounts Receivable		(9)		7		16		
Due from Other Funds		74		(700)				
Due from Other Governmental Agencies		(69)		(1)				
Inventory of Materials and Supplies		41						
Prepaid Costs Deferred Outflows of Resources Related to Pension		44 (5,067)						
Increases (Decreases) In:		(5,007)						
Accounts Payable		(5,727)		184				
Retainage Payable		174						
Salaries and Employee Benefits Payable		253						
Due to Other Funds		167						
Due to Other Governmental Agencies								
Insurance Claims Payable		11,919		1,218				
Compensated Employee Absences Payable		10						
Net Pension Liability		5,303						
Deferred Inflows of Resources Related to Pension		647						
Total Adjustments		18,451		3,010		397		
Net Cash Provided (Used) by Operating Activities	\$	15,602	\$	(520)	\$	(1,213)	\$	(29)
Reconciliation of Cash and Cash Equivalents to						—		
Statement of Net Position								
Pooled Cash/Investments	\$	230,786	\$	30,299	\$	2,809	\$	122
Imprest Cash Funds	•	133		125	•			
Restricted Cash and Investments with Trustee		10		10				
Total Cash and Cash Equivalents	\$	230,929	\$	30,434	\$	2,809	\$	122
	Ŷ	200,020	Ť	55,404	Ψ	2,000	Ŷ	

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
\$	(3,890)	\$ (862)	\$ 5,207	Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities Operating Income (Loss)
				Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
				Depreciation
	496	9	1,048	Other Revenue
				(Increases) Decreases In:
			(1)	Accounts Receivable
			279	Due from Other Funds
	(1)		(11)	Due from Other Governmental Agencies
				Inventory of Materials and Supplies
	7		8	Prepaid Costs
	(1,525)		(305)	Deferred Outflows of Resources Related to Pension
				Increases (Decreases) In:
		23	(438)	Accounts Payable
	175			Retainage Payable
	41		8	Salaries and Employee Benefits Payable
	(4)	(1)	43	Due to Other Funds
				Due to Other Governmental Agencies
	4,116	(144)	6,729	Insurance Claims Payable
	31		(3)	Compensated Employee Absences Payable
	1,396		352	Net Pension Liability
·	169		43	Deferred Inflows of Resources Related to Pension
	4,901	(113)	7,752	Total Adjustments
\$	1,011	\$ (975)	\$ 12,959	Net Cash Provided (Used) by Operating Activities
				Reconciliation of Cash and Cash Equivalents to
				Statement of Net Position
\$	74,550	\$ 10,037	\$ 50,953	Pooled Cash/Investments
			5	Imprest Cash Funds
				Restricted Cash and Investments with Trustee
\$	74,550	\$ 10,037	\$ 50,958	Total Cash and Cash Equivalents

COMBINING STATEMENT OF CASH FLOWS (Continued) INTERNAL SERVICE FUNDS

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



FIDUCIARY FUNDS

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

PRIVATE-PURPOSE TRUST FUNDS

Public Administration Trust Funds

These funds are used to account for trust arrangements where the principal and income benefit individuals, private organizations, or other governments. Examples of private-purpose trusts include unidentified funds, unclaimed prisoner funds, and decedents' property held for escheatment.

County of Orange Redevelopment Successor Agency

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

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Extra-Help Defined Benefit Plan

This fund is used to account for the retirement plan for employees working less than half-time or as extrahelp. This retirement plan was closed to new participants as of February 28, 2002. The eligible employees of these plans are not covered by the Orange County Employees Retirement System (OCERS).

Extra-Help Defined Contribution Plan

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

401(a) Defined Contribution Plan

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

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

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

Retiree Medical Plan

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

Health Reimbursement Arrangement Plan

This fund is used to account for the employer contributions to the Health Reimbursement Arrangement (HRA), a defined contribution plan, which was established on June 17, 2008 for eligible employees, including employees represented by the Association of Orange County Deputy Sheriffs and Law Enforcement Management employees as defined in the plan document. The HRA was amended and restated on June 1, 2016 to provide for the transition of the Orange County Attorney's Association to the HRA Plan in July 2016.

AGENCY FUNDS

Unapportioned Tax and Interest Funds

This group of funds is used to account for the collection of property taxes, and later distribution of such taxes, as well as the interest earned on them. Included are taxes collected by the County for other governmental units using the County treasury, as well as governmental units not using the County treasury, such as cities.

Departmental Funds

This group of funds is used by certain County officers to hold various types of cash receipts and deposits in a fiduciary capacity. Disbursements are made from these funds by checks issued by the County Auditor-Controller upon requisition of the responsible officer.

COMBINING STATEMENT OF FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUNDS

	Total		Public Administration Trust Funds		Successor Agency		
ASSETS							
Pooled Cash/Investments Restricted Cash and Investments	\$	54,761	\$	46,644	\$	8,117	
Restricted Investments with Trustee Receivables		4,647				4,647	
Interest/Dividends		186		154		32	
Land and Improvements Held for Resale		133				133	
Total Assets		59,727		46,798		12,929	
DEFERRED OUTFLOWS OF RESOURCES		394				394	
Total Deferred Outflows of Resources		394				394	
LIABILITIES							
Bonds Payable		30,041				30,041	
Interest Payable Due to Other Governmental Agencies		386 350		 348		386 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

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

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

ASSETS

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

NET POSITION

Restricted for Pension and OPEB Benefits Net Position

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

	Total		Extra-Help Defined Benefit Plan		Extra-Help Defined Contribution Plan		401(a) Defined Contribution Plan	
Additions:								
Contributions to Pension and Other								
Employee Benefits Trust:								
Employer	\$	53,860	\$	784	\$		\$	991
Employee		3,261				951		
Other Revenues		7		7				
Interest and Investment Income/(Loss)		(2,023)		123		158		19
Less: Investment Expense		(269)		(4)		(8)		(14)
Total Additions		54,836		910		1,101		996
Deductions:								
Benefits Paid to Participants		34,687		428		1,339		740
Administrative Expense		90						
Total Deductions		34,777		428		1,339		740
Change in Net Position		20,059		482		(238)		256
Net Position, Beginning of Year		312,031		5,117		7,597		14,005
Net Position, End of Year	\$	332,090	\$	5,599	\$	7,359	\$	14,261

