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CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED) FINANCIAL/OPERATING FILING (CUSIP-9 BASED)

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: Reassessment District No. 17-1R Annual Report, for the year ended 06/30/2017

Documents

□-Financial Operating Filing

RAD 17-1R Cont Disc 4.26.18.pdf posted 04/26/2018

The following issuers are associated with this continuing disclosure submission:

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

The following 16 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
684265QH7	09/02/2018
684265QJ3	09/02/2019
684265QK0	09/02/2020
684265QL8	09/02/2021
684265QM6	09/02/2022
684265QN4	09/02/2023
684265QP9	09/02/2024
684265QQ7	09/02/2025
684265QR5	09/02/2026
684265QS3	09/02/2027
684265QT1	09/02/2028
684265QU8	09/02/2029
684265QV6	09/02/2030

684265QW4	09/02/2031	
684265QX2	09/02/2032	
684265QY0	09/02/2033	

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COUNTY OF ORANGE REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV) LIMITED OBLIGATION IMPROVEMENT REFUNDING BONDS ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017

Dated April 26, 2018

CUSIP Numbers				
684265QH7	684265QJ3	684265QK0	684265QL8	
684265QM6	684265QN4	684265QP9	684265QQ7	
684265QR5	684265QS3	684265QT1	684265QU8	
684265QV6	684265QW4	684265QX2	684265QY0	

Prepared at the direction of and on behalf of:

County of Orange

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Prepared by:

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County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds

Annual Report

For Fiscal Year Ended June 30, 2017

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EXHIBITS

Exhibit A – Comprehensive Annual Financial Report

Exhibit B – Official Statement

INTRODUCTION

The County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) (the "Issuer" or "District") hereby provides its annual report (the "Annual Report") for the fiscal year ended June 30, 2017 in connection with the following Bonds:

Bond Issue:

1. \$28,425,000 County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds

Annual Report:

The Issuer's Annual Report required by the Continuing Disclosure Certificate (the "Disclosure Certificate") dated January 31, 2018 with respect to the Bonds for the Fiscal Year ended June 30, 2017 is attached hereto.

Other Matters:

This Annual Report is provided solely for purposes of the Disclosure Certificate. The filing of this Annual Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the County, the Issuer or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the Fiscal Year to which this Annual Report relates (other than as contained in this Annual Report), or that no other information exists, which may have a bearing on the Issuer's financial condition, the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. The information contained in this report has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this Annual Report should be construed as a prediction or representation about future financial performance of the Issuer.

While the financial statements of the County (which includes the District) for Fiscal Year ended June 30, 2017 have been incorporated herein by reference in order to comply with SEC Rule 15c2-12, the Bonds are a limited obligation of the District and neither the faith and credit nor the taxing power of the County is pledged to the payment of the Bonds. No income, receipts, funds (including the County general fund) or moneys of the County are pledged to the repayment of the Bonds.

SECTION A

1. Audited Financial Statements for Fiscal Year Ended June 30, 2017.

The County of Orange's Audited Financial Statements for Fiscal Year 2016-2017 were filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access on January 30, 2018 (Submission ID: ES855070) and are included herein as Exhibit A.

While the financial statements of the County (which includes the District) for Fiscal Year ended June 30, 2017 have been incorporated herein by reference in order to comply with SEC Rule 15c2-12, the Bonds are a limited obligation of the District and neither the faith and credit nor the taxing power of the County is pledged to the payment of the Bonds. No income, receipts, funds (including the County general fund) or moneys of the County are pledged to the repayment of the Bonds.

2. <u>The Official Statement for County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds.</u>

See Exhibit B attached.

CERTAIN DISCLAIMERS

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

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

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

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

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

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

EXHIBIT A

COMPREHENSIVE ANNUAL FINANCIAL REPORT



County of Orange

State of California

Comprehensive Annual Financial Report

For the Year Ended June 30, 2017







Eric H. Woolery, CPA Auditor-Controller

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AUDITOR-CONTROLLER COUNTY OF ORANGE

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December 14, 2017

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, 2017, 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, 2017, 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, 2017. 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.

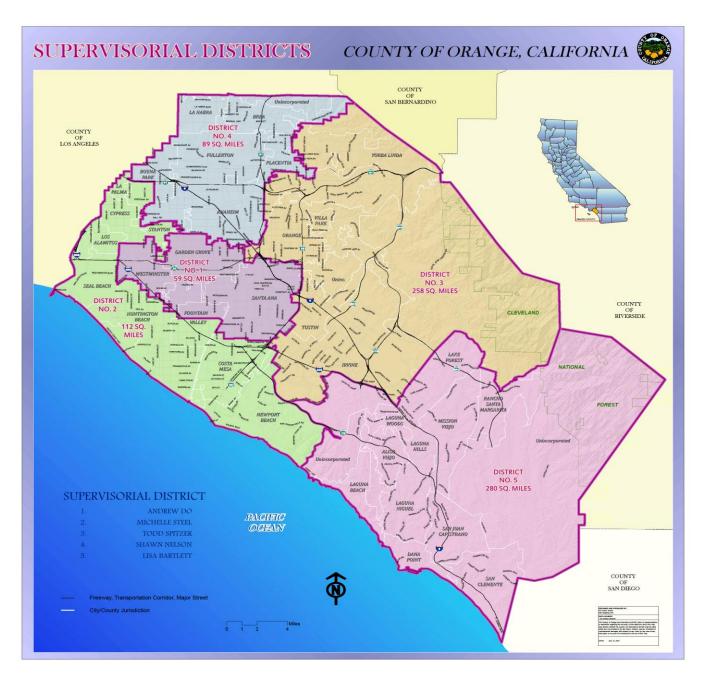
PROFILE OF THE GOVERNMENT

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 16 County departments, and elected department heads oversee six County departments. The Supervisorial Districts map below shows the boundaries of Orange County and the areas governed by each member of the Board.



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

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

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

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

Sources: County departments

In addition to these services, the County is also financially accountable for the reporting of component units. 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 discretely presented 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, 2017: the Orange County Flood Control District, Orange County Housing Authority, Orange County Public Financing Authority, Orange County Public Facilities Development Corporation, South Orange County Public Financing Authority, Orange County Public Facilities Corporation, County Service Areas, Special Assessment Districts, Community Facility Districts, and In-Home Supportive Services Public Authority. Additional information on these entities can be found in Note 1, Summary of Significant Accounting Policies, in the Notes to the Basic Financial Statements section.

The County maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the General Fund and most of the Special Revenue, Debt Service, Capital Projects and Permanent funds are included in the annual appropriated budget. The level of budgetary control (that level which cannot be exceeded without action by the Board) is at the legal fund-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. Additional information on the budgetary process can be found in Note 1, Summary of Significant Accounting Policies, in the Notes to the Basic Financial Statements section.

The County's eGovernment website portal at 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, view and pay property taxes, request and track services provided by OC Public Works such as pothole repair and sidewalk maintenance, 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 the California Department of Finance, inflation, as measured by the increase of the Consumer Price Index (CPI) in 2017, is expected to be 2.8% for Orange County, lower than the State of California at 3.0%, but higher than the U.S. at 2.3% (see Table 2).

Table 1: Unemployment Rate Comparison

Primary Government Entity	August 2017 Unemployment Rate
United States	4.5%
California	5.4%
Riverside County	6.5%
San Bernardino County	5.8%
Los Angeles County	5.4%
San Diego County	4.7%
Orange County	4.2%

Unemployment Rate

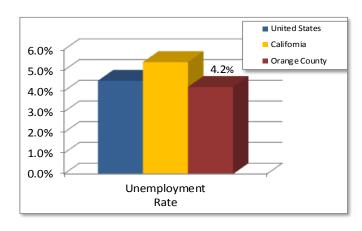


Table 2: 2017 - Projected Increase of the CPI

United States	California	Orange County
2.3%	3.0%	2.8%

Sources: State of California, Employment Development Department

California Department of Finance, April 2017

Note: Unemployment rates are for the month of August 2017

According to the Department of Housing and Urban Development, Orange County's median family income is expected to be \$88,000 (absolute dollars) in 2017, compared to \$85,000 (absolute dollars) in 2016. 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	\$68,000
California	\$73,300
Orange County	\$88,000
San Diego County	\$79,300
Los Angeles County	\$64,300
Riverside County	\$63,200

Sources: U.S. Department of Housing and Urban Development, 2017

Comparisons of Inflation and Median Family Income



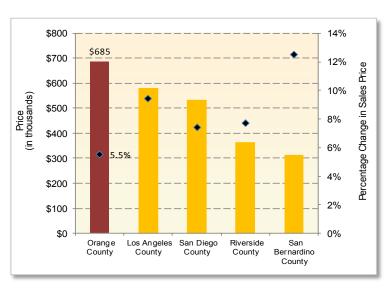
Sources: California Department of Finance, April 2017 U.S. Department of Housing and Urban Development, 2017 According to CoreLogic Information Systems, the median home sales price for new and existing homes in Orange County was \$685,000 (absolute dollars) in August 2017, representing a 5.5% increase relative to August 2016. 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 1.5% in 2017.

Table 4: Median Home Sales Price Comparison-Southern California Counties – August 2017

Primary Government Entity	Median Home Sales Price Change increase	Median Home Sales Price (absolute dollars)
Orange County	5.5%	\$685,000
Los Angeles County	9.4%	\$580,000
San Diego County	7.4%	\$535,000
Riverside County	7.7%	\$365,000
San Bernardino Count	y 12.5%	\$315,000

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



Sources: CoreLogic Information System, August 2017

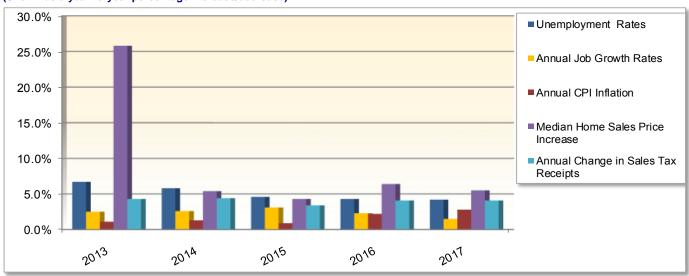
Table 5 shows various internal indicators reflecting steady growth of Orange County's economy. The unemployment rate decreased to 4.2% for the month of August 2017 relative to 4.3% for the month of August 2016. Job growth is expected to decrease to 1.5% in 2017. Median home prices increased by 5.5% in August 2017, relative to 6.4% in August 2016. Annual change in sales tax receipts is forecasted to be 4.1% in 2017.

Table 5: Orange County Historical Data

Historical Indicators	2013	2014	2015	2016	2017
Unemployment Rates	6.7%	5.4%	4.6%	4.3%	4.2%
Annual Job Growth Rates	2.5%	2.6 %	3.1%	2.3%	1.5%
Annual CPI Inflation	1.1%	1.3%	0.9%	2.2%	2.8%
Median Home Sales Price Increase	25.8%	5.4%	4.3%	6.4%	5.5%
Annual Change in Sales Tax Receipts	4.3%	4.4%	3.4%	4.1%	4.1%

Data in Table 5 for prior years may be different from previous years CAFR due to the timing of obtaining data Data for 2017 is based on forecasted data

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



Sources: State of California, Employment Development Department Economic & Business Review, Chapman University, June 2017 Corelogic Information Systems, August 2017 California Board of Equalization

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

Long-Term Financial Planning

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

The 2017 Strategic Financial Plan (SFP) was presented to the Board on December 12, 2017. The 2017 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 4.5% for the first year of the plan with growth rates averaging 3.1% 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 of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2017 (Dollar Amounts in Thousands)

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

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

- The SFP reflects a 0% increase in Net County Cost allocations to departments for the fiscal year 2018-19, and 1% for each of the following fiscal years, with the remaining excess funds distributed and/or set-aside to address the most critical strategic needs for the County
- Continuation of the policy to not backfill State budget reductions
- Position Policy: delete aged vacant positions
- Internal financing program to support major capital and information technology projects
- Maintaining prudent levels of General Fund and Contingency Reserves

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

Santa Ana River Mainstem Project: The Santa Ana River Mainstem Project (SARMP) was initiated in 1964, in partial response to a resolution of the United States House Committee on Public Works adopted May 8, 1964. A survey report was completed by the Orange County Flood Control District in 1975. The report was reviewed and submitted to Congress in September 1978. In September 1980, the United States Army Corps of Engineers completed the General Design Memorandum for the SARMP. Construction for the SARMP was authorized by the Water Resources Development Act of 1986. Construction for the SARMP was initiated in 1989, and completion is scheduled for December 2029.

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. To learn more about the SARMP, visit the Orange County Flood Control Division's website at www.ocflood.com.

OC Dana Point Harbor Revitalization Plan: The OC Dana Point Harbor 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. County Executive Office Real Estate staff managed the process for selection of a potential private partner for the project and are working 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. On October 17, 2017, the County selected Dana Point Harbor Partners, LLC (DPHP) as the primary developer and Dana Point Partners, LLC as the alternate developer for the lease, development, and management of certain portions of Dana Point Harbor. The Board authorized the Chief Real Estate Officer (or Designee) to negotiate option and lease agreements with DPHP as primary developer and return to the Board for approval.

<u>James A. Musick Facility Expansion:</u> On March 8, 2012, the County received a conditional award from the State for \$100,000 in funds for expansion of the James A. Musick Facility Assembly Bill 900 (AB900). On March 8, 2013, the State approved the funding to complete design and construction for the project, of which establishment allows the

County to commit funding to design and construction that is reimbursed from the AB900 Phase II \$100,000 award. This project is estimated for completion in FY 2020-21. 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 2018-19.

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 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 is nearing completion of the construction of the La Pata Avenue Gap Closure Project (Project) that widens La Pata Avenue and implements 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 Proposition 1B, Orange County 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 on December 10, 2013 and a construction management contract for \$7,706 was awarded on February 4, 2014.

The groundbreaking ceremony was held on April 4, 2014. The ribbon cutting ceremony for the roadway gap closure was held on August 13, 2016 and the roadway was open to the public on August 14, 2016. Construction of the Camino Del Rio Extension Phase was completed in April 2017. Completion of the final phase of the La Pata Widening is anticipated in July 2018.

<u>Bridges at Kraemer Place Year-Round Emergency Shelter (Bridges)</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 \$1,250 in funding support from the cities of Anaheim, Fullerton, Brea, and La Habra. Bridges currently has a 100 person capacity, with a second phase to be completed in 2018 bringing the total capacity to 200 occupants.

OC Animal Care Center: 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 OC Animal Care Center to replace the existing shelter in the city of Orange. Construction on the new center began in July 2016, and completion is expected in January 2018. The expected opening date of the new center is March 2018.

Central Utility Facility (CUF) Infrastructure Upgrade Project: The County is approximately 75% complete with construction of the CUF Project (Project) in the city of Santa Ana. The Project replaces the cooling tower, chillers and pumps and has added a boiler and related equipment at the CUF. The final Project will replace most of the original 1968 CUF components which are beyond useful life and required upgrades and replacement to be reliable and energy efficient. The Project also includes expansion of the present thermal utility distribution system to new thermal utility clients and improving the cogeneration system efficiency and performance by using the full capacity of the cogeneration components. The primary component of the thermal expansion is the replacement of chilled water lines which are now approximately 90% complete with construction. The total Project is on budget at an estimated \$68,000 and is funded from CUF Lease Revenue Bonds, Series 2016 issued in June 2016. A Guaranteed Maximum Price Contract of \$59,165 to provide construction manager at risk construction phase services for the Project was awarded by the Board on January 26, 2016. The Project Architect-Engineer (A&E) Agreement was amended on April 26, 2016 for a new total not-to-exceed amount of \$7,063. The A&E contract includes engineering and design for the Project, construction observation, commissioning, and support services. The completion of the Project is anticipated in April 2018.

Orange County Civic Center Facilities Master Plan: On April 23, 2013, the Board adopted an ordinance approving a public-private partnership to develop the Civic Center Facilities Strategic Plan. On February 24, 2016, the Board

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approved a Program Management and Design Agreement for Phase I planning and design of the Orange County Civic Center Facilities.

Included in Phase I is a six-story, approximately 254,000 square foot building located at 601 N. Ross Street. Building 16 is to be occupied by several County departments and includes a one-stop shop public counter where the public will access services from multiple departments. There will be a 6,600-square-foot event/conference center which is planned to be used by the County and the public. There will be 350 underground parking spaces. The expected completion date is January 2020.

The project's financing was facilitated through a Board adopted ordinance on May 9, 2017, identifying the legal authority for the issuance of bonds, approving a Ground Lease, a Facility Lease, and forming the Capital Facilities Development Corporation (Corporation). On June 22, 2017, the California Municipal Finance Authority (Authority) issued \$152,400 Lease Revenue Bonds, Series 2017A. The Authority loaned a total of \$175,340 to the Corporation, pursuant to a loan agreement, for the construction. Upon filing the certificate of substantial completion, the County will commence base rental payments, under the Facility Lease, to repay the loan to the Authority, which pays debt service to the bondholders.

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

Reserve Targets and Descriptions

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

In implementing the GFOA's best practice, the County elected to establish a funding target based upon two months of General Fund operating revenues. Analysis of the historical average of two months of operating revenues, as well as FY 2017-18 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 \$113,356. This compares to the GFOA guidelines for funding contingencies at 15% or higher. The November 30, 2017 balance is \$65,000, approximately \$48,356 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, and modification or denial of debt financing proposals. No County 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.	

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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 2016-17, the County spent \$77,876 and carried over \$0 surplus to FY 2017-18.

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 six bargaining units totaling about 9,765 permanent filled employee positions. The next largest unions are the Association of County Deputy Sheriffs, which represents three bargaining units totaling about 2,795 members and the American Federation of State and Municipal Employees at about 1,433 members. All contracts 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, 2016; this represents the County's 22nd 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 14th consecutive Popular Annual Financial Report (PAFR) titled the "OC Citizens' Report" for the year ended June 30, 2016. The County received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for this PAFR. The award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to

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

<u>Distinguished Budget Presentation Award:</u> The GFOA awarded a Distinguished Budget Presentation Award to the County for its FY 2016-17 Annual Budget; this is the County's first such award. The award is the highest form of recognition in governmental budgeting. In order to receive the award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to acknowledge how well an entity's budget serves as a policy document, a financial plan, an operations guide, and a communications device.

<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, 2016. 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,

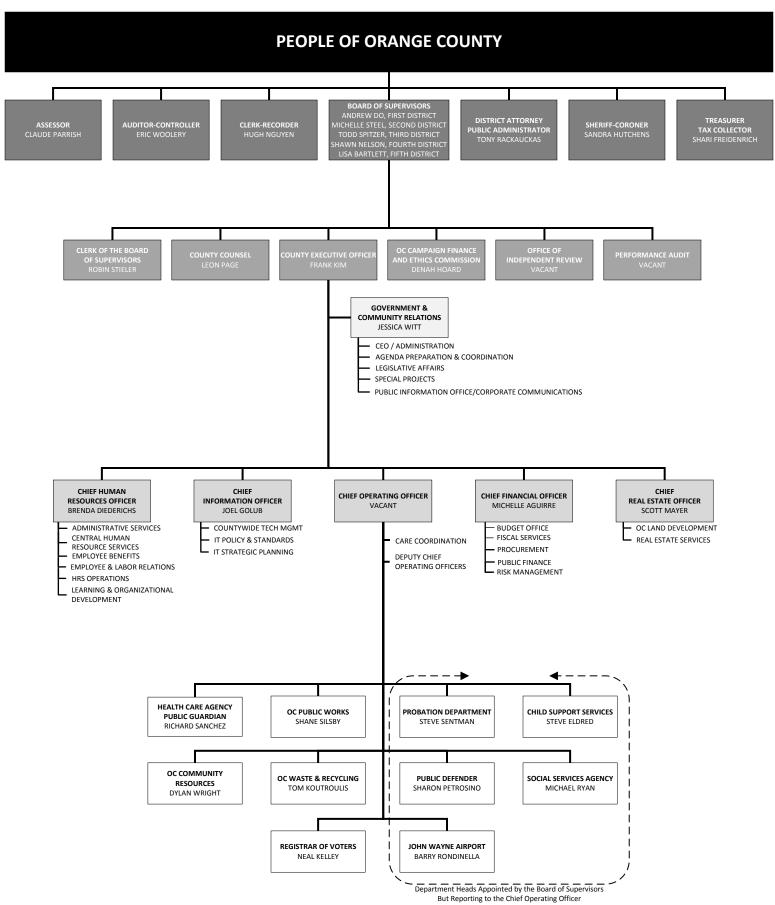
Eric H. Woolery, CPA Auditor-Controller

Michelle Ag**l**irre Chief Financial Officer





County of Orange Organizational Chart











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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2017, 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 17 to the basic financial statements, the total net pension liability of the County as of June 30, 2017, which was measured as of December 31, 2016, was \$4.04 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, 2016, was 69.56% 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 OCERS, schedules related to the Orange County Extra-Help Defined Benefit Plan, and schedule related to the Orange County Retiree Medical Plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Newport Beach, California

Macias Gini É O'Connell LAP

December 14, 2017





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, 2017. We hope that the information presented here, in conjunction with the Letter of Transmittal, provides a clear picture of the County's overall financial status. Unless otherwise indicated, all amounts in this section are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- Total change in net position, which is the difference between total revenues (including transfers in) and expenses (including transfers out), was \$319,442 for the fiscal year, and it increased net position by 15% from prior year.
- Long-term debt obligations decreased by \$98,581 or 21% during the current fiscal year.
- The County's governmental funds reported combined ending fund balances of \$2,578,469, an increase of \$220,943, or 9% in comparison with the prior year.
- General Fund revenues and other financing sources ended the year 4% 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

	Basic Financi	al Statements										
Government-wide	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 Statements	Statement of Cash Flows	Changes in Fiduciary Net Position									
	Notes to the Basic Financial Statements											

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

	Government-wide		Fund Financial Statement	s
	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	Statement of Revenues, Expenses, and Changes in Fund Net Position	Statement of Changes in Fiduciary Net Position
		Budgetary Comparison Statements	Statement of Cash Flows	
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, shorterm and long-term	Current assets, liabilities, and deferred inflows of resources that come due during the year or soon thereafter	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short- term and long-term	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources held in a trustee or agency capacity for others
Type of Inflows and Outflows 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 for 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 John Wayne Airport (Airport), Orange County Waste Management and Recycling (Waste Management), and Compressed Natural Gas (CNG).

The government-wide financial statements also provide information regarding the County's component units, entities for which the County (the primary government) is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations; therefore, data from these component units are combined with data of the primary government. Financial information for the CFCOC and CalOptima, discretely presented component units, are reported separately from the financial information presented for the primary government itself. Separate stand-alone annual financial reports can be obtained by accessing the County's website at the following address: www.ac.ocgov.com. A separate stand-alone CalOptima annual financial report can be obtained by accessing the website at http://wpso.dmhc.ca.gov/fe/search/.

Fund Financial Statements

- Fund a separate accounting entity with a self-balancing set of accounts.
- Focus is on <u>major funds</u>.
- 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 modified accrual basis of accounting and current financial resources measurement focus.

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

as land and structures and improvements, and noncurrent liabilities, such as bonded debt and amounts owed for compensated absences, capital lease obligations, and net pension liability, which are reported in the government-wide statements but not in the fund financial statements.

The County maintains several individual governmental funds organized according to their type (General Fund, Special Revenue, Debt Service, Capital Projects and Permanent funds). Information is presented separately in the governmental funds' Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is always a major fund, and all other major funds which may change each year depending on if they meet the major funds criteria. Information for nonmajor funds is presented in the aggregate as "Other Governmental Funds" in these statements. Individual fund data for each of the nonmajor governmental funds is presented in the Supplemental Information Section of this CAFR. The County adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with the budget and are presented in the Basic Financial Statements and Supplemental Information Section of this CAFR, respectively.

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport and 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 the combining statements, which can be found in the Supplemental Information Section of this CAFR.

<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 is <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 CAFR.

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, 2017, the County's combined net position (governmental and business-type activities) totaled \$2,505,151, an increase of 15% from FY 2015-16.

The largest component of the County's net position, which totals \$3,521,582, 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

COMPONENTS OF NET POSITION

- Net Investment in Capital Assets
- Restricted
- Unrestricted

themselves cannot be used to liquidate the associated debt, the resources needed to repay the debt must be provided from other sources.

The County's **restricted** net position of \$1,595,032 represents resources that are subject to external restrictions on their use and are available to meet the County's ongoing obligations for programs with external restrictions. External restrictions include those imposed by grantors, contributors, laws/regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation including those passed by the County itself.

The **unrestricted** net position is the final component of net position. Unrestricted net position is resources that the County may use to meet its ongoing obligations to citizens and creditors. As of June 30, 2017, the County's unrestricted net position totals a deficit of \$2,611,463. Among governmental activities, the deficit was \$3,074,958 in unrestricted net position compared to the deficit of \$2,979,945 at June 30, 2016. 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, 2017 and 2016										
	G	overi	nme	ental	Busine	ss-Type				
		Acti	vitie	es	Acti	vities		Т	otal	
	2017			<u>2016</u>	<u>2017</u>	2016	3	<u>2017</u>		<u>2016</u>
ASSETS										
Current and Other Assets	\$ 3,635	,467	\$	3,451,250	\$ 895,588	\$ 87	8,991	\$ 4,531,055	\$	4,330,241
Capital Assets	2,933	,640		2,808,923	897,739	84	8,929	3,831,379		3,657,852
Total Assets	6,569	,107		6,260,173	1,793,327	1,72	7,920	8,362,434		7,988,093
DEFERRED OUTFLOWS OF RESOURCES	822	,809		1,097,039	17,251	2	2,951	840,060		1,119,990
Total Deferred Outflows of Resources	822	,809		1,097,039	17,251	2	2,951	840,060		1,119,990
LIABILITIES										
Long-term Liabilities	4,893	,118		5,197,639	454,141	46	6,575	5,347,259		5,664,214
Other Liabilities	696	,941		724,748	94,819	7	8,920	791,760		803,668
Total Liabilities	5,590	,059		5,922,387	548,960	54	5,495	6,139,019		6,467,882
DEFERRED INFLOWS OF RESOURCES	546	,666		444,828	11,658		9,664	558,324		454,492
Total Deferred Inflows of Resources	546	,666		444,828	11,658		9,664	558,324		454,492
NET POSITION										
Net Investment in Capital Assets	2,813	,296		2,707,493	708,286	66	3,280	3,521,582		3,370,773
Restricted	1,516	,853		1,262,449	78,179	6	7,429	1,595,032		1,329,878
Unrestricted	(3,074	,958)	1	(2,979,945)	463,495	46	5,003	(2,611,463)		(2,514,942)
Total Net Position	\$ 1,255	,191	\$	989,997	\$ 1,249,960	\$ 1,19	5,712	\$ 2,505,151	\$	2,185,709

As of June 30, 2017, the County's total assets and deferred outflows of resources increased by 1% or \$94,411 during the current fiscal year. Capital assets increased by \$173,527 primarily due to construction projects for Airport Terminal Improvements, Central Utility Facilities Upgrade, OC Animal Care Center, and various other projects completed for road infrastructure. In addition, there was an increase of \$200,814 in current and other assets primarily due to an increase in restricted cash and cash equivalents for a loan provided by the California Municipal Finance Authority for the Civic Center Facilities Master Plan construction. Offsetting these increases was a decrease for deferred outflows of resources of \$279,930 primarily due to a decrease in deferred outflows related to pension which reflects 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).

Total liabilities and deferred inflows of resources for FY 2016-17 decreased by 3% or \$225,031. Long-term liabilities decreased by 6% or \$316,955, primarily due to a decrease in the County's proportionate share of the net pension liability and decrease in bonds payable. Offsetting this decrease was an increase in long-term liabilities due to the loan for the Civic Center Facilities Master Plan construction project. Deferred inflows of resources related to pension increased by 23% or \$103,832, calculated as required by GASB Statement No. 68.

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

	Govern	mental	Busine	ss-Type		
	Activ	vities		vities .	То	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
REVENUES						
Program Revenues:						
Charges for Services	\$ 624,210	,				
Operating Grants and Contributions	2,067,777	2,037,311	69	171	2,067,846	2,037,482
Capital Grants and Contributions	113,481	105,776	1,828	2,174	115,309	107,950
General Revenues:						
Property Taxes	510,072	500,507			510,072	500,507
Property Taxes in Lieu of						
Motor Vehicle License Fees	351,011	333,595			351,011	333,59
Other Taxes	98,216	78,184	78	72	98,294	78,250
Grants and Contributions not Restricted						
to Specific Programs	8,434	4,583			8,434	4,58
State Allocation of Motor						
Vehicle License Fees	1,234	1,100			1,234	1,100
Other General Revenues	99,989	80,857	4,883	8,696	104,872	89,553
Total Revenues	3,874,424	3,699,363	311,208	308,406	4,185,632	4,007,769
EXPENSES						
General Government	186,340	203,394			186,340	203,394
Public Protection	1,485,137	1,433,421			1,485,137	1,433,42
Public Ways and Facilities	97,928	142,071			97,928	142,07
Health and Sanitation	593,617	554,872			593,617	554,872
Public Assistance	1,097,327	1,097,129			1,097,327	1,097,129
Education	44,510	46,170			44,510	46,170
Recreation and Cultural Services	112,749	115,136			112,749	115,136
Interest on Long-Term Debt	17,544	20,112			17,544	20,112
Airport	·	, 	125,522	120,921	125,522	120,92
Waste Management			105,149	96,301	105,149	96,30°
Compressed Natural Gas			367	283	367	28:
Total Expenses	3,635,152	3,612,305	231,038	217,505	3,866,190	3,829,810
Excess before Transfers	239,272	87,058	80,170	90,901	319,442	177,959
Transfers	25,922	21,518	(25,922)	*	·	-
Change in Net Position	265,194	108,576	54,248	69,383	319,442	177,959
Net Position - Beginning of the Year	989,997	881,421	1,195,712	1,126,329	2,185,709	2,007,75
Net Position - End of the Year	\$ 1,255,191	\$ 989,997	\$ 1,249,960	\$ 1,195,712	\$ 2,505,151	\$ 2,185,70

County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2017 (Dollar Amounts in Thousands)

The County's net position increased by \$319,442 during the current fiscal year. Revenues for the year totaled \$4,185,632, an increase of \$177,863 from the prior year's total revenues. Expenses totaled \$3,866,190, an increase of \$36,380 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 2016-17, total revenues for governmental activities including transfers from the business-type activities were \$3,900,346 an increase of \$179,465 from the previous year. Expenses totaled \$3,635,152, an increase of \$22,847 from the prior year. During the current fiscal year, net position for governmental activities increased by \$265,194 from the prior fiscal year for an ending balance of \$1,255,191. Key elements of the increase are as follows:

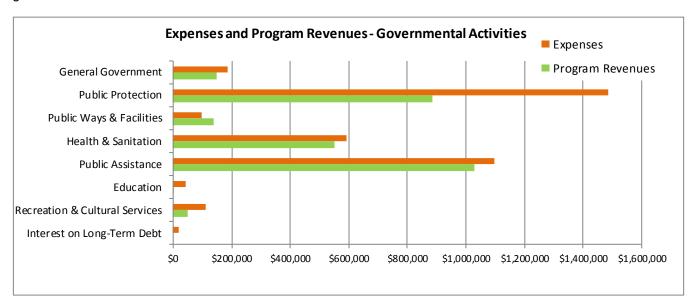
Revenues

- Charges for services increased by \$66,760, primarily from revenue received for Mental Health Services Act (MHSA) programs, law enforcement contracts, and increased South County Roadway Improvement Program (SCRIP) Fee Credits relinquished to the County for building permits.
- Operating grants and contributions increased by \$30,466, primarily due to increased allocations from the State for Mental Health Services.
- Other taxes increased by \$20,032, primarily due to transfer of excess Teeter Tax Loss Reserves to the Teeter Series A debt service fund, increased pass-through revenues from dissolved Redevelopment Agencies (RDA), and increased property taxes from real estate market transactions.
- Property taxes in lieu of VLF increased by \$17,416, primarily due to growth in secured property tax roll values.

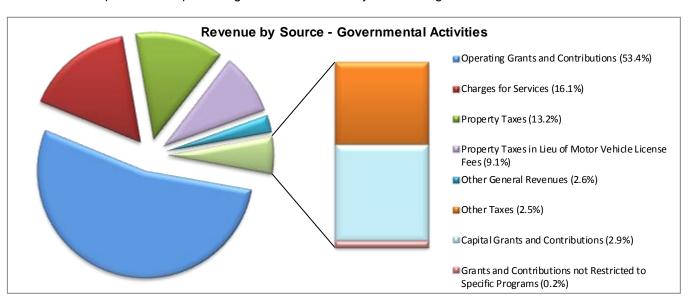
Expenses

- Expenses in public protection increased by \$51,716, due to increases in salaries and employee benefits (S&EB) primarily in the Sheriff-Coroner's Department and increases for professional services provided for various flood control projects such as dredging, levee repairs, facility inspections, vegetation removal, and a one-time settlement payment to a contractor for the Santa Ana River Interceptor Mainline (SARI Line) project.
- Expenses in public ways and facilities decreased by \$44,143, primarily for less SCRIP fee credits paid to the developer for the I-5/Ortega Highway Interchange project and La Pata Avenue Improvements and higher disposition of assets for the Road fund.
- Expenses in health and sanitation increased by \$38,745, primarily due to increases in S&EB and program expenses for MHSA, Correctional Medical Services, Medical Safety Net, and Children and Youth Services.
- Expenses in general government decreased by \$17,054, primarily due to a decrease in bankruptcy related
 payments from litigation reserves, lower cash disbursements of bankruptcy claims and fewer reimbursement
 payments made to Santa Margarita Water District for work on the CFD 2015-1 Village of Esencia construction
 project. Offsetting these decreases was an increase for the Civic Center Facilities Master Plan project.
- Expenses in interest on long-term debt decreased by \$2,568, primarily due to a lower interest expense on Capital Appreciation Bonds.
- Expenses in recreation and cultural services decreased by \$2,387, primarily due to higher capital asset dispositions. Offsetting this decrease was an increase for communications equipment, office equipment, S&EB for OC Parks, and major alterations and improvements primarily at Irvine Regional Park, Mile Square Regional Park, Yorba Regional Park, and Aliso Creek Trail.
- Expenses in education decreased by \$1,660, primarily due to less extra-help staff and pension expenses for OC Public Libraries and fewer purchases of library materials.

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

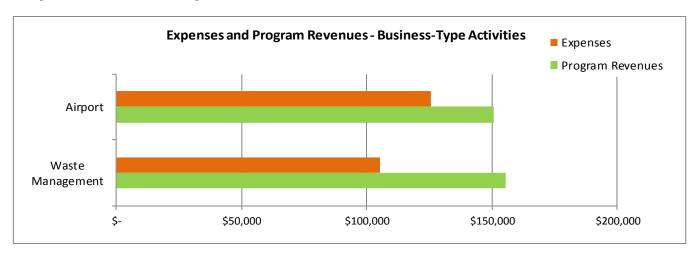


The chart below presents the percentage of total revenues by source for governmental activities:



Business-Type Activities

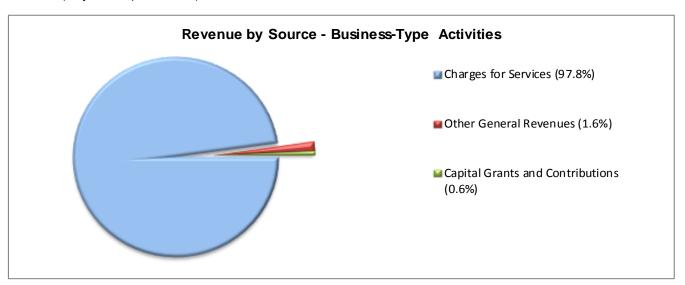
The County has three business-type activities: Airport, Waste Management, and CNG. In keeping with the intent of recovering all or a significant portion of their cost through user fees and charges, business-type activities reported charges for services as their largest source of revenues.



At the end of FY 2016-17, the business-type activities' total revenues exceeded expenses and transfers resulting in an increase of \$54,248 in net position compared to the prior year's increase in net position of \$69,383. Revenues totaled \$311,208, an increase of \$2,802 from the previous fiscal year, primarily attributable to increases from Waste Management's importation revenue and a gain on Coyote Flare Station capital asset disposal. Offsetting this increase was a decrease in the Airport's capital grant contributions from the Transportation Security Authority (TSA) for the Terminal A & B Baggage Screening project and a decrease in Waste Management's interest revenue and available cash distributions from the County.

Expenses, including transfers to governmental activities, totaled \$256,960, representing an increase of \$17,937 from the previous year. This increase is primarily due to Waste Management's pollution remediation expenses, taxes and other fees, and contributions to other agencies, as well as increases for the Airport's professional and specialized services and other services and supplies (S&S). Other factors concerning the finances of the County's two major enterprise funds are discussed in the proprietary funds section of the "Financial Analysis of the County's Funds."

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



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

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

At June 30, 2017, the County's governmental funds reported total fund balances of \$2,578,469, which is an increase of \$220,943 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, 2017 and 2016

		Revenues	an	d Other		Expenditure	es a	nd Other		Net Change in					
		Financing	g S	ources		Financi	ng	Uses		Fund Balances					
		<u>2017</u>		<u>2016</u> <u>2017</u> <u>2016</u> <u>2017</u>					<u>2017</u>		<u>2016</u>				
General Fund	\$	3,167,897	\$	3,038,491	\$	3,144,843	\$	2,975,161	\$	23,054	\$	63,330			
Flood Control District		151,353		128,929		144,469		116,206		6,884		12,723			
Other Public Protection		79,074		63,506		81,587		63,656		(2,513)		(150)			
Mental Health Services Act		153,076		116,978		138,075		115,244		15,001		1,734			
Other Governmental Funds		1,193,132		904,098		1,014,615		810,900	178,517			93,198			
Tota	al \$	4,744,532	\$	4,252,002	\$	4,523,589	\$	4,081,167	\$	220,943	\$	170,835			

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

General Fund

The General Fund is the chief operating fund of the County. At the end of FY 2016-17, revenues and other financing sources exceeded expenditures and other financing uses resulting in an increase in fund balance of \$23,054 compared to last year's increase in fund balances of \$63,330. Revenues and other financing sources increased by \$129,406, and expenditures and other financing uses increased by \$169,682. 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 2016-17:

Revenues

Transfers to the General Fund increased by \$64,307, primarily for multi-year capital projects, such as the Year-Round Emergency Shelter and Multi Service Center, Civic Center Facilities Master Plan, and replacement of air handlers at the Health Care Agency's (HCA) Health Clinic. There was also an increase in Proposition 63 drawdowns from the MHSA, increases in transfers of excess Proposition 172 Public Safety Sales Tax for Sheriff-Coroner projects, and computer replacements, and increases for Social Services Agency (SSA) Wraparound program claims.