Reti 401(a	2%@65 irement, i) Defined pution Plan	Plan 401(ee Medical (Combined 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	apportioned and Interest Funds	Departmental Funds		
ASSETS						
Pooled Cash/Investments	\$	274,484	\$ 134,680	\$	139,804	
Cash/Cash Equivalents		270			270	
Restricted Cash and Investments with Trustee		29,465			29,465	
Investments		1,082			1,082	
Deposits In-Lieu of Cash		19,454			19,454	
Receivables						
Accounts		28			28	
Taxes		340,178	340,178			
Interest/Dividends		9,022	8,632		390	
Allowance For Uncollectible Receivables		(167,621)	(167,620)		(1)	
Due from Other Governmental Agencies		3,266	510		2,756	
Notes Receivable		29,674			29,674	
Total Assets		539,302	 316,380		222,922	
LIABILITIES						
Interest Payable		8,269	8,269			
Deposits from Others		14,505			14,505	
Monies Held for Others		147,095			147,095	
Due to Other Governmental Agencies		61,324	2		61,322	
Unapportioned Taxes		308,109	308,109			
Total Liabilities		539,302	 316,380		222,922	
NET POSITION	\$		\$ 	\$		



COMBINING STATEMENT OF CHANGES ASSETS AND LIABILITIES ALL AGENCY FUNDS

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

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





Dana Point Harbor

STATISTICAL SECTION (UNAUDITED)

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the basic financial statements, notes to the basic financial statements, and required supplementary information to understand and assess a government's economic condition.

Contents		<u>Page</u>
	<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	191
	Revenue Capacity These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	203
	<u>Debt Capacity</u> These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	208
	Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	213
	Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	215

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

	Fiscal Year													
		2015-16		2014-15		2013-14	(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		400		400		105		100		0.4.0				
Regional Park Endowment		193		188		185		183		319				
Unrestricted Total Governmental Activities		(2,979,945)		(2,991,814)		331,408		196,850		37,790				
			•		•		•		•					
Net Position	\$	989,997	\$	881,421	\$	4,324,937	\$	4,085,708	\$	3,927,908				
Business-Type Activities														
Net Investment														
in Capital Assets	\$	663,280	\$	642,427	\$	624,621	\$	587,934	\$	574,982				
Restricted for:	,	,	,	- ,	,	- ,-		,	,	. ,				
Expendable														
Debt Service		8,499		7,324		7,090		58,772						
Passenger Facility Charges		-,		, -		,		,						
Approved Capital Projects		14,705		70,538		62,522		55,331						
Replacements and Renewals		1,000		1,000		1,000		1,000						
Landfill Closure/Postclosure		33,997		33,337		37,412		40,355						
Landfill Corrective Action		8,245		8,174		7,141		6,109						
Wetland		879		879		879		879						
Prima Deshecha/La Pata		010		010		0/0		0/0						
Closure		104		104		104		104						
Airport (2)		104		104		104		104		58,149				
Waste Management ⁽²⁾										82,205				
Unrestricted		465,003		362,546		 384,871		335,122		350,474				
Total Business-Type Activities		400,000		502,540		504,071		555,122		550,474				
Net Position	¢	1,195,712	\$	1 106 200	\$	1 105 640	\$	1 095 606	¢	1 065 910				
iner Position	\$	1,195,71Z	ф	1,126,329	φ	1,125,640	φ	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.

				F	iscal Year					
	2010-11		2009-10		2008-09		2007-08		2006-07	
										Governmental Activities
										Net Investment
\$	2,626,281	\$	2,560,468	\$	2,445,397	\$	2,302,926	\$	2,273,891	in Capital Assets
										Restricted for:
										Expendable
										Other Postemployment
	41,609		43,580		57,322		46,442			Benefits
	107,807									Pension Benefits
	56,219		58,947		85,197		211,426		247,277	Capital Projects
	87,253		76,936		66,515		168,468		155,918	Debt Service
										Legally Segregated
										for Grants and
	1,133,256		1,069,801		1,047,284		990,198		916,563	Other Purposes
										Regional Park Endowment
	0.45				110		400		405	Nonexpendable
	315		154		149		139		125	Regional Park Endowment Unrestricted
	(73,741)		(9,986)		(1,271)		57,812		135,826	Total Governmental Activities
-	0.070.000	•	0 700 000	•	0 700 500	•	0 777 444	•	0 700 000	
\$	3,978,999	\$	3,799,900	\$	3,700,593	\$	3,777,411	\$	3,729,600	Net Position
										Business-Type Activities
										Net Investment
\$	591,664	\$	537,375	\$	493,658	\$	395,227	\$	359,544	in Capital Assets
,	,		,		,	,	,		, -	Restricted for:
										Expendable
										Debt Service
										Passenger Facility Charges
										Approved Capital Projects
										Replacements and Renewals
										Landfill Closure/Postclosure
										Landfill Corrective Action
										Wetland
										Prima Deshecha/La Pata
	50 000		10 005		176 005		210 202		10/ 020	Closure
	50,899 84,070		48,225		176,225		218,293		194,038	Airport
	84,070 313,568		86,943 321,778		284,943		294,068		292,847	Waste Management Unrestricted
	313,000		321,110							Total Business-Type Activities
¢	1 040 204	¢	004 224	\$	054 800	\$	007 500	\$	946 400	Net Position
\$	1,040,201	\$	994,321	φ	954,826	φ	907,588	φ	846,429	

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.

		F	iscal 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)

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

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

				F	iscal Year					
	2010-11		2009-10		2008-09		2007-08		2006-07	
										Expenses
										Governmental Activities:
\$	223,710	\$	165,489	\$	268,092	\$	264,049	\$	281,739	General Government
	1,174,859		1,160,823		1,230,894		1,164,458		1,055,593	Public Protection
	136,017		120,135		108,748		131,563		96,776	Public Ways and Facilities
	586,525		578,983		593,331		576,160		527,541	Health and Sanitation
	931,263		931,469		898,668		862,709		794,862	Public Assistance
	39,788		41,009		41,265		37,728		32,722	Education
	101,993		90,649		81,896		75,612		80,279	Recreation and Cultural Services
	53,806		53,782		59,751		76,210		65,961	Interest on Long-Term Debt
	3,247,961		3,142,339		3,282,645		3,188,489		2,935,473	Subtotal Governmental Activities
										Business-Type Activities:
	88,059		92,068		91,959		86,750		90,524	Airport
	93,985		84,754		79,374		101,990		85,378	Waste Management
	349		95							Compressed Natural Gas
	182,393		176,917		171,333		188,740		175,902	Subtotal Business-Type Activities
	102,000		170,317		171,000		100,740		175,502	Total Primary Government
\$	3,430,354	\$	3,319,256	\$	3,453,978	\$	3,377,229	\$	3,111,375	Expenses
										Program Revenues
										Governmental Activities:
										Charges for Services
\$	33,561	\$	27,452	\$	44,782	\$	40,659	\$	45,647	General Government
Ψ	310,773	Ψ	278,355	Ψ	289,014	Ψ	295,740	Ψ	283,215	Public Protection
	53,960		45,809		47,283		45,898		41,014	Public Ways and Facilities
	93,815		86,430		82,059		95,069		85,305	Health and Sanitation
	36,304		30,914		26,636		6,360		5,372	Public Assistance
	1,576		1,449		1,338		1,349		4,743	Education
	1,570		1,443		1,550		1,545		4,743	Recreation and Cultural
	37,560		38,223		40,138		40,449		39,028	Cultural Services
	57,500		50,225		40,130		40,449		39,020	Operating Grants and
	1,706,231		1,741,762		1,641,501		1,735,820		1,759,887	Contributions
	1,700,231		1,741,702		1,041,501		1,735,020		1,759,007	
	170 516		16,828		94,031		46,308		69,340	Capital Grants and Contributions
	170,516		10,020		94,031		40,300		09,340	Subtotal Governmental Activities
	2 444 200		0.067.000		0.000 700		0.007.050		0.000 554	
	2,444,296		2,267,222		2,266,782		2,307,652		2,333,551	Program Revenues
										Business-Type Activities:
						•				Charges for Services
	124,298		126,656		125,095		126,139		127,747	Airport
	102,595		82,442		93,456		99,548		111,362	Waste Management
	242		129							Compressed Natural Gas
										Operating Grants and
	657		1,432		171		569		691	Contributions
										Capital Grants and
	6,544		8,077		7,466		15,188		6,731	Contributions
										Subtotal Business-Type Activities
	234,336		218,736		226,188		241,444		246,531	Program Revenues
\$	2,678,632	\$	2,485,958	\$	2,492,970	\$	2,549,096	\$	2,580,082	Total Primary Government Program Revenues
¥	_,,	Ψ	_,,	¥	_,,	¥	_,0.0,000	Ψ	2,000,002	

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

	Fiscal Year											
		2015-16		2014-15		2013-14 ⁽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		45.004		40.000		00 70 /	07.004	07.000				
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		4 500		40.470		44400	0 744	0.077				
Programs State Allocation of Motor		4,583		49,476		14,192	6,711	9,377				
Vehicle License Fees		1,100		764		895	1,659	2,667				
Unrestricted Investment Earnings		17,032		6,796		18,459	11,559	4,195				
Miscellaneous		63,825		69,789		54,412	48,478	57,125				
Gain on Sale of Capital Assets								34				
Transfers		21,518		19,959		17,557	10,276	11,767				
Subtotal Governmental Activities		1,020,344		1,038,543		918,595	968,989	919,516				
Extraordinary Gain/(Loss)		.,0_0,0		1,000,010		010,000	000,000	010,010				
Dissolution of OCDA ⁽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	*	400 570	¢	0.40.05	¢	040 540 0	00.00 7 ^	(54.004)				
Governmental Activities	\$	108,576	\$	243,251	\$	240,548 \$	90,687 \$	(51,091)				
Business-Type Activities	*	69,383	ć	81,211	¢	41,548	19,796	25,609				
Total Primary Government	\$	177,959	\$	324,462	\$	282,096 \$	110,483 \$	(25,482)				

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

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

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

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

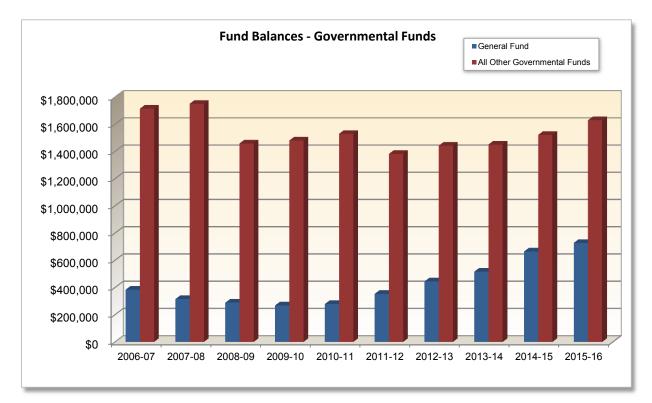
Fund Balances, Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year											
		2015-16		2014-15		2013-14		2012-13	(2)	2011-12		
General Fund												
Reserved	\$		\$		\$		\$		\$			
Unreserved												
Nonspendable ⁽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:

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

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



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

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

		Fisc	cal Year		
	2015-16	2014-15	2013-14	2012-13	2011-12 ⁽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	4	2006-07	
							Revenues
\$ 738,10)9	\$ 741,850	\$ 727,159	\$ 719,742	\$	674,278	Taxes
16,83		14,976	17,965	20,516		23,289	Licenses, Permits and Franchises
93,46		102,959	112,882	89,700		73,353	Fines, Forfeitures and Penalties
89,51		88,350	69,667	146,983		165,042	Use of Money and Property
1,745,06		1,769,253	1,697,017	1,743,637		1,722,951	Intergovernmental
478,91		418,373	443,456	423,611		406,071	Charges for Services
64,12		65,727	89,064	91,197		104,046	Other
3,226,02	22	3,201,488	3,157,210	3,235,386	;	3,169,030	Total Revenues
							Expenditures
207,19	93	211,434	277,369	252,781		204,585	General Government
1,068,26	67	1,054,947	1,117,882	1,103,442		1,005,737	Public Protection
110,78	39	106,985	110,548	117,963		90,683	Public Ways and Facilities
576,79	93	559,315	576,964	564,335		516,901	Health and Sanitation
911,70)4	903,733	878,436	851,836		788,326	Public Assistance
37,67	71	38,921	39,666	37,091		35,904	Education
84,50)6	82,826	79,889	70,084		73,386	Recreation and Cultural Services
84,31	11	124,077	155,286	143,468		154,373	Capital Outlay
							Debt Service
87,68	35	88,962	205,268	301,066		191,012	Principal Retirement
							Escrow Bond Agent
40,63	34	39,565	46,697	53,478		58,586	Interest
						799	Debt Issuance Costs
3,209,55	53	3,210,765	3,488,005	3,495,544	;	3,120,292	Total Expenditures
							Excess (Deficit) of Revenues
16,46	69	(9,277)	(330,795)	(260,158)		48,738	Over Expenditures
							Other Financing Sources (Uses)
395,75	52	382,154	793,528	359,791		298,138	Transfers In
(388,27	74)	(370,820)	(781,397)	(345,674)		(288,045)	Transfers Out
36,00	00					32,700	Debt Issued
						2,140	Premium on Debt Issued
				211,065		105,991	Principal Payment on Demand Bonds
							Refunding Bonds Issued
(71	10)						Payment to Refunded Bond Escrow
							Provisions for Increase in Land Held
							for Resale
13	33			2,400			Capital Leases
42,90)1	11,334	12,131	227,582		150,924	Total Other Financing Sources
							Extraordinary Loss
\$ 59,37	70	\$ 2,057	\$ (318,664)	\$ (32,576)	\$	199,662	Net Change in Fund Balances
							Debt Service as a Percentage
4.12	2%	4.18%	7.54%	10.43%		8.44%	of Noncapital Expenditures:
7.12		4.1070	1.0470	10.4070		0.777/0	

Assessed Value of Taxable Property ⁽¹⁾ Last Ten Fiscal Years

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

Notes: (1) Article XIIIA, added to the California Constitution by Proposition 13 in 1978, fixed the base valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. The full cash value can be increased to reflect the annual inflation up to 2 percent, the current market value at time of ownership change and the market value for new construction. Estimated actual value of taxable property cannot easily be determined as the property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.

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

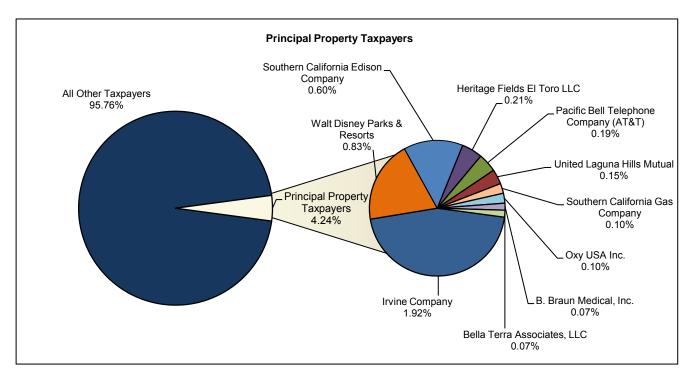
(3) No rate was available for Public Utility in FY 2014-15.

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



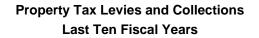
Principal Property Taxpayers Current Year and Nine Years Ago

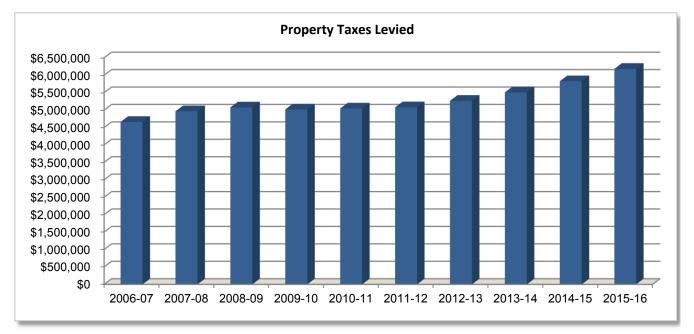
			201	2016				2007				
Taxpayer	Act	ual Taxes Levied	Rank	Percentage of Total Taxes Levied		ual Taxes Levied	Rank	Percentage of Total Taxes Levied				
Irvine Company	\$	111,040	1	1.92%	\$	50,787	1	1.09%				
Walt Disney Parks & Resorts		48,011	2	0.83%		37,935	2&6	0.81%				
Southern California Edison Company		34,709	3	0.60%		18,548	4	0.40%				
Heritage Fields El Toro LLC		11,943	4	0.21%		8,424	5	0.18%				
Pacific Bell Telephone Company (AT&T)		10,921	5	0.19%		6,464	8	0.14%				
United Laguna Hills Mutual		8,735	6	0.15%		7,470	7	0.16%				
Southern California Gas Company		5,934	7	0.10%								
Oxy USA Inc.		5,575	8	0.10%								
B. Braun Medical, Inc.		4,302	9	0.07%								
Bella Terra Associates, LLC		3,999	10	0.07%								
Irvine Apartment Communities						19,409	3	0.42%				
Irvine Co. of W VA						5,382	9	0.12%				
Irvine Community Development						5,148	10	0.11%				
Total	\$	245,169		4.24%	\$	159,567		3.43%				