County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2017 (Dollar Amounts in Thousands)

Charges for Services increased by \$56,474, primarily due to increases in revenue for the Proposition 63 MHSA program for Children & Youth and Outpatient Adult Mental Health Services. There was also an increase in law enforcement revenue from contract cities such as San Clemente, Mission Viejo, and Rancho Santa Margarita.

Expenditures

- Expenditures in public protection increased by \$77,610. Factors contributing to this increase were the ongoing
 operational cost increases in the Sheriff-Coroner's Department for S&EB, Workers' Compensation Insurance,
 Property & Liability Insurance, and S&S. There were also S&EB increases for the District Attorney (DA) due to
 additional positions added to support current increases in administrative and legal workload demands and
 further projected increases resulting from growing evidentiary and discovery requirements.
- Expenditures for health and sanitation increased by \$50,834, mainly in programs such as MHSA, Correctional Medical Services, and Medical Safety Net. There were also increases in S&EB for HCA due to additional positions added to support various health programs and outreach and engagement services.
- Expenditures for the general government increased by \$19,248, primarily due to the higher third of five payments per the Vehicle License Fee Adjustment Amount (VLFAA) settlement agreement and the Civic Center Facilities Master Plan project that began construction in FY 2016-17.

Flood Control District

This group of funds is used to account for the planning, construction, and operation of flood control and water conservation works, such as dams, basins, and trunk channels, and for the retardation, conservation, and controlled discharge of storm waters. At the end of FY 2016-17, there was an increase in fund balance of \$6,884 compared to last year's increase of \$12,723. Revenues and other financing sources increased by \$22,424 mainly due to an increase in secured property tax collections and intergovernmental revenues related to Santa Ana River (SAR) Subvention claims. Offsetting these increases was a decrease in intergovernmental revenues from the Department of Water Resources and State Water Resources Control Board, higher unrealized investment loss, decrease in interest from investments, and a decrease in bankruptcy available cash distributions. Expenditures and other financing uses increased by \$28,263, primarily due to an increase in expenditures related to the Santa Ana River Dredging project, a settlement paid to contractor for the SARI Line project, and various maintenance improvement projects such as Peters Canyon Wash Sediment & Vegetation Removal, San Diego Creek Pilot Channel Emergency Interim Sand Management, and Santa Ana River Levee System Repair. Offsetting this increase was a decrease in loan repayments for the SARI Line project to OC 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 2016-17, there was a decrease in fund balance of \$2,513 compared to last year's decrease in fund balance of \$150. Revenues and other financing sources increased by \$15,568, which was primarily attributable to an increase in intergovernmental revenue of \$8,800 from the U.S. Marshals Service Asset Forfeiture Division as part of the equitable sharing disbursement and transfers in of \$6,692 from the General Fund for the 800 MHz backbone costs and next generation radios. Expenditures and other financing uses increased by \$17,931, primarily due to the replacement of obsolete radio equipment for the 800 MHz Countywide Coordinated Communications System and higher expenditures for DA Consumer Protection. Offsetting these increases in expenditures were decreases in equipment costs for mobile digital video recorders and related equipment and also lower maintenance and building improvement costs.

Mental Health Services Act (MHSA)

This fund accounts for purpose restricted MHSA revenues. At the end of FY 2016-17, fund balance increased by \$15,001 compared to last year's increase in fund balance of \$1,734. Revenues and other financing sources increased by a total, net amount of \$36,098, primarily due to higher allocation from the State. Expenditures increased by \$22,831, primarily due to an increase in transfers out to the General Fund for eligible reimbursement of MHSA related services.

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 2016-17, fund balances increased by \$178,517 in comparison to prior year's increase in fund balances of \$93,198. Revenues and other financing sources increased by \$289,034 primarily due to loan proceeds from the California Municipal Finance Authority to construct part of the Civic Center Facilities Master Plan. Expenditures and other financing uses increased by \$203,715, primarily due to an increase in transfers out for projects such as the Civic Center Facilities Master Plan construction, Central Utilities Facility (CUF) Infrastructure Upgrade, OC Animal Care Center, and Year-Round Emergency Shelter and Multi Service Center, as well as an increase in debt service costs for lease revenue bonds. Offsetting these increases were decreases in debt service costs for the Teeter Plan Obligation Notes, Series B and a decrease in construction costs for the Cow Camp Road and La Pata Avenue Gap Closure projects. There were also decreases in public ways and facilities expenditures for lower SCRIP fee credits paid to developers and lower bankruptcy related expenditures.

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, 2017 and 2016				
		2017	2016	Increase/(Decrease) %
General Fund	\$	750,892	\$ 727,838	3 %
Flood Control District		438,552	431,668	2 %
Other Public Protection		143,297	145,810	(2)%
Mental Health Services Act		256,959	241,958	6 %
Other Governmental Funds		988,769	810,252	22 %
	Total \$	2,578,469	\$ 2,357,526	9 %

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:

COMPARATIVE SCHEDULE OF F For the Years Ended June 30, 201		S, CON	ITRIBUTIO	ONS,	TRANSFER	RS, AN	ND CHANG	ES IN	N FUND NET	POS	SITION
1 of the Fedro Ended bulle 50, 201	Revenues, C and Tra				Expe	enses			Chan Fund Net	_	
	2017		<u>2016</u>		2017	ui i Si Ci	<u>2016</u>		2017	1 03	<u>2016</u>
Airport	\$ 152,880	\$	155,495	\$	126,052	\$	121,023	\$	26,828	\$	34,472
Waste Management	158,045		152,630		131,430		117,667		26,615		34,963
Compressed Natural Gas	326		345		517		534		(191)		(189
Total	\$ 311,251	\$	308,470	\$	257,999	\$	239,224	\$	53,252	\$	69,246

County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2017 (Dollar Amounts in Thousands)

Airport

This fund accounts for major construction and self-supporting aviation related activities rendered at the Airport. At the end of FY 2016-17, there was an increase of \$26,828 in fund net position compared to the prior year increase of \$34,472. Revenues, contributions, and transfers decreased by \$2,615, primarily due to a decrease in capital grant contributions from the TSA for Terminal A & B Baggage Screening project. Expenses increased by \$5,029, primarily due to increased professional and specialized services and other S&S for projects such as terminal improvements.

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 2016-17, there was an increase of \$26,615 in fund net position compared to the prior year increase of \$34,963. Revenues, contributions, and transfers increased by \$5,415, primarily due to increased sanitation and landfill disposal tonnage and fees collected for waste, recycling and importation. Expenses and transfers increased by \$13,763, primarily due to increased pollution remediation expenses, taxes and other fees, and contributions to other agencies.

Compressed Natural Gas (CNG)

This fund is used to account 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 2016-17, there was a decrease of \$191 in fund net position compared to the prior year decrease of \$189. Revenues decreased by \$19 due to a decrease in CNG fuel sales and CNG/Propane tax refunds and credits received. Expenses decreased by \$17 due to a decrease in transfers out to reimburse the OC Flood Control District fund for the annual payment for the construction of the compressed natural gas station and a decrease in merchant fees charged for credit card purchases made by CNG. This decrease was offset by an increase in maintenance and repairs and higher federal excise taxes paid.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Original Revenue Budget vs. Final Revenue Budget

The following provides a summary of the primary factors attributable to the increase in the General Fund final budget revenues and other financing sources compared to the original budget revenues and other financing sources:

Fines, Forfeitures, and Penalties

 An increase of \$26,000 for a one-time litigation settlement over a failed replacement to the County's automated Property Tax Management System.

Intergovernmental

- An increase of \$5,932 in the Social Services Agency (SSA) due to the anticipation of more State and Federal
 allocations for various programs, such as Medi-Cal, CalFresh, In-Home Supportive Services Non-Medical
 Out-of-Home Care, and Work Incentive Nutrition Supplement.
- An increase of \$2,024 in the Trial Courts due to the anticipation of more State allocations for the Community Service Provider and Orange County Victim Services Grant.
- An increase of \$1,503 mainly due to the Community Corrections Partnership approval for disposition of unspent State allocations to partially reimburse the General Fund for the prior years for which 2011 Public Safety Realignment (AB 109) funding was insufficient and partially for anticipated reimbursement to the Local Law Enforcement agencies in the current fiscal year.

Transfers In

- An increase of \$11,584 primarily due to the anticipation of higher importation revenue which will be transferred from Waste Management Bankruptcy Recovery Plan to the 2005 Lease Revenue Refunding Bonds fund.
- An increase of \$6,000 in SSA from the SSA Wraparound fund to ensure sufficient appropriations are available to pay for eligible expenditures (the "Wraparound" label refers to the fact that services are intended to wrap around the child in a way that supports the child in all aspects of the child's life).
- An increase of \$3,883 in the Miscellaneous fund for the transfer of residual balances as a result of the 1996 Recovery Certificates of Participation Series A fund closure.
- An increase of \$2,891 in HCA for operations to cover anticipated increased eligible program costs for the OC Tobacco Settlement and Bioterrorism Center for Disease.
- An increase of \$2,067 to the Sheriff-Coroner to cover unanticipated costs for salaries, IT projects and S&S.

Final Revenue Budget vs. Actual Revenue Amounts

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

Transfers In

- A \$96,998 less than budgeted amount was primarily comprised of the following:
 - \$42,121 less revenue transferred to HCA due to lower claims in OC Tobacco Settlement Revenue and lower than expected drawdowns in the MHSA for reimbursements of eligible costs.
 - \$12,222 less revenue transferred to SSA due to less than anticipated Wraparound expenditures and less utility cost reimbursements for the Tustin Family Campus Program.
 - \$11,000 less revenue transferred from the Teeter Tax Loss Reserve fund as a result of redistributing the annual calculation of the excess Tax Loss Reserve requirement to the Teeter Debt Service fund.
 - \$7,185 less transfers of surplus from the Debt Service funds after principal, interest, and fund reserve requirements were met.
 - \$6,442 less revenue transferred to Sheriff-Coroner due to the deferral of the Automated Jail System and Field Based Reporting projects.
 - \$4,300 less revenue transferred to Property Tax System Centralized Operations and Maintenance Support due to delay in the Property Tax System re-platforming project to the next fiscal year.

Charges for Services

- A \$27,166 less than budgeted amount was primarily comprised of the following:
 - \$8,821 less received in Sheriff-Coroner from law enforcement service contracts with the Harbor Patrol, the Airport security, Mission Viejo, San Clemente, Lake Forest and other contract cities. This was offset with \$1,935 higher than budgeted revenues received from a service agreement with U.S. Immigration and Customs Enforcement.
 - \$7,241 less received in reimbursements from various County departments for charges for services provided by OC Public Works.
 - \$4,704 less received in revenue for HCA primarily related to an anticipated transfer in for Public Health Services which will not be completed until FY 2017-18, offset by an increase of \$3,674 in Federal Medi-Cal revenue.
 - \$4,610 less received in revenue for OC Community Resources primarily as a result of less contracts and less corresponding reimbursement revenues received by Homeless Prevention for the Year-Round Shelter and the Community Investment Division.
 - \$3,137 less received primarily due to less revenue from Traffic School and Bail.

Intergovernmental

- A \$22,521 less than budgeted amount was primarily comprised of the following:
 - \$40,707 less received in SSA primarily due to lower eligible expenditures for program claims as a result
 of higher than anticipated staffing vacancies, lower contract services expenditures, and delayed IT and
 facility projects.

- \$11,628 more received by the Sheriff-Coroner for AB 109 to recognize the full allocation of jail operation costs the County incurred.
- \$10,337 more received in HCA primarily related to the Federal Whole Person Care pilot program, State Realignment, and a one-time release of State mental health funds from a prior year liability account.

Original Expenditure Budget vs. Final Expenditure Budget

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

Miscellaneous

 An increase of \$27,729 primarily due to the anticipation of an increase in transfers out for the 800 MHz Countywide Coordinated Communications System, the Property Tax System re-platforming project, and the Teeter Series A Debt Service to properly align excess Tax Loss Reserves recorded at the end of FY 2016-17.

Sheriff-Coroner

 An increase of \$19,814 primarily due to unanticipated higher costs associated with providing law enforcement services to cities, traffic safety, forensic science, and homeland security. Also higher appropriations for equipment purchases were expected for a patrol ready helicopter, transportation vehicles to carry out law enforcement activities, and transfers to construction and facility development for parking lot, quartermaster, and James A. Musick security fence projects.

Social Services Agency

• An increase of \$16,752 for the anticipated higher costs for Medi-Cal, CalWORKs, In-Home Supportive Services, and various other State programs to fund mandated support services, as well as added positions to support new federal overtime regulations per the provisions of the Fair Labor Standards Act.

2005 Lease Revenue Refunding Bonds

An increase of \$11,719 to transfer the anticipated increase in trash importation revenues that will be used to
pay remaining bankruptcy related losses to County Administered Accounts in accordance with the Bankruptcy
Second Amended Modified Plan of Adjustment.

Capital Projects

 A net increase of \$5,752 primarily due to the anticipation of an increase in transfers out to the Countywide Capital Projects fund for the re-budget of multi-year projects and various other projects, such as parking facilities for enhanced safety and security services in the Civic Center area, Coroner Biological Evidence Freezer, and Theo Lacy Kitchen Floor project.

Final Expenditure Budget vs. Actual Expenditure Amounts

In anticipation of the State's termination of the Coordinated Care Initiative (CCI) in FY 2017-18, which would result in an estimated \$38 million increase in County costs associated with the In-Home Supportive Services (IHSS) program, the County implemented a countywide hiring freeze and restricted discretionary expenditures in FY 2016-17. This measure has the impact of lowering actual S&EB within the General Fund. Other items provide a summary of the primary factors that caused significant variances.

Social Services Agency

 A \$64,942 lower than budgeted amount primarily due to 6.60% lower than budgeted caseloads for Foster Care Non-Federal Wraparound cases, savings in health insurance costs, and a hold on spending related to pending IHSS, as well as lower S&S costs due to less contracts, IT expenditures, and facility projects.

Health Care Agency

 A \$58,238 lower than budgeted amount primarily due to lower contract professional services expenditures in Behavioral Health Services, savings in contracted pharmaceutical expenditures related to the Affordable Care Act implementation, and decreased patient care costs in California Children's Services.

Sheriff-Coroner

 A total of \$14,216 lower than budgeted amount was primarily the result of lower than expected utility costs and lower expenditures for equipment.

Capital Projects

 A total of \$11,355 lower than budgeted amount was primarily the result of lower expenditures for various structure and improvement projects, such as the replacement of deteriorated ductwork and variable-air-volume boxes throughout the Gates Building, replacement of chilled-water cooling coils located on the roof of the Gates Building, and the Year-Round Emergency Shelter and Multi Service Center.

Miscellaneous

 A total of \$10,493 lower than budgeted primarily due to annual leave payouts for small departments that were budgeted but not used, potential union negotiation impacts that were budgeted but not utilized, and contingency appropriations that were budgeted but not fully utilized in FY 2016-17.

OC Community Resources

A total of \$10,470 lower than budgeted amount primarily due to lower contract and administrative expenditures
combined for programs with the Community Investment, Office on Aging, and Veterans Services programs, less
operating costs spent for the Year-Round Emergency Shelter and Multi Service Center, Santa Ana Courtyard
Transitional Homeless Center initiatives, and for training, meetings, and tuition reimbursement.

OC Public Works

 A total of \$9,069 lower than budgeted amount primarily due to lower expenditures in areas such as janitorial services and supplies, maintenance and improvements, OCIT services support, and garage expenditures for parking.

Property Tax System and Centralized Operations & Maintenance Support

 A total of \$4,684 lower than budgeted amount due to the postponement of the Property Tax System replatforming project to the next fiscal year.

District Attorney

 A total of \$4,539 lower than budgeted amount was primarily the result of cost containment efforts by the department which reduced expenditures for S&S and IT equipment purchases.

OC Watersheds

• A total of \$4,269 lower than budgeted amount was primarily due to the result of a reduction in contract services for environmental monitoring and water quality compliance.

Capital Assets

At June 30, 2017, the County's capital assets for both the governmental and business-type activities amounted to \$3,831,379, net of accumulated depreciation. The investment in capital assets includes land, structures and improvements, land improvements, equipment, software, infrastructure, intangible in progress, land use rights, and construction in progress. The total increase in the County's investment in capital assets for the current year was 5%.

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

CAPITAL ASSETS										
(Net of Depreciation)										
June 30, 2017 and 2016										
	Govern	ıme	ental	Busine	ss-	Туре				Increase
	Activ	/itie	es	Activ	/iti	es	To	tal		(Decrease)
	<u>2017</u>		<u>2016</u>	<u>2017</u>		<u>2016</u>	<u>2017</u>		<u>2016</u>	% Change
Land	\$ 839,273	\$	834,406	\$ 37,842	\$	37,842	\$ 877,115	\$	872,248	1 %
Structures and										
Improvements	552,210		572,331	481,227		499,151	1,033,437		1,071,482	(4)%
Land Improvements	3,811		2,436				3,811		2,436	56 %
Equipment	139,846		109,997	25,589		23,898	165,435		133,895	24 %
Software	44,208		38,713	2,891		1,126	47,099		39,839	18 %
Infrastructure	1,165,681		1,121,121	246,003		244,289	1,411,684		1,365,410	3 %
Intangible in										
Progress	5,562		3,453	255		2,068	5,817		5,521	5 %
Land Use Rights	7,602		7,602				7,602		7,602	
Construction in										
Progress	175,447		118,864	103,932		40,555	279,379		159,419	75 %
Total	\$ 2,933,640	\$	2,808,923	\$ 897,739	\$	848,929	\$ 3,831,379	\$	3,657,852	5 %

The following lists the significant capital asset expenditures in FY 2016-17:

General Fund

- \$3,821 for the purchase of an office building for Probation
- \$3,026 for Sheriff-Coroner upgrade of video management system and services, purchase of portable devices, and integrated control systems for patrol vehicles
- \$1,635 for the purchase of an Airbus helicopter for Sheriff-Coroner
- \$1,376 for the construction costs associated with the Year-Round Emergency Shelter and Multi Service Center

Flood Control District

- \$5,152 for the Greenville-Banning Channel Improvements project
- \$4,676 for the Santa Ana Dredging project
- \$2,016 for the Edinger Storm Channel Improvements project
- \$1,568 for the purchase of vehicles such as trailers, ten wheel haul trucks, and street sweepers
- \$1,542 for the Glassell Yard Campus Stormwater Low Impact Development Retrofit project
- \$1,465 for the Fullerton Creek Channel Project

Other Public Protection

- \$11,500 for the purchase of communications equipment
- \$9,729 for the replacement of obsolete radio equipment

Other Governmental Funds

- \$36,304 for the CUF Infrastructure Upgrade project
- \$19,212 for the new OC Animal Care Center construction
- \$14,449 for the La Pata Avenue Gap Closure/Camino Del Rio Extension construction
- \$3.436 for the Dana Point Harbor Revitalization
- \$2,641 for the Riley Wilderness Park Wagon Wheel creek restoration
- \$3,693 for the James A. Musick Facility Jail Expansion project

<u>Airport</u>

- \$51,630 for the Terminal Improvements project
- \$2,895 for the Common Use Passenger Processing System Upgrade project
- \$1,339 for the lighting systems upgrade project

Waste Management

- \$11,736 for the Frank R. Bowerman Landfill Soil Buttress and Composite Liner Construction project
- \$11,308 for the Olinda Alpha Landfill Front Slope Improvement project
- \$4,009 for the purchase of heavy equipment at the north regional landfill
- \$2,106 for the purchase of heavy equipment at the central regional landfill

Internal Service Funds

• \$12,270 for the purchase of vehicles for OC Fleet Services

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 2016-17, significant commitments for capital expenditures included the following:

- \$154,618 for the Civic Center Facilities Master Plan project
- \$42,128 for the Airport's Terminal Improvements project
- \$19,015 for the Frank R. Bowerman Landfill Soil Buttress and Liner Construction project
- \$17,391 for the Edinger Avenue Bridge Replacement Over Bolsa Chica Channel project
- \$13,159 for the Olinda Front Face Improvement project
- \$12,339 for the La Pata Avenue Gap Closure/Widening, Phase I & II project
- \$12,002 for the San Juan Creek Channel Phase IV-3700' to 6100' U/S Stonehill Dr project
- \$9,923 for the Fullerton Creek Channel, D/S Western Ave to U/S Beach Blvd project
- \$7,945 for the purchase of Law enforcement and other vehicles
- \$6,426 for the CUF Infrastructure Upgrade project
- \$5,925 for the Santa Ana River Interceptor Line Construction
- \$4,915 for the purchase of an Airbus helicopter
- \$3,483 for the Dana Point Harbor Revitalization project
- \$3,454 for the Airport's Paularino Gate Improvements 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, 2017, the County had total debt obligations outstanding of \$362,210 excluding long-term liabilities such as compensated employee absences payable, Civic Center Facilities Master Plan financing, and capital lease obligations payable. During the year, the County's outstanding debt obligations decreased by 21%, which is primarily attributable to the retirement of \$136,187 of bond obligations, offset by \$31,536 in additional Teeter Plan Notes and \$6,070 in additional interest accretion on capital appreciation bonds (CABs).

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 bonds, certificates of participation (COPs), notes, and other forms of debt not covered by the general obligation bonded debt limitation.

The following table summarizes the County's long-term debt obligations at June 30, 2017:

LONG-TERM DEBT OBLIGAT June 30, 2017 and 2016	ION:	S										
		Govern	ıme	ental	Busine	SS	s-Туре					
		Activ	/itie	es	Activ	vit	ies		To	otal		(Decrease)
		<u>2017</u>		<u>2016</u>	<u>2017</u>		<u>2016</u>		<u>2017</u>		<u>2016</u>	% Change
Revenue Bonds	\$	74,300	\$	122,870	\$ 189,539	\$	197,069	\$	263,839	\$	319,939	(18)%
Certificates of Participation		811		1,262					811		1,262	(36)%
Pension Obligation Bonds		11,220		19,140					11,220		19,140	(41)%
Teeter Plan Notes		27,868		30,191					27,868		30,191	(8)%
Add: Premium/(Discount)												
on Bonds Payable		14,052		18,275	(2,221)		(1,942))	11,831		16,333	(28)%
Add: Interest Accretion												
on CABs		46,641		73,926					46,641		73,926	(37)%
Total	\$	174,892	\$	265,664	\$ 187,318	\$	195,127	\$	362,210	\$	460,791	(21)%

The following summarizes the County's long-term debt issuance during FY 2016-17:

<u>Teeter Plan Notes</u> On July 13, 2016, the County issued an additional \$31,536 in Teeter Plan 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.

On December 29, 2016 and June 27, 2017, the County used all of the accumulated base taxes to redeem \$24,364 and \$9,495, respectively, of the Teeter Plan Notes. As of June 30, 2017, the outstanding principal amount of the Teeter Plan Notes was \$27,868.

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 Credit Rating (ICR) of Aa1 from Moody's Investors Service (Moody's), AA+ from Standard & Poor's Global Ratings (S&P), and AA+ Issuer Default Rating (IDR) from Fitch Ratings. The IDR was previously referred to as an implied General Obligation (GO) Bond rating. The implied rating was not reported because the County does not have any general obligation bonds outstanding. In FY 2016-17, the following changes occurred in the County's underlying debt:

On October 4, 2016, Moody's upgraded the ratings on the County's 2005 Lease Revenue Bonds, 2006 Lease Revenue Bonds, 2012 Lease Revenue Bonds, and 1991 Parking COPs to Aa2 from Aa3.

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

June 30, 2017			
	Standard & Poor's	Moody's	Fitch
2005 Lease Revenue Bonds	AA	Aa2	AA
2006 Lease Revenue Bonds	AA	Aa2	AA
2012 Lease Revenue Bonds	AA	Aa2	NR
2016 Lease Revenue Bonds	AA	NR	NR
1991 Parking COPs	NR	Aa2	NR
Teeter Plan Notes	NR	NR	NR
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

In-Home Supportive Services (IHSS)

On June 28, 2017, the State budget was enacted and included State General Fund to mitigate increases to counties for the IHSS program associated with the end of the Coordinated Care Initiative. The increased cost may constrain the ability to fully fund current and future operations; however, actual impacts to programs and services is still being evaluated. The County's CEO is participating in a state-wide working group developing options for reform to enhance program sustainability and address long-term impacts to counties.

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 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, 2017, the remaining obligation to the State is \$105,000.

Long-Term Financial Planning

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

The funded ratio of the System is a measure of the ability of the System to make obligated payments to current retirees and future retirees. The funded ratio (valuation 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 then dropped to 62.52% in 2012. As of December 31, 2016, the funded ratio has increased to 73.06%. Despite the increase in funding ratio resulting from 2016 actual market returns greater than expected, the System's Unfunded Actuarial Accrued Liability (UAAL) has increased primarily due to the following factors: (1) higher than expected salary increases, (2) unfavorable investment returns (after smoothing), and (3) actual contributions less than expected, offset somewhat by (4) lower than expected cost of living adjustment (COLA) increases, and (5) additional UAAL payments made by certain employers.

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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% effective July 2015. On October 16, 2017, the OCERS Board adopted a reduction in the assumed investment rate of return to 7.00% effective July 1, 2019. The assumed rate of return reduction had the impact of increasing contribution rates of members and plan sponsors.

OCERS Actuarial Funding Policy (Amortization)

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

OCERS Actuarial Assumptions

The 2014 through 2016 valuations were impacted by economic assumption changes, which flowed from the 2014 Triennial Study of Actuarial Assumptions. These changes, adopted by the OCERS Board on September 23, 2014, included a decrease in the inflation assumption from 3.25% to 3.00% per annum. As a result of the 2017 Triennial Study of Actuarial Assumptions, the OCERS Board, on October 16, 2017, adopted a further decrease in the inflation assumption to 2.75%, which will be effective with the 2017 valuation.

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 92701 or you can access our website at www.ac.ocgov.com.





		Component Units			
	Governmental Activities	Business-Type Activities	Total	Governmental CFCOC	Proprietary CalOptima
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,367,012	\$ 615,734	\$ 2,982,746	\$ 47,449	\$ 527,773
Restricted Cash and Cash Equivalents	355,760	156,941	512,701		300
Investments	67,557	39,300	106,857		1,599,854
Deposits In-Lieu of Cash	25	46,903	46,928		
Internal Balances	(9,295)	9,295			
Due from Component Unit	339		339		
Due from Primary Government				1	
Prepaid Costs	322,327	4,355	326,682	151	26,385
Inventory of Materials and Supplies	1,910		1,910		
Receivables, Net of Allowances					
Accounts	8,566	17,937	26,503	2	522,793
Taxes	27,458		27,458	2,425	
Interest/Dividends	5,688	1,665	7,353	42	
Deposits	4,821	100	4,921	5,231	
Advances	40		40	,	
Due from Other Governmental Agencies, Net	410,849	3,358	414,207	1,048	
Notes Receivable, Net	27,572		27,572	·	
Net Other Postemployment Benefits	44,838		44,838		
Capital Assets	,		,		
Not Depreciable/Amortizable	1,027,884	142,029	1,169,913		6,579
Depreciable/Amortizable, Net	1,905,756	755,710	2,661,466		47,722
Total Capital Assets	2,933,640	897,739	3,831,379		54,301
Total Assets	6,569,107	1,793,327	8,362,434	56,349	2,731,406
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	1,516		1,516		
Deferred Outflows of Resources Related to Pension	821,293	17,251	838,544	567	11,577
Total Deferred Outflows of Resources	822,809	17,251	840,060	567	11,577

		F	Primary Government				Compo	nent U	Inits
	Governmental Activities		Business-Type Activities		Total		ernmental CFCOC		oprietary alOptima
LIABILITIES									
Accounts Payable	\$ 117,575	\$	31,665	\$	149,240	\$	2,818	\$	9,824
Salaries and Employee Benefits Payable	46,825	•	1,020	•	47,845	•	27	•	10,101
Retainage Payable	5,720		1,102		6,822		1,261		
Interest Payable	3,269		4,910		8,179				
Deposits from Others	50,569		48,405		98,974				
Due to Primary Government							339		
Due to Component Unit	1				1				
Due to Other Governmental Agencies	31,536		3,597		35,133		3,818		198,205
Unearned Revenue	65,906		4,120		70,026				102,298
Short-Term Bonds Payable	375,540				375,540				
Long-Term Liabilities Due Within One Year									
SARI Line Loans	912				912				
Estimated Liability - Litigation and Claims	57,400				57,400				
Interest Accretion on Capital Appreciation Bonds Payable	14,176				14,176				
Insurance Claims Payable	54,026				54,026				
Medical Claims Payable									1,080,027
Capitation and Withholds									580,840
Compensated Employee Absences Payable	99,957		2,362		102,319		38		
Capital Lease Obligations Payable	12,697				12,697				
Bonds Payable	21,826		35,090		56,916				
Pollution Remediation Obligation			570		570				
Intangible Assets Obligations Payable	194		110		304				
Landfill Site Closure/Postclosure Liability			2,613		2,613				
Due in More than One Year									
SARI Line Loans	22,988				22,988				
Civic Center Facilities Master Plan Loan	175,340				175,340				
Estimated Liability - Litigation and Claims	55,000				55,000				
Interest Accretion on Capital Appreciation Bonds Payable	32,465				32,465				
Insurance Claims Payable	148,145				148,145				
Compensated Employee Absences Payable	86,649		2,299		88,948		9		
Arbitrage Rebate Payable	365				365				
Capital Lease Obligations Payable	43,134				43,134				
Notes Payable	27,868				27,868				
Bonds Payable	78,557		152,228		230,785				
Pollution Remediation Obligation			16,114		16,114				
Intangible Assets Obligations Payable	1,629		44		1,673				
Landfill Site Closure/Postclosure Liability			155,868		155,868				
Net Pension Liability									15,431
Orange County Employees Retirement System	3,957,838		86,800		4,044,638		3,158		
Extra-Help Defined Benefit Plan	1,952		43		1,995				
Net Other Postemployment Benefit Obligation									28,586
Total Liabilities	5,590,059	_	548,960		6,139,019		11,468		2,025,312
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows of Resources Related to Pension	546,666	_	11,658		558,324		1,413		1,340
Total Deferred Inflows of Resources	546,666	-	11,658		558,324		1,413		1,340
NET POSITION									
Net Investment in Capital Assets	2,813,296		708.286		3.521.582				54,104
Restricted for:	2,613,290		100,200		3,321,362				34,104
Expendable									
Pension Benefits	125,876				125.876				
Capital Projects	164,400				164,400				
Debt Service	33,409		36,181		69,590				
Legally Segregated for Grants and Other Purposes	1,192,827		50,101		1,192,827				
Regional Park Endowment	1,132,027				1,152,627				
CalOptima	145				145				98,445
Passenger Facility Charges Approved Capital Projects			2,775		2,775				50,445
Capital Projects - Replacements and Renewals			1,000		1,000				
Landfill Closure/Postclosure			28,962		28,962				
Landfill Corrective Action			8,278		8,278				
Wetland			879		879				
Prima Deshecha/La Pata Closure	 		104		104				
Nonexpendable			104		10-1				
Regional Park Endowment	196				196				
Unrestricted (Deficit)	(3,074,958)		463,495		(2,611,463)		44,035		563,782
Total Net Position	\$ 1,255,191	\$	1,249,960	\$	2,505,151	\$	44,035	\$	716,331
		· -		<u> </u>					

		Expenses				Program Revenues					
Functions/Programs		Direct Expenses		Indirect Expenses Allocation	Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		
Primary Government											
Governmental Activities											
General Government	\$	239,113	\$	(52,773)	\$	41,988	\$	12,874	\$	95,199	
Public Protection		1,453,864		31,273		307,630		566,760		10,171	
Public Ways and Facilities		100,505		(2,577)		67,796		64,603		7,292	
Health and Sanitation		586,114		7,503		117,170		434,607			
Public Assistance		1,085,768		11,559		40,589		987,695		618	
Education		43,598		912		1,274		262			
Recreation and Cultural Services		110,552		2,197		47,763		976		201	
Interest on Long-Term Debt		17,544									
Total Governmental Activities		3,637,058		(1,906)		624,210		2,067,777		113,481	
Business-Type Activities											
Airport		124,610		912		150,260		51		270	
Waste Management		104,170		979		153,842		18		1,558	
Compressed Natural Gas		352		15		248					
Total Business-Type Activities		229,132		1,906		304,350		69		1,828	
Total Primary Government	\$	3,866,190	\$		\$	928,560	\$	2,067,846	\$	115,309	
Component Units											
Children and Families											
Commission of Orange County	\$	34.394	\$		\$		\$	26,233	\$		
CalOptima	•	3,513,349	*		•	3,551,420	*	15,766	•		
Total Component Units	\$	3,547,743	\$		\$	3,551,420	\$	41,999	\$		

General Revenues

Taxes

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

Property Taxes, Levied for OC Parks

Property Taxes, Levied for OC Public Libraries
Property Taxes in-Lieu of Motor Vehicle License Fees

Other Taxes

Grants and Contributions Not Restricted to Specific Programs

State Allocation of Motor Vehicle License Fees

Unrestricted Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position
Net Position - Beginning of Year
Net Position - End of Year

Net (Expense) Revenue and Change in Net Position

	ı	Primary Government		Component Ui		t Units	
G	overnmental	ntal Business-Type Governmental P		Proprietary	•		
	Activities	Activities	Total	CFCOC	_	CalOptima	Functions/Programs
							Primary Government Governmental Activities
\$	(36,279)	\$	\$ (36,279)	\$	\$		General Government
*	(600,576)	<u></u>	(600,576)	·	•		Public Protection
	41,763		41,763				Public Ways and Facilities
	(41,840)		(41,840)				Health and Sanitation
	(68,425)		(68,425)				Public Assistance
	(42,974)		(42,974)				Education
	(63,809)		(63,809)				Recreation and Cultural Services
	(17,544)		(17,544)				Interest on Long-Term Debt
	(829,684)		(829,684)		_		Total Governmental Activities
							Business-Type Activities
		25,059	25,059				Airport
		50,269	50,269				Waste Management
		(119)	(119)				Compressed Natural Gas
		75,209	75,209				Total Business-Type Activities
	(829,684)	75,209	(754,475)		_		Total Primary Government
							Component Units
							Children and Families
				(8,161)			Commission or Orange County
					_	53,837	
				(8,161)	_	53,837	Total Component Units
							General Revenues Taxes
	287,212		287,212				Property Taxes, Levied for General Fund
	98,563		98,563				Property Taxes, Levied for Flood Control District
	76,493		76,493				Property Taxes, Levied for OC Parks
	47,804		47,804				Property Taxes, Levied for OC Public Libraries
	351,011		351,011				Property Taxes in-Lieu of Motor Vehicle License Fees
	98,216	78	98,294				Other Taxes
	8,434		8,434				Grants and Contributions Not Restricted to Specific Programs
	1,234		1,234				Clair / modalion of motor volucio Elochico i coc
	19,760	3,497	23,257	343			Unrestricted Investment Earnings
	80,229	1,386	81,615	231		27	
	25,922	(25,922)		. 	_		= ' '
	1,094,878	(20,961)	1,073,917	574	_	27	
	265,194	54,248	319,442	(7,587)		53,864	
	989,997	1,195,712	2,185,709	51,622	_	662,467	
\$	1,255,191	\$ 1,249,960	\$ 2,505,151	\$ 44,035	\$	716,331	Net Position - End of Year

	General Fund	Flood Control District	Other Public Protection
<u>ASSETS</u>			
Pooled Cash/Investments	\$ 531,226	\$ 460,016	\$ 179,285
Cash/Cash Equivalents			12,188
Imprest Cash Funds	1,834		
Restricted Cash and Investments with Trustee	1		
Investments Penseite In Lieu of Cook	67,557		
Deposits In-Lieu of Cash			
Receivables Accounts	9,590	635	176
Taxes	5,701	1,460	170
Interest/Dividends	1,794	1,022	436
	1,794 524	·	430
Deposits Advances	40	2,149	
Allowance for Uncollectible Receivables	(4,077)	(249)	
Due from Other Funds	104,918	2,802	3,608
Due from Component Unit	339	2,002	
Due from Other Governmental Agencies, Net	330,367	30,137	2.338
Inventory of Materials and Supplies	838	346	317
Prepaid Costs	367,934	4,877	1,228
Advances to Other Funds	3,800		1,220
Notes Receivable, Net			
Total Assets	\$ 1,422,386	\$ 503,195	\$ 199,576
<u>LIABILITIES</u>			
Accounts Payable	\$ 47,903	\$ 9,028	\$ 12,913
Accounts Payable Retainage Payable	\$ 47,903 1,750	\$ 9,028 1,172	\$ 12,913 1
Salaries and Employee Benefits Payable	43,688	603	149
Interest Payable	2,376		149
Deposits from Others	1,534	8,837	20,975
Due to Other Funds	43,725	10,431	15,307
Due to Component Unit			
Due to Other Governmental Agencies	14,634	1	5,404
Estimated Litigation and Claims		7,400	
Unearned Revenue	38,668	786	675
Bonds Payable	375,540		
Advances from Other Funds	784		
Total Liabilities	570,602	38,258	55,424
DEFERRED INFLOWS OF RESOURCES			·
	= 0.05:	0= 446	2==
Unavailable Revenue - Intergovernmental Revenues	58,651	25,118	855
Unavailable Revenue - Senate Bill 90 Mandated Claims, Net	24,637	4.007	
Unavailable Revenue - Property Taxes	8,364	1,267	
Unavailable Revenue - Long-Term Notes Receivables	0.040		
Unavailable Revenue - Other	9,240	00.005	
Total Deferred Inflows of Resources	100,892	26,385	855
FUND BALANCES			
Nonspendable	372,572	5,223	1,545
Restricted	39,581	433,329	140,238
Assigned	265,293		1,514
Unassigned	73,446		
Total Fund Balances	750,892	438,552	143,297
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,422,386	\$ 503,195	\$ 199,576

Mental Health rvices Act	Go	Other overnmental Funds	Go	Total overnmental Funds	ASSETS
					<u>ASSETS</u>
\$ 260,491 	\$	684,314 355,754 	\$	2,115,332 12,188 1,834 355,755 67,557	Pooled Cash/Investments Cash/Cash Equivalents Imprest Cash Funds Restricted Cash and Investments with Trustee Investments
		25		25	Deposits In-Lieu of Cash Receivables
		2,502 20,297		12,903 27,458	Accounts Taxes
613 		1,335 2,148 		5,200 4,821 40	Interest/Dividends Deposits Advances
		(96)		(4,422)	Allowance for Uncollectible Receivables
 		37,963		149,291 339	Due from Other Funds Due from Component Unit
15,854 		31,101 		409,797 1,501	Due from Other Governmental Agencies, Net Inventory of Materials and Supplies
		14,733		388,772	Prepaid Costs
		27,572		3,800 27,572	Advances to Other Funds Notes Receivable, Net
\$ 276,958	\$	1,177,648	\$	3,579,763	Total Assets
					<u>LIABILITIES</u>
\$ 	\$	26,475 2,785	\$	96,319 5,708	Accounts Payable Retainage Payable
		1,917		46,357	Salaries and Employee Benefits Payable
		34		2,410	Interest Payable
 15,288		19,223 60,321		50,569 145,072	Deposits from Others Due to Other Funds
		1		1	Due to Component Unit
248		11,236		31,523	Due to Other Governmental Agencies
4,463		 21,314		7,400 65,906	Estimated Litigation and Claims Unearned Revenue
				375,540	Bonds Payable
 19,999	_	32,640 175,946	_	33,424 860,229	Advances from Other Funds Total Liabilities
					DEFERRED INFLOWS OF RESOURCES
		11,015 		95,639 24,637	Unavailable Revenue - Intergovernmental Revenues Unavailable Revenue - Senate Bill 90 Mandated Claims, Net
		1,390		11,021	Unavailable Revenue - Property Taxes
		255		255	Unavailable Revenue - Long-Term Notes Receivables
 	_	273 12,933	_	9,513 141,065	Unavailable Revenue - Other Total Deferred Inflows of Resources
		,		,.,	FUND BALANCES
		14,929		394,269	Nonspendable
256,959		804,882		1,674,989	Restricted
 		168,958 		435,765 73,446	Assigned Unassigned
256,959		988,769	_	2,578,469	Total Fund Balances
\$ 276,958	\$	1,177,648	\$	3,579,763	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 (\$1,323,278) 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.