Source: Treasurer-Tax Collector, County of Orange

	Taxes Levied for the		C Collections Within the Fiscal Year of the Levy ⁽²⁾		Total Collections for the Fiscal Year ⁽³⁾			
Fiscal Year	Fiscal Year ⁽¹⁾	Amount	Percentage of Levy	Prior Years ⁽⁴⁾		Amount	Percentage of Levy	
2015-16	\$ 6,183,862	\$ 6,119,771	98.96%	\$-	\$	6,119,771	98.96%	
2014-15	5,828,106	5,759,699	98.83%	40,387		5,800,086	99.52%	
2013-14	5,509,379	5,444,912	98.83%	35,142		5,480,054	99.47%	
2012-13	5,265,844	5,194,193	98.64%	36,579		5,230,772	99.33%	
2011-12	5,079,589	5,002,490	98.48%	58,963		5,061,453	99.64%	
2010-11	5,045,802	4,960,748	98.31%	17,752		4,978,500	98.67%	
2009-10	5,019,061	4,904,188	97.71%	8,628		4,912,816	97.88%	
2008-09	5,076,796	4,901,574	96.55%	6,882		4,908,456	96.68%	
2007-08	4,965,990	4,784,438	96.34%	4,088		4,788,526	96.43%	
2006-07	4,661,169	4,499,537	96.53%	1,333		4,500,870	96.56%	
2005-06	4,323,550	4,133,562	95.61%	425		4,133,987	95.62%	





Notes:

(1) Total tax levy includes secured, supplemental, unsecured and former redevelopment agency increment, including penalties.

(2) Total tax collections include penalties.

 (3) Total collections include collections of current year taxes and collections related to prior year levies. The percentage of levy represents the ratio of total collections to the taxes levied for that fiscal year.
 (4) No amounts are shown because the property taxes levied will be collected in the following year.

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

Source: Auditor-Controller, County of Orange

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							

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

Notes:

(1) Details regarding the County's outstanding debt can be found in Note 10, Long-Term Obligations.

(2) Redevelopment Bonds are no longer County debt due to the dissolution of Redevelopment Agency on February 1, 2012. Details regarding the Redevelopment Bonds can be found in Note 11, Conduit Debt Obligations and Successor Agency Debt.
(3) Capital lease obligations arise from lease agreements which are in-substance like purchases. The agreements convey property rights to the lessee and the lessee assumes substantially all the risks and benefits of ownership.

(4) See demographic and economic statistics schedule for personal income and population data. For years prior to FY 2012-13, the personal income ratio and the debt per capita amounts were calculated using personal income and population from the prior fiscal year.

(5) Beginning FY 2012-13, outstanding debt does not include Interest Accretion on capital appreciation bonds (CAB), this was separated and numbers were restated.

(6) Beginning FY 2013-14, outstanding debt does not include deferred amount on refunding due to implementation of GASB Statement No. 65. Prior years have not been restated.

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

Source: Auditor-Controller, County of Orange

			Busines	s-Type Activities			
Lease Revenue Bonds ^{(6), (7)}	Capital Lease Obligations ⁽³⁾	Interest Accretion on CAB	Airport Revenue Bonds ⁽⁷⁾	Waste Managemen System Revenue Bonds	t Total Primary <u>Government</u>	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)

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.

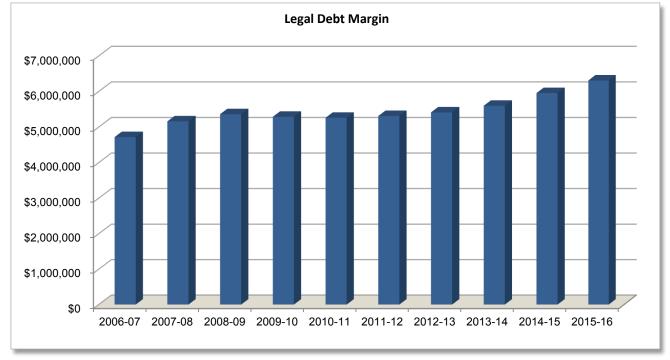
(2) See demographic and economic statistics schedule for population data. For years prior to FY 2012-13, the debt per capita amount was calculated using the population for the prior fiscal year.

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

Source: Auditor Controller, County of Orange

Fiscal Year	As	sessed Value	Leç	gal Debt Limit	Applic	let Debt able to mit	I	.egal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2015-16	\$	504,650,360	\$	6,308,130	\$		\$	6,308,130	0%
2014-15		476,303,290		5,953,791				5,953,791	0%
2013-14		447,749,156		5,596,864				5,596,864	0%
2012-13		432,902,274		5,411,278				5,411,278	0%
2011-12		424,769,642		5,309,621				5,309,621	0%
2010-11		420,751,575		5,259,395				5,259,395	0%
2009-10		422,965,596		5,287,070				5,287,070	0%
2008-09		428,809,224		5,360,115				5,360,115	0%
2007-08		412,669,779		5,158,372				5,158,372	0%
2006-07		377,277,483		4,715,969				4,715,969	0%

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



Note:

(1) Starting from FY 2007-08, Assessed Value includes for the State assessed properties.

(2) The amount of the general obligation bonded indebtedness the County can incur is limited by law to 1.25 percent of the equalized assessment property tax roll. In order for the County to issue general obligation bonds secured by ad valorem taxes on real property, California Constitution Article XIIIA, section 1 requires the approval of 2/3 of the voting on the proposition.

Source: Auditor-Controller, County of Orange

Pledged Revenue Coverage⁽¹⁾ Last Ten Fiscal Years

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

Notes: (1) Details regarding the County's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation or amortization expenses.

2.43

5.28

2.62

3.04

1.93

12,906

7,163

4,567

5,280

6,249

7,460

2,865

13,480

12,765

12,120

(2) For FY 2008-09, there is a deficit balance for Net Available Revenue due to additional expenditures resulting from the establishment of the Teeter tax loss reserves in the Tax Loss Reserve Agency Fund during the first year of the program.

(3) Teeter Plan Notes were converted from short-term commercial paper to long-term note in FY 2012-13, therefore, only long-term note information is presented.
 (4) For FY 2014-15, there is a deficit balance for Net Available Revenue due to the change in Teeter Plan Reserve methodology.

Source: Auditor-Controller, County of Orange

120,088

121,761

115,026

118,105

117,879

70,521

68,771

67,749

63,174

82,383

49.567

52,990

47,277

54,931

35,496

2010-11

2009-10

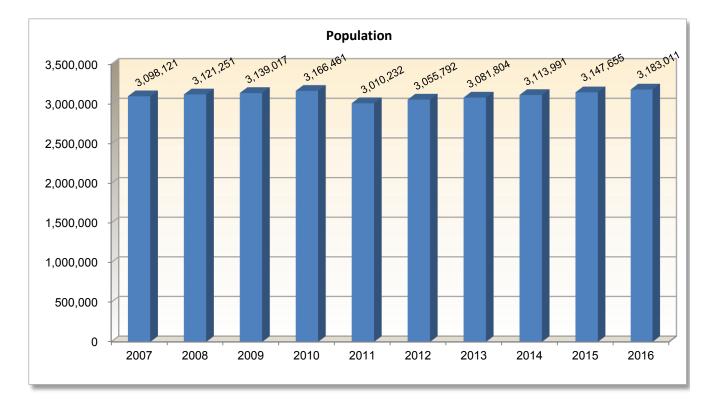
2008-09

2007-08

2006-07

Demographic and Economic Statistics Last Ten Calendar Years

_	Year	Population ⁽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, <u>http://www.dof.ca.gov</u>
- (2) Chapman University Economic & Business Review.
- (3) U.S. Census Bureau, American Community Survey, http://www.census.gov, 2016 N/A
- (4) California Department of Education, http://www.cde.ca.gov
- (5) State of California, Employment Development Department, http://www.edd.ca.gov/

Principal Employers Current Year and Nine Years Ago

20	1	C
20	I	О

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

2007

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

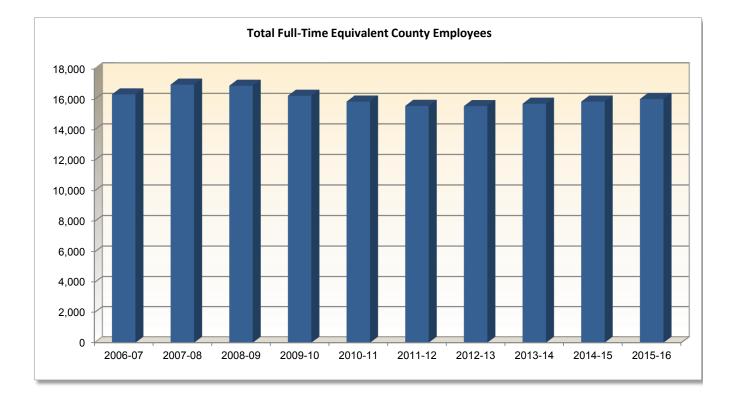
Note: For 2016, used 2015 data for the number of employees, except County of Orange