<i></i>		
Total Fund Balances - Governmental Funds	\$	2,578,469
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 in Progress Intangible in Progress Accumulated Depreciation/Amortization	839,273 1,235,290 324,600 122,549 1,760,496 7,602 4,246 173,601 5,497 (1,598,108)	2,875,046
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	125,876 71	125,947
The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.		47,444
Deferred outflows of resources are similar to assets, but they do not meet the definition of an asset at June 30, 2017. 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, 2017. 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 and deferred recognition of changes to the net pension liability		1,516 618,654
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 further information.		
Prepaid Pension Contribution Deferred Outflows of Resources		(194,218) 194,218

Deferred Inflows of Resources:

Deferred Inflows of Resources that have been earned but not	
available to finance expenditures in the current period	141,065
Deferred Inflows of Resources Related to Pension	(541,059)

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	(100,383)	
SARI Line Loans	(23,900)	
Civic Center Facilities Master Plan Loan	(175,340)	
Teeter Plan Notes Payable	(27,868)	
Compensated Employee Absences Payable	(184,344)	
Capital Lease Obligations Payable	(48,931)	
Intangible Assets Obligations Payable	(1,823)	
Arbitrage Rebate Payable	(365)	
Interest Payable on Bonds	(859)	
Interest Accretion on Capital Appreciation Bonds	(46,641)	
Estimated Liability - Litigation and Claims	(105,000)	
County's Net Pension Liability	(3,921,275)	(4,636,729)

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) asset for the difference between the annual required contribution (ARC) and the amounts actually contributed to the OPEB Plan.

44,838

Net Position of Governmental Activities

\$ 1,255,191

Davis		General Fund		Flood Control District	P	Other Public rotection
Revenues	Φ.	004 000	Φ.	400.050	Φ.	
Taxes	\$	681,836	\$	108,050	\$	
Licenses, Permits, and Franchises		25,362		579		424
Fines, Forfeitures, and Penalties		67,648		13		4,010
Use of Money and Property		6,733		3,298		3,836
Intergovernmental		1,613,969		18,435		27,795
Charges for Services		442,591		14,771		17,880
Other		17,790		5,842		8,551
Total Revenues		2,855,929		150,988		62,496
Expenditures						
Current						
General Government		195,250				
Public Protection		1,260,068		111,708		29,078
Public Ways and Facilities		30,633				
Health and Sanitation		577,050				
Public Assistance		891,309				
Education						
Recreation and Cultural Services						
Capital Outlay		23,532		24,643		22,683
Debt Service						
Principal Retirement		5,129		4,177		
Interest		8,564		8		
Total Expenditures		2,991,535		140,536		51,761
Excess (Deficit) of Revenues						
Over Expenditures		(135,606)		10,452		10,735
Other Financing Sources (Uses)						
Transfers In		311,968		365		16,578
Transfers Out		(153,308)		(3,933)		(29,826)
Debt Issued		`		`'		'
Loan Proceeds						
Total Other Financing Sources (Uses)		158,660		(3,568)		(13,248)
Net Change in Fund Balances		23,054		6,884		(2,513)
Fund Balances - Beginning of Year		727,838		431,668		145,810
Fund Balances - End of Year	\$	750,892	\$	438,552	\$	143,297

	Mental Health Services Act	Go	Other overnmental Funds	Go	Total overnmental Funds	Davianua
\$		\$	133,675	\$	923,561	Revenues Taxes
φ		φ	1,844	Ψ	28,209	Licenses, Permits, and Franchises
			25,279		96,950	Fines, Forfeitures, and Penalties
	1,247		53,384		68,498	Use of Money and Property
	151,829		359,985		2,172,013	Intergovernmental
	131,029		55,641		530,883	Charges for Services
			31,766		63,949	Other
	153,076		661,574		3,884,063	Total Revenues
	133,070		001,374		3,004,003	Total Nevenues
						Expenditures
						Current
			72,413		267,663	General Government
			840		1,401,694	Public Protection
			66,536		97,169	Public Ways and Facilities
	161		1,561		578,772	Health and Sanitation
			182,655		1,073,964	Public Assistance
			42,564		42,564	Education
			106,356		106,356	Recreation and Cultural Services
			105,450		176,308	Capital Outlay
						Debt Service
			90,813		100,119	Principal Retirement
			38,517		47,089	Interest
	161		707,705		3,891,698	Total Expenditures
			_			Excess (Deficit) of Revenues
	152,915		(46,131)		(7,635)	Over Expenditures
						Other Financing Sources (Uses)
			324,682		653,593	Transfers In
	(137,914)		(306,910)		(631,891)	Transfers Out
			31,536		31,536	Debt Issued
			175,340		175,340	Loan Proceeds
	(137,914)		224,648		228,578	Total Other Financing Sources (Uses)
	15,001		178,517		220,943	Net Change in Fund Balances
	241,958		810,252		2,357,526	Fund Balances - Beginning of Year
\$	256,959	\$	988,769	\$	2,578,469	Fund Balances - End of Year

The Net Change in Fund Balances for governmental funds of \$220,943 in the Statement of Revenues, Expenditures, and Changes in Fund Balances differs from the Change in Net Position for governmental activities of \$265,194 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.

\$

220.943

16,688

Net Change in Fund Balances - Total Governmental Funds

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

Expenditures	for	Capital	Outlay:

follows:

Land	2,599	
Construction in Progress	127,943	
Equipment	38,381	
Software	13,459	
Net of Gains/(Losses) on Capital Assets Dispositions	16,103	
Depreciation/Amortization Expense	(82,233)	
Capital Contributions	436	11

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

Teeter Plan Notes Proceeds	(31,536)	
Civic Center Facilities Master Plan Loan Proceeds	(175,340)	
Principal and Other Long-Term Liability Payments:		
Bonds Payable	56,941	
Teeter Plan Notes Payable	33,859	
SARI Line Loans Payable	4,122	
Capital Lease Obligations Payable	5,197	(106,757)

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:

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	(16,132) (3,058)	(19,190)
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 Change in Compensated Employee Absences Change in Arbitrage Rebate OCERS Investment Gain Estimated Litigation and Claims Expense Interest Accretion on Capital Appreciation Bonds	520 35,097 (1,510) (132) 14,236 25,000 (6,070)	67,141
Internal service funds (ISF) are used by management to charge the costs of certain activities, such as insurance, transportation, and telephone services to individual governmental funds. The operating income of internal service funds is eliminated in the Statement of Activities as an adjustment to the various functions to arrive at a breakeven basis. Also, general or non-program revenues and expenses of the internal service funds are recorded in governmental activities.		
Allocation of ISF's Operating Gain to Governmental Activities, net of Business-Type Activities Consolidation of Nonoperating Revenues, Expenses and Transfers to Governmental Activities	24,944 12,660	37,604
For FY 2016-17, the OPEB cost was \$46,122, and the County contributed \$47,853, which was deposited in the Retiree Medical Trust. The County contributed more than the required OPEB cost. Cumulatively, the County still has a net OPEB Asset.		1,731
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.		(52,966)
Change in Net Position of Governmental Activities	\$	265,194

BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - GENERAL FUND

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance Positive (Negative)
Revenues and Other Financing Sources	\$ 671.356	¢ 674.407	¢ 604.242	\$ 9.825
Taxes Licenses, Permits, and Franchises	\$ 671,356 25,952	\$ 671,487 26,192	\$ 681,312 25,276	\$ 9,825 (916)
Fines, Forfeitures, and Penalties	33,713	63,426	67,275	3,849
Use of Money and Property	6,837	6,837	9,929	3,092
Intergovernmental	1,639,779	1,650,850	1,628,329	(22,521)
Charges for Services	476,842	478,732	451,566	(27,166)
Other	21,131	19,823	21,782	1,959
Transfers In Bond Issuance Proceeds	373,468	404,277 100	307,279	(96,998) (100)
Total Revenues and Other Financing Sources	3,249,078	3,321,724	3,192,748	(128,976)
- "				
Expenditures and Other Financing Uses General Government:				
Assessor	40,006	40,074	37,122	2,952
Auditor-Controller	21,094	21,162	19,137	2,025
Board of Supervisors - 1st District	1,243	1,243	1,172	71
Board of Supervisors - 2nd District	1,309	1,309	973	336
Board of Supervisors - 3rd District	1,218	1,218	949	269
Board of Supervisors - 4th District	1,203	1,203	1,051	152
Board of Supervisors - 5th District	1,186	1,186	1,097	89
Capital Acquisition Financing	5,856	5,856	5,843	13
Capital Projects	57,726	63,478	52,123	11,355
CAPS Program	15,127	15,962	14,091	1,871
Clerk of the Board County Counsel	4,725 13,712	4,861 11,780	4,394 8,790	467 2,990
County Executive Office	22,208	23,779	21,374	2,405
Data Systems Development Project	9,391	10,658	8,207	2,451
Employee Benefits	1,657	2,157	1,391	766
Human Resources	6,886	6,950	5,177	1,773
IBM Mainframe	3,171	3,171	3,171	
IT Support Services	772	1,925	1,887	38
Miscellaneous	55,352	83,081	72,588	10,493
OC Campaign Finance and Ethics Commission	549	549	128	421
Prepaid Pension Obligation		100	1	99
Property Tax System Centralized O & M Support	7,762	7,762	3,078	4,684
Registrar of Voters The Office of the Performance Audit	15,755 807	16,223 606	15,672 73	551 533
Treasurer - Tax Collector	14,526	14,594	12,119	2,475
Utilities	14,886	15,580	13,297	2,283
2005 Lease Revenue Refunding Bonds	11,245	22,964	22,964	
Public Protection:				
Alternate Defense	7,190	7,140	5,166	1,974
Building & Safety	14,535	15,672	15,588	84
Child Support Services Clerk-Recorder	59,118	59,118	55,499	3,619
Detention Release	14,613 2,014	15,012 2,064	13,586 1,469	1,426 595
District Attorney	141,726	142,356	137,817	4,539
District Attorney - Public Administrator	3,216	3,216	2,604	612
Emergency Management Division	4,370	3,820	3,409	411
Grand Jury	584	985	914	71
HCA Public Guardian	5,616	5,817	4,932	885
Juvenile Justice Commission	178	178	134	44
Office of Independent Review	455	455	21	434
Probation	183,558	184,278	178,284	5,994
Public Defender	74,443	74,514	71,863	2,651
Sheriff - Coroner	652,049	671,863	657,647	14,216
Sheriff - Coroner Communications Sheriff Court Operations	12,963	13,141	10,248	2,893
Trial Courts	59,866 65,069	63,431 67,093	63,182 65,331	249 1,762
Public Ways and Facilities:	03,009	07,093	03,331	1,702
OC Public Works	51,622	53,809	44,740	9,069
Health and Sanitation:	01,022	00,000	,	0,000
Health Care Agency	631,240	634,131	575,893	58,238
OC Watersheds	16,510	16,510	12,241	4,269
Public Assistance:				
OC Community Resources	66,174	67,581	57,111	10,470
Social Services Agency	901,649	918,401	853,459	64,942
Total Expenditures and Other Financing Uses	3,298,130	3,400,016	3,159,007	241,009
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(49,052)	(78,292)	33,741	\$112,033
Fund Balances - Beginning of Year Fund Balances - End of Year	\$ 639,605	\$ 688,657 \$ 610,365	\$ 688,657 \$ 722,398	

BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - FLOOD CONTROL DISTRICT

	Original Budget Final E		inal Budget	 ctual on jetary Basis	Variance Positive Negative)	
Revenues and Other Financing Sources						
Taxes	\$	95,371	\$	95,371	\$ 107,845	\$ 12,474
Licenses, Permits, and Franchises		135		135	579	444
Fines, Forfeitures, and Penalties		12		12	13	1
Use of Money and Property		2,611		2,611	5,354	2,743
Intergovernmental		30,541		30,541	3,790	(26,751)
Charges for Services		13,570		14,559	15,211	652
Other		961		961	5,857	4,896
Transfers In		365		365	365	
Total Revenues and Other Financing Sources		143,566		144,555	139,014	(5,541)
Expenditures and Other Financing Uses						
Public Protection:						
OC Flood		195,019		198,707	122,450	76,257
OC Santa Ana River		80		80		80
OC Flood - Capital		65,998		65,998	14,857	51,141
Total Expenditures and Other Financing Uses		261,097		264,785	137,307	127,478
Excess (Deficit) of Revenues and Other Financing						
Sources Over Expenditures and Other Financing Uses		(117,531)		(120,230)	1,707	\$ 121,937
Fund Balances - Beginning of Year		445,843		445,843	445,843	
Fund Balances - End of Year	\$	328,312	\$	325,613	\$ 447,550	

BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - OTHER PUBLIC PROTECTION

	Origii	nal Budget	Fina	ıl Budget	ctual on etary Basis	P	ariance Positive egative)
Revenues and Other Financing Sources							
Licenses, Permits, and Franchises	\$	363	\$	363	\$ 424	\$	61
Fines, Forfeitures, and Penalties		2,517		2,517	4,010		1,493
Use of Money and Property		826		838	4,464		3,626
Intergovernmental		15,727		20,723	27,795		7,072
Charges for Services		20,136		20,585	17,876		(2,709)
Other		11,191		10,469	8,542		(1,927)
Transfers In		5,308		21,881	20,541		(1,340)
Total Revenues and Other Financing Sources		56,068		77,376	83,652		6,276
Expenditures and Other Financing Uses							
Public Protection:							
Orange County Methamphetamine Lab Investigation Team		437		530	339		191
County Automated Fingerprint Identification		1,498		1,424	1,228		196
Building and Safety - Operating Reserve		1,556		4,856	1,975		2,881
Narcotic Forfeiture and Seizure		455		455	410		45
Sheriff-Regional Narcotics Suppression Program		6,205		9,667	5,407		4,260
Motor Vehicle Theft Task Force		3,245		3,491	3,330		161
Regional Narcotic Suppression Program-Dept of Treasury		459		463	248		215
Regional Narcotic Suppression Program-Other		2,851		2,387	1,126		1,261
Clerk Recorder Special Revenue		8,209		8,209	5,090		3,119
Clerk Recorder Operating Reserve		2,005		2,005	1		2,004
Real Estate Prosecution		1,653		1,679	1,678		1
Proposition 64 - Consumer Protection		3,654		3,654	2,882		772
Proposition 69 - DNA Identification		1,401		1,984	931		1,053
Traffic Violator		1,161		1,161	218		943
Sheriff Narcotics Program - Dept of Treasury		1,101		1,101	210		1
Sheriff Narcotics Program - Dept of Treasury Sheriff Narcotics Program - Dept of Justice		3,976		3,906	2,628		1,278
Sheriff Narcotics Program - Other		520		802	49		753
Orange County Jail		1,848		1,819	501		1,318
· ·		1,160		1,797	639		1,158
Sheriff Narcotics Program - CALMMET - Treasury		,					,
Sheriff's State Criminal Alien Assistance Program		1,765		1,765	1,418		347
California Automated Fingerprint Identification Operational Costs		1,246		1,213	1,014		199
California Automated Fingerprint Identification Systems Costs		28,622		28,622	624		27,998
Sheriff's Supplemental Law Enforcement Services		3,115		3,115	1,256		1,859
District Attorney's Supplemental Law Enforcement Services		1,027		1,034	1,034		
Excess Public Safety Sales Tax		6,259		6,259	6,056		203
Sheriff - Coroner Replacement and Maintenance		12,433		12,433	1,661		10,772
Ward Welfare		164		164	131		33
Sheriff's Substations Fee Program		3,343		3,343	44		3,299
Jail Commissary		11,063		11,092	8,451		2,641
Inmate Welfare		9,044		9,044	3,896		5,148
Child Support Program Development		3,524		3,524	1,028		2,496
800 MHz Countywide Coordinated Communications System		18,165		27,534	24,892		2,642
Delta Special Revenue		28		28	 4		24
Total Expenditures and Other Financing Uses		142,091		159,460	 80,189		79,271
Excess (Deficit) of Revenues and Other Financing			·	_	 		
Sources Over Expenditures and Other Financing Uses		(86,023)		(82,084)	3,463	\$	85,547
Fund Balances - Beginning of Year		129,132		129,132	129,132		
Fund Balances - End of Year	\$	43,109	\$	47,048	\$ 132,595		

BUDGETARY COMPARISON STATEMENT MAJOR GOVERNMENTAL FUNDS - MENTAL HEALTH SERVICES ACT

						ctual on		Variance Positive	
	Orig	inal Budget	Fir	nal Budget	Budg	etary Basis	(Negative)		
Revenues and Other Financing Sources									
Use of Money and Property	\$	800	\$	800	\$	2,385	\$	1,585	
Intergovernmental		146,403		146,403		151,829		5,426	
Total Revenues and Other Financing Sources		147,203		147,203		154,214		7,011	
Expenditures and Other Financing Uses									
General Government:									
Mental Health Services Act		167,066		167,066		138,075		28,991	
Total Expenditures and Other Financing Uses		167,066		167,066		138,075		28,991	
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(19,863)		(19,863)		16,139	\$	36,002	
Fund Balances - Beginning of Year		241,257		241,257		241,257			
Fund Balances - End of Year	\$	221,394	\$	221,394	\$	257,396			

Business-Type Activities -Enterprise Funds

		En	terprise Funas		
<u>ASSETS</u>	Airport	Waste Managemer	Compressed Natural Gas (Nonmajor)	Total	Governmental Activities - Internal Service Funds
Current Assets					
Pooled Cash/Investments	\$ 204.6	55 \$ 392.3	73 \$ 100	\$ 597.128	\$ 237,275
		, .	73 \$ 100 		\$ 231,215
Cash Equivalents/Specific Investments	11,1	95 862		11,195 7,362	375
Cash/Cash Equivalents	7,3			,	
Imprest Cash Funds	44.0		35	49	8
Restricted Cash and Investments with Trustee Restricted Pooled Cash/Investments	41,0		 47	41,091	5
Deposits In - Lieu of Cash	29,9			2,260 46,903	
Receivables	29,8	10,9	34	46,903	
Accounts	4.4	70 10,7	27	14,907	137
	,	70 10,7. 75	31	2,775	137
Passenger Facility Charges Interest/Dividends		75 576 1,0	80	2,775 1,665	488
	•	- , -	00	1,000	400
Deposits	,				
Pollution Remediation Obligation Recoveries Allowance for Uncollectible Receivables	4	256		256	
			(1) 86 5	(1)	(52)
Due from Other Funds				143	4,717
Due from Other Governmental Agencies	·	349 2,70		3,358	1,052
Inventory of Materials and Supplies	0.4			4.055	409
Prepaid Costs		49 2,2		4,355	1,826
Total Current Assets	306,5	26 426,9	15 105	733,546	246,240
Noncurrent Assets					
Restricted Cash and Investments with Trustee	12,8	224		12,824	
Restricted Cash and Investments with Trustee	12,0	9,4i	 02	9,482	
Restricted Pooled Cash/Investments - Closure		9,4	02	9,402	
and Postclosure Care Costs		91,2	84	91,284	
Specific Investments	39,3			39,300	
Advances to Other Funds	39,0	29,6		29,624	
		29,0	24	29,024	
Capital Assets: Land	15,6	578 22,10	64	37,842	
	76,2			103,932	1,846
Construction in Progress	70,2	,	oo 55	,	1,046
Intangible Assets in Progress	764,8			255 789,263	11,788
Structures and Improvements					
Accumulated Depreciation	(295,6 12,8			(308,036) 83,963	(6,412) 129,026
Equipment					
Accumulated Depreciation	(10,0	,	,	(58,374)	(77,719)
Infrastructure	229,3			621,168	
Accumulated Depreciation	(183,0			(375,165)	
Intangible Assets - Amortizable			20	3,641	
Accumulated Amortization			22)	(750)	50.504
Total Capital Assets	612,7			897,739	58,594
Total Noncurrent Assets	664,8	669 415,3	84	1,080,253	58,594
Total Assets	971,3	842,2	99 105	1,813,799	304,834
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources Related to Pension	7.6	572 9,5	79	17,251	8,421
Total Deferred Outflows of Resources		572 9,5°		17,251	8,421

Business-Type Activities -	
Enternrise Funds	

				Lilleip	iise i ui	ius			_	
LIABILITIES		Airport		Waste nagement	N	ompressed atural Gas Nonmajor)	as			vernmental ctivities - Internal rvice Funds
Current Liabilities	•		•		•				•	
Accounts Payable	\$	21,242	\$	10,421	\$	2	\$	31,665	\$	21,256
Retainage Payable		52		1,050				1,102		12
Salaries and Employee Benefits Payable		433		587				1,020		468
Unearned Revenue		3,984		136				4,120		
Due to Other Funds		2,605		3,934		19		6,558		2,521
Due to Other Governmental Agencies		154		3,443				3,597		13
Insurance Claims Payable		4.057		4 205						54,026
Compensated Employee Absences Payable		1,057		1,305				2,362		1,068
Pollution Remediation Obligation				570				570		
Intangible Assets Obligations Payable		103		7				110		
Landfill Site Closure/Postclosure Liability				2,613				2,613		
Bonds Payable		35,090						35,090		
Capital Lease Obligations Payable		4.040						4.040		6,900
Interest Payable		4,910						4,910		
Deposits from Others		30,582		17,823				48,405		
Total Current Liabilities		100,212		41,889		21		142,122		86,264
Noncurrent Liabilities										
Insurance Claims Payable										148.145
Compensated Employee Absences Payable		951		1,348				2,299		1,194
Pollution Remediation Obligation		994		15.120				16.114		1,134
Intangible Assets Obligations Payable		37		7				10,114		
Landfill Site Closure/Postclosure Liability				155,868				155,868		
Bonds Payable		152,228		133,000				152,228		
Net Pension Liability		38,570		48,273				86,843		38,515
Total Noncurrent Liabilities		192,780		220,616				413,396		187,854
Total Liabilities		292,992		262,505		21	_	555,518		274,118
DEFERRED INFLOWS OF RESOURCES										
Deferred Inflows of Resources Related to Pension		5,157		6,501				11,658		5,607
Total Deferred Inflows of Resources		5,157		6,501				11,658		5,607
		5,157		0,501	-		_	11,000		3,007
NET POSITION										
Net Investment in Capital Assets		423,306		284,980				708,286		51,694
Restricted for:										
Debt Service		36,181						36,181		
Passenger Facility Charges Approved Capital Projects		2,775						2,775		
Capital Projects - Replacements and Renewals		1,000						1,000		
Landfill Closure/Postclosure				28,962				28,962		
Landfill Corrective Action				8,278				8,278		
Wetland				879				879		
Prima Deshecha/La Pata Closure				104				104		
Unrestricted		217,656		259,669		84		477,409		(18,164)
Total Net Position	\$	680,918	\$	582,872	\$	84		1,263,874	\$	33,530
Adjustment to Reflect the Consolidation of Internal Service								000		
Funds' Activities Related to Enterprise Funds Cumulative Effect of Prior Years' Internal Service Funds Allocatio	n							996 (14,910)		
Net Position of Business-Type Activities							\$	1,249,960		
							_			

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

Business-Type Activities -Enterprise Funds

Waste anagement 4,443 56 149,302 153,801 26,271 19,339 14,478 702 5,178 21,800 418 17,439 105,625 48,176	Compressed Natural Gas (Nonmajor) \$ 248 248 313 53 1 367 (119)	Total \$ 115,844	\$ 1,889 94,841 324,975 421,705 21,815 25,816 58,366 1,630 279,586 455 11 8,086 395,765 25,940
56 149,302 153,801 26,271 19,339 14,478 702 5,178 21,800 418 17,439	248 248 313 53 1 367	56 168,310 284,210 45,768 47,838 55,494 996 5,178 21,966 418 47,259 224,917	94,841 324,975 421,705 21,815 25,816 58,366 1,630 279,586 455 11 8,086 395,765
56 149,302 153,801 26,271 19,339 14,478 702 5,178 21,800 418 17,439	248 248 313 53 1 367	56 168,310 284,210 45,768 47,838 55,494 996 5,178 21,966 418 47,259 224,917	94,841 324,975 421,705 21,815 25,816 58,366 1,630 279,586 455 11 8,086 395,765
149,302 	248 248 313 53 1 367	45,768 47,838 55,494 996 5,178 21,966 418 47,259 224,917	324,975 421,705 21,815 25,816 58,366 1,630 279,586 455 11 8,086 395,765
26,271 19,339 14,478 702 5,178 21,800 418 17,439 105,625	248 248 313 53 1 367	284,210 45,768 47,838 55,494 996 5,178 21,966 418 47,259 224,917	324,975 421,705 21,815 25,816 58,366 1,630 279,586 455 11 8,086 395,765
26,271 19,339 14,478 702 5,178 21,800 418 17,439 105,625	 313 53 1 367	45,768 47,838 55,494 996 5,178 21,966 418 47,259	21,815 25,816 58,366 1,630 279,586 455 11 8,086 395,765
26,271 19,339 14,478 702 5,178 21,800 418 17,439 105,625	 313 53 1 367	45,768 47,838 55,494 996 5,178 21,966 418 47,259	21,815 25,816 58,366 1,630 279,586 455 11 8,086
19,339 14,478 702 5,178 21,800 418 17,439 105,625	313 53 1 367	47,838 55,494 996 5,178 21,966 418 47,259 224,917	25,816 58,366 1,630 279,586 455 11 8,086 395,765
19,339 14,478 702 5,178 21,800 418 17,439 105,625	313 53 1 367	47,838 55,494 996 5,178 21,966 418 47,259 224,917	25,816 58,366 1,630 279,586 455 11 8,086 395,765
14,478 702 5,178 21,800 418 17,439 105,625	53 1 367	55,494 996 5,178 21,966 418 47,259 224,917	59,366 1,630 279,586 455 11 8,086 395,765
702 5,178 21,800 418 17,439 105,625	1 367	996 5,178 21,966 418 47,259 224,917	1,630 279,586 455 11 8,086 395,765
5,178 21,800 418 17,439 105,625	 367	5,178 21,966 418 47,259 224,917	279,586 455 11 8,086 395,765
5,178 21,800 418 17,439 105,625	 367	5,178 21,966 418 47,259 224,917	455 11 8,086 395,765
21,800 418 17,439 105,625	 367	21,966 418 47,259 224,917	8,086 395,765
418 17,439 105,625	 367	418 47,259 224,917	8,086 395,765
418 17,439 105,625	 367	418 47,259 224,917	8,086 395,765
17,439 105,625	367	47,259 224,917	8,086 395,765
105,625	367	224,917	395,765
48,176	(119)	59,293	25,940
41		239	
18		69	1,147
2,061		3,497	791
_,00.		(7,104)	
11		(12)	248
		19,901	
	78	78	11
522		1,385	5,789
2.653	78		7,986
50,829	(41)	77,346	33,926
		270	
1 558			454
,			8,321
	(150)		(4,101)
26,615	(191)	53,252	38,600
556 257	275		(5,070)
			\$ 33,530
	2,653 50,829 1,558 33 (25,805)	2,653 78 50,829 (41) 1,558 33 (25,805) (150) 26,615 (191) 556,257 275	2,653 78 18,053 50,829 (41) 77,346 270 1,558 1,558 33 33 (25,805) (150) (25,955) 26,615 (191) 53,252 556,257 275



Business-Type Activities -Enterprise Funds

	Litterprise i unus									
			Waste anagement	Nati	npressed ural Gas nmajor)	Total		Governmental Activities - Internal Service Funds		
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts from Customers	\$	131,375	\$	153,921	\$	248	\$	285,544	\$	28,870
Cash Received for Premiums within the County's Entity										324,975
Payments to Suppliers for Goods and Services		(67,613)		(31,893)		(367)		(99,873)		(381,042)
Payments to Employees for Services		(19,903)		(27,165)				(47,068)		(22,101)
Payments for Interfund Services		(95)				(254)		(349)		(3,242)
Receipts for Interfund Services Used				4,901				4,901		70,395
Landfill Site Closure/Postclosure Care Costs				(2,613)				(2,613)		
Payment for Taxes and Other Fees		(166)		(21,800)				(21,966)		(11)
Other Operating Receipts		967		5,504				6,471		5,789
Other Operating Payments				(5,880)				(5,880)		(2,404)
Net Cash Provided (Used) by Operating Activities		44,565		74,975		(373)		119,167		21,229
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Transfers In				33				33		8,321
Transfers Out				(25,805)		(150)		(25,955)		(4,101)
Intergovernmental Revenues		152		18		(100)		170		1,147
Other Taxes						78		78		11
Advances to Other Funds				(24,057)				(24,057)		
Net Cash Provided (Used) by Noncapital Financing				(24,007)				(24,007)		
Activities		152		(49,811)		(72)		(49,731)		5,378
CASH FLOWS FROM CAPITAL AND RELATED FINANCING										
ACTIVITIES										
Acquisition of Capital Assets		(46,159)		(31,917)				(78,076)		(13,658)
Principal Paid on Bonds		(7,530)						(7,530)		
Interest Paid on Long - Term Debt		(9,999)						(9,999)		
Capital Grant Contributions		1,915						1,915		
Passenger Facility Charges Received		19,267						19,267		
Principal Paid on Capital Lease Obligations										(6,900)
Proceeds from Sale of Capital Assets		9		11				20		
Net Cash Used by Capital and Related Financing										
Activities		(42,497)		(31,906)				(74,403)		(20,558)
CASH FLOWS FROM INVESTING ACTIVITIES										
Interest on Investments		1,424		1,778		2		3,204		685
Purchase of Investments		(13,851)						(13,851)		
Net Cash Provided (Used) by Investing Activities	_	(12,427)		1,778		2		(10,647)		685
Net Increase (Decrease) in Cash and Cash Equivalents		(10,207)		(4,964)		(443)		(15.614)		6,734
· · · · · · · · · · · · · · · · · · ·		,				(443) 543		(15,614)		,
Cash and Cash Equivalents - Beginning of Year	•	276,137	•	498,785	Φ.		_	775,465	_	230,929
Cash and Cash Equivalents - End of Year	\$	265,930	\$	493,821	\$	100	\$	759,851	\$	237,663

Business-Type Activities -Enterprise Funds

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities Sample of Provided (Used) by Operating Income (Loss) to Sample of Provided (Used) by Operating Activities Sample of Sample of Provided (Used) by Operating Activities Sample of		 Airport	Ma	Waste Management		mpressed tural Gas onmajor)	Total	Α	vernmental ctivities - Internal vice Funds
Operating Income (Loss) to Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: \$ 11,236 \$ 48,176 \$ 1918 \$ 59,293 \$ 25,940 Adjustments to Reconcile Operating Activities: 29,820 17,439 — 47,259 8,086 Fines, Forefatures and Penalties 198 41 — 2239 — Other Revenue 863 522 — 1,385 5,789 (Increases) Decreases in: — — 1,097 — Deposits In-Lieu of Cash 1,460 (363) — 1,097 — Accounts Receivable, Net of Allowances 8(81) 188 — 107 (397) Accounts Receivable, Net of Allowances (81) 188 — 107 (397) Inventiony of Materials and Supplies — 6222 1(69) — 639 (213 Prepaid Costs — 2(222) 1(69) — 5,700 3,603 Increases (Decreases) In: — 1,882 1,549 — 3,433 245	Reconciliation of Operating Income (Loss) to Net Cash								
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: Depreciation/Amortization 29,820 17,439 - 47,259 8,086 Fines, Forfeitures and Penalties 198 41 - 239 - 239 - 239 - 336 220 - 13,855 5,789 (Increases) Decreases in: Other Revenue 863 522 - 13,085 5,789 (Increases) Decreases in: Deposits In-Lieu of Cash 1,460 (363) - 10,977 - 24,000 (363) - 5,399 (20) (363) (262) - 5,399 (20) (262) (2	Provided (Used) by Operating Activities								
Net Cash Provided (Used) by Operating Activities: Depreciation/Amortization 29,820 17,439	Operating Income (Loss)	\$ 11,236	\$	48,176	\$	(119)	\$ 59,293	\$	25,940
Depreciation/Amortization 29,820 17,439 - 47,259 8,086 Fines, Forfeitures and Penalties 198 41 - 239 5,789 1,085	,								
Filess Forfeitures and Penalties 198	Net Cash Provided (Used) by Operating Activities:								
Other Revenue (Increases) Decreases In: 863 522 — 1,385 5,789 (Increases) Decreases In: Deposits In-Lieu of Cash 1,460 (363) — 1,097 — Accounts Receivable, Net of Allowances 801 (262) — 5539 (29) Due from Other Funds (52) 3,302 — 107 (397) Inventory of Materials and Supplies — — — — — — 3 Prepaid Costs (222) (169) — (391) (213) Deferred Outflows of Resources Related to Pension 2,454 3,246 — 5,700 3,03 Increases (Decreases) In: — — — — 3 — — 3,433 245 Retainage Payable 1,882 1,549 2 3,433 245 Retainage Payable 3 — — 537 — Une to Other Funds (41) (796) — 1,549 — 537 — <td>·</td> <td>,</td> <td></td> <td>,</td> <td></td> <td></td> <td>,</td> <td></td> <td>8,086</td>	·	,		,			,		8,086
Composite In-Lieu of Cash									
Deposits In-Lieu of Cash 1,460 (363) — 1,097 — Accounts Receivable, Net of Allowances 801 (262) — 539 (29) Due from Other Funds (52) 3,302 (3) 3,247 (2,134) Due from Other Governmental Agencies (81) 188 — 107 (397) Inventory of Materials and Supplies — — — — (391) (213) Prepaid Costs (222) (169) — (391) (213) Prepaid Costs (222) (169) — (391) (213) Drepaid Costs (222) (169) — (391) (213) Drepaid Costs (222) (169) — 5,700 3,063 Increases (Decreases) In: — — — — 3,063 245 Accounts Payable 1,182 1,549 2 3,433 245 Retainage Payable (614) (796) 2,55 3,51 8	Other Revenue	863		522			1,385		5,789
Accounts Receivable, Net of Allowances 801 (282) 539 (29)									
Due from Other Funds (52) 3,302 (3) 3,247 (2,134) Due from Other Governmental Agencies (81) 188 - 107 (397) Inventory of Materials and Supplies - - - 3 3 Prepaid Costs (222) (169) - (391) (213) Deferred Outflows of Resources Related to Pension 2,454 3,246 - 5,700 3,083 Increases (Decreases) In: 8 1,549 2 3,433 245 Retainage Payable 1,882 1,549 2 3,433 245 Retainage Payable (614) (796) - (1,410) (686) Unearmed Revenue 521 16 - 537 - Due to Other Funds (43) 1,599 (253) 1,303 1,532 Due to Other Governmental Agencies (43) 1,599 (253) 1,303 1,532 Insurance Claims Payable 34 (39) - 1,502 1,532 <td>·</td> <td>,</td> <td></td> <td>(363)</td> <td></td> <td></td> <td>,</td> <td></td> <td></td>	·	,		(363)			,		
Due from Other Governmental Agencies (81) 188 — 107 (397) Inventory of Materials and Supplies — — — — — 3 Prepaid Costs (222) (169) — — (391) (213) Deferred Outflows of Resources Related to Pension 2,454 3,246 — 5,700 3,063 Increases (Decreases) In: — — 5,700 3,063 Increases (Decreases) In: — — 3 — — 3,433 245 Retainage Payable 1,882 1,549 2 3,433 245 Retainage Payable 3 — — (1,410) (686) Uneamed Revenue 521 16 — — 537 — Due to Other Funds (43) 1,599 (253) 1,303 1,532 Due to Other Funds (43) (48) — — — (17,325) Due to Other Governmental Agencies (24) 375	Accounts Receivable, Net of Allowances	801		(262)			539		(29)
Inventory of Materials and Supplies	Due from Other Funds	(52)		3,302		(3)	3,247		(2,134)
Prepaid Costs (222) (169) — (391) (213) Deferred Outflows of Resources Related to Pension 2,454 3,246 — (5700) 3,063 Increases (Decreases) In: Accounts Payable 1,882 1,549 2 3,433 245 Retainage Payable 3 — — — — — — — — — — — — — 1 (1,410) (686) Salaries and Employee Benefits Payable (614) (796) — — — 537 — — — — — — — — — — — — — — — — — — —	Due from Other Governmental Agencies	(81)		188			107		(397)
Deferred Outflows of Resources Related to Pension Increases (Decreases) In: 2,454 3,246 — 5,700 3,063 Increases (Decreases) In: 1,882 1,549 2 3,433 245 Retainage Payable 3 — — 3 10 Salaries and Employee Benefits Payable (614) (796) — (1,410) (686) Unearmed Revenue 521 16 — 537 — Due to Other Funds (43) 1,599 (253) 1,303 1,532 Due to Other Governmental Agencies (24) 375 — 351 8 Insurance Caliams Payable — — — 57 153 8 Insurance Caliams Payable — — — — 1535 8 Insurance Caliams Payable — — — — 1535 8 Insurance Caliams Payable — — — — — 4,500 — Pollution Remediation Obligation —	Inventory of Materials and Supplies								3
Increases (Decreases) In: Accounts Payable 1,882 1,549 2 3,433 245 Retainage Payable 3 3 -	•	(222)		(169)			` ,		(213)
Accounts Payable 1,882 1,549 2 3,433 245 Retainage Payable 3 - - 3 10 Salaries and Employee Benefits Payable (614) (796) - (1,410) (686) Unearned Revenue 521 16 - 537 - Due to Other Funds (43) 1,599 (253) 1,303 1,532 Due to Other Governmental Agencies (24) 375 - 351 8 Insurance Claims Payable - - - (17,325) Compensated Employee Absences Payable (34) (98) - (132) 148 Pollution Remediation Obligation - 4,500 - 4,500 - 4,500 - Net Pension Liability (2,916) (3,776) - (6,692) (4,008) Landfill Site Closure/ Postclosure Liability (2,914) - (2,194) - (2,194) - (2,194) - (2,194) - 1,193 1,17 <td></td> <td>2,454</td> <td></td> <td>3,246</td> <td></td> <td></td> <td>5,700</td> <td></td> <td>3,063</td>		2,454		3,246			5,700		3,063
Retainage Payable 3 3 10 Salaries and Employee Benefits Payable (614) (796) (1,410) (686) Unearmed Revenue 521 16 537 Due to Other Funds (43) 1,599 (253) 1,303 1,532 Due to Other Governmental Agencies (24) 375 351 8 Insurance Claims Payable (1732) 148 Insurance Claims Payable (132) 148 Insurance Claims Payable (1732) 148 Insurance Claims Payable (132) 148 Insurance Claims Payable (132) 148 Insurance Claims Payable (132) 148 Pollution Remediation Obligation (132) 148 Pollution Remediati									
Salaries and Employee Benefits Payable (614) (796) — (1,410) (688) Unearmed Revenue 521 16 — 537 — Due to Other Funds (43) 1,599 (253) 1,303 1,532 Due to Other Governmental Agencies (24) 375 — 351 8 Insurance Claims Payable — — — — — (17,325) Compensated Employee Absences Payable — — — — — — — (17,325) Compensated Employee Absences Payable —	Accounts Payable	1,882		1,549		2	3,433		245
Uneamed Revenue 521 16	Retainage Payable	3					3		10
Due to Other Funds (43) 1,599 (253) 1,303 1,532 Due to Other Governmental Agencies (24) 375 — 351 8 Insurance Claims Payable — — — — — (17,325) Compensated Employee Absences Payable (34) (98) — (132) 148 Pollution Remediation Obligation — 4,500 — 4,500 — Deposits from Others (1,557) 557 — (1,000) — Net Pension Liability (2,916) (3,776) — (6,692) (4,008) Landfill Site Closure/ Postclosure Liability — (2,194) — (2,194) — (2,194) — Deferred Inflows of Resources Related to Pension 870 1,123 — 1,993 1,197 Total Adjustments 33,329 26,799 (254) 59,874 (4,711) Net Cash Provided (Used) by Operating Activities \$24,655 392,375 \$10 \$597,128 \$237,275		(614)		(796)			,		(686)
Due to Other Governmental Agencies (24) 375 351 8	Unearned Revenue	521		16			537		
Insurance Claims Payable	Due to Other Funds	(43)		1,599		(253)	1,303		1,532
Compensated Employee Absences Payable (34)	Due to Other Governmental Agencies	(24)		375			351		8
Pollution Remediation Obligation	Insurance Claims Payable								(17,325)
Deposits from Others	Compensated Employee Absences Payable	(34)		(98)			(132)		148
Net Pension Liability (2,916) (3,776) (6,692) (4,008) Landfill Site Closure/ Postclosure Liability (2,194) (2,194) (2,194) Deferred Inflows of Resources Related to Pension 870 1,123 1,993 1,197 Total Adjustments 33,329 26,799 (254) 59,874 (4,711) Net Cash Provided (Used) by Operating Activities \$44,565 74,975 (373) 119,167 21,229 Reconciliation of Cash and Cash Equivalents to Statement of Net Position Accounts Pooled Cash/Investments \$204,655 392,373 100 597,128 237,275 Cash Equivalents/Specific Investments 11,195 - 111,195 Cash/Cash Equivalents 7,362 - 11,195 Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 - - 41,091 5 Restricted Pooled C	Pollution Remediation Obligation			4,500			4,500		
Landfill Site Closure/ Postclosure Liability 1	Deposits from Others	(1,557)		557			(1,000)		
Deferred Inflows of Resources Related to Pension Total Adjustments 33,329 26,799 (254) 59,874 (4,711)	Net Pension Liability	(2,916)		(3,776)			(6,692)		(4,008)
Total Adjustments 33,329 26,799 (254) 59,874 (4,711)	Landfill Site Closure/ Postclosure Liability			(2,194)			(2,194)		
Net Cash Provided (Used) by Operating Activities \$ 44,565 \$ 74,975 \$ (373) \$ 119,167 \$ 21,229 Reconciliation of Cash and Cash Equivalents to Statement of Net Position Accounts Pooled Cash/Investments \$ 204,655 \$ 392,373 \$ 100 \$ 597,128 \$ 237,275 Cash Equivalents/Specific Investments 11,195 11,195 Cash/Cash Equivalents 7,362 7,362 375 Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 (1) 41,091 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284	Deferred Inflows of Resources Related to Pension	 870		1,123			 1,993		1,197
Reconciliation of Cash and Cash Equivalents to Statement of Net Position Accounts Pooled Cash/Investments \$ 204,655 \$ 392,373 \$ 100 \$ 597,128 \$ 237,275 Cash Equivalents/Specific Investments 11,195 11,195 Cash/Cash Equivalents 7,362 7,362 375 Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 (1) 41,091 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284	Total Adjustments	33,329		26,799		(254)	59,874		(4,711)
Statement of Net Position Accounts Pooled Cash/Investments \$ 204,655 \$ 392,373 \$ 100 \$ 597,128 \$ 237,275 Cash Equivalents/Specific Investments 11,195 11,195 Cash/Cash Equivalents 7,362 7,362 375 Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 (1) 41,091 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284 91,284	Net Cash Provided (Used) by Operating Activities	\$ 44,565	\$	74,975	\$	(373)	\$ 119,167	\$	21,229
Pooled Cash/Investments \$ 204,655 \$ 392,373 \$ 100 \$ 597,128 \$ 237,275 Cash Equivalents/Specific Investments 11,195 11,195 Cash/Cash Equivalents 7,362 7,362 375 Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 (1) 41,091 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284	Reconciliation of Cash and Cash Equivalents to								
Cash Equivalents/Specific Investments 11,195 11,195 Cash/Cash Equivalents 7,362 7,362 375 Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 (1) 41,091 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284	Statement of Net Position Accounts								
Cash/Cash Equivalents 7,362 7,362 375 Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 (1) 41,091 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284	Pooled Cash/Investments	\$ 204,655	\$	392,373	\$	100	\$ 597,128	\$	237,275
Imprest Cash Funds 14 35 49 8 Restricted Cash and Investments with Trustee 41,091 (1) 41,091 (5) 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284	Cash Equivalents/Specific Investments	11,195					11,195		
Restricted Cash and Investments with Trustee 41,091 (1) 41,091 5 Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284	Cash/Cash Equivalents	7,362					7,362		375
Restricted Pooled Cash/Investments 1,613 10,129 11,742 Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284 91,284	Imprest Cash Funds	14		35			49		8
Restricted Pooled Cash/Investments - Closure and Postclosure Care Costs 91,284 91,284	Restricted Cash and Investments with Trustee	41,091 (1)				41,091		5
Postclosure Care Costs 91,284 91,284	Restricted Pooled Cash/Investments	1,613		10,129			11,742		
	Restricted Pooled Cash/Investments - Closure and								
Total Cash and Cash Equivalents \$ 265,930 \$ 493,821 \$ 100 \$ 759,851 \$ 237,663	Postclosure Care Costs			91,284			91,284		
	Total Cash and Cash Equivalents	\$ 265,930	\$	493,821	\$	100	\$ 759,851	\$	237,663

Schedule of Noncash Investing, Capital, and Financing Activities:

- The Internal Service Funds gained \$248 on disposition of capital assets.
- Airport had a \$23 loss on disposition of capital assets.
- Waste Management gained \$11 on disposition of capital assets.
- The Internal Service Funds' acquisition of capital assets with accounts payable is \$1,532.
- Airport's acquisition of capital assets with accounts payable is \$14,759.
- Airport's acquisition of capital assets with retainage payable is \$45.
- Waste Management's acquisition of capital assets with accounts payable is \$2,414.
- (1) Does not include \$12,824 from Airport's nonliquid Restricted Cash and Investments with Trustee.

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

ACCETC	Private- pose Trust Funds		nvestment rust Funds	Pension and Other Post- Employment Benefit Trust Funds		Agency Funds
<u>ASSETS</u>						
Pooled Cash/Investments Cash/Cash Equivalents Restricted Cash and Investments Restricted Investments with Trustee	\$ 62,928 	\$	5,241,317 	\$ 297 	\$	352,816 206
Money Market Mutual Funds Mutual Bond Funds	4,653			109,503 6,377		38,313
Stable Value Fund Restricted Cash with OCERS				15,499 268,394		
Total Restricted Cash and Investments Investments	4,653 	_	 	399,773 	_	38,313 1,082
Deposits In-Lieu of Cash Receivables						54,565
Accounts Taxes	 		 45 700	 		475 302,964
Interest/Dividends Allowance for Uncollectible Receivables Due from Other Governmental Agencies	155 1		15,706 	14 1,477		12,145 (179,589) 3,181
Land and Improvements Held for Resale Notes Receivable	133		 	 		29,431
Total Assets	67,870		5,257,023	401,561	_	615,589
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charge on Refunding Total Deferred Outflows of Resources	 333 333	_		 	_	
LIABILITIES						
Bonds Payable Interest Payable	26,238 339		 	 		 9,907
Deposits from Others Monies Held for Others				 		18,457 203,981
Due to Other Governmental Agencies Unapportioned Taxes	 7 		115 	2		66,011 317,233
Total Liabilities	 26,584		115	 2		615,589
DEFERRED INFLOWS OF RESOURCES						
Deferred Charge on Refunding Total Deferred Inflows of Resources	114 114	_	 	 	_	
NET POSITION						
Restricted for Pension Benefits and Other Purposes	41,505		5,256,908	401,559		
Total Net Position	\$ 41,505	\$	5,256,908	\$ 401,559	\$	

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2017

	Private- Purpose Trust Funds		Investment Trust Funds		Pension and Other Post- Employment Benefit Trust Funds	
Additions:						
Contributions to Pension and Other Postemployment						
Benefit Trust Funds:						
Employer	\$		\$		\$	64,006
Employee						3,687
Contributions to Pooled Investments			9,048,	,148		
Contributions to Private-Purpose Trust		72,203				
Intergovernmental Revenues		5,137				
Other Revenues		628				
Interest and Investment Income		609	23,	,135		40,148
Less: Investment Expense		(5)	(2,	,814)		(603)
Total Additions		78,572	9,068,	,469		107,238
Deductions:						
Benefits Paid to Participants						37,722
Distributions from Pooled Investments			8,384,	,013		
Distributions from Private-Purpose Trust		65,213				
Professional Services		112				47
Tax Pass-Throughs		23				
Interest Expense		931				
Total Deductions		66,279	8,384,	,013		37,769
Change in Net Position:						
Private-Purpose Trust		12,293				
External Investment Pool			684,	,456		
Employees' Pension and Other Post-						
Employment Benefits						69,469
Net Position, Beginning of Year		29,212	4,572,	,452		332,090
Net Position, End of Year	\$	41,505	\$ 5,256,	,908	\$	401,559







1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

As required by generally accepted accounting principles (GAAP) in the United States of America, these financial statements present financial information for both the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the County's operations, and the Board is typically their governing body. Therefore, data from these component units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. Management applied the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," Statement No. 39, "Determining Whether Certain Organizations are Component Units - An Amendment of GASB Statement No. 14," Statement No. 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34," and Statement No. 80, "Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14," 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.

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

<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.

<u>Capital Facilities Development Corporation</u> The Corporation has its own three member governing body appointed by the County's governing body. The purpose of the Corporation is to facilitate financings,

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Capital Facilities Development Corporation (Continued)

acquisitions of property, and other financial and property related transactions, by or for the benefit of the County, including but not limited to purchasing property from or for the benefit of, borrowing or loaning money and selling or leasing property to, and otherwise participating in financial and leasing transactions with the County.

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

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

<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

County of Orange Redevelopment Successor Agency (Successor Agency) The Successor Agency was established when the 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: www.ac.ocgov.com.

Discretely Presented Component Units

Children and Families Commission of Orange County (CFCOC) The CFCOC 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 CFCOC 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 CFCOC, the appointed CFCOC 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: www.ac.ocgov.com.

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance (CalOptima) 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 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 or can be accessed via the website http://wpso.dmhc.ca.gov/fe/search/.

B. Government-Wide and Fund Financial Statements

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

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

Government-Wide Financial Statements

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

- Statement of Net Position
- Statement of Activities

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

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

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

Government-Wide Financial Statements (Continued)

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

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

- <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.
- Restricted Net Position This category represents restrictions imposed on the use of the County's resources by parties outside of the government or by law through constitutional provisions or enabling legislation. All of the County's net position restrictions are externally imposed by outside parties, constitutional provisions or enabling legislation. Examples of restricted net position include federal and state grants that are restricted by grant agreements for specific purposes and restricted cash set aside for debt service payments. At June 30, 2017, the County's governmental activities reported restricted net position of \$1,516,853 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 \$78,179 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, 2017, the County reported \$2,775 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. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

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

The County reports the following major governmental funds:

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

<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.

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

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

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 366 individual trust and agency funds for FY 2016-17. 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, and includes debt reserves for school and community college districts.

Orange County Educational Investment Pool

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

<u>Pension and Other Employee Benefits Trust</u> The County reports six Pension and OPEB 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 post-employment benefit plans.

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

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus

C. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

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 (e.g., bond issuance proceeds) are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after the end of the current fiscal period.

Revenues that are accrued include real and personal property taxes, sales taxes, property taxes in-lieu of motor vehicle license fees, fines, forfeitures and penalties, interest, federal and state grants and subventions, charges for current services, and the portion of long-term sales contracts and leases receivable that are measurable and available and where collectability is assured. Revenues that are not considered susceptible to accrual include penalties on delinquent property taxes and minor licenses and permits. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, provided that the revenues are also available. If intergovernmental revenues are expected to be received later than 60 days following the end of the fiscal year, then a receivable is recorded along with deferred inflows of resources. Once the grant reimbursement is received, revenue and cash are recorded, and the receivable and deferred inflows of resources are eliminated. Receipts that have not met all of the earning requirements are reported as unearned revenue received. As of June 30, 2017,

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

the County reported \$141,065 of deferred inflows of resources and \$65,906 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 Service Funds are used to report activities that provide goods or services to other funds of the County. The internal service funds receive revenues through cost-reimbursements of the goods and services provided to other County departments and agencies. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

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

D. Budget Adoption and Revision (Continued)

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) and will not include the carried forward prior year encumbrances. However, the original and final budget amounts presented in the financial statements may differ due to the inclusion of the carried forward prior year encumbrances.

Throughout the year, the original budget is adjusted to reflect increases or decreases in revenues and changes in fund balance, offset by an equal amount of adjustments to appropriations. Department heads are authorized to approve appropriation transfers within a fund/department/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, Capital Facilities Development Corporation, 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 normally recorded when earned. For GAAP basis, in accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" (GASB Statement No. 33), and GASB Statement No. 65, all nonexchange transactions,

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 do not meet the definition of a fiduciary fund.
- Under the budgetary basis, intrafund transfers are recognized as other financing sources (uses). For the GAAP financial statements, intrafund transfers are eliminated to minimize the "grossing-up" of intrafund transfers.
- 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.
- The General Fund revenue adjustment was recorded due to the overbilling to Waste Management for the Republic Services and LA Sanitation District importation proceeds.
- The OC Animal Care Center uses cash basis to record money it 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:

Comparison Statements Comp		_	General Fund	Flood Control District	Other Public Protection	Mental Health Services Act
Change in unrealized loss on investment Adjustment to report redirected investment income as transfers Adjustment to report each caccuals for 60 day recognition period Adjustment to record Public-Purpose Trust Fund monies as revenue in benefitting fund Adjustment to eliminate intrafund transfers Acetain budgeted special revenue funds do not meet the criteria for separate reporting and are reported within the General Fund in the GAAP financial statements Revenues and Other Financing sources for non-budgeted funds are excluded in the Budgetary Comparison Statements Revenues and Other Financing Sources for Co Animal Care Center Adjustment of imported waste revenues overpaid to the General Fund Total Revenues, Expenditures, and Changes in Fund Balances Actual Expenditures and Other Financing Uses from the Budgetary Comparison Statements Differences-budget to GAAP: Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to from the Gare and the statement of the protein redirected investment Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to from the Gare and the statement of the Care and the statement of the protein redirected investment Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to eliminate intrafund transfers Certa	Comparison Statements	\$	3,192,748 \$	139,014	\$ 83,652	\$ 154,214
Adjustment to report redirected investment income as transfers Adjustment to revenue accruals for 60 day recognition period Adjustment to record Public-Purpose Trust Fund monies as revenue in benefitting fund Adjustment to eliminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds 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 Revenues and Other Financing sources for non-budgeted funds are excluded in the Budgetary Comparison Statements Revenues, Expenditures, and Changes in Fund Balances Actual Expenditures and Other Financing Uses from the Budgetary Comparison Statements Officences-budget to GAAP: Adjustment to report redirected investment to report redirected investment to filminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to filminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements 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 Reclassification of loan repayment from General Fund to Waste Management Total Expenditures and Other Financing Uses as reported on the Statement Total Expenditures and Other Financing Uses as reported on the Statement	Differences-budget to GAAP:					
Adjustment of revenue accruals for 60 day recognition period Adjustment to record Public-Purpose Trust Fund monies as revenue in benefit offund (4,433) 84 (3,964) Adjustment to eliminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds 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 Revenues and Other Financing sources for non-budgeted funds are excluded in the Budgetary Comparison Statements Revenues and Other Financing Sources as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Actual Expenditures and Other Financing Uses from the Budgetary Comparison Statements Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to feepond ture accruals for fiming differences Adjustment to epond tredirected investment Adjustment to epond tredirected investment Adjustment of expenditure accruals for fiming differences Adjustment to eliminate intrafund transfers Certain budgeted special revenue funds do not meet the criteria for separate reporting and are reported within the General Fund to Waste Management Total Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements 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 Reclassification of loan repayment from General Fund in the GAAP financial statements Total Expenditures and Other Financing Uses as reported on the Statements 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 Total Expenditures and Other Financing Uses as reported on the Statements	Change in unrealized loss on investment		(2,558)	(2,057)	(750)	(1,138)
Adjustment to record Public-Purpose Trust Fund monies as revenue in benefitting fund (4,433) 84	Adjustment to report redirected investment income as transfers				13	
Adjustment to eliminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds 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 Revenues and Other Financing sources for non-budgeted funds are excluded in the Budgetary Comparison Statements Revenues and Other Financing Sources as reported on the Statement of Revenues, Expenditures and Other Financing Uses from the Budgetary Comparison Statements Adjustment of report edirected investment Adjustment of report redirected investment Adjustment of report redirected investment Adjustment to filminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements Cartain budgeted special revenue funds do not meet the criteria for separate reporting and are reported within the General Fund in the GAAP financial statements Reclassification of loan repayment from General Fund to Waste Management Total Expenditures and Other Financing Uses as reported on the Statement Total Expenditures and Other Financing Uses as reported on the Statement Total Expenditures and Other Financing Uses as reported on the Statement	Adjustment of revenue accruals for 60 day recognition period		(3,122)	14,752	3	
Adjustment to eliminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds 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 Revenues and Other Financing sources for non-budgeted funds are excluded in the Budgetary Comparison Statements Revenues and Other Financing sources for CA nimal Care Center Adjustment of imported waste revenues overpaid to the General Fund to Revenues, Expenditures, and Changes in Fund Balances Actual Expenditures and Other Financing Uses from the Budgetary Comparison Statements Adjustment to report redirected investment Adjustment to report redirected investment Adjustment to fewenditure accruals for timing differences Adjustment to eliminate intrafund transfers Reclassification of direct billing reimbursements paid by fund for the benefit of other funds Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements Certain budgeted special revenue funds do not meet the criteria for separate reporting and are reported within the General Fund to Waste Management Total Expenditures and Other Financing Uses as reported on the Statement Reclassification of lone repayment from General Fund to Waste Management Total Expenditures and Other Financing Uses as reported on the Statements Reclassification of lone repayment from General Fund to Waste Management Total Expenditures and Other Financing Uses as reported on the Statements Reclassification of lone repayment from General Fund to Waste Management Total Expenditures and Other Financing Uses as reported on the Statement	Adjustment to record Public-Purpose Trust Fund monies					
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Differences-budget to GAAP: Adjustment to report redirected investment Adjustment of expenditure accruals for timing differences Adjustment to eliminate intrafund transfers Adjustment to eliminate intrafund transfers (3,877) Reclassification of direct billing reimbursements paid by fund for the benefit of other funds Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements 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 Reclassification of loan repayment from General Fund to Waste Management Total Expenditures and Other Financing Uses as reported on the Statements	Actual Expenditures and Other Financing Uses from the Budgetary					
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Adjustment of expenditure accruals for timing differences 555 7,602 (173) Adjustment to eliminate intrafund transfers (3,877) (3,964) Reclassification of direct billing reimbursements paid by fund for the benefit of other funds (13,937) (440) Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements 5,522 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 3,879 Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statements						
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Reclassification of direct billing reimbursements paid by fund for the benefit of other funds (13,937) (440) Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements 5,522 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 3,879 Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statements	Adjustment of expenditure accruals for timing differences		555	7,602	(173)	
benefit of other funds (13,937) (440) Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements 5,522 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 3,879 Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statements	Adjustment to eliminate intrafund transfers		(3,877)		(3,964)	
Expenditures and Other Financing Uses for non-budgeted funds are excluded in the Budgetary Comparison Statements 5,522 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 3,879 Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statement	Reclassification of direct billing reimbursements paid by fund for the					
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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 3,879 Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statement	Expenditures and Other Financing Uses for non-budgeted					
separate reporting and are reported within the General Fund in the GAAP financial statements 3,879 Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statement	funds are excluded in the Budgetary Comparison Statements				5,522	
GAAP financial statements 3,879 Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statement	Certain budgeted special revenue funds do not meet the criteria for					
Reclassification of loan repayment from General Fund to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statement	separate reporting and are reported within the General Fund in the					
to Waste Management (784) Total Expenditures and Other Financing Uses as reported on the Statement	GAAP financial statements		3,879			
Total Expenditures and Other Financing Uses as reported on the Statement	Reclassification of loan repayment from General Fund					
·	to Waste Management		(784)			
of Revenues, Expenditures and Changes in Fund Balances \$ 3,144,843 \$ 144,469 \$ 81,587 \$ 138,075						
	of Revenues, Expenditures and Changes in Fund Balances	\$	3,144,843 \$	144,469	\$ 81,587	\$ 138,075

E. Fund Balance

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

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

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

<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.

Assigned Fund Balance Amounts a government intends to use for a specific purpose that are neither restricted nor committed; intent can be expressed by the governing body (Board) or by an official or body to which the governing body delegates authority (County Executive Officer (CEO), County Department Heads, and County Purchasing Agent). The County's budget development guidelines provide the policy that is used by all County departments to determine the designation of assigned fund balance. Assigned fund balance includes the aggregation of resources for capital projects, which are expected to develop in future periods and fund balance reserved for outstanding contractual obligations for which goods and services have not yet been received or approved by the Board for appropriation in FY 2016-17, 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 Protection	Mental Health Services Act	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventory	\$ 838		\$ 317	•	\$	\$ 1,501
Prepaid costs	367,934	4,877	1,228		14,733	388,772
Endow ment	2.000				196	196
Long-Term Advances to Other Funds	3,800		4.545			3,800
Total Nonspendable Fund Balance	372,572	5,223	1,545		14,929	394,269
Restricted for:	F 074					5.074
Court Operations	5,874					5,874
Tobacco and CHIP Programs	152					152
Public Safety Realignment	32,367					32,367
Registrar of Voters	1,188					1,188
Flood Control District		209,629				209,629
Flood Control District - Construction & Maintenance		22,651				22,651
Flood Control District - Project Management		26,182				26,182
Flood Control District Capital Projects		141,638				141,638
Flood Control District Capital Projects Management		33,145				33,145
Santa Ana River Projects		84				84
Building & Safety Operating Reserve			14,645			14,645
Child Support Program Development			13,407			13,407
Clerk Recorder Special Revenue			16,559			16,559
Sheriff-Coroner Replacement & Maintenance			12,523			12,523
CAL-ID System Costs			29,131			29,131
Jail Commissary			4,663			4,663
Inmate Welfare			8,421			8,421
Prop 64 - Consumer Protection			6,662			6,662
Regional Narcotics Suppression Program			10,198			10,198
Other Public Safety Programs			24,029			24,029
Mental Health Services Adults/Children				19,863		19,863
Mental Health Services General				237,096		237,096
OC Dana Point Harbor Projects					67,355	67,355
Community and Welfare Services					56,318	56,318
Low and Moderate Income Housing Program					31,541	31,541
Health Care Programs					21,867	21,867
Civic Center Parking/Maintenance					4,545	4,545
Roads					70,759	70,759
Public Libraries					38,480	38,480
Bankruptcy Recovery					17,130	17,130
OC Parks					49,012	49,012
OC Parks - Capital Projects					32,388	32,388
County Tidelands - New port Bay					5,715	5,715
Service Areas, Lighting, Maintenance						
and Assessment Districts					78,087	78,087
Other Environmental Management					2,732	2,732
Tobacco Settlement Programs					11,437	11,437
Housing Programs					16,805	16,805
Technological and Capital						
Acquisitions/Improvements					1,368	1,368
Endow ment					145	145
OC Public Facilities Corporation Bonds,						
Master Lease					2,943	2,943
Pension Obligation Bonds					61,460	61,460
South OC Public Financing Authority					23,287	23,287
Orange County Public Financing Authority					7,465	7,465
Teeter Note					18,471	18,471
Capital Projects:						
Criminal Justice Facilities Improvement					12,563	12,563
Capital Facilities Development Corporation Construction	n				151,471	151,471
Capital Facilities Development Corporation						
capital r dollitico Beveloprite il comporation					21,538	21,538

E. Fund Balance (Continued)

		General Fund	Flood Control District	Other Public Protection		Mental Health Services Act	Other Governmental Funds	G	Total Sovernmental Funds
Assigned to:									_
General Services:									
General Services - Operations	\$	127,959	\$ 	\$	- (\$	\$	\$	127,959
Maintenance and Construction		11,600							11,600
Imprest Cash		1,834							1,834
Public Safety		18,804							18,804
Public Works		2,266							2,266
Watershed Programs		1,243							1,243
Social Services Programs		5,660							5,660
Tax Loss Reserve		46,653							46,653
Health Care Programs		1,314					12,083		13,397
Teeter Note							53,316		53,316
Capital Projects:									
Property Tax Softw are Development		5,076							5,076
Criminal Justice Facilities		6,645							6,645
Central Utilities Facility Replacement		1,239							1,239
Election System Upgrade		20,000							20,000
Sheriff Closed Circuit TV		2,000							2,000
Miscellaneous Capital Projects		13,000							13,000
800MHz County-Wide Coordinated									
Communications System				1,514	ļ				1,514
Countywide Projects							46,566		46,566
Parking Facilities							746		746
OC Parks							12,083		12,083
Air Quality Improvement							3,827		3,827
Community and Welfare Services							26,015		26,015
Orange County Public Financing Authority							14,322		14,322
Total Assigned Fund Balance		265,293	 	1,514			168,958		435,765
Unassigned		73,446	 						73,446
Total Unassigned Fund Balance	_	73,446	 						73,446
Total Fund Balances	\$	750,892	\$ 438,552	\$ 143,297	- 5	\$ 256,959	\$ 988,769	\$	2,578,469

Annually, the Board adopts a five-year Strategic Financial Plan (SFP). The County of Orange 2017 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 2016-17, the proceeds of \$375,540 was for short-term Taxable Pension Obligation Bonds to prepay its FY 2017-18 pension contribution at a discount. Of this amount \$367,590 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 the Airport Investment Fund and 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.

F. Deposits and Investments (Continued)

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 money market mutual funds, investment agreements, repurchase agreements, and U.S. Government securities. Short-term 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.

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) actual administrative cost of such investing, depositing or handling of funds. This method differs from the fair value method used to value investments in this statement because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pools' investments. Refer to Note 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 \$388,772, which primarily consist of \$388,427 for the County's FY 2017-18 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 the donation. Capital assets with an

J. Capital Assets (Continued)

original unit cost equal to or greater than the County's capitalization threshold shown in the table below are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Asset Type	Capitalization Threshold
Land	\$0
Land Improvements	\$150
Structures and Improvements	\$150
Equipment	\$ 5
Intangible:	
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, intangibles, and infrastructure are as follows:

Land Improvements	10 to 20 years
Structures and Improvements	10 to 60 years
Equipment	2 to 20 years
Intangibles:	
Computer Software	2 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 tax-exempt debt proceeds and amortization of premium or discount. For governmental activities, interest is not capitalized as a cost of the capital asset in accordance with GAAP.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide Statement of Net Position reports a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period(s) and

K. Deferred Outflows/Inflows of Resources (Continued)

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 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 pension 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 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 \$24,637 is net of an allowance for the estimated uncollectible of \$10,236.

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

	G	overnmental			Waste	
		Activities	Airport	Ma	nagement	Total
Deferred Outflows of Resources Related to Pension per Actuarial Studies						
Net Difference Between Projected and Actual Investment Earnings						
on Pension Plan Investments	\$	324,534	\$ 3,278	\$	4,079	\$ 331,891
Changes of Assumptions		69,889	712		881	71,482
Changes in Proportion and Differences Between Employer						
Contributions and Proportionate Share of Contributions		16,265	144		183	16,592
Deferred Outflows of Resources Related to Pension - Employer						
Contributions after Measurement Date		214,565	1,784		2,328	218,677
Deferred Outflows of Resources Related to Prepaid Contribution		196,040	1,754		2,108	199,902
Total Deferred Outflows of Resources Related to Pension	\$	821,293	\$ 7,672	\$	9,579	\$ 838,544
Deferred Inflows of Resources Related to Pension per Actuarial Studies						
Net Difference Between Projected and Actual Investment Earnings						
on Pension Plan Investments	\$	17	\$ 	\$		\$ 17
Difference Between Expected and Actual Experience		432,439	3,993		5,062	441,494
Changes of Assumptions		114,088	1,163		1,438	116,689
Changes in Proportion and Differences Between Employer						
Contributions and Proportionate Share of Contributions		122	1		1	124
Total Deferred Inflows of Resources Related to Pension	\$	546,666	\$ 5,157	\$	6,501	\$ 558,324

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 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, 2017 is allocated to and recorded in the corresponding funds for reporting purposes.

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

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, 2017, tax refunds and assessed value tax roll corrections resulting from property tax appeals and other disputes represented approximately 0.87% 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

M. Property Taxes (Continued)

	California Revenue
	& Taxation Code Section
Assessor delivers roll to Auditor-Controller July 1.	616, 617
Tax roll is delivered to the Tax Collector on or before the levy date (the 4th Monday in September).	2601
Secured tax payment due dates are: 1st Installment - November 1, and 2nd Installment - February 1.	2605 2606
Declaration of default for unpaid taxes occurs July 1.	3436
Power to sell is effective five years after tax default.	3691

N. Compensated Employee Absences

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

O. Pensions

The County recognizes a net pension liability to reflect the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the County's retirement plans. The actuarial valuation for the retirement plans through OCERS is based on the December 31, 2016 measurement date for the County reporting as of June 30, 2017. The actuarial valuation for the Extra-Help Defined Benefit Plan is based on the June 30, 2017 measurement date for the County reporting as of June 30, 2017.

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, 2017, the County's net pension liability from OCERS was measured as of December 31, 2016, and the total pension liability (TPL) used to calculate the net pension liability was determined by rolling forward the December 31, 2015 valuation to December 31, 2016. The County's net pension liability from Extra-Help Defined Benefit Plan was measured as of June 30, 2017; the plan's TPL was calculated using the data and assets as of July 1, 2015, rolled forward to June 30, 2017 using actual benefit payments for FY 2015-16 and FY 2016-17.

P. Statement of Cash Flows

A Statement of Cash Flows is presented for proprietary fund types. The County's cash and cash equivalents for cash flow reporting purposes are considered to be cash on hand, demand deposits, unrestricted and restricted investments held in the County Treasury's investment pooled funds and outside trustees.

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 2016-17 County-

Q. Indirect Costs (Continued)

Wide Cost Allocation Plan (CWCAP), which was prepared in accordance with the Code of Federal Regulation, Title 2, Part 200. For Financial Statement purposes, the County has elected to allocate indirect costs to budget controls within the General Fund in order to match the reimbursement of indirect costs recorded as program revenues to the same function where the related expense is recorded.

R. Effects of New Pronouncements

The following lists recent GASB pronouncements implemented or are effective in FY 2016-17:

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 reporting periods beginning after December 15, 2015, which requires the County to implement this statement in FY 2016-17. The statement was implemented. The effect was immaterial to the County's financial statements. Therefore, no note disclosures are presented as a result of this GASB statement.

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 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 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. The statement was implemented without an impact to the County.

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 established in paragraph 53 of Statement No. 14, "The Financial Reporting Entity," as amended. This statement amends the blending requirements for the financial statement presentation of component units of all state and local government. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. 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. The statement was implemented without an impact to the County.

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. The statement was implemented with an impact to the County. Refer to the Required Supplementary Information for additional information.

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:

R. Effects of New Pronouncements (Continued)

In June 2015, GASB issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." 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 reporting periods beginning after June 15, 2016. The County's OPEB plans are calendar year based; therefore, it requires the County to implement this statement in FY 2017-18. 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 reporting periods beginning after June 15, 2017, which requires the County to implement this statement in FY 2017-18.

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 reporting periods beginning after December 15, 2016, which requires the County to implement this statement in FY 2017-18.

In November 2016, GASB issued Statement No. 83, "Certain Asset Retirement Obligations." This statement requires the recognition of a liability and a corresponding deferred outflows of resources associated with an asset retirement obligation based on the criteria and the measurement established in the statement. This statement also requires disclosure of required information about the asset retirement obligations. The requirements of this statement are effective for reporting periods beginning after June 15, 2018, which requires the County to implement this statement in FY 2018-19.

In January 2017, GASB issued Statement No. 84, "Fiduciary Activities." This statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement also describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The requirements of this statement are effective for reporting periods beginning after December 15, 2018, which requires the County to implement this statement in FY 2019-20.

In March 2017, GASB issued Statement No. 85, "Omnibus 2017." This statement addresses issues that have been identified during implementation and application of certain GASB Statements. The topics include issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits and more. The requirements of this statement are effective for reporting periods

R. Effects of New Pronouncements (Continued)

beginning after June 15, 2017, which requires the County to implement this statement in FY 2017-18.

In May 2017, GASB issued Statement No. 86, "Certain Debt Extinguishment Issues." This statement establishes disclosure requirements of in-substance defeasance of debt using only existing resources and prepaid insurance related to extinguished debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2017, which requires the County to implement this statement in FY 2017-18.

In June 2017, GASB issued Statement No. 87, "Leases." This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement requires a lease to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and a deferred inflows of resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2019, which requires the County to implement this statement in FY 2020-21.

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.

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 in Progress
Capital Assets – Depreciable/Amortizable (Net)	Structures and Improvements and Accumulated Depreciation; Equipment and Accumulated Depreciation; Infrastructure and Accumulated Depreciation; and Intangible Software and Accumulated Amortization; Land Improvements and Accumulated Depreciation

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

The Workers' Compensation Internal Service Fund (ISF) reported a deficit net position balance of \$76,699. 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

2. <u>DEFICIT FUND EQUITY (Continued)</u>

expenses, and a discount for anticipated investment income. The deficit decreased by \$16,752 from the previous fiscal year primarily due to a decrease in 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 \$12,467. The deficit for the Successor Agency decreased by \$4,771 from the previous fiscal year primarily due to an increase in intergovernmental revenues as a result of the termination of the Bankruptcy Recovery Contribution transfer to the General Fund.

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 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 OCIP and an 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 Fund (JWA Fund) and other separately managed investments. The County's Investment Pools are not registered with the Securities and Exchange Commission (SEC) as an investment company, and therefore are exempt from SEC rules.

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 March 6, 2017, Standard & Poor's (S&P) reaffirmed its highest rating of AAAm Principal Stability Fund Rating (AAAm) on the OCMMF and the OCEMMF. The Treasurer will act on a "best efforts" basis to stabilize the Net Asset Value (NAV) of OCMMF and OCEMMF within a range of \$0.995 (in absolute dollar amounts) and \$1.005 (in absolute dollar amounts). The pooled funds do not have any legally binding guarantees of share values.

The maximum maturity of investments for the two short-term pools is 13 months with a maximum weighted average maturity (WAM) of 60 days. The maximum maturity of the long-term pool is five years per CGC. The IPS provides that all pools, except short-term pools, shall have an effective 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 totaled \$9,043,263 as of June 30, 2017, consisting of \$4,022,195 for the OCIP, \$4,867,136 for the OCEIP, and \$153,932 for Specific Investments.

Total County deposits and investments at fair value as of June 30, 2017, are reported as follows:

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<u>Deposits:</u>	
Imprest Cash	\$ 1,901
Deposits for OCIP with Treasurer	16,344
Deposits for OCEIP with Treasurer	47,522
Deposits with Trustees	47,511
All other Deposits and Timing Differences	 (141,839)
Total Deposits and Timing Differences	(28,561)
Investments:	
Investments for OCIP with Treasurer	4,005,851
Investments for OCEIP with Treasurer	4,819,614
Specific Investments with Treasurer	153,932
Restricted Investments With Trustees	531,908
With External OCERS	 268,394
Total Investments	 9,779,699
Total Deposits and Investments	\$ 9,751,138
Total County deposits and investments are reported in the following funds:	
Governmental Funds	\$ 2,552,666
Proprietary Funds	1,049,638
Fiduciary Funds	6,101,385
Component Unit - CFCOC	47,449
Total Deposits and Investments	\$ 9,751,138

A. Deposits

CGC 53652 et. seq. and the IPS prescribe the amount of collateral that is required to secure the deposit of public funds. The pledge to secure deposits is administered by the California Commissioner of Business Oversight. Collateral is required for demand deposits at 110% of all deposits not covered by Federal Depository Insurance 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 and 53635, Board ordinances and resolutions, the County's IPS, the bond indenture documents, trust agreements, and other contractual agreements govern the investments that may be purchased and may include certain restrictions on investment maturity, maximum portfolio percentages, term, value, 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, 2017, the Treasurer was in full compliance with the more restrictive IPS for the OCIP, OCEIP, and JWA Fund.