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

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

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

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

			Fis	scal Year		
Function/Program	 2015-16	2014-15		2013-14	2012-13	2011-12
General Government						
Auditor-Controller						
Property Tax Bills Prepared	1,141,652	1,216,325		1,220,750	1,186,238	1,153,816
Assessor						
Number of Real Property Valued	930,470	924,791		918,672	914,489	901,840
Number of Unsecured Property Assessed	141,224	145,151		135,551	139,865	159,464
New Parcels Created and Mapped	6,665	6,918		4,519	8,175	3,649
New Construction Events	19,397	18,530		16,904	17,173	17,129
County Executive Office Volunteer Program Service Hours	613,277	638,230		700,759	815,407	885,416
Clerk-Recorder						
Marriage Licenses Issued	23,725	23,553		25,244	22,502	22,415
Marriage Ceremonies Performed	11,122	11,213		12,056	*	*
Copies of Birth Certificates Issued	74,508	79,826		82,268	81,775	83,611
Property-Related Document Recordings	617,914	651,866		580,899	839,353	741,935
Passport Applications Filed	7,093	5,016		2,686	*	*
Treasurer-Tax Collector						
Orange County Investment Pool Income	\$ 24,877	\$ 14,581	\$	11,298	\$ 12,958	\$ 17,978
Assets Under Management	\$ 8,271,502	\$ 7,604,246	\$	6,566,145	\$ 6,490,056	\$ 5,922,768
Number of Property Tax Bills	1,367,275	1,381,808		1,421,654	1,347,596	1,257,709
Percentage of Secured Tax Bill Collection	99.26%	99.21%		99.16%	98.94%	98.51%
Number of Incoming Phone Calls	111,948	121,461		115,123	150,830	148,463
Percentage of Electronic Payments	54.9%	54.2%		53.8%	49.4%	51.1%
Secured Tax Bill Reminders	38,213	35,917		31,988	28,664	25,451
Property Tax Payments by eCheck	309,977	285,932		248,908	213,146	181,151
Registrar of Voters						
Registered Voters	1,395,380	1,424,216		1,411,232	1,683,001	1,612,145
Highest Number of Ballots Cast	691,802	640,358		340,187	1,133,204	145,474
Elections Conducted	4	7		3	2	2
Public Protection						
Sheriff-Coroner						
Patrolled Cities Population	641,753	637,261		631,934	627,447	557,403
Patrolled Unincorporated Areas	105 100				400.000	
Population	125,420	124,014		121,473	120,396	119,698
Number of Bookings to Orange County	FG 162	50 405		64.000	63,439	65 256
Jail System	56,163 6,028	56,135 6,055		61,262 7,039	6,805	65,256 6,265
Average Daily Jail Head Count	0,020	0,055		7,039	0,805	0,205
District Attorney	04 504	50.000		55 000	57.070	04 750
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					0.047	
Physical Arrests - Adult	*	*		*	2,947	2,307
Physical Arrests - Juvenile	^			~	640	467
Probationers under Supervision as of	44 744	40 705		44 405	11 100	44 700
June 30th-Adult	11,714	10,725		14,425	14,186	14,788
Probationers under Supervision as of	0 550	0 104		A 160	1 00 4	E 200
June 30th-Juvenile	2,550	3,124		4,156	4,984	5,399
Avg. Daily Juvenile Hall Population	130 143	150 203		229 182	320 193	315 169
Avg. Daily Camp Population	143	203		102	193	109
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	21 220	20,894	21 000	Marriage Licenses Issued
20,000	20,292	21,339	20,094	21,088	Marriage Ceremonies Performed
85,773	87,999	98,231	117,226	120,817	Copies of Birth Certificates Issued
725,323	669,332	629,373	658,005	849,739	Property-Related Document Recordings
*	*	\$	*	*	Passport Applications Filed
00.005	• • • • • • •	<u>م مع مدم م</u>	4 4 4 . 00 4	• 407 407	Treasurer-Tax Collector
		\$ 67,242 \$	141,824	\$ 167,107	Orange County Investment Pool Income
· · ·		\$ 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	100.010	110 111	405 000	^ +	Secured Tax Bill Reminders
143,136	126,942	112,114	105,396		Property Tax Payments by eCheck
					Registrar of Voters
1,621,934	1,603,312	1,607,989	1,566,951	1,497,397	Registered Voters
898,205	482,708	1,167,657	748,910	756,348	Highest Number of Ballots Cast
5	5	4	5	3	Elections Conducted
					Public Protection
					Sheriff-Coroner
553,148	584,947	581,109	575,909	571,648	Patrolled Cities Population
					Patrolled Unincorporated Areas
121,488	120,088	119,480	118,136	120,174	Population
					Number of Bookings to Orange County
63,615	58,322	61,778	64,596	66,869	Jail System
5,721	5,171	6,090	6,183	6,571	Average Daily Jail Head Count
					District Attorney
64,418	64,969	70,058	69,507	74,010	Defendants Prosecuted - Adult
7,907	6,894	7,740	9,076	8,763	Defendants Prosecuted - Juvenile
	,	<i>.</i>	, -	· -	Probation
1,926	1,822	1,725	2,470	3,000	Physical Arrests - Adult
488	685	595	1,051	1,363	Physical Arrests - Juvenile
400	000	555	1,001	1,000	Probationers under Supervision as of
13,243	13,476	15,022	16,223	16,646	June 30th-Adult
10,240	10,470	10,022	10,223	10,040	Probationers under Supervision as of
5,792	6,527	6,492	6,569	6,112	June 30th-Juvenile
417	428	455	490	502	Avg. Daily Juvenile Hall Population
194	420	310	490	333	Avg. Daily Suverile Hail Population
134	131	510	+00	000	
					Public Defender
77,661	76,191	83,029	79,052	83,299	Cases Appointed Annually

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

	Fiscal Year								
	2015-16	2014-15	2013-14	2012-13	2011-12				
Parks & Recreation									
OC Community Resources									
Exotic Invasive Plant Removal (acres)	2,782	1,466	1,154	4,102	4,042				
Native Vegetation Restoration (acres)	293	312	368	843	994				
New Open Space Management (acres)	-								
Dana Point Harbor									
Slip and Dry Storage Tenants	2,903	3,204	2,679	2,700	2,237				
Boat Launches	17,695	15,511	15,606	15,037	14,327				
Sailing and Event Center Participants	50,000	75,000	111,838	115,996	111,959				
Ocean Institute Students	192,384	41,000	100,000	108,668	110,059				
Hotel Guests	29,010	43,073	42,887	41,141	36,800				
Catalina Express Passengers	25,711	123,688	123,257	123,257	120,945				
Special Events at the Harbor	8	12	15	16	16				
Public Ways and Facilities									
OC Public Works (OCPW)	10.000			40.000					
Building and Home Inspections	40,662	30,324	31,772	19,368	15,591				
Health and Sanitation									
OC Community Resources									
Animal Licenses	192,470	198,358	192,320	191,098	200,755				
Health Care Agency	100 500	400 704	170 004	474 400	400 470				
911 Emergency Medical Services Responses	193,538	183,794	170,804	171,420	168,172				
Retail Food Facility Inspections Conducted	26,195	31,397	32,689	34,953	35,025				
Hazardous Waste Inspections Conducted	8,328	5,950	4,616	6,058	5,444				
Number of Home Visits by Public Health Nurses Number of Low Income Children Dental Health	29,219	31,258	35,101	34,953	32,498				
Services	496	755	1,225	1,107	1,344				
Number of Ocean Water Days of Closure (In Beach-Miles)	22	24	20	8	0.93				
	22	24	20	0	0.90				
Public Assistance OC Community Resources									
Adult Day Care Hours of Service	40.071	12 010	50 044	40 120	70.267				
	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	40 500 555	0 000 0=-	0.004.000	0.404.4==	0.040.00				
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									