The following table provides a summary listing of the authorized investments as of June 30, 2017.

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 Funds)
U.S. Treasury Securities	100%	100%	5 Years	5 Years	397 Days
U.S. Government Agency Securities	100%	100% total, no more than 50% 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	3 Years	397 Days
Bankers Acceptances	40%, 30% of a single issuer	40% total, no more than 5% in one issuer	180 Days	180 Days	180 Days
Commercial Paper	40%, 10% of a single issuer	40% total, no more than 5% in one issuer	270 Days	270 Days	270 Days
Negotiable Certificates of Deposits	30%	30% total, no more than 5% in one issuer	5 Years	3 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

B. Investments (Continued)

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; 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, 2017, the OCIP includes approximately 10.8% of involuntary participant deposits including funds for the Superior Court, certain assessment districts, and certain bond related funds for public school districts.

B. <u>Investments (Continued)</u>

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, 2017.

			Interest Rate		Weighted Average Maturity		% of
With Treasurer:	Fair Value	Princip	al Range (%)	Maturity Range	(Years)	Rating (1)	Portfolio
OCIP (2)							
U.S. Government Agencies	r 20.442	ф <u>э</u> с	154 0 77 0 050/	07/02/47 00/02/47	0.040	D 4	0.050/
FNMA Discount Notes	\$ 38,142		,154 0.77 - 0.85%	07/03/17 - 08/02/17	0.040	P-1	0.95%
FNMA Bonds FFCB Discount Notes	400,868		,667 0.88 - 1.52% ,000 0.60 - 1.11%	08/28/17 - 02/28/20	1.550	AA P-1	10.01% 2.30%
	92,392			07/25/17 - 03/12/18	0.572		
FFCB Bonds	280,757		,312 0.51 - 1.59%	08/28/17 - 06/15/20	1.302	AA D.4	7.01%
FHLB Discount Notes	584,168		,650 0.79 - 1.04%	07/05/17 - 09/12/17	0.088	P-1	14.58%
FHLB Bonds	608,814		,202 0.72 - 1.59%	08/28/17 - 06/12/20	1.390	AA D.4	15.20%
FHLMC Discount Notes	27,205		,250 0.81 - 0.99%	07/13/17 - 10/20/17	0.164	P-1	0.68%
FHLMC Bonds	524,333	525	,616 0.70 - 1.55%	07/28/17 - 01/17/20	1.155	AA	13.09%
Negotiable Certificates of Deposit							
Certificates of Deposit	62,770		,689 1.69 - 1.72%	07/30/18 - 03/29/19	1.289	Α	1.57%
Certificates of Deposit	36,428	36	,373 1.36 - 1.75%	10/18/17 - 09/10/18	1.158	AA	0.91%
Medium-Term Corporate Notes							
Corporate Notes	48,295	47	7,765 1.10 - 1.35%	02/09/18 - 08/15/18	0.155	Α	1.21%
Corporate Notes	247,629	246	,404 1.05 - 1.76%	02/15/18 - 02/12/20	2.663	AA	6.18%
Corporate Notes	79,106	78	,620 0.82 - 1.49%	08/15/17 - 03/01/19	0.801	AAA	1.97%
Municipal Debt	183,339	183	,925 0.98 - 1.48%	08/01/17 - 06/29/18	0.663	NR	4.58%
U.S. Treasuries	609,619	609	,845 0.63 - 1.38%	07/31/17 - 07/31/19	1.274		15.22%
Money Market Mutual Funds	181,788	181	,788 0.85 - 0.93%	07/03/17	0.000	AAA	4.54%
Local Agency Investment Fund (LAIF)	198		198 0.98%	07/03/17	0.000	NR	0.00%
	\$ 4,005,851	\$ 4,010	,458		1.004 (4)		100.00%
					Weighted		
With Treasurer:	Fair Value	Princip	Interest Rate al Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
OCEIP (2)	Fair Value	Princip		Maturity Range	Average Maturity	Rating (1)	
OCEIP (2) U.S. Government Agencies			al Range (%)	· •	Average Maturity (Years)		Portfolio
OCEIP (2) U.S. Government Agencies FNMA Discount Notes	\$ 54,979	\$ 55	,000 0.77 - 0.85%	07/03/17 - 08/02/17	Average Maturity (Years)	P-1	Portfolio 1.14%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds	\$ 54,979 416,531	\$ 55 418	Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52%	07/03/17 - 08/02/17 08/28/17 - 02/28/20	Average Maturity (Years) 0.046 1.555	P-1 AA	1.14% 8.64%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount	\$ 54,979 416,531 59,666	\$ 55 418	,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18	Average Maturity (Years) 0.046 1.555 0.491	P-1 AA P-1	1.14% 8.64% 1.25%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds	\$ 54,979 416,531 59,666 328,412	\$ 55 418 60 328	,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20	Average Maturity (Years) 0.046 1.555 0.491 1.174	P-1 AA P-1 AA	1.14% 8.64% 1.25% 6.82%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes	\$ 54,979 416,531 59,666 328,412 826,299	\$ 55 418 60 328 827	,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124	P-1 AA P-1 AA P-1	1.14% 8.64% 1.25% 6.82% 17.14%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds	\$ 54,979 416,531 59,666 328,412 826,299 630,490	\$ 55 418 60 328 827 631	,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396	P-1 AA P-1 AA P-1	1.14% 8.64% 1.25% 6.82% 17.14% 13.08%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLB Discount Notes	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970	\$ 55 418 60 328 827 631	,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080	P-1 AA P-1 AA P-1 AA P-1	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Bonds	\$ 54,979 416,531 59,666 328,412 826,299 630,490	\$ 55 418 60 328 827 631	,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396	P-1 AA P-1 AA P-1	1.14% 8.64% 1.25% 6.82% 17.14% 13.08%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Doscount Notes FHLMC Bonds Negotiable Certificates of Deposit	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616	\$ 55 418 60 328 827 631 73	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142	P-1 AA P-1 AA P-1 AA P-1	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616	\$ 55 418 60 328 827 631 73 560	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289	P-1 AA P-1 AA P-1 AA P-1 AA	Portfolio 1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616	\$ 55 418 60 328 827 631 73 560	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142	P-1 AA P-1 AA P-1 AA P-1	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616 65,395 36,284	\$ 55 418 60 328 827 631 73 560	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289	P-1 AA P-1 AA P-1 AA P-1 AA	Portfolio 1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616	\$ 55 418 60 328 827 631 73 560	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289	P-1 AA P-1 AA P-1 AA P-1 AA	Portfolio 1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit Medium-Term Corporate Notes	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616 65,395 36,284	\$ 55 418 60 328 827 631 73 560 65 36	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55% ,311 1.69 - 1.72% ,227 1.69 - 1.75%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20 07/30/18 - 03/29/19 09/10/18	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289 1.197	P-1 AA P-1 AA P-1 AA P-1 AA	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit Certificates of Deposit Medium-Term Corporate Notes Corporate Notes	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616 65,395 36,284 45,232	\$ 55 418 60 328 827 631 73 560 65 36	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55% ,311 1.69 - 1.72% ,227 1.69 - 1.75%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20 07/30/18 - 03/29/19 09/10/18 07/12/17 - 08/15/18	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289 1.197 0.140	P-1 AA P-1 AA P-1 AA P-1 AA	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59% 0.75%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit Certificates of Deposit Medium-Term Corporate Notes Corporate Notes Corporate Notes	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616 65,395 36,284 45,232 284,241	\$ 55 418 60 328 827 631 73 560 65 36 44 282 86	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55% ,311 1.69 - 1.72% ,227 1.69 - 1.75% ,548 0.74 - 1.37% ,347 1.05 - 1.76%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20 07/30/18 - 03/29/19 09/10/18 07/12/17 - 08/15/18 02/15/18 - 02/12/20	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289 1.197 0.140 2.609	P-1 AA P-1 AA P-1 AA P-1 AA AA	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59% 0.75% 0.94% 5.90%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Discount Notes FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Certificates of Deposit Certificates of Deposit Medium-Term Corporate Notes Corporate Notes Corporate Notes Corporate Notes	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616 65,395 36,284 45,232 284,241 87,407	\$ 55 418 60 328 827 631 73 560 65 36 44 282 86	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55% ,311 1.69 - 1.72% ,227 1.69 - 1.75% ,548 0.74 - 1.37% ,347 1.05 - 1.76% ,851 0.82 - 1.74%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20 07/30/18 - 03/29/19 09/10/18 07/12/17 - 08/15/18 02/15/18 - 02/12/20 08/15/17 - 11/21/17	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289 1.197 0.140 2.609 0.756	P-1 AA P-1 AA P-1 AA P-1 AA AA	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59% 0.75% 0.94% 5.90% 1.81%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Bonds FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Medium-Term Corporate Notes Corporate Notes Corporate Notes Corporate Notes Municipal Debt	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616 65,395 36,284 45,232 284,241 87,407 191,005	\$ 55 418 60 328 827 631 73 560 65 36 44 282 86 191	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55% ,311 1.69 - 1.72% ,227 1.69 - 1.75% ,548 0.74 - 1.37% ,347 1.05 - 1.76% ,851 0.82 - 1.74% ,615 0.98 - 1.48%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20 07/30/18 - 03/29/19 09/10/18 07/12/17 - 08/15/18 02/15/18 - 02/12/20 08/15/17 - 11/21/17 08/01/17 - 06/29/18	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289 1.197 0.140 2.609 0.756 0.663	P-1 AA P-1 AA P-1 AA P-1 AA AA	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59% 0.75% 0.94% 5.90% 1.81% 3.96%
OCEIP (2) U.S. Government Agencies FNMA Discount Notes FNMA Bonds FFCB Discount FFCB Bonds FHLB Discount Notes FHLB Discount Notes FHLMC Discount Notes FHLMC Discount Notes FHLMC Bonds Negotiable Certificates of Deposit Medium-Term Corporate Notes Corporate Notes Corporate Notes Municipal Debt U.S. Treasuries	\$ 54,979 416,531 59,666 328,412 826,299 630,490 72,970 558,616 65,395 36,284 45,232 284,241 87,407 191,005 913,940	\$ 55 418 60 328 827 631 73 560 65 36 44 282 86 191	Al Range (%) ,000 0.77 - 0.85% ,387 0.69 - 1.52% ,000 0.60 - 1.07% ,948 0.71 - 1.59% ,300 0.83 - 1.04% ,933 0.72 - 1.59% ,025 0.81 - 0.99% ,018 0.70 - 1.55% ,311 1.69 - 1.72% ,227 1.69 - 1.75% ,548 0.74 - 1.37% ,347 1.05 - 1.76% ,851 0.82 - 1.74% ,615 0.98 - 1.48% ,300 0.72 - 1.38%	07/03/17 - 08/02/17 08/28/17 - 02/28/20 07/25/17 - 03/07/18 07/03/17 - 06/15/20 07/05/17 - 12/28/17 08/07/17 - 06/12/20 07/12/17 - 10/11/17 07/14/17 - 01/17/20 07/30/18 - 03/29/19 09/10/18 07/12/17 - 08/15/18 02/15/18 - 02/12/20 08/15/17 - 11/21/17 08/01/17 - 06/29/18 07/31/17 - 07/31/19	Average Maturity (Years) 0.046 1.555 0.491 1.174 0.124 1.396 0.080 1.142 1.289 1.197 0.140 2.609 0.756 0.663 0.925	P-1 AA P-1 AA P-1 AA P-1 AA AA AAA NR	1.14% 8.64% 1.25% 6.82% 17.14% 13.08% 1.52% 11.59% 0.75% 0.94% 5.90% 1.81% 3.96% 18.96%

B. Investments (Continued)

Investment Disclosures (Continued)

					Interest Rate		Weighted Average Maturity		% of
With Treasurer:	Fa	air Value	F	rincipal	Range (%)	Maturity Range	(Years)	Rating (1)	Portfolio
Specific Investments (2)					1 1292 (70)	The same of the sa	(1 222)		
U.S. Government Agencies									
FNMA Discount Notes	\$	1,798	\$	1,800	1.01%	08/07/17	0.104	P-1	1.17%
FNMA Bonds		18,180		18,195	0.67 - 2.06%	08/28/17 - 01/05/22	2.456	AA	11.81%
FFCB Discount		2,970		3,000	1.14 - 1.21%	03/08/18 - 05/24/18	0.828	P-1	1.93%
FFCB Bonds		5,497		5,500	0.91 - 1.08%	07/03/17 - 06/22/18	0.671	AA	3.57%
FHLB Discount Notes		15,341		15,365	0.61 - 1.08%	07/07/17 - 11/10/17	0.156	P-1	9.97%
FHLB Bonds		13,539		13,500	0.80 - 1.78%	07/27/17 - 07/29/20	1.371	AA	8.79%
FHLMC Discount Notes		3,991		4,000	0.85 - 1.03%	08/02/17 - 11/02/17	0.216	P-1	2.59%
FHLMC Bonds		3,491		3,500	0.94%	01/12/18	0.537	AA	2.27%
U.S. Treasuries		16,451		16,499	0.70 - 1.16%	07/31/17 - 01/13/21	0.946		10.69%
U.S. Treasuries - SLGS		67,557		67,557	0.76%	09/11/17	0.821		43.89%
Repurchase Agreements		1,082		1,082	6.20%	08/15/19	2.126	AA	0.70%
Money Market Mutual Funds		4,035		4,035	0.01 - 0.04%	07/03/17	0.000	AAA	2.62%
	\$	153,932	\$	154,033	•	•	0.689 (4)		100.00%
With Trustees:	Fź	air Value	F	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
Restricted Investments with Trustees (2)		all value		moipai	· tange (/v/	Maturity Harige	(100.0)		
U.S. Government Agencies									
FNMA Zero Coupon Bonds	\$	61,388	\$	28,132	0.00%	09/01/21	1.620	NR	11.54%
FHLMC Bond	Ψ	18,450	*	18,450	0.88 - 4.88%	06/13/18 - 07/19/19	0.180	AA	3.47%
FNMA Bond		16,673		16,673	1.13 - 1.88%	09/18/18 - 02/19/19	0.150	AA	3.13%
FHLB Bond		16,467		16,467	0.88 - 1.38%	03/19/18 - 03/18/19	0.160	AA	3.10%
FHLMC Discount Notes		18,603		18,603	1.13%	04/15/19	0.210	AA	3.50%
FFCB Bond		26,575		26,575	0.75 - 1.63%	04/18/18 - 06/14/19	0.270	AA	5.00%
U.S. Treasuries		90,952		90,854	Variable	07/20/17 - 11/30/20	1.100		17.10%
U.S. Treasury Strips		69		10	0.00%	11/15/18	1.380		0.01%
Money Market Mutual Funds		248,292		248,292	Variable	07/03/17	0.000	AAA	46.68%
Bond Mutual Funds		6,377		6,377	0.79% - 7.35%	07/03/17	0.000	NR	1.20%
Mutual Funds		12,563		12,563	Variable	07/03/17	0.000	NR	2.36%
Stable Value Fund		15,499		15,499	Variable	07/03/17	0.000	NR	2.91%
	\$	531,908	\$	498,495		•	0.380 (4)		100.00%
With External OCEDS				<u> </u>		:	• • •		
With External OCERS Restricted Investments (3)	\$	268,394							

⁽¹⁾ The County obtains credit ratings from S&P, Moody's, and Fitch. Credit Rating P-1 is from Moody's. The ratings indicative of the greatest degree of risk have been disclosed. NR means not rated. The ratings for U.S. Treasuries are not disclosed. The County is not required to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

(2) Legend:

FNMA-Federal National Mortgage Association

FFCB-Federal Farm Credit Bank

FHLB-Federal Home Loan Bank

FHLMC-Federal Home Loan Mortgage Corporation

SLGS-State and Local Government Series Certificate of Indebtedness

(4) Portfolio weighted average maturity

⁽³⁾ The Retiree Medical Trust Reports \$268,394 of restricted investments with OCERS. Refer to Note 18. For more information regarding investments with OCERS, refer to their most recently issued financial statements available at http://www.ocers.org/finance/finance.htm.

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.

Fair value measurement is based on pricing received from the County's third party vendors. Investments in money market mutual funds, the Local Agency Investment Fund (LAIF), and the U.S. Treasuries - State and Local Government Series (SLGS) Certificate of Indebtedness are priced using amortized cost which approximates fair value, with a net asset value of \$1.00 (in absolute dollar amounts) per share, and per GASB Statement No. 72 not subject to the fair value hierarchy. Additionally, 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, 2017.

				⊢a	ır valu	e Measuremen	t	
		Total	Active N	l Prices in Markets for al Assets vel 1)	_	nificant Other ervable Inputs (Level 2)	Unob:	nificant servable puts vel 3)
<u>OCIP</u>								
U.S. Government Agencies	\$	2,556,679	\$		\$	2,556,679	\$	
Negotiable Certificates of Deposit		99,198				99,198		
Medium-Term Corporate Notes		375,030				375,030		
Municipal Debt		183,339				183,339		
U.S. Treasuries		609,619				609,619		
Sub-total		3,823,865				3,823,865		
Investments Not Subject to Fair Value	Hierarch	y:						
Money Market Mutual Funds		181,788						
Local Agency Investment Fund (LAIF)		198						
Total	\$	4,005,851						
OCEIP								
U.S. Government Agencies	\$	2,947,963	\$		\$	2,947,963	\$	
Negotiable Certificates of Deposit		101,679				101,679		
Medium-Term Corporate Notes		416,880				416,880		
Municipal Debt		191,005				191,005		
U.S. Treasuries		913,940				913,940		
Sub-total		4,571,467				4,571,467		
Investments Not Subject to Fair Value	Hierarch	v:						
Money Market Mutual Funds		247,941						
Local Agency Investment Fund (LAIF)		206						
Total	\$	4,819,614						

B. Investments (Continued)

Investment Disclosures (Continued)

			Fair Value Measurement					
		Total	Active Identi	ed Prices in Markets for ical Assets evel 1)	Obse	ificant Other rvable Inputs (Level 2)	Unc	gnificant bservable Inputs Level 3)
Specific Investments								
U.S. Government Agencies	\$	64,807	\$		\$	64,807	\$	
U.S. Treasuries		16,451				16,451		
Repurchase Agreements		1,082						1,082
Sub-total		82,340				81,258		1,082
Investments Not Subject to Fair Valu	ue Hierar	chy:						
Money Market Mutual Funds		4,035						
U.S. Treasuries - SLGS *		67,557						
Total	\$	153,932						
With Trustees								
U.S. Government Agencies	\$	158,156	\$		\$	158,156	\$	
U.S. Treasuries		91,021		358		90,663		
Bond Mutual Funds		6,377		6,377				
Mutual Funds		12,563		12,563				
Sub-total		268,117		19,298		248,819		
Investments Not Subject to Fair Valu	ie Hierar	chy:						
Money Market Mutual Funds		248,292						
Stable Value Fund		15,499						
Total	\$	531,908						

^{*} SLGS - State and Local Government Series Certificate of Indebtedness

Investment in County of Orange Taxable Pension Obligation Bonds 2017, Series A

On January 13, 2017, the OCIP and the OCEIP purchased the County issued Taxable Pension Obligation Bonds 2017, Series A (2017 POBs) in the principal amount of \$375,540. The 2017 POBs were issued with a fixed coupon rate with maturities from August 2017 to June 2018 and are solely owned by OCIP and OCEIP. The obligation of the County to pay principal and interest on the 2017 POBs is an obligation imposed by law and is absolute and unconditional. As of June 30, 2017, the outstanding principal amount of the 2017 POBs is \$375,540. The bonds are not rated by any of the NRSROs. The County's investment in the 2017 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 of \$4,005,851 and the OCEIP of \$4,819,614 portfolios at June 30, 2017 have 33% and 42%, respectively, of the investments maturing in six months or less, 67% and 58%, respectively, maturing between six months and three years.

B. Investments (Continued)

Interest Rate Risk - Investments (Continued)

As of June 30, 2017, variable-rate notes comprised 0.37% and 0.64% of the OCIP and the OCEIP, respectively. The notes are tied to the Federal Funds rate, the 90-day Treasury Bill rate, the 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 \$4,225,345 and \$4,189,092, respectively, with an annual net yield of 0.81% and 0.82% respectively, for the pools, for the year ended June 30, 2017.

Interest Rate Risk-Weighted Average Maturity (Short-term Pool)

At June 30, 2017, the OCMMF and OCEMMF investments fair values amounted to \$1,127,902 and \$1,821,325, 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, 2017, the WAM of the OCMMF was 60 days and the OCEMMF was 58 days. At the same date, the NAV of both short-term pools was \$1.00 (in absolute dollar amounts).

Interest Rate Risk-Duration (Long-term Pool)

At June 30, 2017, the long-term pool (which includes funds from both the OCIP and the OCEIP) balance was \$5,876,238. Of this amount, the OCIP owned 49% and the OCEIP owned 51%. 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).

Duration

As of June 30, 2017, the long-term pool had the following duration by investment type:

				Duration	
Investment Type	F	air Value	Portfolio %	(In Years)	
Negotiable Certificate of Deposits	\$	199,277	3.39%	1.25	
Local Agency Investment Fund		404	0.01%	0.00	
Medium-Term Corporate Notes		584,964	9.95%	1.38	
Municipal Debt		374,344	6.37%	0.66	
U.S. Government Agencies		3,523,546	59.96%	1.39	
U.S. Treasuries		1,193,703	20.31%	1.32	
Total Fair Value	\$	5,876,238			
Portfolio Duration				1.32	

Custodial Credit Risk

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

B. <u>Investments (Continued)</u>

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 at least two of the following NRSROs: S&P, Moody's, or Fitch. For purchases of short-term debt, the issuer 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) for purchases with remaining maturities less than 397 days, while purchases of long-term debt shall have issuer ratings no less than AA for purchases with remaining maturities longer than 397 days. Municipal debt issued by the County is exempt from the above credit rating requirements. As of June 30, 2017, the County's investments were in compliance with the IPS limits when purchased.

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, 2017, all investments were in compliance with state law and the IPS single issuer limits. See the County's investments table for concentrations of holdings. The following holdings with Treasurer exceeded 5 percent of the portfolio at June 30, 2017.

With Treasurer:

		Percentage of Portfolio
Investment Type	Issuer	2017
U.S. Government Agencies	Federal National Mortgage Association	10.36%
U.S. Government Agencies	Federal Farm Credit Bank	8.57%
U.S. Government Agencies	Federal Home Loan Bank	29.83%
U.S. Government Agencies	Federal Home Loan Mortgage Corporation	13.26%
U.S. Treasuries	United States Treasuries	17.90%

Foreign Currency Risk

The IPS requires all securities to be U.S. dollar denominated. The County investments 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, 2017:

Entire Pool

Statement of Net Position

	 OCIP	 OCEIP	 Total
Net Position Held for Pool Participants	\$ 4,094,194	\$ 4,827,922	\$ 8,922,116
Equity of Internal Pool Participants Equity of External Pool Participants Undistributed and Unrealized (Loss)	\$ 3,679,347 428,986 (14,139)	\$ 4,842,837 (14,915)	\$ 3,679,347 5,271,823 (29,054)
Total Net Position	\$ 4,094,194	\$ 4,827,922	\$ 8,922,116
Statement of Changes in Net Position			
Net Position at July 1, 2016 Net Changes in Investments by Pool	\$ 3,905,974	\$ 4,229,524	\$ 8,135,498
Participants	188,220	598,398	786,618
Net Position at June 30, 2017	\$ 4,094,194	\$ 4,827,922	\$ 8,922,116

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	\$ 427,888	\$ 4,813,429	\$ 5,241,317
Receivables			
Interest/Dividends	1,184	 14,522	 15,706
Total Assets	 429,072	 4,827,951	 5,257,023
<u>Liabilities</u>			
Due to Other Governmental Agencies	 86	29	115
Total Liabilities	 86	 29	 115
Net Position			
Restricted for Pool Participants	 428,986	4,827,922	5,256,908
Total Net Position	\$ 428,986	\$ 4,827,922	\$ 5,256,908

Combining Statement of Changes in Fiduciary Net Position

	OCIP	OCEIP	Total
Additions:			
Contributions to Pooled Investments	\$ 691,716	\$ 8,356,432	\$ 9,048,148
Interest and Investment Income	1,108	22,027	23,135
Less: Investment Expense	(166)	(2,648)	(2,814)
Total Additions	692,658	8,375,811	9,068,469
Deductions:			
Distributions from Pooled Investments	606,600	7,777,413	8,384,013
Total Deductions	606,600	 7,777,413	 8,384,013
Change in Net Position Held in			
Trust For External Investment Pool	86,058	598,398	684,456
Net Position, Beginning of Year	342,928	4,229,524	4,572,452
Net Position, End of Year	\$ 428,986	\$ 4,827,922	\$ 5,256,908

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

CalOptima 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.

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

D. CalOptima's Cash and Investments (Continued)

- 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 statement of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Marketable Securities

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

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

	Investment Assets at Fair Value as of June 30, 2017							017
		Level 1	Level 2		Level 3			Total
U.S. Treasury Notes	\$	540,798	\$		\$		\$	540,798
Government			•	109,063				109,063
U.S. Agencies			•	119,391				119,391
Asset-Backed Securities				97,004				97,004
Corporate Bonds			4	151,582				451,582
Mortgage-Backed Securities				84,380				84,380
Municipal Bonds				88,410				88,410
Certificates of Deposit				55,581				55,581
Commercial Paper				47,777				47,777
	\$	540,798	\$ 1,0	053,189	\$		\$	1,593,987

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

	2017
Current Assets:	
Cash and Cash Equivalents	\$ 510,063
Investments	1,082,426
Board-Designated Assets and Restricted Cash:	
Cash and Cash Equivalents	17,710
Investments	517,429
Restricted Deposit	300
Total	\$2,127,928

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure CalOptima may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The 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, 2017, no deposits were exposed to custodial credit risk, as CalOptima has pledged collateral to cover the amounts.

D. CalOptima's Cash and Investments (Continued)

Investments

CalOptima invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, money market funds, and mortgage or asset-backed securities.

Interest rate risk

In accordance with its Annual Investment Policy (investment policy), CalOptima manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with CalOptima's expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. CalOptima maintains a low-duration strategy, targeting a portfolio duration of three years or less, with the intent of reducing interest rate risk. Portfolios with low duration are less volatile because they are less sensitive to interest rate changes.

As of June 30, 2017, CalOptima's investments, including cash equivalents, had the following modified duration:

			In	vestment Matu	urities (In Years)
	F	air Value	Less Than 1			1-5
U.S. Agencies	\$	119,391	\$	48,257	\$	71,134
Asset-Backed Securities		97,004				97,004
Corporate Bonds		451,582		206,123		245,459
Government		109,063		86,287		22,776
Mortgage-Backed Securities		84,380		18,022		66,358
Municipal Bonds		88,410		19,159		69,251
U.S. Treasury Notes		540,798		239,394		301,404
Certificates of Deposits		55,581		36,575		19,006
Commercial Paper		47,777		47,777		
Cash Equivalents		427,031		427,031		
Cash		38,188		38,188		
Total		2,059,206	\$	1,166,814	\$	892,392
Accrued Interest Receivable		5,901				
	\$	2,065,107				

Investment with fair values highly sensitive to interest rate fluctuations

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

	Fair Value	, June 30, 2017
Asset-Back Securities	\$	97,004
Mortgage-Backed Securities		84,380
	\$	181,384

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."

D. CalOptima's Cash and Investments (Continued)

As of June 30, 2017, following are the credit ratings of investments and cash equivalents:

		Minimum	1	Exempt											
	Fair	Legal		From	Rating as of Year-End										
Investment Type	Value	Rating		Disclosure	AAA		Aa & Aa+	Aa-		A+	A/A-1		A-		
U.S. Treasury Notes	\$ 556,752	N/A	\$	556,752	\$ -	\$:	\$ -	\$	- \$		\$			
U.S. Agency Notes	165,604	N/A		165,604											
Corporate Bonds	383,258	A-			13,709		31,590	30,923		104,003	135,217	(67,746		
FRN Securities	144,908	A-		_	45,471		13,986	6,213		25,874	37,150		16,215		
Asset-Backed Securities	125,247	AAA			67,063		15,855	9,441			2,887				
Mortgage-Backed Securities	84,491	AAA			83,412		1,079								
Municipal Bonds	63,299	Α			2,567		27,034	33,210					487		
Supranational	79,184	AAA			79,184										
Certificates of Deposit	40,642	A1/P1			40,642										
Commercial Paper	92,223	A1/P1			92,223										
Money Market Mutual Funds	329,498	AAA			329,498										
Total	\$ 2,065,107	- !	\$	722,356	\$ 753,770	\$	89,544	\$ 79,787	\$	129,877 \$	175,254	\$	84,448		

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% of the amount of investment holdings with any one government-sponsored issuer and 5% of all other issuers. At June 30, 2017, all holdings complied with the foregoing limitations. The following holdings exceeded 5 percent of the portfolio at June 30, 2017:

		Percentage of Portfolio
Investment Type	Issuer	2017
	· ,	
U.S. Agency Notes	Federal Home Loan Bank	2.05
U.S. Treasury Notes	United States Treasury	26.09

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 ıly 1, 2016	_In	ncreases	De	ecreases	Adju	stments	Jui	Balance ne 30, 2017		
Governmental Activities:												
Capital Assets Not Depreciable/Amortizable:												
Land	\$	834,406	\$	4,867	\$		\$		\$	839,273		
Land Use Rights (Permanent)		7,602						-		7,602		
Construction in Progress		118,864		142,426		(85,843)		-		175,447		
Intangible in Progress		3,453		4,778		(2,669)				5,562		
Total Capital Assets Not												
Depreciable/Amortizable		964,325		152,071		(88,512)				1,027,884		
Capital Assets, Depreciable/Amortizable:												
Structures and Improvements		1,235,613		11,507		(42)				1,247,078		
Land Improvements		2,629		1,617						4,246		
Equipment		417,640		51,974		(15,551)		(437)		453,626		
Software		110,156		13,215		(822)				122,549		
Infrastructure:												
Flood Channels		1,244,714		9,842		(810)				1,253,746		
Roads		238,578		54,523						293,101		
Bridges		106,795		9,587						116,382		
Trails		44,073								44,073		
Traffic Signals		11,956				-		-		11,956		
Harbors and Beaches		41,238				-				41,238		
Total Capital Assets,												
Depreciable/Amortizable		3,453,392		152,265		(17,225)		(437)		3,587,995		
Less Accumulated Depreciation/Amortization For:												
Structures and Improvements		(663,282)		(31,628)		42				(694,868)		
Land Improvements		(193)		(242)						(435)		
Equipment		(307,643)		(21,228)		15,091				(313,780)		
Software		(71,443)		(7,672)		774				(78,341)		
Infrastructure:												
Flood Channels		(318,487)		(16,844)		967				(334,364)		
Roads		(133,791)		(8,318)						(142,109)		
Bridges		(39, 130)		(2,218)						(41,348)		
Trails		(33,861)		(1,048)						(34,909)		
Traffic Signals		(10,832)		(115)						(10,947)		
Harbors and Beaches		(30, 132)		(1,006)						(31,138)		
Total Accumulated												
Depreciation/Amortization		(1,608,794)		(90,319)		16,874				(1,682,239)		
Total Capital Assets,												
Depreciable/Amortizable (Net)		1,844,598	_	61,946		(351)		(437)		1,905,756		
Governmental Activities Total Capital Assets, Net	\$	2,808,923	\$	214,017	\$	(88,863)	\$	(437)	\$	2,933,640		

Capital asset activity for the year ended June 30, 2017 includes a negative adjustment of \$437 in Equipment due to prior years' accruals of non-capital expenses.

4. CHANGES IN CAPITAL ASSETS (Continued)

	Primary Government											
		Balance ly 1, 2016	ln	creases	De	creases	Adjus	tments	_Ju	Balance une 30, 2017		
Business-Type Activities: Capital Assets Not Depreciable/Amortizable:		07.040	•		•				•	07.040		
Land	\$	37,842	\$		\$	(00,005)	\$		\$	37,842		
Construction in Progress		40,555		86,302		(22,925)				103,932		
Intangible in Progress		2,068		20		(1,833)				255		
Total Capital Assets Not Depreciable/Amortizable		80,465		86,322		(24,758)				142,029		
Capital Assets, Depreciable/Amortizable:												
Structures and Improvements		782,234		7,029						789,263		
Equipment		81,977		7,113		(5,127)				83,963		
Software		1,407		2,234						3,641		
Infrastructure		602,689		18,479						621,168		
Total Capital Assets,										•		
Depreciable/Amortizable		1,468,307		34,855		(5,127)				1,498,035		
Less Accumulated Depreciation/Amortization For:												
Structures and Improvements		(283,083)		(24,953)						(308,036)		
Equipment		(58,079)		(5,072)		4,777				(58,374)		
Software		(281)		(469)						(750)		
Infrastructure		(358,400)		(16,765)		-				(375,165)		
Total Accumulated												
Depreciation/Amortization		(699,843)		(47,259)		4,777				(742,325)		
Total Capital Assets,		700 101		(40.404)		(0.50)				755 740		
Depreciable/Amortizable (Net)		768,464		(12,404)		(350)				755,710		
Business-Type Activities Total Capital Assets, Net	\$	848,929	\$	73,918	\$	(25,108)	\$		\$	897,739		
Depreciation/Amortization expense was allocated Government Activities: General Government Public Protection Public Ways and Facilities Health and Sanitation Public Assistance Education Recreation and Cultural Services Internal Service Funds' Depreciation Expentation Total Governmental Activities Depreciation Business-Type Activities:	governme \$ 	ent as	9,18 42,45 13,17 3,73 4,81 1,48 7,38 8,08 90,31	11 169 17 166 14 161 161 161 161 161 161 161 161								
Airport								29,82				
Waste Management								17,43	_			
Total Business-Type Activities Deprecia	ition/A	mortization	Exp	ense				47,25	9_			
Total Depreciation/Amortization Expense						\$		137,57	8			

5. RECEIVABLES

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

Accounts Receivable

Accounts Receivable had a balance of \$26,503 as of June 30, 2017. Of this amount, \$951 is not expected to be collected within the next fiscal year. This primarily consists of \$656 for animal care delinquent invoices and \$256 of expected recoveries from the Airport's multi-year fixed-base operator lessee for pollution remediation costs.

Deposits Receivable

Deposits Receivable had a balance of \$4,921 as of June 30, 2017. Of this amount, \$4,081 is not expected to be collected within the next fiscal year. This primarily consists of \$3,283 in operating accounts for Dana Point Harbor operators, the Green River Golf Course, and other deposits held for contracted services. In addition, \$528 is not expected to be collected within the next fiscal year for deposits held in condemnation proceedings related to real property acquired through eminent domain.

Due from Other Governmental Agencies

Due from Other Governmental Agencies had a balance of \$414,207 as of June 30, 2017. Of this amount, \$44,807 is not expected to be received within the next fiscal year, which primarily consists of \$24,637 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. \$17,571 is for expected reimbursement of the Santa Ana River Subvention claims that will be submitted to the State Department of Water Resources and \$2,253 is for behavioral health activities. In addition, \$119 is owed by the city of Rancho Santa Margarita for amounts due under their Revenue Neutrality Agreement.

Notes Receivable

Notes Receivable had a balance of \$27,572 as of June 30, 2017. Of this amount, \$27,118 is not expected to be received within the next fiscal year. This primarily consists of \$24,426 for loans to build affordable, low to moderate income, and senior housing. In addition, \$2,030 is for housing loans for MHSA programs and \$597 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.

6. INTERFUND RECEIVABLES AND PAYABLES (Continued)

The composition of interfund balances as of June 30, 2017 is as follows:

Due from/to other funds:

	Receivable Funds															
	<u></u>				Flood Other			Other				Co	mpressed	Internal		
		General		Control		Public	Go	overnmental			Waste		Natural	Service		
Payable Funds		Fund		District	P	rotection		Funds		Airport	Management		Gas	Funds		Total
General Fund	\$		\$	1,751	\$	3,606	\$	34,036	\$	52	\$ 9	\$	5	\$ 4,266	\$	43,725
Flood Control District		9,639						742			46			4		10,431
Other Public Protection		14,690						605						12		15,307
Mental Health Services Act		15,288														15,288
Other Governmental Funds		56,787		996		1		2,345			31			161		60,321
Airport		2,330		4		1		57						213		2,605
Waste Management		3,728		17				165						24		3,934
Compressed Natural Gas		19														19
Internal Service Funds		2,437		34				13						37		2,521
Total	\$	104,918	\$	2,802	\$	3,608	\$	37,963	\$	52	\$ 86	\$	5	\$ 4,717	\$	154,151

Interfund transactions between the Primary Government and Component Unit:

Receivable Entity	Payable Entity	 Amount
Primary Government – General Fund	Component Unit – CFCOC	\$ 339
Component Unit – CFCOC	Primary Government – Other Governmental Funds	1

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

Advances to/from other funds:

Receivable Entity	Payable Entity	 Amount
General Fund	Other Governmental Funds	\$ 3,800
Waste Management	General Fund	784
Waste Management	Other Governmental Funds	28,840

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. The Waste Management Fund also made advances to Orange County Community Resources for the construction of a new OC Animal Care Center, replacing the existing shelter in the city of Orange.

7. COUNTY PROPERTY ON LEASE TO OTHERS

The County has noncancelable operating leases for certain buildings, which are not material to the County's general operations. The Airport Enterprise Fund derives a substantial portion of its revenues from noncancelable operating leases with air carriers and concessionaires, and the Waste Management Enterprise Fund derives revenue from landfill gas lease agreements, cell tower operators and a material recovery facility. The Enterprise Funds' property under operating leases, consisting primarily of structures and improvements, at June 30, 2017, approximates \$60,466, net of accumulated depreciation.

7. COUNTY PROPERTY ON LEASE TO OTHERS (Continued)

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, 2017 are as follows:

Fiscal Year Ending June 30	Governmental Activities	Business-type Activities
2018	\$ 13,955	\$ 56,616
2019	12,496	43,688
2020	11,872	35,153
2021	10,795	23,702
2022	10,783	6,564
	59,901	165,723
2023-2027	46,944	16,472
2028-2032	45,411	13,194
2033-2037	50,223	
2038-2042	24,260	
2043-2047	4,827	<u></u>
2048-2052	4,509	
2053-2057	4,780	
2058-2062	5,065	
2063-2067	5,358	
2068-2072	5,843	
2073-2077	6,242	
2078-2081	4,606	
	208,068	29,666
Total future minimum rentals	\$ 267,969	\$ 195,389

Total contingent rentals, which arise primarily from a percentage of lessee's gross revenues, amounted to approximately \$33,540 (Enterprise Funds), \$5,994 (Other Governmental Funds), \$550 (Internal Service Funds) and \$346 (Flood Control District) for the year ended June 30, 2017.

8. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017 were as follows:

						Т	ransfer In Fund	S			
			Flood		Other		Other			Internal	
	Ge	neral	Control		Public		Governmental		Waste	Service	
Transfer Out Funds	F	und	District	F	Protection		Funds		Management	Funds	Total
General Fund	\$		\$ 	\$	16,578	\$	130,641	\$	6	\$ 6,083	\$ 153,308
Flood Control District		2,767					25			1,141	3,933
Other Public Protection	2	28,338					1,248			240	29,826
Mental Health Services Act	13	37,914									137,914
Other Governmental Funds	11	13,270					192,768		27	845	306,910
Waste Management	2	25,805									25,805
Compressed Natural Gas			150								150
Internal Service Funds		3,874	215							12	4,101
Total	\$ 3	11,968	\$ 365	\$	16,578	\$	324,682	\$	33	\$ 8,321	\$ 661,947

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

8. <u>INTERFUND TRANSFERS (Continued)</u>

(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 MHSA, and (6) transfer excess unrestricted revenues to finance various County programs based on budgetary authorizations by the Board. Not all-inclusive, the summary below details some of the more significant transfers:

Routine Transfers

From General Fund

- \$22,520 was transferred to Other Governmental Funds in connection with debt service payments for various County debt issues.
- \$17,103 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.
- \$12,927 was transferred to Other Governmental Funds to finance the County's 60 percent share of the Social Services Agency Wraparound Program.
- \$12,445 was transferred to Other Public Protection for the purchase of new equipment for the 800 MHz County-Wide Coordinated Communications system.
- \$3,827 was transferred to Internal Service Funds primarily for the purchase of Sheriff-Coroner vehicles.
- \$2,000 was transferred to Other Governmental Funds for the maintenance and repair of various Probation Criminal Justice Facilities.
- \$1,853 was transferred to Internal Service Funds for medical reimbursements.

From Flood Control District

\$2,456 was transferred to the General Fund for the Watershed Management Program.

From Other Public Protection

- \$12,441 was transferred to the General Fund to support the Sheriff-Coroner Department's operations.
- \$6,617 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).
- \$3,378 was transferred to the General Fund for the reimbursement of qualifying Public Protection expenditures incurred by the Clerk-Recorder's Office for specific charges mandated by state law that includes modernization of the County's record keeping system, health statistics, micrographics, and security measures.
- \$2,235 was transferred to the General Fund for the Sheriff-Coroner's Backbone Cost Sharing Program.

From Mental Health Services Act

• \$137,914 was transferred to the General Fund for the reimbursement of qualifying Proposition 63 MHSA expenditures.

From Other Governmental Funds

- \$41,162 was transferred to the General Fund for the reimbursement of various County programs as follows:
 - \$27,478 for the Social Services Agency Wraparound Program
 - \$7,533 for Emergency Medical Services
 - \$5,000 for the Center for Disease Control pandemic flu H1N1 costs
 - \$1,151 for the Alcohol & Drug Assessment and Automated Vital Health Statistics program
- \$27,721 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.
- \$4,979 was transferred to the General Fund for reimbursement of Juvenile Justice Center debt service payments.

8. INTERFUND TRANSFERS (Continued)

Routine Transfers (Continued)

• \$2,405 was transferred to the General Fund for reimbursement of debt service payments associated with parking facilities.

From Enterprise Funds

 \$25,805 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 General Fund

- \$39,932 was transferred to Other Governmental Funds for various capital projects including, the El Toro Development project, the Year-Round Emergency Shelter and Multi Service Center, and the Civic Center Facilities Master Plan.
- \$12,183 was transferred to Other Governmental Funds for data systems development projects including the Property Tax System re-platforming project.
- \$11,620 was transferred to Other Governmental Funds for the excess Teeter Tax Loss Reserves.
- \$7,375 was transferred to Other Governmental Funds to reimburse expenditures for Sheriff-Coroner construction and facility development projects.
- \$4,100 was transferred to Other Governmental Funds for the design of the Probation South County Facility.
- \$2,270 was transferred to Other Public Protection for the Building and Safety operating reserve.

From Internal Service Funds

\$3,665 was transferred to the General Fund for various data systems development projects.

From Flood Control District

• \$1,141 was transferred to Internal Service Funds for the purchase of vehicles.

From Other Public Protection

- \$1,879 was transferred to the General Fund for funding of technological improvements, such as the Customer Relationship Management/Land Management Software (CRM/LMS).
- \$1,150 was transferred to the Other Governmental Funds for Sheriff-Coroner capital projects, including the kitchen floor at the Theo Lacy facility.
- \$1,014 was transferred to the General Fund to cover the shortfall of state and federal appropriations over department expenditures in Child Support Services.

From Other Governmental Funds

- \$152,489 was transferred within Other Governmental Funds for upcoming construction activities related to Building 16 as part of the Civic Center Facilities Master Plan.
- \$37,813 was transferred within the Other Governmental Funds for reimbursement of costs related to the Central Utility Facility (CUF) Infrastructure upgrade.
- \$33,352 was transferred to the General Fund for funding multi-year capital projects, including the Civic Center Facilities Master Plan and Year-Round Emergency Shelter and Multi Service Center.
- \$2,215 was transferred to the General Fund to fund various IT project costs, such as computer hardware and software support services.
- \$1,144 was transferred to the General Fund for the surplus reserves transfer to the County from the 2005 Lease Revenue Refunding Bonds.
- \$1,091 was transferred to the General Fund for debt service payments for the CUF and Co-Generation facilities.

9. SHORT-TERM OBLIGATIONS

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. The County repaid in full the outstanding balance of the bonds on June 30, 2017.

Taxable Pension Obligation Bonds, 2017 Series A

On January 13, 2017, the County issued Taxable Pension Obligation Bonds, 2017 Series A (the 2017 POBs) in the principal amount of \$375,540. The 2017 POBs were issued in order to prepay the County's FY 2017-18 pension contribution at a discount. The 2017 POBs were issued as standard bonds, with five fixed rate tranches, and with a final maturity date of June 29, 2018. The obligation of the County to pay principal and interest on the 2017 POBs is imposed by law and is absolute and unconditional. As of June 30, 2017, the outstanding principal amount of the 2017 POBs reported in the General Fund was \$375,540. Refer to Note 3, Deposits and Investments and Note 17, Retirement Plans for additional information.

		Balance	D F	suances & discount/ Premium				Balance	D	Amounts Due within	
Description	July 1, 2016		Am	ortization	Re	etirements	Ju	ne 30, 2017	One Year		
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)	\$		\$		
County of Orange Taxable Pension Obligation Bonds, 2017 Series A Date Issued: January 13, 2017 Interest Rate: 0.9795% to 1.4809% Original Amount: \$375,540 Maturing in installments through June 29, 2018				375,540				375,540		375,540	
Total	\$	334,275	\$	375,540	\$	(334,275)	\$	375,540	\$	375,540	

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, 2017, the County had no net general obligation bonded debt. The County's legal debt limit for the year was \$6,638,152. 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, 2017, the outstanding principal amount, including the premium of the Series 2005 Bonds, and remaining interest were \$6,038 and \$135, 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, 2017, the outstanding principal amount, interest accretion, and unaccreted interest of the Refunding COPs were \$811, \$3,876 and \$510, 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 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, 2017, the outstanding principal amount, including the premium of the Series 2006 Bonds, and remaining interest were \$4,396 and \$200, respectively.

10. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds Payable and Certificates of Participation (Continued)

Lease Revenue Bonds, Series 2006 (Continued)

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.

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, 2017, the outstanding principal amount, including the premium of the Series 2012 Bonds, and remaining interest were \$11,893 and \$743, respectively.

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

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 to pay costs relating to the issuance of the bonds. As of June 30, 2017, the outstanding principal amount, including the premium of the Series 2016 Bonds, and interest were \$66,025 and \$30,925, respectively.

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

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, 2017, the Series 1996A Pension Obligation Bonds were fully redeemed. The outstanding principal amount, interest accretion, and unaccreted interest of the Series 1997 A Pension Obligation Bonds were \$11,220, \$42,765, and \$9,557, respectively.

10. LONG-TERM OBLIGATIONS (Continued)

Revenue Bonds Payable and Certificates of Participation (Continued)

Airport Revenue Bonds, Series 2009A and 2009B

On July 9, 2009, the Airport issued the Airport Revenue Bonds, Series 2009A and 2009B (2009A and 2009B Bonds) in the aggregate principal amount of \$233,115, with an original issue net premium of \$288. The 2009A and 2009B Bonds were issued to finance a portion of the Airport Improvement Program (AIP), fund the debt service requirement for the bonds, fund capitalized interest on a portion of the bonds, and pay costs relating to the issuance of the bonds. The AIP consists of numerous direct improvements to the Airport facilities such as the construction of the new Terminal C, Parking Structure C, and two new commuter/regional holdrooms at the north and south ends of the extended Terminal. For the year ended June 30, 2017, the total interest expense incurred and the amount included as part of the cost of capital assets under construction were \$9,541 and \$2,437, respectively. As of June 30, 2017, the outstanding principal amount, including net discount, of the 2009A and 2009B Bonds were \$58,070 and \$129,248, respectively, and the outstanding interest amounts were \$39,391 and \$47,548, respectively. The 2009B Bonds, in the amount of \$27,210, were called for early partial redemption on July 1, 2017. Refer to Note 20, Subsequent Events for additional information.

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.

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, 2017, \$8,045 of legally defeased debt remains outstanding.

Fiscal Year 2016-17 Debt Obligation Activity

During FY 2016-17, the following events concerning County debt obligations took place:

Teeter Plan Notes

On February 1, 2013, the County issued its three-year tax exempt Teeter Plan Notes, 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 were authorized for a total amount of \$150,000 and certain delinquent taxes (excluding penalties and interest) were pledged revenues for the Teeter Plan Notes. The rate for the Teeter Plan Notes was based on the weekly Securities Industry and Financial Markets Association (SIFMA) index plus 0.58%. All of the Teeter Plan Notes were issued within three years of February 1, 2013, with a maturity date of 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 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 as of June 30, 2016 was \$30,191.

On July 13, 2016, the County issued an additional \$31,536 in Teeter Plan 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.

Fiscal Year 2016-17 Debt Obligation Activity (Continued)

Teeter Plan Notes (Continued)

On December 29, 2016 and June 27, 2017, the County used all of the accumulated base taxes to redeem \$24,364 and \$9,495, respectively, of the Teeter Plan Notes. As of June 30, 2017, the outstanding principal amount of the Teeter Plan Notes was \$27,868. For additional information regarding the Teeter Plan Notes, refer to Note 20, Subsequent Events.

Schedule of Long-Term Debt Obligations, Fiscal Year 2016-17

The table below summarizes the revenue bonds and certificates of participation outstanding and related activity for the year ended June 30, 2017.

Issuances

Description	Balance July 1, 2016	and Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2017	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 2016-17 Principal and Interest: \$38,622 FY 2016-17 Total Pledged Revenues: \$6,038 Maturing in installments through July 1, 2017	\$ 46,706	\$ (3,243)	\$	\$ (37,425)	\$ 6,038	\$ 6,038
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: CAB - \$9,084 FY 2016-17 Principal and Interest: \$2,608 FY 2016-17 Total Pledged Revenues: \$2,405 Maturing in Installments Through December 1, 2018	1,262			(451)	811	419
Interest Accretion on CAB 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 2016-17 Principal and Interest: \$4,200 FY 2016-17 Total Pledged Revenues: \$4,151 Maturing in installments through June 1, 2018	5,545 8,574	(368)	488	(2,157)	3,876 4,396	2,179 4,396
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 2016-17 Principal and Interest: \$5,824 FY 2016-17 Total Pledged Revenues: \$7,920 Maturing in installments through June 1, 2019		(568)		(5,115)	11,893	6,032
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 2016-17 Principal and Interest: \$4,485 FY 2016-17 Total Pledged Revenues: \$2,545 Maturing in installments through April 1, 2036	68,289	(44)		(2,220)	66,025	1,938

Schedule of Long-Term Debt Obligations, Fiscal Year 2016-17 (Continued)

		Issuances and				A
Description	Balance July 1, 2016	Discount/ Premium Amortization	Accreted Interest	Retirements	Balance June 30, 2017	Amounts Due within One Year
County of Orange Taxable Refunding Pension Obligation Bonds - Series 1996 A:	July 1, 2010	Amortization	mieresi	Retirements	Julie 30, 2017	One real
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	\$ 5,071 19,951	\$ 	\$ 1,033	\$ (5,071) (20,984)	\$ 	\$
County of Orange Taxable Refunding Pension Obligation Bonds - Series 1997 A: Date Issued: January 1, 1997 - Current Interest Rate Bonds (CIB) Date Issued: January 14, 1997 - Capital Appreciation Bonds (CAB) To Refund the Taxable POBs Series 1994 A Interest Rate: CIB - 5.71% to 7.36% Interest Rate: CAB - 7.33% to 7.96% Original Amount: CIB - \$71,605 Original Amount: CAB - \$65,318						
Maturing in installments through September 1, 2010 (CIB) and September 1, 2021 (CAB) Interest Accretion on CAB	14,069 48,430	 	 4,549	(2,849) (10,214)	11,220 42,765	3,003 11,997
County of Orange Teeter Plan Notes Date of Issuance: January 29, 2016 Interest Rate: SIFMA Index + 0.58% Original Amount: \$40,387 FY 2016-17 Principal and Interest: \$34,459 FY 2016-17 Total Pledged Revenues: \$26,078 Maturing on July 31, 2018	30,191	31,536		(33,859)	27,868	
Subtotal - Governmental Activities	265,664	27,313	6,070	(124,155)	174,892	36,002
Business-Type Activities:		,				
Airport Revenue Bonds - Series 2009A and 2009B: Date Issued: July 9, 2009 Interest Rate: 3.00% to 5.75% Original Amount: \$233,115 FY 2016-17 Principal and Interest: \$17,529 FY 2016-17 Total Pledged Revenues: \$54,652	405 407	(076)		(7.500)	407.040	25.000
Maturing in Installments Through July 1, 2039	195,127	(279)		(7,530)	187,318	35,090
Subtotal - Business-Type Activities	195,127	(279)		(7,530)	187,318	35,090
Total	\$ 460,791	\$ 27,034	\$ 6,070	\$ (131,685)	\$ 362,210	\$ 71,092

Schedule of Long-Term Debt Service Requirements to Maturity

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

	Governme	ntal A	ctivities	Business-T	ype A	Activities	
Fiscal Year(s) Ending June 30	Principal		Interest	Principal		Interest	Total
2018	\$ 20,177	\$	17,663	\$ 35,090	\$	8,844	\$ 81,774
2019	37,961		17,918	8,275		7,683	71,837
2020	4,453		14,533	8,655		7,281	34,922
2021	4,506		15,481	9,085		6,837	35,909
2022	2,678		5,355	9,540		6,369	23,942
2023-2027	12,525		9,915	39,955		26,001	88,396
2028-2032	15,990		6,454	37,600		14,618	74,662
2033-2037	15,909		2,038	23,705		7,885	49,537
2038-2040				17,634		1,421	19,055
Total	 114,199		89,357	189,539		86,939	480,034
Add: Premium/(Discount)	14,052			(2,221)			11,831
Add: Interest Accretion on CAB	 46,641						46,641
Total	\$ 174,892	\$	89,357	\$ 187,318	\$	86,939	\$ 538,506

Changes in Long-Term Liabilities

Long-term liability activities, for the year ended June 30, 2017, were as follows:

	_	Balance ly 1, 2016		Additions	ı	Reductions	Balance ne 30, 2017	 e within ne Year
Governmental Activities:								,
Bonds, COPs and Notes Payable:								
Revenue Bonds	\$	122,870	\$		\$	(48,570)	\$ 74,300	\$ 16,755
Certificates of Participation		1,262				(451)	811	419
Pension Obligation Bonds		19,140				(7,920)	11,220	3,003
Teeter Plan Notes		30,191		31,536		(33,859)	27,868	
Add: Premium/(Discount) on Bonds Payable		18,275				(4,223)	 14,052	 1,649
Total Bonds, COPs, and Notes Payable, Net		191,738	_	31,536		(95,023)	128,251	 21,826
Interest Accretion on CAB		73,926		6,070		(33,355)	 46,641	 14,176
Other Long-Term Liabilities:								
Compensated Employee Absences Payable		184,948		164,920		(163,262)	186,606	99,957
Arbitrage Rebate Payable		233		153		(21)	365	
Capital Lease Obligations Payable *		67,928				(12,097)	55,831	12,697
Insurance Claims Payable		219,496		109,400		(126,725)	202,171	54,026
SARI Line Loans		28,022				(4,122)	23,900	912
Civic Center Facilities Master Plan Financing				175,340			175,340	
Estimated Liability - Litigation and Claims		130,000		7,400		(25,000)	112,400	57,400
Intangible Assets Obligations Payable		71		1,946		(194)	1,823	194
Total Other Long-Term Liabilities		630,698		459,159		(331,421)	758,436	225,186
Total Long-Term Liabilities **								
For Governmental Activities	\$	896,362	\$	496,765	\$	(459,799)	\$ 933,328	\$ 261,188

Includes amount of \$6,900 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, 2016	Additions	F	Reductions	_	Balance ne 30, 2017	 e within ne Year
Business-Type Activities:								
Bonds Payable:								
Revenue Bonds	\$	197,069	\$ 	\$	(7,530)	\$	189,539	\$ 35,090
Less: (Discount) on Bonds Payable		(1,942)	(279)				(2,221)	
Total Bonds Payable, Net		195,127	(279)		(7,530)		187,318	 35,090
Other Long-Term Liabilities:								
Compensated Employee Absences Payable		4,793	4,247		(4,379)		4,661	2,362
Landfill Site Closure/Postclosure								
Liabilities *		160,675	3,229		(5,423)		158,481	2,613
Pollution Remediation Obligation **		12,184	5,178		(678)		16,684	570
Intangible Assets Obligations Payable		261	2		(109)		154	110
Total Other Long-Term Liabilities		177,913	12,656		(10,589)		179,980	5,655
Total Long-Term Liabilities ***								
For Business-Type Activities	\$	373,040	\$ 12,377	\$	(18,119)	\$	367,298	\$ 40,745

- * Refer to Note 13 for additional information regarding the decrease in Landfill Site Closure/Post Closure Liabilities.
- ** Refer to Note 16 for additional information regarding the increase 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, 2017, is \$186,606. 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 of the SARI Line. 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 estimated total project cost of the SARI Line. The loan proceeds were used for the relocation of the SARI Line between Prado Dam and Weir Canyon Road for the following public benefits: protection of the sewer line from erosion, increased Prado Dam water releases, protection of the water supply, and uninterrupted use of the sewer line by residents. Subsequently, the agreements were amended to reflect the actual total project cost based on the awarded construction contracts. The SARI Line Project cost is not expected to exceed \$85,560 plus 15% contingencies in the amount of \$12,834 for a total of \$98,394. The OCFCD would contribute the remaining 30% (\$29,518) that would be expended to complete the SARI Line Project. As part of the terms of the agreement, the OCFCD agrees to pay SAWPA and OCSD as State subvention funding for the SARI Line Project is received by OCFCD. Repayment installments will be made within 30 days of OCFCD's receipt of State subvention funding in an amount equivalent to 10% of the funds received being paid to SAWPA and 60% of the funds received being paid to OCSD. The OCFCD is required to repay the entire loan to OCSD and SAWPA no later than July 1, 2022, regardless of whether OCFCD receives any State subvention funds for the SARI Line Project. For funds loaned by OCSD, interest shall accrue on the unpaid balance from July 1, 2018, at an annual interest rate of 2% until the unpaid balance is repaid. As for funds loaned by SAWPA, interest shall accrue on any such unpaid balance from July 1, 2018, at the State of California Local Agency Investment Fund interest rate in effect on July 1, 2018. To date, OCFCD received a \$51,336 (60%) loan from OCSD and \$8,556 (10%) from SAWPA based on the total project cost excluding contingencies. In May 2011, the Board awarded the construction contract for the SARI Yorba Linda Spur in the amount of \$7,210, and the Board awarded the construction contract for the SARI Mainline in the amount of \$42,000 in August 2011. In February 2013, construction of the SARI Yorba Linda Spur was completed and the total amount paid to the contractor was \$7,424. 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, 2017, the total outstanding loan principal was \$23,900.

Civic Center Facilities Master Plan Financing

The Facilities Strategic Plan involves the +/- 11 acre County "superblock" (bounded by Ross Street, Civic Center Drive, Broadway and Santa Ana Boulevard), as well as County satellite buildings within the vicinity of the Civic Center. The Facilities Strategic Plan, which contains four phases, was approved by the Board on April 25, 2017. Phase One activity spans from 2016 to 2021 and includes replacement of the existing Building 16 with new facilities, construction of a County conference and events center, demolition of Building 11 (Hall of Finance), and renovation of the H.G. Osborne Building.

On June 22, 2017, the California Municipal Finance Authority (CMFA) issued its \$152,400 Lease Revenue Bonds, Series 2017A (Orange County Civic Center Infrastructure Improvement Program – Phase One) at a premium of \$22,940, with an interest rate range from 4.00% - 5.00%. As the debt was issued by CMFA, this does not constitute debt for the County of Orange. Pursuant to a loan agreement, CMFA loaned the bond proceeds totaling \$175,340 to the Capital Facilities Development Corporation (Corporation), a component unit of the County, to construct Building 16 located at 601 N. Ross Street. A contractor has been selected to construct Building 16 pursuant to a Development Agreement with the Corporation.

The County's payment obligation will commence once the building's Certificate of Substantial Completion is delivered to the trustee. County departments occupying Building 16 will be responsible for making base rental payments. The County's base rental payments under the facility lease are scheduled to begin in FY 2020-21 and will be used to repay the loan to the CMFA. Loan repayments are scheduled to end when the bonds mature in June 2047.

The following is a schedule of the annual debt service requirements to maturity for the Orange County Civic Center Infrastructure Improvement Program – Phase One.

Fiscal Year(s) Ending June 30	Principal		Interest		Total
2018	\$		\$	6,757	\$ 6,757
2019				7,176	7,176
2020				7,176	7,176
2021		2,805		7,176	9,981
2022		2,945		7,036	9,981
2023-2027		17,085		32,817	49,902
2028-2032		21,805		28,096	49,901
2033-2037		27,825		22,072	49,897
2038-2042		35,510		14,385	49,895
2043-2047		44,425		5,467	 49,892
Total		152,400		138,158	290,558
Add: Premium		22,940			22,940
Total	\$	175,340	\$	138,158	\$ 313,498

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

Special Assessment District Bonds (Continued)

boundaries of the Community Facilities District. Except for the special taxes, no other taxes are pledged to the payment of the bonds. The bonds are not general or special obligations of the County nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the special tax fund. Accordingly, such obligations are not included in the accompanying basic financial statements.

The County is acting as an agent of the assessment and community facilities districts in collecting the assessments and special taxes, forwarding the collections to other paying agents or directly to bondholders, and initiating any necessary foreclosure proceedings. Because of the County's limited obligation in connection with special assessment district and community facilities district debt, related transactions are reflected in Agency Departmental Funds. Major capital outlay expenditures relating to these bonds are accounted for in the "Service Areas, Lighting Maintenance and Assessment Districts" Special Revenue Fund. Special assessment district and community facilities district bonds outstanding as of June 30, 2017, amounted to \$483,277.

11. CONDUIT DEBT OBLIGATIONS AND SUCCESSOR AGENCY DEBT

Single and Multi-Family Housing Bonds

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

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

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

As of June 30, 2017, there were 19 series of bonds outstanding with an aggregate principal amount payable of \$170,469.

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 Neighborhood Development and Preservation Project (NDAPP) and Santa Ana Heights Project (SAHP) Refunding Bonds debt service obligations for FY 2016-17 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, 2017, the outstanding principal amount, including the premium of the OCDA Successor Agency bonds and remaining interest were \$26,238 and \$3,544, respectively.

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

12. LEASES

Operating Leases

The County is committed under various operating leases, primarily for office buildings, office equipment and other equipment. The following is a schedule of future minimum payments required under operating leases entered into by the County that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2017:

Fiscal Year Ending June 30	Equipment		Real Property		 Total
2018	\$	2,729	\$	28,319	\$ 31,048
2019		259		25,134	25,393
2020		88		24,735	24,823
2021		32		24,810	24,842
2022		16		20,964	20,980
2023 - 2027				68,097	68,097
2028 - 2032			-	13,403	13,403
Total	\$	3,124	\$	205,462	\$ 208,586

Total expenditures for equipment rentals and building and improvements incurred for FY 2016-17 was \$54,309.

Capital Leases

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	(6,102)
Structures and Improvements	64,180
Less: Accumulated Depreciation	 (35,219)
Total	\$ 65,617

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, 2017:

Fiscal Year Ending June 30	
2018	\$ 16,139
2019	9,414
2020	9,538
2021	8,601
2022	6,993
2023-2027	 20,034
Total Minimum Lease Payments	 70,719
Less: Amount Representing Interest	 (14,888)
Present Value of Net Minimum	
Lease Payments	\$ 55,831

13. LANDFILL SITE CLOSURE AND POSTCLOSURE CARE COSTS

State laws and regulations require Waste Management 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, Waste Management 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 the Statement of Net Position date.

Waste Management 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, 2017 was \$158,481. The total liability represents the cumulative amount accrued based on the percentage of the active landfill capacities that have been used to date (31.65% for FRB, 79.97% for Olinda Alpha and 20.69% for Prima Deshecha), less actual costs paid related to both closure and postclosure of the Santiago Canyon and Coyote Canyon landfills. Waste Management will recognize the remaining estimated cost of closure and postclosure care of \$168,040 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2016 dollars (using the 2016 inflation factor of 1.013). Waste Management has enough landfill capacity to operate the system for a minimum of 25 years. However, Waste Management 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, Waste Management makes annual cash contributions as required to its escrow funds to provide financial assurance for estimated future landfill closure costs based on the GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", formula which is adjusted annually by the Cal Recycle provided CPI factor. Also in compliance with regulations, Waste Management has executed pledge of revenue agreements to provide financial assurance for estimated future landfill postclosure maintenance costs. The agreements state that Waste Management pledges revenue from future disposal fees deposited to pay for estimated postclosure maintenance or shall obtain alternative coverage within sixty (60) days if Waste Management ceases at any time to retain control of its ability to allocate pledged revenue to pay postclosure maintenance costs. Waste Management 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, 2017, a total of \$91,284 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 at June 30, 2017, as follows:

General Fund	\$ 48,895
Flood Control District	50,016
Other Public Protection	1,018
Other Governmental Funds	 87,751
Total Encumbrances for Governmental Funds	\$ 187,680

Construction Commitments

At June 30, 2017, 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			
Purchase of an Airbus helicopter	\$	4,915	
Video Management and System Upgradge		1,559	
HCA 17th Street Renovations		1,420	
		7,894	
Flood Control District			
San Juan Creek Channel Phase IV-3700' to 6100' U/S Stonehill Dr		12,002	
Fullerton Creek Channel, D/S Western Ave to U/S Beach Blvd		9,923	
Santa Ana River Interceptor Line Construction		5,925	
Santa Ana River Dredging Project PCH to Upstream Adams Ave		2,811	
San Joaquin Channel project		1,531	
Santa Ana River Parkway Extension		1,499	
Osborne-Elevator Controls Replacement		1,072	
Oth on Course as a stall Funds		34,763	
Other Governmental Funds		454.040	
Civic Center Facilities Master Plan		154,618	
Edinger Avenue Bridge Replacement Over Bolsa Chica Channel		17,391	
La Pata Avenue Gap Closure/Widening, Phase I & II		12,339	
Purchase of Law Enforcement and Other Vehicles		7,945	
Central Utility Facility Infrastructure Upgrade		6,426	
Dana Point Harbor Revitalization		3,483	
James A. Musick Facility - Rework Existing Perimeter Fence		2,837	
Crawford Canyon Rd Drainage Improvement, Newport Blvd/City of Orange		2,535	
Laguna Canyon Road Segment 4, Phase 2 to 4		1,505	
Replace Air Handlers at Central Men's Jail, Central Women's Jail and Headquarters		1,503	
Juvenile Hall-Gym/Visitation Center		1,295 1,279	
Crown Valley Parkway and Oso Parkway Slurry Seal project Newport Blvd Fiber Optic Installation/17th St Signal Upgrade		1,279	
Newport biva Fiber Optic installation/17 th St Signal Opyrade	\$	214,207	
	φ	214,207	

14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments (Continued)

		gnificant
Project Title	Con	nmitments
Business-Type Activities:		
Airport		
Terminal Improvements	\$	42,128
Paularino Gate Improvements project		3,454
Parking Structure C, Phase 2		2,652
Terminal Air Handler Replacement		1,050
		49,284
Waste Management		
Frank R. Bowerman Landfill Soil Buttress and Liner Construction project		19,015
Olinda Front Face Improvement project		13,159
Frank R. Bowerman Crews Quarters and Storage Facility Construction		2,127
		34,301
Total Commitments	\$	340,449

In addition, the County is involved in the Santa Ana River Mainstem Project (SARMP). The SARMP is a major flood control project implemented and funded by the Federal government and three local sponsors – the Orange County Flood Control District (OCFCD), San Bernardino County Flood Control District, and Riverside County Flood Control and Water Conservation District. A component of the initial project has been re-designated as the Prado Dam Project (Project), which is being implemented and funded by the Federal Government and the OCFCD through a separate Project Cooperation Agreement (PCA). The purpose of the SARMP is to prevent 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 \$2,416,500. OCFCD's combined cost share is estimated to be \$786,633 for the entire Santa Ana River Project. As of June 30, 2017, the OCFCD has expended about \$623,162 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 the National Housing Tract Dike and Sewage Treatment Plant in 2008. Landscaping for these dikes began in September 2009 and was 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

14. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)

Construction Commitments (Continued)

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 December 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 August 2018. The construction contract for Phase 5B was awarded in September 2016 with an estimated cost of \$25,500 and is expected to be completed in December 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 in 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 March 2018. 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 was substantially completed in August 2017. The Women's Prison Dike (to protect the California Institute of Women) was awarded September 2014 for \$12,700 and a \$3,400 modification was awarded in August 2015. This feature was substantially completed April of 2016. 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, 2017, OCFCD has submitted \$413,543 in claims, and received \$384,893 in reimbursements. An additional \$3,723 in claims is in the process of being prepared for submittal to the DWR.

Of the total amount outstanding, \$1,037 was accrued as revenue, and \$23,506 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 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.

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15. SELF-INSURANCE (Continued)

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 PPO plans have no lifetime coverage maximums. The dental insurance coverage is up to \$1,500 (absolute dollars) annually for each covered employee or dependent. The short-term disability insurance coverage is up to 12 months or when the employee returns to work, whichever occurs first. 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:

			М	горепу &			Hear	in & Other	
	Workers'		Casualty Unemployment		nemployment	Self-Insured			
	Cor	npensation		Risk		Insurance	En	nployee	Total
Unpaid Claims, Beginning of FY 2015-16	\$	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
Claims and Changes in Estimates		30,398		16,157		1,088		61,757	109,400
Claim Payments		(44,454)		(19,115)		(974)		(62,182)	 (126,725)
Unpaid Claims, End of FY 2016-17	\$	145,634	\$	43,062	\$	922	\$	12,553	\$ 202,171
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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 the Airport and OC Waste and Recycling (Waste Management) for which a pollution remediation liability has been recorded in the County's financial statements. The following describes the nature of the obligating events and the estimated liability as they relate to the Airport and OCWR.

John Wayne Airport (Airport)

In 1988 and 2006, the Airport 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, the Airport began monitoring and remediating the Old Fuel Farm and the Former Fire Station #33 sites, respectively.

<u>John Wayne Airport (Airport) (Continued)</u>

In 2008, the sites were sampled as part of an assessment. The results revealed that the soil and groundwater were still impacted by chemical pollutants. In an effort to increase the removal of the chemicals, the Airport'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.

The Airport started implementing the new remediation method in the fiscal year ended June 30, 2011. Following a remedial pilot test, the Airport 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, 2017, the Airport has a liability of \$994 based on management's assessment and the results of the consultant's evaluation of potential remediation costs. The liability will not decrease any further until active remediation begins or a closure plan is accepted by the RWQCB.

In 1995, the Airport entered into Memorandum of Understanding (MOU) with one of its fixed-base operator (FBO) lessees to address the remediation of the Old Fuel Farm. The FBO was identified as the operator of the site and the other responsible party. The lessee agreed to be obligated to pay 50% of the remediation costs associated with the Old Fuel Farm site. Reported in the Proprietary Funds Statement of Net Position as part of accounts receivable, the total expected recovery for the Old Fuel Farm site is \$256 as of June 30, 2017.

The estimated pollution remediation obligation as of June 30, 2017 is:

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

Orange County Waste and Recycling (Waste Management)

Six closed sites were identified and the remediation costs and time periods were calculated for each of these sites based upon the type of remediation needed and historical trend data for closed landfill sites. The combined pollution remediation obligation ending balance as of June 30, 2017, after deducting actual pollution remediation expenses incurred during FY 2016-17, is \$15,690.

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

Huntington Beach, the County and School District entered into a Settlement Agreement in 2007 whereby Huntington Beach would be responsible for maintaining the cover of the former disposal site and the County would assume responsibility for the collection and control of landfill gas.

Orange County Waste and Recycling (Waste Management) (Continued)

Cannery Former Refuse Disposal Station (Continued)

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 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 \$46.

Lane Road Former Refuse Disposal Station The site, located in the City of Irvine, California, and owned by NGP Realty Sub, L.P. and others, was leased and operated by the County as a refuse disposal facility from 1961 until 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 owner in 2005. Per terms of that Settlement Agreement, the County funded the construction of a landfill gas collection and control system, including a carbon treatment element, for the eastern portion of the site. After verification that the system was operating as planned, the County assumed ownership of the system and responsibility for its operation, maintenance and monitoring in 2008. Also in 2008, it was discovered that landfill gas was elevated in the northern portion of the site. Pursuant to the Settlement Agreement, the County designed and constructed an upgrade and enhancement to the existing landfill gas system to control landfill gas migration on the northern portion of the site.

Based on engineering estimates and existing contracts for the operation and maintenance of other similar disposal sites, the County anticipates that the landfill gas collection system will operate fully for 25 years, then will most likely either no longer be required or will be converted to a passive system. The cost for the operation, maintenance and monitoring of the system was highest in the first full year of operation when the carbon canisters needed more regular replacement. For each subsequent year of operation, the cost will be reduced due to less frequent carbon swapping and due to anticipated alternative monitoring requirements. The cost to operate and maintain the landfill gas collection system at the site for the next year of operation is \$285. The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is \$2,207.

<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 \$109. The remaining obligation for landfill gas remediation at the San Joaquin site over the anticipated operational period is \$615.

<u>La Veta Former Refuse Disposal Station</u> Located in the City of Orange (Orange), California, 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 is warranted.

Orange County Waste and Recycling (Waste Management) (Continued)

La Veta Former Refuse Disposal Station (Continued)

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, 2017.

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 the County or regulator attempts to monitor or remediate potential pollution of the property.

The County has executed an acquisition contract for the single-family residence in the amount of \$860. Upon close of escrow, the County will retain responsibility for any required monitoring for the property. Monitoring may be required for up to 25 years. The cost to perform monitoring is anticipated to be \$5 annually.

Forster Former Refuse Disposal Station The site, located in the City of San Juan Capistrano (San Juan Capistrano), California was formerly leased and operated as a refuse disposal station by the County from 1958 to 1976. The current owner, Advanced Group 99-SJ, is proposing a change in land use for the property and has notified the County of its position that the County is responsible for re-closure of the site to meet current commercial and redevelopment requirements. The County disputes responsibility for site development related costs. In early 2010, San Juan Capistrano approved the proposed project and certified the Environmental Impact Report (EIR). The EIR was a subject of a citizen's referendum that ultimately resulted in affirmation of the proposed project. Subsequent to San Juan Capistrano approval of the proposed development plan, Advanced Group 99-SJ and the County entered into negotiations to resolve issues related to environmental responsibility at the site. These negotiations resulted in a settlement agreement and release of claims, brought about by a threat of litigation over the California Environmental Quality Act approvals. The settlement and release will permit the development of the site, with monies paid by the County for environmental controls to be installed at the site, establishment of an operation and maintenance fund and for environmental insurance, subject to conditions such as obtaining grading permits for the site for its actual development. indemnification and environmental releases were provided by the developer to the County. The obligation by the County for environmental infrastructure and controls at the site as agreed upon in the Settlement Agreement is \$7,500. The entire sum is expected to be released within a five-year period, but is dependent upon actions by the owner and regulatory approvals for the project. The County will continue to incur additional costs for work related to the County's current obligation to monitor the groundwater underlying the site. This responsibility will be transferred to the site owner upon completion of one of the settlement agreement milestones, but due to the uncertainty of specific timing, the County is unable to fully estimate the remaining ground water obligations.

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.

<u>Yorba Refuse Disposal Station</u> The site, located in Orange, California, was owned and operated as a solid waste disposal site by the County. After disposal operations ceased, the site was sold to Orange for use as a city park. Park deed restrictions were later lifted from the property at the request of Orange, which then began investigation into some form of commercial application or development at the site. In 2010, the Orange Redevelopment Agency filed suit against Orange. The Complaint alleged various causes of action, including

Orange County Waste and Recycling (Waste Management) (Continued)

Yorba Refuse Disposal Station (Continued)

those for private nuisance, public nuisance, dangerous condition of property and statutory contributions for hazardous substances, and a Porter-Cologne contribution and for Polanco Redevelopment Act cost recovery. The relief sought is for unknown costs and damages. In turn, Orange filed a cross-complaint against the County. The causes of action alleged include indemnity and/or contribution, declaratory relief, hazardous substance account act indemnity and remedies under the Porter-Cologne Act.