* means Not Available

Sources: County Departments

		Fiscal Year			
2010-11	2009-10	2008-09	2007-08	2006-07	Function/Program
					Parks & Recreation
					OC Community Resources
629	61	1,475	*	30	Exotic Invasive Plant Removal (acres)
2,448	82	144	*	13	Native Vegetation Restoration (acres)
			250		New Open Space Management (acres)
					Dana Point Harbor
2,748	2,750	2,836	2,932	2,932	Slip and Dry Storage Tenants
15,150	18,759	19,903	22,247	22,159	Boat Launches
108,070	83,738	66,163	54,371	54,539	Sailing and Event Center Participants
125,000	125,060	126,957	116,218	149,220	Ocean Institute Students
26,972	25,252	28,650	26,940	29,580	Hotel Guests
114,176	106,305	111,648	114,000	114,708	Catalina Express Passengers
16	100,000	16	16	16	Special Events at the Harbor
10	10		10	10	
					Public Ways and Facilities
10.015	11 000	04 704	24.262	22.265	OC Public Works (OCPW)
13,215	11,222	24,731	31,363	32,365	Building and Home Inspections
					Health and Sanitation
					OC Community Resources
173,570	176,123	158,202	155,875	166,137	Animal Licenses
					Health Care Agency
156,638	158,863	160,369	150,545	147,067	911 Emergency Medical Services Responses
34,962	36,445	33,146	33,451	31,475	Retail Food Facility Inspections Conducted
6,237	6,600	5,847	6,194	6,223	Hazardous Waste Inspections Conducted
29,260	30,091	29,505	30,447	38,245	Number of Home Visits by Public Health Nurses
					Number of Low Income Children Dental Health
1,533	1,520	979	660	1,055	Services
					Number of Ocean Water Days of Closure
61	20	26	11	3	(In Beach-Miles)
					Public Assistance
					OC Community Resources
93,425	92,964	101,732	89,584	76,005	Adult Day Care Hours of Service
1,846,571	1,796,596	1,725,058	1,736,877	1,606,272	Elderly Nutrition Program Meals Delivered
287,611	213,832	233,382	225,783	242,415	One-Way Transportation Trips Provided to Seniors
					Social Service Agency
403,142	376,101	343,222	326,506	317,771	Average Monthly Medi-Cal Recipients
3,003	3,165	3,242	3,427	3,049	Average Monthly Child Abuse Hotline Calls
					Average Monthly CalFresh (formerly Food
185,489	150,141	109,491	88,284	82,132	Stamp) Recipients
18,335	17,595	16,364	14,425	12,765	Average Monthly In-Home Supportive Services
58,770	53,214	44,115	38,840	38,790	Average Persons Receiving Cash Assistance
2,148	2,336	2,466	2,797	2,692	Average Children in Foster Care/Relative Care
CO 4	500	504	540	500	Average Elder and Adult Abuse Unduplicated
604	598	531	549	509	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
7,790,954	1,029,370	7,314,015	0,900,477	0,707,502	-
9 611 054	0 010 160	9 552 500	9,566,043	9,910,016	Airport
8,611,054 15,150	8,812,169 14,870	8,552,590 15,197	9,566,043 21,084	9,910,016 22,853	Passengers Air Cargo Tonnage
					5 S
260,466	213,404	215,585	319,791	343,572	Takeoffs & Landings
0.407.046	0 500 515	0.070.000	1 007 0 10	4 700 00-	Waste Management
3,495,649	3,502,715	3,876,902	4,207,649	4,706,367	Solid Waste Tonnage
3 200 725	3 300 065	3 111 313	3 766 000	3 605 743	Gallons of Leachate and Impacted Ground Water Collected
3,209,725	3,390,965	3,441,343	3,766,898	3,695,743	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				
	2015-16	2014-15	2013-14	2012-13	2011-12
Parks and Recreation (Continued)					
Dana Point Harbor (Continued)					
Beaches	1	1	1	1	1
Access Points to Ocean	6	6	6	6	6
Hotel	1	1	1	1	1
Ocean Education Center	1	1	1	1	1
Sailing and Events Center	1	1	1	1	1
Shops	24	23	23	23	25
Restaurants	16	16	16	16	16
Fuel Dock	1	1	1	1	1
Shipyard	1	1	1	1	1
Boater Service Buildings	15	15	15	15	15
Parcel 11 (Former Restaurant)	1	*	*	*	*
Parcel 23 (Yacht Club)	1	*	*	*	*
Public Ways and Facilities					
OC Public Works					
Hall of Administration	1	1	1	1	1
Data Center	1	1	1	1	1
Alternate Fuel Vehicles	50	51	60	60	59
Vehicles/Trucks	42	53	54	51	50
OC Flood Control District	.=		•	01	00
Watersheds	19	13	13	13	13
Dams	3	3	3	3	3
Dump Trucks	7	7	12	5	5
Tractors	20	14	19	5	5
Trailers	14	24	17	8	12
Vehicles/Trucks	79	156	156	156	165
Roads		100	100	100	100
Street Miles	330	320	320	319	320
Dump Trucks	12	11	9	4	11
Tractors	30	18	9	6	3
Trailers	32	30	18	10	5
	52	50	10	10	5
<u>Health</u>				_	_
Clinics (1)	4	4	3	3	3
Laboratories ⁽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	Laboratories ⁽¹⁾
27	27	27	25	25	Trailers ⁽¹⁾
27	26	25	68	68	Vehicles and Trucks ⁽¹⁾
£1	20	20	00	00	OC Community Resources
1	1	1	1	1	Animal Care Center
3	3	3	2	2	Trailers
5	0	0	2	2	

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

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

* means Not Available

Source: County Departments

Fiscal Year					
2010-11	2009-10	2008-09	2007-08	2006-07	Function/Program
					Public Assistance
					Social Service Agency
10	8	7	8	7	Vehicles
19	20	21	27	27	Office Locations
					Education
33	33	33	33	32	Library Branches
1	1	1	1	1	Library Headquarters
					<u>Airport</u>
501	501	501	501	501	Acres
2	2	2	2	2	Runways
5	5	5	5	5	Public Parking Structures/Lots
1	1	1	1	1	Terminals
4	4	4	4	4	Fire Trucks
					Waste Management
3	3	3	3	3	Active Landfills
3 2	2	2	2	2	Inactive Landfills
					Household Hazardous Waste
4	4	4	4	4	Collection Centers
8	10	10	10	12	Dozers
14	14	14	14	14	Dump Trucks
22	21	21	21	21	Loaders
11	13	13	15	15	Scrapers
2	-	-	-	-	Excavator
29	29	28	27	26	Tractors
4	3	6	5	5	Graders
8	5	5	6	5	Compactors
11	12	13	12	12	Water/Fuel Trucks



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