Orange and the County entered into negotiations to resolve the issues brought forth by Orange. The negotiations resulted in a settlement agreement and release of claims executed on November 5, 2015. This settlement agreement and release of claims will remedy the differential settlement or subsidence, to replace the irrigation system, and for costs associated with site maintenance with monies paid for by the County. In addition, effective on the date of the agreement, the County assumed responsibility and ownership of the landfill gas control system at the site. In exchange, indemnification has been provided by Orange to the County. Based on engineering estimates and existing contracts for the operation and maintenance of other similar disposal sites, the County anticipates that the landfill gas collection system will operate fully for 30 years, then will most likely either no longer be required or will be converted to a passive system. The cost for the operation, maintenance and monitoring of the system was highest in the first full year of operation when the system needed upgrades and relocation of critical equipment. For each subsequent year of operation, the cost will be reduced due to less frequent carbon swapping and due to anticipated alternative monitoring requirements. The cost to operate and maintain the landfill gas collection system at the site for the next year of operation will be \$172. The anticipated costs to operate, maintain and monitor the landfill gas collection system over the remaining anticipated operational period is \$4,462.

The estimated pollution remediation obligation as of June 30, 2017 is:

Cannery	\$ 46
Lane Road	2,207
San Joaquin	615
La Veta	860
Forster	7,500
Yorba	 4,462
Waste Management Pollution Remediation Obligation	\$ 15,690

17. RETIREMENT PLANS

Orange County Employees Retirement System (OCERS)

<u>Plan Description</u>: Substantially all County employees participate in the 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 elected by registered voters in the County, serves as an Ex-Officio member.

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

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.

OCERS operates as a cost-sharing multi-employer defined benefit pension plan for the County of Orange, Orange County Superior Court of California, City of San Juan Capistrano, and twelve special districts: Orange County Cemetery District, Orange County Children and Families Commission, Orange County Department of Education, Orange County Employees Retirement System, Orange County Fire Authority, Orange County In-Home Supportive Services Public Authority, Orange County Local Agency Formation Commission (LAFCO), Orange County Public Law Library, Orange County Sanitation District, Orange County Transportation Authority, Transportation Corridor Agencies and the University of California, Irvine Medical Center and Campus. The Orange County Department of Education and the University of California, Irvine Medical Center and Campus are closed to new member participation. Capistrano Beach, Cypress Recreation & Parks District, Orange County Mosquito and Vector Control and City of Rancho Santa Margarita are no longer active plan sponsors, but retired members and their beneficiaries, as well as deferred members, remain in the System. OCERS is legally and fiscally independent of the County of Orange

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

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

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

Orange County Employees Retirement System (OCERS) (Continued)

Benefits Provided (Continued)

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 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 304 retirees (of which 295 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 2016-17, employer's contributions for funding purpose, as a percentage of covered payrolls, were 34.31% for General members, 62.66% for Safety-Law Enforcement members and 47.16% for Safety-Probation members, as determined by the December 31, 2014, actuarial valuation.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension: At June 30, 2017, the County reported a liability of \$4,044,638 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability (TPL) used to calculate the net pension liability was determined using actuarial valuation results. At December 31, 2016, the County's proportion was 77.91%, which was an increase of 1.08% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$442,888. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	 red Outflows of Resources	Deferred Inflows of Resources		
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 331,891	\$		
Differences Between Expected and Actual Experience in the Total Pension Liability			441,494	
Changes of Assumptions or Other Inputs Changes in Proportion and Differences Between Employer's	71,482		116,689	
Contributions and Proportionate Share of Contributions	16,592		124	
County Contributions Subsequent to the Measurement Date	218,677			
County Prepaid Pension Contribution	199,902			
Total	\$ 838,544	\$	558,307	

Orange County Employees Retirement System (OCERS) (Continued)

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

\$218,677 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, 2018.

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 \$199,902 is recognized as deferred outflows of resources related to pension, and the other half will remain as a prepaid cost on the government-wide statement.

Year ending June 30:	
2018	\$ 16,781
2019	16,781
2020	(27,320)
2021	(106,206)
2022	(38,378)
2023	
Thereafter	

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, 2017, \$125,876 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, 2017, 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, 2017 was \$405,494.

On January 13, 2017, the County issued its short-term Taxable Pension Obligation Bonds, 2017 Series A in the amount of \$375,540. Of the \$375,540 bond proceeds, \$375,442 was combined with \$24,363 in contributions from certain County departments to prepay the estimated FY 2017-18 actuarially required contribution related to both the amortization of the UAAL and the normal annual contribution to OCERS. In return, the County received a 4.50% discount or \$17,991 on the required employer contribution amount. The discount, combined with the interest and issuance costs, resulted in a net savings of \$12,015 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:

<u>Actuarial Assumptions</u>: The actuarial assumptions included a 3.00% 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 pension plan investments. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the actuarially determined contribution rates.

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17. RETIREMENT PLANS (Continued)

Orange County Employees Retirement System (OCERS) (Continued)

Discount Rate (Continued)

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.25% investment return assumption used in this accounting valuation is net of 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.

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

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

		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	\$5,873,896	\$4,044,638	\$2,539,134

Orange County Employees Retirement System (OCERS) (Continued)

<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 www.ocers.org, in writing to the Orange County Employees Retirement System, 2223 Wellington Avenue, Santa Ana, CA 92701, or by calling (714) 558-6200.

County Administered Plans

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 the greater of the actuarial equivalent of the participant's frozen accrued monthly benefit or 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 greater of the participant's account balance or the present value of their normal retirement benefit. As of June 30, 2017, the plan consists of 52 active plan participants, 194 terminated plan participants entitled to but not yet receiving benefits, and 38 retirees receiving benefits.

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

The County charges a benefits administration fee to County agencies, which funds the cost of administering all of the County benefit programs, including the Extra-Help Defined Benefit Retirement Plan. The Empower Retirement Investment management fee is an annual asset-based fee of 11 basis points (each basis point is one hundredth of a percent).

Contributions: The County has the authority to determine plan contributions. GASB Statement No. 67 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 1, 2015, rolled forward to June 30, 2017 using actual benefit payments for FY 2015-16 and FY 2016-17. In both the 2015 valuation and the 2017 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 rolling 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 \$6,472. For the year ended June 30, 2017, the County and six (6) cost-sharing agencies contributed the total actuarially determined contribution of \$784, which

County Administered Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

Contributions (Continued)

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>: Prior to April 7, 2017, the plan invested 80% with Empower Retirement and held 20% of its investments in the OCIP. As of April 7, 2017, the plan invested 100% with Empower Retirement. The plan has stated its assets with Empower Retirement at fair value based on information provided by Empower Retirement.

<u>Discount Rate</u>: For the year ended June 30, 2017, the annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was 8.51%. 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.

In accordance with Paragraph 30 of GASB Statement No. 68, the long-term discount rate was determined without reduction for pension plan administrative expense.

The long-term expected rate of return on plan investments was determined using a building-block method equal to the expected future real rate of return on the investment with Empower Retirement and the OCIP plus expected inflation, rounded to the nearest 0.25%. Prior to April 7, 2017, the target investment allocation was 27% equities, 53% fixed incomes, and 20% cash and equivalents. With the transfer of the cash allocation from the OCIP to Empower Retirement, the target investment allocation became 33% equities and 67% fixed incomes as of April 7, 2017. The best estimate of the long-term expected geometric real rate of return for equities and fixed incomes (net of investment expense and inflation) are 4.82% and 1.47%, respectively.

<u>Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to Pensions</u>: The components of the collective net pension liability of the County and the six (6) cost-sharing agencies at June 30, 2017 were as follows:

Total Pension Liability	\$ 8,562
Plan's Fiduciary Net Position	(6,528)
Plan's Net Pension Liability	\$ 2,034

Plan Fiduciary Net Position as a percentage of the Total Pension Liability

76.24%

County Administered Plans (Continued)

Extra-Help Defined Benefit Plan (Continued)

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

The 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, 2017. The County's proportionate share of the June 30, 2017 net pension liability is \$1,995. The County's proportion of 98.1% is based on an employer contribution allocation and has not changed since June 30, 2016.

For the year ended June 30, 2017, the County recognized pension expense of \$152. At June 30, 2017, the County reported deferred inflows of resources of \$17, which represents the aggregated net difference between projected and actual earnings on plan investments.

	Deferred Outflows of		I	Deferred Inflows		
	Res	sources		of Resources		
Net difference between projected and						
actual earnings on plan investments	\$		\$	17		
Total	\$		\$	17		

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

Year ended June 30:	
2018	\$ 19
2019	19
2020	(11)
2021	(44)

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

<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
	(4.25%)	(5.25%)	(6.25%)
Collective plan	\$2,274	\$2,034	\$1,841
County's proportionate share	\$2,231	\$1,995	\$1,806

County Administered Plans (Continued)

Extra-Help Defined Contribution Plan

Plan Description: Effective March 1, 2002, as amended and restated on February 10, 2015, the Board established the Extra-Help Defined Contribution Plan to replace the Extra-Help Defined Benefit Retirement Plan for (a) new employees hired on or after March 1, 2002, and supplements the benefits of the Extra-Help Defined Benefit Retirement Plan for employees hired prior to March 1, 2002 and (b) effective February 10, 2015, employees hired on or after such date (i) who attained age 60 by such hire date, (ii) who waive membership in the OCERS, do not have funds on deposit with OCERS and otherwise meet the requirements under OCERS' regulations and state law to waive membership in OCERS, (iii) whose employer has signed the OCERS Employer's Concurrence — Waiver of Membership form or any other documents that may be required by OCERS, and (iv) who sign the OCERS Employees' Waiver of Membership form and provide any other documents required by OCERS to waive membership. Eligible employees of this plan are not covered by OCERS or Social Security. This plan is a tax-deferred retirement plan, established in accordance with IRC Sections 457 and 3121 and is intended to comply with the Omnibus Budget Reconciliation Act of 1990 and meet the requirements to be a Social Security replacement plan. The Board has the authority to amend the plan. As of June 30, 2017, there were 4,233 participants with a balance in the plan, with 3,932 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 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 \$996. As of June 30, 2017, total plan assets were \$7,873.

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

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 and all grandfathered administrative managers, effective June 23, 2006 and December 28, 2012, respectively. The plan is intended for retirement and funds may not be withdrawn until participants have separated from the County. The plan benefits for a participant who separates from service with the County or retires on or after the normal retirement date will be dependent upon the accumulated value of individual contributions and investment return. As of June 30, 2017, the plan had 660 participants with a balance in the plan, and with 640 participants actively contributing to the plan as of the end of June payroll.

County Administered Plans (Continued)

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

<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, 2017, were \$970 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 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, 2017, total plan assets were \$15.503.

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

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 OCERS retirement formula for certain eligible employees. Effective May 7, 2010, as amended and restated on July 1, 2011, the Board approved the County 1.62% Defined Contribution Plan for the benefit of employees in the "1.62% at 65" OCERS retirement formula. The 1.62% Defined Contribution Plan is a combination governmental 457(b) and 401(a) retirement plan. Employee contributions are deposited into a 457(b) plan and employer-matching contributions are deposited into a 401(a) plan. Participation in the 1.62% Defined Contribution Plan is strictly voluntary and is designed to supplement the "1.62% at 65" OCERS retirement benefit. Only employees in the "1.62% at 65" OCERS retirement benefit formula are eligible to participate in the 1.62% Defined Contribution Plan.

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

The Board has the authority to amend the plan. The plan is intended to comply with the requirements of 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, 2017, the plan had 1,446 participants with a balance in the plan, and with 1,355 participants actively contributing to the plan as of the end of June payroll.

County Administered Plans (Continued)

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

<u>Funding Policy</u>: This plan is a defined contribution plan funded entirely by employer contributions. As of June 30, 2017, 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, 2017, were \$1,211 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, 2017, total plan assets were \$2,771.

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

Condensed Financial Statements

In lieu of separately issued financial statements for the County administered retirement funds, condensed financial statements are presented below as of and for the year ended June 30, 2017:

Statement of Fiduciary Net Position

	Total	D E	tra-Help efined Benefit Plan	D Cor	tra-Help efined ntribution Plan	[401(a) Defined ntribution Plan	Ret 401(a	2% at 65 irement, a) Defined oution Plan
<u>Assets</u>	 								
Pooled Cash/Investments	\$ 1	\$		\$		\$		\$	1
Restricted Cash and Investments									
Restricted Investments with Trustee	32,600		6,528		7,854		15,480		2,738
Due from Other Governmental Agencies	74				19		23		32
Total Assets	32,675		6,528		7,873		15,503		2,771
Net Position									
Restricted for Retirement Plans Benefits	32,675		6,528		7,873		15,503		2,771
Total Net Position	\$ 32,675	\$	6,528	\$	7,873	\$	15,503	\$	2,771

County Administered Plans (Continued)

Condensed Financial Statements (Continued)

Statement of Changes in Fiduciary Net Position

Additions:	 Total	D	tra-Help Defined nefit Plan	tra-Help Defined ntribution Plan	(a) Defined ontribution Plan	Retire	2% at 65 ment, 401(a) Defined ibution Plan
Contributions to Pension Trust:							
Employer	\$ 2,965	\$	784	\$ 	\$ 970	\$	1,211
Employee	996			996			·
Interest and Investment Income	2,403		523	150	1,460		270
Less: Investment Expense	(27)		(5)	(8)	 (11)		(3)
Total Additions	6,337		1,302	1,138	2,419		1,478
Deductions:							
Benefits Paid to Participants	 2,174		373	624	 1,177		
Total Deductions	2,174		373	624	1,177		
Change in Net Position for Employees' Retirement	4,163		929	514	1,242		1,478
Net Position at July 1, 2016	28,512		5,599	7,359	14,261		1,293
Net Position at June 30, 2017	\$ 32,675	\$	6,528	\$ 7,873	\$ 15,503	\$	2,771

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 1937 County Employees' Retirement Law. 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 2016 was \$21.45 (absolute dollars) per year of County service, and the maximum base monthly Grant was \$536.25 (absolute dollars). The base number for calendar year 2017 is \$22.09 (absolute dollars) per year of County service, and the maximum monthly Grant is \$552.25 (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

County of Orange Retiree Medical Plan (Continued)

Plan Description (Continued)

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.

Effective July 8, 2016, all active Orange County Attorneys Association (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 and ACLEM. 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

County of Orange Retiree Medical Plan (Continued)

Funding Policy (Continued)

the Grant. OCERS issues a Comprehensive Annual Financial Report (CAFR) for each year ending on December 31, which includes the Retiree Medical Trust. OCERS' CAFR can be obtained online at www.ocers.org, by written request to the Orange County Employees Retirement System, 2223 Wellington Avenue, Santa Ana, CA 92701, or by calling (714) 558-6200.

The County is currently setting aside contributions of 0.4% for AFSCME, 0.4% for OCAA, 3.4% for AOCDS, 7.1% 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 Plan is calendar year based; therefore, 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 and 2016-17 for the Retiree Medical Plan (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 (20 years remaining as of June 30, 2017)
- 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.

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 Asset (NOA) for the current year:

	FY 2016-17	
Total Annual Required Contribution	\$	45,921
Interest on Net OPEB Asset		(3,465)
Amortization on Net OPEB Asset		3,666
Annual OPEB Cost		46,122
Contributions Made		(47,853)
Increase in Net OPEB Asset		(1,731)
Net OPEB Asset, Beginning of year		(43,107)
Net OPEB Asset, End of year	\$	(44,838)

County of Orange Retiree Medical Plan (Continued)

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

The County's annual OPEB Cost, the percentage of annual OPEB cost contribution to the plan, and the NOA for FY 2016-17 and two preceding years were as follows:

Fiscal	Annual	Percentage of	Net	
Year	OPEB	Annual OPEB	OPE	3
Ended	Cost	Cost Contributed	(Asse	t)
6/30/2015	\$ 44,854	92%	\$ (45,05	56)
6/30/2016	44,439	96%	(43,10)7)
6/30/2017	46.122	104%	(44,83	001

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

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

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

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

Plan Description (Continued)

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 Board or the plan administrator to comply with federal, state, local laws, statutes, regulations, or guidance from regulatory agencies. 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, 2017, the plan had 2,700 active and 632 inactive participants.

<u>Funding Policy</u>: Employer and mandatory employee contributions were effective October 12, 2007 for employees represented by AOCDS, effective June 19, 2009 for employees represented by ACLEM, and effective July 8, 2016 for OCAA represented employees. All contributions made to the HRA are deemed to be employer contributions. Employee contributions for employees represented by each of the bargaining units are mandatory pursuant to their bargaining unit MOU and mandatory pursuant to Board action.

On March 15, 2016, the Board approved for employees represented by AOCDS, an increase in the County's contribution from 3.0% to 5.0% of base salary each pay period. Furthermore, required contributions by employees represented by AOCDS were decreased from 2.0% to 0% of base salary for each pay period. Employee contributions for employees represented by ACLEM and OCAA are mandatory pursuant to the MOU. For employees represented by ACLEM, the County contributes 1.0% of base salary each pay period and employees are also required to contribute 1.0% of base salary each pay period. For employees represented by OCAA, the County contributes 1.0% of base salary each pay period and employees are also be required to contribute 1.0% of base salary each pay period.

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, 2017, the value of HRA assets was \$99,081.

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

Condensed Financial Statements

In lieu of separately issued financial statements for the County administered postemployment health care benefit trust funds, condensed financial statements are presented below as of and for the year ended June 30, 2017:

Statement of Fiduciary Net Position	Total		Retiree Medical Plan (Combined 401(h) and 115 Trusts)		Health Reimbursement Arrangement Plan	
<u>Assets</u>	_				•	
Pooled Cash/Investments	\$	296	\$	250	\$	46
Restricted Cash and Investments		00.770				00.770
Restricted Investments with Trustee		98,779				98,779
Restricted Cash with OCERS Interest Receivable		268,394 14		268,394		
				14		 256
Due from Other Governmental Agencies		1,403		1,147		
Total Assets		368,886		269,805		99,081
<u>Liabilities</u>						
Due to Other Governmental Agencies		2		2		
Total Liabilities		2		2		
Net Position						00.004
Restricted for OPEB Benefits	_	368,884		269,803		99,081
Total Net Position	\$	368,884	\$	269,803	\$	99,081
Statement of Changes in Fiduciary Net Position				Medical Plan bined 401(h)		Health bursement
		Total	•	115 Trusts)		ement Plan
Additions:		Total	una	110 11000)	7 11 1119	cincilit idii
Employer Contributions	\$	61,041	\$	47,853	\$	13,188
Employee Contributions	*	2,691	*	2,691	•	
Interest and Investment Income		37,745		27,817		9,928
Less: Investment Expense		(576)		(7)		(569)
Total Additions		100,901		78,354		22,547
		,				
Deductions:						
Benefits Paid to Participants		35,548		33,796		1,752
Administrative Expense						
		47		47		
Total Deductions	_	47 35,595		33,843		1,752
Total Deductions Change in Net Position						1,752
	=	35,595		33,843		
Change in Net Position	\$	35,595 65,306	<u> </u>	33,843 44,511	\$	20,795

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 claim payments and unpaid claims balance for self-insurance claims, refer to Note 15, Self-Insurance.

19. CONTINGENCIES (Continued)

Sales and Use Taxes

Department of Finance has not yet finalized its review of the misallocation of sales and use tax revenues identified by the State Controller and the Board of Equalization (BOE) proposed adjustment plan. The In-Home Supportive Services (IHSS) final agreement which includes trailer bills SB 90/AB 106 provides that counties will be held harmless for any amounts they may owe to the state as a result of the BOE sales tax miscalculation.

20. SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2017:

<u>Airport Revenue Bonds, Series 2009B:</u> On July 1, 2017, the Airport partially redeemed the 2009B Bonds scheduled to mature in 2034 in the amount of \$27,210. The early partial redemption will result in total future interest cost savings of \$13,556. Refer to Note 10, Long-Term Obligations, for additional information.

<u>Retirement of Bankruptcy Bonds:</u> On July 1, 2017, the Lease Revenue Refunding Bonds, Series 2005, were retired. For additional information regarding the Lease Revenue Refunding Bonds, Series 2005, refer to Note 10, Long-Term Obligations.

<u>U.S. Treasuries - SLGS:</u> To comply with applicable federal law and the tax certificates associated with the OCPFA Lease Revenue Refunding Bonds Series 2005, the County invests excess available monies over the reasonable working capital reserve in tax-exempt government securities not subject to the Alternative Minimum Tax (AMT). At June 30, 2017, the County reported \$67,557 of non-AMT tax-exempt securities in US Treasuries - SLGS. The Lease Revenue Refunding Bonds Series 2005 were retired on July 1, 2017, and on July 12, 2017, the County converted its tax exempt Teeter Plan Series B Notes to taxable notes. With the conversion to taxable notes, the non-AMT tax-exempt investment of \$67,557 is no longer required, and was liquidated in its entirety on August 10, 2017. The County received \$67,638, including accrued interest, as a result of the liquidation.

<u>Teeter Plan Notes:</u> On July 12, 2017, the County converted its tax exempt Teeter Plan Obligation Notes, Series B to taxable notes to retire the June 30, 2017 outstanding Teeter balance of \$27,868 and finance the purchase of \$30,621 for the delinquent property tax receivables associated with the Teeter Plan. Proceeds of this issuance, associated with the purchase of delinquent property tax receivables, paid the participating agencies in the Teeter Plan the full amount of their taxes from the secured property tax roll. The outstanding balance as of July 12, 2017 was \$58,489. For additional information regarding the Teeter Plan Notes, refer to Note 10, Long-Term Obligations.

<u>Labor Organizations:</u> On September 27, 2017, the Association of Orange County Deputy Sheriffs (AOCDS) filed a petition for the decertification of the Orange County Employees Association (OCEA) and the certification of AOCDS as the exclusively recognized employee organization representing the Probation Services (PS) Unit and the Probation Supervisory Management (PM) Unit.

The following classifications are included in the PS and PM Units:

Probation Services (PS) Unit Classifications	Probation Management (PM) Unit Classifications
Deputy Juvenile Correctional Officer I	Supervising Juvenile Correctional Officer
Deputy Juvenile Correctional Officer II	Supervising Probation Officer
Senior Juvenile Correctional Officer	
Deputy Probation Officer I	
Deputy Probation Officer II	
Senior Deputy Probation Officer	

20. SUBSEQUENT EVENTS (Continued)

Labor Organizations (Continued)

This modification in representation by AOCDS for the PS and PM Units was effective October 27, 2017. In addition to this petition, AOCDS requested a unit modification to move three bargaining units represented by OCEA into the PS and PM Units.

AOCDS requested the following classifications moved into the PS Unit:

Classification	Previous OCEA Unit
Deputy Coroner	Sheriffs Special Officer and Deputy Coroner (SO)
Senior Deputy Coroner	Sheriffs Special Officer and Deputy Coroner (SO)
Park Ranger I	Supervisory Management (SM)
Park Ranger II	Supervisory Management (SM)
Senior Park Ranger	Supervisory Management (SM)
Public Assistance Investigator Trainee	General (GE)
Public Assistance Investigator	General (GE)

AOCDS requested the following classifications moved into the PM Unit:

Classification	Previous OCEA Unit
Supervising Deputy Coroner	Supervisory Management (SM)
Supervising Park Ranger I	Supervisory Management (SM)
Supervising Public Assistance Investigator	Supervisory Management (SM)

These unit modifications were effective November 24, 2017.

OCERS Economic and Demographic Assumptions: On October 16, 2017, the OCERS Board adopted the following significant changes to the economic and demographic actuarial assumptions, which will be used to establish retirement contribution rates effective July 1, 2019:

- Reduced the assumed investment rate of return from 7.25% to 7.00%
- Reduced the assumed rate of price inflation from 3.00% to 2.75%
- Adopted the use of generational tables, which have identified reduced rates of mortality for members

Additionally, the OCERS Board adopted a three-year phase-in of the impact to the contribution rates associated with the Unfunded Actuarially Accrued Liability. The cumulative effect of these changes will have the impact of increasing contribution rates for members and plan sponsors.

Investment Policy Statement: On November 14, 2017, the Board of Supervisors adopted Resolution 17-134 approving the 2018 Investment Policy Statement (IPS) and delegating investment and deposit for safekeeping authority to the Treasurer-Tax Collector for calendar year 2018. The main changes to the 2018 IPS are: 1) clarification of the ratings required for investment purchases, 2) putting all credit rating requirements in one section, 3) clarification that investments over five years by other governing boards do not need to be approved separately by the Board, (4) updating language to match Government Code Section 56301 and (5) an increase to the State Pool limit based on the State Treasurer's policy increase from \$50 million to \$65 million.







Required Supplementary Information (Dollar Amounts in Thousands)

Orange County Employees Retirement System (OCERS)

Schedule of County's Proportionate Share of the Net Pension Liability (1)

		2017		2016	 2015	 2014
County's proportion of the net pension liability		77.91%		76.83%	76.68%	74.20%
County's proportionate share of the net pension liability Covered payroll (2) County's proportionate share of the net pension liability as a percentage of its covered payroll (2)	\$ \$	4,044,638 1,200,243 336,98%	•	4,391,967 1,118,395 392,70%	\$ 3,897,223 1,198,458 325,19%	\$ 3,925,919 1,176,008 333.83%
Plan fiduciary net position as a percentage of the total pension liability		69.56%		65.66%	68.16%	66.88%

Schedule of County Contributions (1)

	2017	2016	2015
Actuarially determined contribution	\$ 386,138	\$ 358,103	\$ 340,626
Contributions in relation to the actuarially determined contribution	386,138	358,103	340,626
Contribution deficiency (excess)	\$ 	\$ 	\$
Covered payroll (2)	\$ 1,200,243	\$ 1,118,395	\$ 1,198,458
Contributions as a percentage of covered - payroll	32.17%	32.02%	28.42%

⁽¹⁾ Information is from OCERS' actuary report for OCERS' fiscal year ended December 31, 2016.

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.

⁽²⁾ The numbers for 2014 and 2015 were for covered-employee payroll, prior to GASB Statement No. 82 implementation.

Orange County Extra-Help Defined Benefit Plan

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

		2017	2016		2015		2014
Total Pension Liability							
Interest	\$	436	\$ 435	\$	271	\$	282
Difference between expected and actual experience			73				
Changes of assumptions			73				
Benefit payments, including refunds of member contributions		(372)	 (424)		(522)		(695)
Net change in Total Pension Liability		64	157		(251)		(413)
Total Pension Liability-beginning	_	8,498	 8,341		8,592		9,005
Total Pension Liability-ending (a)	\$	8,562	\$ 8,498	5	8,341	5	8,592
Plan Fiduciary Net Position							
Contributions-employer	\$	784	\$ 784	\$	421	\$	421
Net investment income		527	123		17		15
Investment Expense		(5)	(4)				
Benefit payments, including refunds of member contributions		(372)	(428)		(522)		(695)
Administrative expense (1)							
Other		(5)	7				
Net change in Plan Fiduciary Net Position		929	482		(84)		(259)
Plan Fiduciary Net Position- beginning		5,599	5,117		5,201		5,460
Plan Fiduciary Net Position-ending (b)	\$	6,528	\$ 5,599	\$	5,117	\$	5,201
Plan Net Pension Liability-ending (a) – (b)	\$	2,034	\$ 2,899	\$	3,224	\$	3,391
Plan Fiduciary Net Position as a percentage of the Total							
Pension Liability		76.24%	65.89%		61.35%		60.53%
Covered payroll (2)	\$	4,725	\$ 1,747	\$	1,829	\$	1,876
Plan Net Pension Liability as a percentage of covered payroll (2)		43.05%	165.94%		176.27%		180.76%

Schedule of Investment Returns

	2017	2016	2015	2014
Actual money-weighted rate of return, net of investment expense	8.51%	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.

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

⁽²⁾ The numbers for 2014 and 2015 were for covered-employee payroll, prior to GASB Statement No. 82 implementation.

Orange County Extra-Help Defined Benefit Plan (Continued)

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

	 2017	2016	2015
County's proportion of the net pension liability	98.12%	98.12%	98.12%
County's proportionate share of the net pension liability	\$ 1,995	\$ 2,845	\$ 3,163
Covered payroll (1)	\$ 4,725	\$ 1,747	\$ 1,829
County's proportionate share of the net pension liability as a percentage of its covered payroll (1)	 42.22%	 162.85%	172.94%
Plan fiduciary net position as a percentage of the total pension liability	76.24%	65.89%	61.35%

Schedule of Collective Plan Contributions

	 2017	 2016	 2015	 2014
Actuarially determined contribution Contributions in relation to the actuarially determined contribution	\$ 784 784	\$ 784 784	\$ 421 421	\$ 421 421
Contribution deficiency (excess)	\$ 	\$ 	\$ 	\$
Covered payroll (1)	\$ 4,725	\$ 1,747	\$ 1,829	\$ 1,876
Contributions as a percentage of covered payroll	16.59%	44.88%	23.02%	22.44%

Schedule of County Contributions

	 2017	2016	2015	2014
Actuarially determined contribution	\$ 769	\$ 769	\$ 413	\$ 421
Contributions in relation to the actuarially determined contribution	769	769	413	421
Contribution deficiency (excess)	\$ 	\$ 	\$ 	\$
Covered payroll (1)	\$ 4,725	\$ 1,747	\$ 1,829	\$ 1,876
Out the flavore and a second and a second	40.000/	44.000/	00.500/	00 440/
Contributions as a percentage of covered payroll	16.28%	44.02%	22.58%	22.44%

⁽¹⁾ The numbers for 2015 were for covered-employee payroll, prior to GASB Statement No. 82 implementation

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 1, 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 Retiree Medical Plan

County of Orange Retiree Medical Plan (2) Schedule of Funding Progress

For Years Ended June 30

Actuarial Valuation as of June 30 (1)	Actuarial Value of lan Assets (a)	Actuarial Accrued Liability (AAL) (b)	Д	Unfunded Actuarial Accrued Liability (UAAL) (b-a=c)	Funded Ratio (a/b)	Annual Covered Payroll (d)	UAAL as a Percentage of Covered Payroll (c/d)	
2011 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.

⁽²⁾ The Plan is calendar year based.







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 2016-17.

OC Public Libraries

This fund accounts for library services for the unincorporated areas as well as some of the incorporated areas within the County. Property taxes provide most of the fund's revenue and licenses, permits, Federal and State aid, and charges for services provide the remaining revenue.

Plan of Adjustment Available Cash

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

Health Care Programs

This group of funds is used to account for Board-approved Realignment Reserves for Health Care, Medi-Cal Mental Health Managed Care programs, Medi-Cal Administrative Activities and Targeted Case Management, Bioterrorism Preparedness grant funds, Emergency Medical Services allocations, and other purpose-restricted revenues related to health care programs. Revenues consist primarily of State grants and allocations, and Federal grants passed through the State.

Roads

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

Orange County Housing Authority

This fund is used to account for revenues received from the Federal Government for Section 8 Rental Assistance Program expenditures. This program assists low-income families to obtain decent, safe and sanitary housing through a system of rental subsidies.

Other Governmental Resources

This group of funds is used to account for fees charged for property characteristics information that are purpose-restricted for technological and capital acquisitions and/or improvements.

NONMAJOR GOVERNMENTAL FUNDS (Continued) DEBT SERVICE FUNDS

These funds are used to account for the accumulation and disbursement of taxes and other revenues for the periodic payment of principal and interest on general long-term debt that includes general obligation, revenue, and demand bond issues.

Teeter Plan Notes

This fund accounts for the financing of the County's purchase of delinquent taxes receivable pursuant to the Teeter Plan. The Teeter Plan is an alternate secured property tax distribution plan, whereby, the County distributes 100% of the local secured levy to the taxing agencies participating in the Teeter Plan and in exchange receives the right to keep the delinquent taxes, penalties and interest.

Orange County Public Facilities Corporation Bonds, Master Lease

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

Pension Obligation Bonds

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

Capital Facilities Development Corporation

This non-budgeted fund was established to account for the Civic Center Facilities Master Plan project and will facilitate financings, acquisitions of property, and other property related transactions for the benefit of Orange County, California.

South Orange County Public Financing Authority

This non-budgeted fund was established to account for the debt service expenditures for the South Orange County Public Financing Authority (SOCPFA). 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, SOCPFA 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.

Capital Facilities Development Corporation Construction

This non-budgeted fund was established for the Civic Center Facilities Master Plan project and to account for the related construction.

PERMANENT FUND

A Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

Regional Park Endowment

This fund is used to account for costs associated with the repair and maintenance of a mitigation area in Limestone Regional Park.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

			 	Spe	cial Revenue		
ACCETC		Total Nonmajor vernmental Funds	Parking acilities	Lighting	vice Areas, , Maintenance, ssment Districts	Env	Other ironmental nagement
<u>ASSETS</u>							
Pooled Cash/Investments Restricted Cash and Investments with Trustee Deposits In-Lieu of Cash Receivables	\$	684,314 355,754 25	\$ 5,328 	\$	25,563 64,831 	\$	6,504
Accounts Taxes Interest/Dividends		2,502 20,297 1,335	45 14		19 63		1 15
Deposits Allowance for Uncollectible Receivables Due from Other Funds		2,148 (96) 37,963	 404		 		 25
Due from Other Governmental Agencies Prepaid Costs Notes Receivable, Net		31,101 14,733 27,572	 345 84 		 		44 255
Total Assets	\$	1,177,648	\$ 6,220	\$	90,476	\$	6,844
LIABILITIES							
Accounts Payable Retainage Payable	\$	26,475 2,785	\$ 237 1	\$	7,926 1	\$	
Salaries and Employee Benefits Payable Interest Payable Deposits from Others		1,917 34 19,223	11 		 		
Due to Other Funds Due to Component Unit Due to Other Governmental Agencies		60,321 1 11,236	230 366		31 4.423		30
Unearned Revenue Advances from Other Funds Total Liabilities		21,314 32,640 175,946	 845		12,381		30
DEFERRED INFLOWS OF RESOURCES		· ·			,		
Unavailable Revenue - Intergovernmental Revenues Unavailable Revenue - Property Taxes		11,015 1,390			 8		
Unavailable Revenue - Long-Term Notes Receivables Unavailable Revenue - Other		255 273	 		 		255
Total Deferred Inflows of Resources	_	12,933	 		8		255
FUND BALANCES							
Nonspendable Restricted Assigned		14,929 804,882 168,958	84 4,545 746		78,087 		2,732 3,827
Total Fund Balances	_	988,769	 5,375		78,087	_	6,559
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	1,177,648	\$ 6,220	\$	90,476	\$	6,844

obacco ettlement		ommunity & Welfare Services		OC Parks		OC ana Point Harbor	<u>ASSETS</u>
\$ 19,407 19,407	\$	125,056 110 260 3,864 3,170 261 6,420 139,141	\$	108,521 1,032 1,123 246 7 58 297 4,521 115,805	\$	70,682 25 308 158 2,083 126 119 73,501	Pooled Cash/Investments Restricted Cash and Investments with Trustee Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies Prepaid Costs Notes Receivable, Net Total Assets
\$ =	\$	5,533 887 26	\$	3,654 578 698	\$	1,690 492 16	LIABILITIES Accounts Payable Retainage Payable Salaries and Employee Benefits Payable
 7,970		26,421 1,098 1 21,340 55,307	_	1,507 2,399 237 2,119 11,192		3,094 625 108 2 6,027	Deposits from Others Due to Other Funds Due to Other Governmental Agencies Unearned Revenue Advances from Other Funds Total Liabilities
	_	1,240 1,240	_	 894 894	_	 	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
\$ 11,437 11,437 19,407	\$	261 56,318 26,015 82,594	\$	4,521 87,115 12,083 103,719	\$	119 67,355 67,474 73,501	Nonspendable Restricted Assigned Total Fund Balances Total Liabilities, Deferred Inflows of Resources and Fund Balances

COMBINING BALANCE SHEET (Continued) NONMAJOR GOVERNMENTAL FUNDS

<u> </u>					Spec	cial Revenue			
100570	Housing Asset		Co Adm	nedule I ounty - inistered counts		C Public Libraries	Ac	Plan of ljustment lable Cash	ealth Care rograms
<u>ASSETS</u>									
Pooled Cash/Investments Restricted Cash and Investments with Trustee Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies	\$	12,781 28 	\$		\$	45,312 322 684 102 26 30	\$	27 17,103	\$ 50,148 42 267 677
Prepaid Costs						4,514			
Notes Receivable, Net Total Assets	\$	18,920 31,729	\$		\$	50,990	\$	17,130	\$ 51,134
<u>LIABILITIES</u>									
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 Advances from Other Funds Total Liabilities	\$	 188 188	\$	 	\$	1,041 40 576 444 4,973 6 115 7,195	\$		\$ 7,674 1 4,804 4,705
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		 		 		50 488 263 801		 	
FUND BALANCES									
Nonspendable Restricted Assigned Total Fund Balances		31,541 31,541		 		4,514 38,480 42,994		17,130 17,130	 21,867 12,083 33,950
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$	31,729	\$		\$	50,990	\$	17,130	\$ 51,134

		Spe	cial Revenue				De	bt Servic	е	
_	Roads	Orange County Housing Authority		Housing Governmental			eter Plan Notes	Publ Co I	nge County ic Facilities rporation Bonds, ster Lease	ACCETC
										<u>ASSETS</u>
\$	100,002 163	\$	9,733 6,501 521	\$	1,366 	\$	42,158 34 18,471	\$	 2,943 	Pooled Cash/Investments Restricted Cash and Investments with Trustee Deposits In-Lieu of Cash Receivables Accounts Taxes
	228 58 (23) 2,031		23 (73) 8		2		105 		 	Interest/Dividends Deposits Allowance for Uncollectible Receivables Due from Other Funds
\$	13,881 3,670 120,010	\$	1,123 1,564 1,977 21,377	\$	1,368	\$	11,053 71,821	\$	 2,943	Due from Other Governmental Agencies Prepaid Costs Notes Receivable, Net Total Assets
										<u>LIABILITIES</u>
\$	3,163 430 401 14,177 3,120	\$	898 189 1,920	\$	 	\$	 34 	\$	 	Accounts Payable Retainage payable Salaries and Employee Benefits Payable Interest Payable Deposits from Others Due to Other Funds
	193 14,372 35,856		3,008		 	_	 34		 	Due to Component Unit Due to Other Governmental Agencies Unearned Revenue Advances from Other Funds Total Liabilities
										DEFERRED INFLOWS OF RESOURCES
_	9,725 9,725	_	 	_	 	_	 		 	Unavailable Revenue - Intergovernmental Revenues Unavailable Revenue - Property Taxes Unavailable Revenue - Long-Term Notes Receivables Unavailable Revenue - Other Total Deferred Inflows of Resources
	3,670		1,564							FUND BALANCES Nonspendable
	70,759		16,805 18,369		1,368 1,368		18,471 53,316 71,787		2,943 2,943	Restricted Assigned Total Fund Balances
\$	120,010	\$	21,377	\$	1,368	\$	71,821	\$	2,943	Total Liabilities, Deferred Inflows of Resources and Fund Balances

COMBINING BALANCE SHEET (Continued) NONMAJOR GOVERNMENTAL FUNDS

				Deb	t Service	9		
ASSETS	0	Pension bligation Bonds	De	tal Facilities velopment orporation	Publi	outh OC c Financing outhority	Publi	nge County ic Financing Authority
Pooled Cash/Investments Restricted Cash and Investments with Trustee Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits	\$	78 61,390 	\$	21,538 	\$	25,259 	\$	21,787
Allowance for Uncollectible Receivables Due from Other Funds								
Due from Other Governmental Agencies Prepaid Costs Notes Receivable, Net		 		 		 		
Total Assets	\$	61,468	\$	21,538	\$	25,259	\$	21,787
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 Advances from Other Funds Total Liabilities	\$	8 8 8 	\$	 	\$	 1,972 1,972	\$	
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								
Nonspendable Restricted Assigned Total Fund Balances		61,460 61,460		21,538 21,538		23,287 23,287		7,465 14,322 21,787
Total Liabilities, Deferred Inflows of Resources								
and Fund Balances	\$	61,468	\$	21,538	\$	25,259	\$	21,787

Capital Projects				Pe	ermanent			
	Capital Projects Develop Criminal Justice Non-General Corpora		Capital Facilities Development Corporation Construction		ional Park dowment	ASSETS		
\$	19,744 48 4,600 355 	\$	41,564 9,577 51,141	\$	 151,471 151,471	\$	340 1 1 341	Pooled Cash/Investments Restricted Cash and Investments with Trustee Deposits In-Lieu of Cash Receivables Accounts Taxes Interest/Dividends Deposits Allowance for Uncollectible Receivables Due from Other Funds Due from Other Governmental Agencies Prepaid Costs Notes Receivable, Net Total Assets
								LIABILITIES
\$	429 356 89 11,300 12,174	\$	1,904 2,671 4,575	\$		\$		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 Advances from Other Funds Total Liabilities
								DEFERRED INFLOWS OF RESOURCES
	 10 10	_	 		 		 	Unavailable Revenue - Intergovernmental Revenues Unavailable Revenue - Property Taxes Unavailable Revenue - Long-Term Notes Receivables Unavailable Revenue - Other Total Deferred Inflows of Resources
								FUND BALANCES
	12,563 		 46,566		 151,471 		196 145 	Nonspendable Restricted Assigned
	12,563		46,566		151,471		341	Total Fund Balances Total Liabilities, Deferred Inflows of Resources
\$	24,747	\$	51,141	\$	151,471	\$	341	and Fund Balances

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

				Special Revenue	
	Tota Nonma Governm Fund	ijor iental	Parking Facilities	Service Area, Lighting, Maintenance, & Assessment Districts	Other Environmental Management
Revenues			_		
Taxes		3,675	\$	\$ 619	\$
Licenses, Permits, and Franchises		1,844			
Fines, Forfeitures, and Penalties		5,279			
Use of Money and Property	5	3,384	12,269	352	544
Intergovernmental	35	9,985	1,948	95,203	1,190
Charges for Services	5	5,641	328	30	550
Other	3	1,766	27	2	253
Total Revenues	66	1,574	14,572	96,206	2,537
Expenditures Current					
General Government	7	2,413		55,276	93
Public Protection		840			136
Public Ways and Facilities	6	6,536	8,635	208	99
Health and Sanitation		1,561			
Public Assistance		2,655			
Education		2,564			
Recreation and Cultural Services		6,356			
Capital Outlay		5,450	375		385
Debt Service		0, 100	0.0		000
Principal Retirement	٥	0,813			
Interest		8,517			
Total Expenditures		7,705	9.010	55.484	713
Excess (Deficit) of Revenues		7,705	9,010	33,404	/13
Over Expenditures	(4	6,131)	5,562	40,722	1,824
Other Financing Sources (Uses)					
Transfers In	20	4,682	484		25
Transfers Out		,			25
Debt Issued	•	6,910) 1,536	(3,774)		
Loan Proceeds		5,340			
Total Other Financing Sources (Uses)		4,648	(3,290)		25
Net Change in Fund Balances	17	8,517	2,272	40,722	1,849
Fund Balances - Beginning of Year	21	0,252	3,103	37,365	4,710
Fund Balances - End of Year		8,769	\$ 5,375	\$ 78,087	\$ 6,559
runu dalances - Enu or fear	<u></u> Ф 98	0,709	φ 5,375	φ /δ,08/	φ 0,559

	obacco ettlement	٧	nmunity & Velfare ervices		OC Parks		OC Dana Point Harbor	Revenues
\$		\$		\$	82,265	\$		Taxes
Ψ		Ψ	822	Ψ	247	Ψ		Licenses, Permits, and Franchises
					50		94	Fines, Forfeitures, and Penalties
	90		894		11,076		26,277	Use of Money and Property
			31,520		948		,	Intergovernmental
			3,509		9,831		957	Charges for Services
	26,685		1,028		998		90	Other
	26,775		37,773		105,415		27,418	Total Revenues
	·				•		· · · · · · · · · · · · · · · · · · ·	
								Expenditures
								Current
	8							General Government
			704					Public Protection
								Public Ways and Facilities
								Health and Sanitation
			20,548					Public Assistance
								Education
					84,726		21,630	Recreation and Cultural Services
			19,212		9,419		3,620	Capital Outlay
								Debt Service
								Principal Retirement
						_		Interest
	8		40,464		94,145	_	25,250	Total Expenditures
								Excess (Deficit) of Revenues
	26,767		(2,691)		11,270		2,168	Over Expenditures
								Other Financing Sources (Uses)
	8		13,139					Transfers In
	(27,848)		(27,961)		(558)		(18)	Transfers Out
								Debt Issued
								Loan Proceeds
	(27,840)		(14,822)		(558)		(18)	Total Other Financing Sources (Uses)
	(1,073)		(17,513)		10,712		2,150	Net Change in Fund Balances
	12,510		100,107		93,007		65,324	Fund Balances - Beginning of Year
\$	11,437	\$	82,594	\$	103,719	\$	67,474	Fund Balances - End of Year
	×				•	_		

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

Special Revenue

	Housing Asset		Schedule I County - dministered Accounts	OC Public Libraries	Plan of Adjustment Available Cash	Health Care Programs
Revenues						•
Taxes	\$	\$		\$ 50,791	\$	\$
Licenses, Permits, and Franchises				3		
Fines, Forfeitures, and Penalties				7		7,627
Use of Money and Property	22			231	15	331
Intergovernmental				372		5,910
Charges for Services				1,084		1,271
Other		78		571		61
Total Revenues	30	06		53,059	15	15,200
Expenditures						
Current						
General Government			15		13,592	
Public Protection						
Public Ways and Facilities						
Health and Sanitation						1,561
Public Assistance	69	95				
Education	-			42,564		
Recreation and Cultural Services						
Capital Outlay				1,690		
Debt Service				,		
Principal Retirement				13		
Interest						
Total Expenditures	69	95	15	44,267	13,592	1,561
Excess (Deficit) of Revenues		<u> </u>		,=0:	,	.,00.
Over Expenditures	(38	39)	(15)	8,792	(13,577)	13,639
Other Financing Sources (Uses)						
Transfers In	6	32			17,103	374
Transfers Out						(14,001)
Debt Issued						
Loan Proceeds						
Total Other Financing Sources (Uses)	(62			17,103	(13,627)
Net Change in Fund Balances	(32	27)	(15)	8,792	3,526	12
Fund Balances - Beginning of Year	31,86	88	15	34,202	13,604	33,938
Fund Balances - End of Year	\$ 31,54	¥1 \$		\$ 42,994	\$ 17,130	\$ 33,950

Roads			Special Revenue		Debt	Service				
Taxes		Roads	Housing	Governmental		Public Facilities Corporation Bonds,				
T72	\$		s	\$	\$	¢				
3	Ψ	772	Ψ	Ψ	Ψ					
253					14 450					
60,669			101	7	,					
37,936										
1,185		*	*	135			•			
100,818							•			
Current Curr					14,612					
6 154 8 General Government		100,002					•			
				6	154	Q.				
57,594										
Health and Sanitation Health and Sanitation		57 594								
161,412 Public Assistance Education Education Recreation and Cultural Services 19,615 19 Capital Outlay							, and the second			
			161 412							
19,615 19										
Debt Service 1										
Debt Service 1		19,615	19				Capital Outlay			
600 2,157 Interest 77,209 161,431 6 34,613 2,616 Total Expenditures 23,609 1,571 176 (20,001) (2,616) Over Expenditures Other Financing Sources (Uses) 11,620 2,405 Transfers In (273) (76) (3) Transfers Out 31,536 Debt Issued Loan Proceeds (273) (76) (3) 43,156 2,405 Total Other Financing Sources (Uses) 23,336 1,495 173 23,155 (211) Net Change in Fund Balances 51,093 16,874 1,195 48,632 3,154 Fund Balances - Beginning of Year										
77,209 161,431 6 34,613 2,616 Total Expenditures Excess (Deficit) of Revenues Excess (Deficit) of Revenues 23,609 1,571 176 (20,001) (2,616) Over Expenditures Other Financing Sources (Uses) 11,620 2,405 Transfers In (273) (76) (3) Debt Issued Debt Issued Loan Proceeds (273) (76) (3) 43,156 2,405 Total Other Financing Sources (Uses) 23,336 1,495 173 23,155 (211) Net Change in Fund Balances 51,093 16,874 1,195 48,632 3,154 Fund Balances - Beginning of Year					33,859	451	Principal Retirement			
Excess (Deficit) of Revenues Cover Expenditures					600	2,157	Interest			
23,609 1,571 176 (20,001) (2,616) Over Expenditures		77,209	161,431	6	34,613	2,616	Total Expenditures			
Other Financing Sources (Uses) 11,620 2,405 Transfers In (273) (76) (3) Transfers Out 31,536 Debt Issued Loan Proceeds (273) (76) (3) 43,156 2,405 Total Other Financing Sources (Uses) 23,336 1,495 173 23,155 (211) Net Change in Fund Balances 51,093 16,874 1,195 48,632 3,154 Fund Balances - Beginning of Year							Excess (Deficit) of Revenues			
		23,609	1,571	176	(20,001)	(2,616)	Over Expenditures			
							Other Financing Sources (Uses)			
					11,620	2,405	Transfers In			
		(273)	(76)	(3)			Transfers Out			
(273) (76) (3) 43,156 2,405 Total Other Financing Sources (Uses) 23,336 1,495 173 23,155 (211) Net Change in Fund Balances 51,093 16,874 1,195 48,632 3,154 Fund Balances - Beginning of Year					31,536		Debt Issued			
23,336 1,495 173 23,155 (211) Net Change in Fund Balances 51,093 16,874 1,195 48,632 3,154 Fund Balances - Beginning of Year										
51,093 16,874 1,195 48,632 3,154 Fund Balances - Beginning of Year		(273)	(76)	(3)	43,156	2,405	Total Other Financing Sources (Uses)			
		23,336	1,495	173	23,155	(211)	Net Change in Fund Balances			
\$ 74,429 \$ 18,369 \$ 1,368 \$ 71,787 \$ 2,943 Fund Balances - End of Year		51,093	51,093 16,874 1,195		48,632	3,154	Fund Balances - Beginning of Year			
	\$	74,429	\$ 18,369	\$ 1,368	\$ 71,787	\$ 2,943	Fund Balances - End of Year			

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

		Debt	Service	
	Pension Obligation Bonds	Capital Facilities Development Corporation	South OC Public Financing Authority	Orange County Public Financing Authority
Revenues	•			
Taxes	\$	\$	\$	\$
Licenses, Permits, and Franchises				
Fines, Forfeitures, and Penalties				
Use of Money and Property	19		174	134
Intergovernmental				
Charges for Services				
Other				
Total Revenues	19		174	134
Expenditures Current				
General Government	38	1,313		
Public Protection				
Public Ways and Facilities				
Health and Sanitation				
Public Assistance				
Education				
Recreation and Cultural Services				
Capital Outlay				
Debt Service				
Principal Retirement	7,920		7,335	41,235
Interest	31,199		2,974	1,587
Total Expenditures	39,157	1,313	10,309	42,822
Excess (Deficit) of Revenues	00,101	1,010	10,000	72,022
Over Expenditures	(39,138)	(1,313)	(10,135)	(42,688)
Other Financing Sources (Uses)				
Transfers In			10,291	10,055
Transfers Out		(152,489)	(37,813)	(1,144)
Debt Issued				
Loan Proceeds		175,340		
Total Other Financing Sources (Uses)		22,851	(27,522)	8,911
Net Change in Fund Balances	(39,138)	21,538	(37,657)	(33,777)
Fund Balances - Beginning of Year	100,598		60,944	55,564
Fund Balances - End of Year	\$ 61,460	\$ 21,538	\$ 23,287	\$ 21,787

		Capital Projects		Permanent	
	Capital Facilities Capital Capital Projects Non- Facilities General Fund Capital Facilities Development Corporation Construction		Facilities Development Corporation	Regional Park Endowment	
\$		\$	\$	\$	Revenues Taxes
Ψ		Ψ 	Ψ 	Ψ	Licenses, Permits, and Franchises
	3,048				Fines, Forfeitures, and Penalties
	91	135		1	Use of Money and Property
				· 	Intergovernmental
					Charges for Services
	73	6		3	Other
	3,212	141		4	Total Revenues
	5,212		. —		Total Nevertues
					Expenditures
					Current
		1,528	382		General Government
					Public Protection
					Public Ways and Facilities
					Health and Sanitation
					Public Assistance
					Education
					Recreation and Cultural Services
	14,175	36,304	636		Capital Outlay
					Debt Service
					Principal Retirement
					Interest
	14,175	37,832	1,018		Total Expenditures
					Excess (Deficit) of Revenues
	(10,963)	(37,691)	(1,018)	4	Over Expenditures
					Other Financing Sources (Uses)
	16,699	89,928	152,489		Transfers In
	(3,668)	(37,284)			Transfers Out
					Debt Issued
					Loan Proceeds
	13,031	52,644	152,489		Total Other Financing Sources (Uses)
	2,068	14,953	151,471	4	Net Change in Fund Balances
	10,495	31,613		337	Fund Balances - Beginning of Year
\$	12,563	\$ 46,566	\$ 151,471	\$ 341	Fund Balances - End of Year

	* Oriç	ginal Budget	_	Final Budget	Bı	Actual on udgetary Basis		Variance Positive Negative)
Parking Facilities								
Revenues and Other Financing Sources	•	0.050	•	0.050	•	5.040	•	(444)
Use of Money and Property Charges for Services	\$	6,353 274	\$	6,353 274	\$	5,942 328	\$	(411) 54
Other		6		6		27		21
Transfers In				484		484		
Total Revenues and Other Financing Sources		6,633		7,117		6,781		(336)
Expenditures and Other Financing Uses Public Ways and Facilities:								
Parking Facilities		7,756		7,954		6,876		1,078
Total Expenditures and Other Financing Uses	-	7,756		7,954		6,876		1,078
Excess (Deficit) of Revenues and Other Financing	_							
Sources Over Expenditures and Other Financing Uses		(1,123)		(837)		(95)	\$	742
Find Delenge Designing of Vers		007		007		007		
Fund Balances - Beginning of Year Fund Balances - End of Year	\$	(286)	\$	837	\$	837 742		
Turid Balarices - End of Teal	Ψ	(200)	Ψ		Ψ	142		
<u>Service Area, Lighting, Maintenance, and Assessment Districts</u> Revenues and Other Financing Sources								
Taxes	\$	607	\$	607	\$	619	\$	12
Use of Money and Property		68		213		549		336
Intergovernmental		4		4		4		
Charges for Services Other		29 150		29 150		30 2		1 (148)
Premiums on Bonds Issued		150		150		10,142		10.142
Bond Issuance Proceeds				101,819		85,057		(16,762)
Total Revenues and Other Financing Sources		858	_	102,822		96,403		(6,419)
Expenditures and Other Financing Uses General Government:		56		50				50
Special Assessment-Top of the World Improvement CFD 2015-1 RMV (Village of Esencia) Construction		19,102		56 32,438		4,431		56 28,007
CFD 2016-1 RMV (Village of Esencia) Construction		13, 102		101,819		35,008		66,811
Public Ways and Facilities:				,		,		,
North Tustin Landscaping and Lighting Assessment District		3,700		3,700		162		3,538
County Service Area No. 13- La Mirada		10		10		9		1
County Service Area No. 20- La Habra		10		10				10
County Service Area No. 22- East Yorba Linda Total Expenditures and Other Financing Uses	-	23,002		124 138,157		37 39,647	-	98,510
Excess (Deficit) of Revenues and Other Financing		23,002		130,137		39,047		30,310
Sources Over Expenditures and Other Financing Uses		(22,144)		(35,335)		56,756	\$	92,091
Fund Balances - Beginning of Year		37,209	_	37,209		37,209		
Fund Balances - End of Year	\$	15,065	\$	1,874	\$	93,965		
Other Environmental Management Revenues and Other Financing Sources								
Use of Money and Property	\$	401	\$	401	\$	569	\$	168
Intergovernmental		495		495		1,190		695
Charges for Services Other		75 166		75 166		550 253		475 87
Transfers In				25		25		
Total Revenues and Other Financing Sources		1,137	_	1,162		2,587		1,425
Expenditures and Other Financing Uses General Government:								
Real Estate Development Program		1,767		1,792		54		1,738
Air Quality Improvement		744		744		424		320
Public Protection:		05-		05-		46-		200
Survey Monument Preservation		357		357		135		222
Public Ways and Facilities: El Toro Improvement Fund		1,136		1,136		99		1,037
Total Expenditures and Other Financing Uses		4,004	_	4,029		712		3,317
Excess (Deficit) of Revenues and Other Financing	-	.,	_	.,				-,
Sources Over Expenditures and Other Financing Uses		(2,867)		(2,867)		1,875	\$	4,742
Fund Polonoco Poginning of Voc-		4.000		4.000		4.000		
Fund Balances - Beginning of Year Fund Balances - End of Year	•	4,696 1,829	\$	4,696 1,829	\$	4,696 6,571		
i unu Daidilles - Eliu VI Teal	\$	1,029	ф	1,029	φ	0,571		

^{*} Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

	* Ori	ginal Budget		Final Budget	Actual on Budgetary Basis		Variance Positive (Negative)
Tobacco Settlement							
Revenues and Other Financing Sources	•	00.000	•	05.050	* 00.005	•	4 000
Other Total Revenues and Other Financing Sources	\$	26,299 26,299	\$	25,659 25,659	\$ 26,685 26,685	\$	1,026 1,026
Ç	-	20,200	_	20,000			1,020
Expenditures and Other Financing Uses General Government:							
Orange County Tobacco Settlement Fund		36,120		38,120	27,721		10,399
Total Expenditures and Other Financing Uses		36,120	_	38,120	27,721		10,399
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(9,821)		(12,461)	(1,036)	\$	11,425
Fund Balances - Beginning of Year		12,461		12,461	12,461	_	
Fund Balances - End of Year	\$	2,640	\$		\$ 11,425	=	
Community and Welfare Services							
Revenues and Other Financing Sources							
Licenses, Permits, and Franchises	\$	900	\$	900	\$ 822	\$	(78)
Use of Money and Property		1,088		1,088	1,386		298
Intergovernmental		42,783		45,783	31,725		(14,058)
Charges for Services Other		6,341 479		3,341 479	3,503 1,028		162 549
Transfers In		37,146		37,156	34,478		(2,678)
Total Revenues and Other Financing Sources		88,737	-	88,747	72,942	-	(15,805)
	-	00,101	_	50,111			(10,000)
Expenditures and Other Financing Uses Public Assistance:							
MHSA Housing Fund		1,001		1,001	17		984
OC Animal Care Center Donations		100		123	101		22
Dispute Resolution Program		888		851	572		279
Domestic Violence Program		974		995	765		230
Facilities Development and Maintenance		7,386		7,386	327		7,059
Workforce Investment Act		22,801		22,182	11,521		10,661
County Executive Office- Single Family Housing		951		951	3		948
OC Housing		10,307		10,903	6,074		4,829
Strategic Priority Affordable Housing		448		540	112		428
In-Home Support Services Public Authority SSA Donations and Fees		2,480 1,466		2,480 1,466	1,775 960		705 506
SSA Wraparound		25,867		31,866	25,625		6,241
CalHome Program Reuse Fund		1,084		1,270	25,025		1,261
OC Animal Shelter Fund		25,235		27,151	20,035		7,116
Santa Ana Regional Center Lease Conveyance		619		619	618		1
Total Expenditures and Other Financing Uses		101,607		109,784	68,514		41,270
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(12,870)		(21,037)	4,428	\$	25,465
Find Palances - Paginging of Vaca		100.915		400.045	100.045		
Fund Balances - Beginning of Year Fund Balances - End of Year	\$	88,045	\$	100,915 79,878	\$ 100,915 \$ 105,343	-	
		,	_	<u> </u>	· · · · · · · · · · · · · · · · · · ·	=	
OC Parks Revenues and Other Financing Sources							
Taxes	\$	78,939	\$	78,939	\$ 82,102	\$	3,163
Licenses, Permits, and Franchises	Ψ	210	Ψ	210	247	Ψ	37
Fines, Forfeitures, and Penalties		34		34	50		16
Use of Money and Property		10,056		10,056	11,269		1,213
Intergovernmental		5,941		5,941	948		(4,993)
Charges for Services		8,598		8,598	9,830		1,232
Other		1,376		1,376	833		(543)
Transfers In		11,746		11,746	11,746		
Total Revenues and Other Financing Sources		116,900	_	116,900	117,025		125
Expenditures and Other Financing Uses							
Recreation and Cultural Services: County Tidelands - Newport Bay		6,591		6,591	4,472		2,119
OC Parks		109,123		110,123	91,775		18,348
OC Capital		31,018		34,096	10,373		23,723
Total Expenditures and Other Financing Uses	-	146,732		150,810	106,620		44,190
Excess (Deficit) of Revenues and Other Financing			_	.,		_	
Sources Over Expenditures and Other Financing Uses		(29,832)		(33,910)	10,405	\$	44,315
Fund Balances - Beginning of Year		91,957	_	91,957	91,957	_	
Fund Balances - End of Year	\$	62,125	\$	58,047	\$ 102,362	-	

	* Orig	inal Budget		Final Budget		ctual on etary Basis	1	/ariance Positive legative)
OC Dana Point Harbor								
Revenues and Other Financing Sources								
Licenses, Permits, and Franchises	\$	10	\$	10	\$		\$	(10)
Fines, Forfeitures and Penalties		127		127		94		(33)
Use of Money and Property		25,178		25,178		26,593		1,415
Charges for Services		946		946		957		11
Other		41		41		89		48
Total Revenues and Other Financing Sources		26,302		26,302		27,733		1,431
Expenditures and Other Financing Uses								
Recreation and Cultural Services:								
OC Dana Point Harbor		45,815		45,261		25,144		20,117
Total Expenditures and Other Financing Uses		45,815		45,261		25,144		20,117
Excess (Deficit) of Revenues and Other Financing								
Sources Over Expenditures and Other Financing Uses		(19,513)		(18,959)		2,589	\$	21,548
Fund Balances - Beginning of Year		65,133		65,133		65,133		
Fund Balances - End of Year	\$	45,620	\$	46,174	\$	67,722		
Housing Asset								
Revenues and Other Financing Sources								
Use of Money and Property	\$	226	\$	226	\$	279	\$	53
Transfers In				62		62		
Total Revenues and Other Financing Sources		226	_	288		341		53
Expenditures and Other Financing Uses								
Public Assistance:								
Orange County Development Agency Housing Asset		11,992		12,824		695		12,129
Total Expenditures and Other Financing Uses	-	11,992		12,824		695		12,129
Excess (Deficit) of Revenues and Other Financing								
Sources Over Expenditures and Other Financing Uses		(11,766)		(12,536)		(354)	\$	12,182
Fund Balances - Beginning of Year		31,918		31,918		31,918		
Fund Balances - End of Year	\$	20,152	\$	19,382	\$	31,564		
Schedule I County-Administered Accounts								
Revenues and Other Financing Sources								
Other	\$		\$	1	S		\$	(1)
Total Revenues and Other Financing Sources	<u> </u>		_	1			_	(1)
Expenditures and Other Financing Uses								
General Government:								
Indemnification Reserve				4		3		1
Litigation Reserve				12		12		
Total Expenditures and Other Financing Uses	-			16		15		1
Excess (Deficit) of Revenues and Other Financing	-							
Sources Over Expenditures and Other Financing Uses				(15)		(15)	\$	
Fund Balances - Beginning of Year		15		15		15		
Fund Balances - End of Year	\$	15	\$	15	\$			
I UIIU Dalailles - EIIU UI Teal	φ	10	Φ		φ			

^{*} Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

	* Origi	nal Budget		Final Budget		actual on getary Basis	1	/ariance Positive Negative)
OC Public Libraries								
Revenues and Other Financing Sources								
Taxes	\$	44,725	\$	44,725	\$	50,671	\$	5,946
Licenses, Permits, and Franchises	•		•		•	3	•	3
Fines, Forfeitures, and Penalties		19		19		7		(12)
Use of Money and Property		246		246		409		163
Intergovernmental		560		560		372		(188)
Charges for Services		1,042		1,042		1,084		42
Other		551		551		572		21
Transfers In				4,500		4,500		
Total Revenues and Other Financing Sources		47,143		51,643		57,618		5,975
Expenditures and Other Financing Uses Education:								
OC Public Libraries - Capital		1,943		7,652		1,249		6,403
OC Public Libraries		56,317		61,297		47,119		14,178
Total Expenditures and Other Financing Uses		58,260		68,949		48,368		20,581
Excess (Deficit) of Revenues and Other Financing								
Sources Over Expenditures and Other Financing Uses		(11,117)		(17,306)		9,250	\$	26,556
Fund Balances - Beginning of Year		33,788		33,788		33,788		
Fund Balances - End of Year	\$	22,671	\$	16,482	\$	43,038		
			÷	,		,		
<u>Plan of Adjustment Available Cash</u> Revenues and Other Financing Sources								
Use of Money and Property	\$	25	\$	25	\$	22	\$	(3)
Transfers In		5,384		17,103		17,104		1_
Total Revenues and Other Financing Sources		5,409		17,128		17,126		(2)
Expenditures and Other Financing Sources General Government:								
Recovery Plan of Adjustment Available Cash		12,314	_	25,324		13,593		11,731
Total Expenditures and Other Financing Uses		12,314	_	25,324		13,593		11,731
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(6,905)		(8,196)		3,533	\$	11,729
Fund Balances - Beginning of Year		13,597		13,597		13,597		
Fund Balances - Beginning of Year	\$		-	5,401	\$	17,130		
Fulld Balafices - Elid Of Feat	Ф	6,692	\$	5,401	<u>Ф</u>	17,130		
Health Care Programs								
Revenues and Other Financing Sources								
Fines, Forfeitures, and Penalties	\$	8,765	\$	8,765	\$	7,627	\$	(1,138)
Use of Money and Property		124		124		221		97
Intergovernmental		5,977		7,177		6,786		(391)
Charges for Services		1,344		1,344		1,271		(73)
Other		255		255		61		(194)
Transfers In		400		400		359		(41)
Total Revenues and Other Financing Sources		16,865		18,065		16,325		(1,740)
Expenditures and Other Financing Uses								
Health and Sanitation:		4 700		4.000		4.07-		050
Medi-Cal Administrative Activities Targeted Case Management		1,733		1,933		1,675		258
Emergency Medical Services		8,664		8,664		7,537		1,127
HCA Purpose Restricted Revenues		2,466		2,466		1,081		1,385
HCA Interest Bearing Purpose Restricted Revenues		30		30		24		6
Bioterrorism Center for Disease Control		4,348		5,348		5,000		348
Total Expenditures and Other Financing Uses		17,241	_	18,441		15,317		3,124
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(376)		(376)		1,008	\$	1,384
Final Delegace Decimina of Vac		00.05-		00.05-		00.05-		
Fund Balances - Beginning of Year	•	33,857	_	33,857	_	33,857		
Fund Balances - End of Year	<u>\$</u>	33,481	<u>\$</u>	33,481	\$	34,865		

	* Original Budget		_	Final Budget	Actual on Budgetary Basis			Variance Positive Negative)
Roads								
Revenues and Other Financing Sources								
Licenses, Permits, and Franchises	\$	606	\$	606	\$	772	\$	166
Fines, Forfeitures, and Penalties		7		7		5		(2)
Use of Money and Property		490		490		658		168
Intergovernmental		68,306		68,598		60,533		(8,065)
Charges for Services		34,574		34,574		38,072		3,498
Other		41,088		45,560		1,339		(44,221)
Total Revenues and Other Financing Sources		145,071		149,835		101,379		(48,456)
Expenditures and Other Financing Uses Public Ways and Facilities:								
OC Road		145,499		145,790		76,976		68,814
Foothill Circulation Phasing Plan		1,026		1,245		373		872
South County Roadway Improve Prog (SCRIP)		34.323		34.323				34.323
Total Expenditures and Other Financing Uses		180,848	_	181,358	-	77,349		104,009
Excess (Deficit) of Revenues and Other Financing		100,040	-	101,000	-	11,543		104,009
Sources Over Expenditures and Other Financing Uses		(35,777)		(31,523)		24,030	\$	55,553
Fund Balances - Beginning of Year		52,027		52,027		52,027		
Fund Balances - End of Year	\$	16,250	\$	20,504	\$	76,057		
Tana Salahood Ena di Toal	<u> </u>	10,200	Ě	20,001	<u> </u>			
Orange County Housing Authority								
Revenues and Other Financing Sources								
Use of Money and Property	\$	88	\$	88	\$	150	\$	62
Intergovernmental		163,573		164,466		162,225		(2,241)
Charges for Services		5		5		10		5
Other		1,141		1,020		666		(354)
Total Revenues and Other Financing Sources		164,807		165,579		163,051		(2,528)
Expenditures and Other Financing Uses								
Public Assistance:								
Orange County Housing Authority-Operating Reserve		5,592		5,593		1,347		4,246
Orange County Housing Authority		168,296		169,954		160,164		9,790
Total Expenditures and Other Financing Uses		173,888		175,547		161,511		14,036
Excess (Deficit) of Revenues and Other Financing			_	-,-				
Sources Over Expenditures and Other Financing Uses		(9,081)		(9,968)		1,540	\$	11,508
Fund Balances - Beginning of Year		16,846		16,846		16,846		
Fund Balances - End of Year	\$	7,765	\$	6,878	\$	18,386		
Other Community Basemen			_					
Other Governmental Resources Revenues and Other Financing Sources								
Use of Money and Property	\$	2	\$	2	\$	8	\$	6
Charges for Services	φ	220	φ	220	φ	135	φ	(85)
Other		220		4		40		` '
Total Revenues and Other Financing Sources	_	226	_	226		183		36 (43)
Former difference and Other Financian Hear								
Expenditures and Other Financing Uses General Government:								
Remittance Processing Equipment Replacement		76		76		6		70
Assessor Property Characteristic		220		220		U		220
Total Expenditures and Other Financing Uses		296		296		6		290
		296		∠96		ь	_	290
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses		(70)		(70)		177	\$	247
Fund Balances - Beginning of Year		1,193		1,193		1,193		
Fund Balances - End of Year	\$	1,123	\$	1,123	\$	1,370		

^{*} Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

BUDGETARY COMPARISON SCHEDULES NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE

Present Plan Notes		* Original Budget		Final Budget		Actual on Budgetary Basis			Variance Positive (Negative)
Fines, Forfeitures, and Penalties 3 - 9	Teeter Plan Notes								
Use of Money and Property 200 200 333 133 133 173									
Transfers In — 11,620 11,620 — Bond Issuance Proceeds 30,000 30,000 31,536 1,536 Total Revenues and Other Financing Uses 30,200 41,820 54,542 12,722 Expenditures and Other Financing Uses 56,852 56,852 34,614 22,238 General Government: Total Expenditures and Other Financing Uses 56,852 56,852 34,614 22,238 Excess (Deficit) of Revenues and Other Financing Uses (26,652) (15,032) 19,928 34,960 Fund Balances - Beginning of Year 48,524 48,524 48,524 48,524 Fund Balances - Beginning of Year \$ 21,872 33,492 \$ 68,452 56,852 Pension Obligation Bonds Revenues and Other Financing Sources Use of Money and Property \$ 21,018 21,018 21,019 1 Total Revenues and Other Financing Uses 39,165 39,165 39,157 8 General Government: Pension Obligation Bonds Debt Service 39,165 39,165 39,157 8	, , , , , , , , , , , , , , , , , , ,	\$		\$		\$,	\$	11,053
Bond Issuance Proceeds 30,000 30,000 31,536 1,536	, , ,		200						133
Total Revenues and Other Financing Sources 30,200 41,820 54,542 12,722					,		,		
Expenditures and Other Financing Uses Seneral Government: Teeter Series A Debt Service 56,852 56,852 34,614 22,238 56,852 56,852 34,614 22,238 56,852 56,852 56,852 34,614 22,238 56,852 56,852 56,852 34,614 22,238 56,852 56,852 56,852 34,614 22,238 56,852 56,852 56,852 34,614 22,238 56,852			30,000		30,000		31,536		1,536
Teeter Series A Debt Service 56,852 56,852 34,614 22,238 Total Expenditures and Other Financing Uses 56,852 56,852 34,614 22,238 Excess (Deficit) of Revenues and Other Financing Uses (26,652) (15,032) 19,928 34,960 Fund Balances - Beginning of Year 48,524 48,524 48,524 Fund Balances - End of Year 48,524 48,524 48,524 Fund Balances - End of Year 48,524 48,524 48,524 Fund Balances - End of Year 5 33,492 68,452 Fund Balances - End of Year 5 21,872 5 33,492 5 68,452 Fund Balances - End of Year 5 21,018 5 21,018 5 21,019 1 Total Revenues and Other Financing Sources 21,018 21,018 21,019 1 Expenditures and Other Financing Uses 21,018 21,019 1 Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Total Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Uses (18,147) (18,147) (18,138) 9 Fund Balances - Beginning of Year 46,343 46,34	Total Revenues and Other Financing Sources		30,200		41,820		54,542	_	12,722
Teeter Series A Debt Service 56,852 56,852 34,614 22,238 Total Expenditures and Other Financing Uses 56,852 56,852 34,614 22,238 Excess (Deficit) of Revenues and Other Financing Uses (26,652) (15,032) 19,928 \$ 34,960 Fund Balances - Beginning of Year 48,524 48,524 48,524 48,524 Fund Balances - End of Year \$ 21,872 33,492 68,452 88,452 Pension Obligation Bonds Revenues and Other Financing Sources Use of Money and Property \$ 21,018 21,018 21,019 1 Total Revenues and Other Financing Sources 21,018 21,018 21,019 1 Expenditures and Other Financing Uses General Government: Pension Obligation Bonds Debt Service 39,165 39,165 39,157 8 Total Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Uses (18,147) (18,147) (18,143) \$ 9 <td< td=""><td>Expenditures and Other Financing Uses</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Expenditures and Other Financing Uses								
Total Expenditures and Other Financing Uses S6,852 56,852 34,614 22,238	General Government:								
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (26,652) (15,032) 19,928 \$ 34,960 Fund Balances - Beginning of Year 48,524 48,24 48,524 48,524 48,524 48,24 48,24 48,	Teeter Series A Debt Service		56,852		56,852		34,614		22,238
Sources Over Expenditures and Other Financing Uses (26,652) (15,032) 19,928 \$ 34,960	Total Expenditures and Other Financing Uses		56,852		56,852		34,614		22,238
Fund Balances - End of Year \$ 21,872 \$ 33,492 \$ 68,452 Pension Obligation Bonds Revenues and Other Financing Sources \$ 21,018 \$ 21,018 \$ 21,019 \$ 1 Use of Money and Property \$ 21,018 \$ 21,018 \$ 21,019 \$ 1 Total Revenues and Other Financing Sources 21,018 21,018 21,019 \$ 1 Expenditures and Other Financing Uses Seneral Government: \$ 39,165 39,165 39,157 8 Fension Obligation Bonds Debt Service 39,165 39,165 39,157 8 Total Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Uses (18,147) (18,147) (18,148) 9 Fund Balances - Beginning of Year 46,343 46,343 46,343 46,343			(26,652)		(15,032)		19,928	\$	34,960
Pension Obligation Bonds Revenues and Other Financing Sources \$ 21,018 \$ 21,018 \$ 21,019 \$ 1 Use of Money and Property \$ 21,018 \$ 21,018 \$ 21,019 \$ 1 Total Revenues and Other Financing Sources 21,018 21,018 21,019 \$ 1 Expenditures and Other Financing Uses \$ 39,165 39,165 39,157 8 General Government: \$ 39,165 39,165 39,157 8 Pension Obligation Bonds Debt Service \$ 39,165 39,165 39,157 8 Total Expenditures and Other Financing Uses \$ 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses \$ (18,147) (18,147) (18,138) \$ 9 Fund Balances - Beginning of Year \$ 46,343 46,343 46,343	Fund Balances - Beginning of Year		48,524		48,524		48,524		
Revenues and Other Financing Sources Use of Money and Property \$ 21,018 \$ 21,018 \$ 21,019 \$ 1 Total Revenues and Other Financing Sources 21,018 21,018 21,019 1 Expenditures and Other Financing Uses 8 21,018 21,019 1 Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Pension Obligation Bonds Debt Service 39,165 39,165 39,157 8 Total Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (18,147) (18,147) (18,148) 9 Fund Balances - Beginning of Year 46,343 46,343 46,343 46,343	Fund Balances - End of Year	\$	21,872	\$	33,492	\$	68,452		
Total Revenues and Other Financing Sources 21,018 21,018 21,019 1 Expenditures and Other Financing Uses General Government: Pension Obligation Bonds Debt Service Total Expenditures and Other Financing Uses Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (18,147) Fund Balances - Beginning of Year 39,165 39,165 39,157 8 Fund Balances - Beginning of Year 46,343 46,343 46,343	Revenues and Other Financing Sources								
Expenditures and Other Financing Uses General Government: 39,165 39,165 39,157 8 Pension Obligation Bonds Debt Service 39,165 39,165 39,157 8 Total Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (18,147) (18,147) (18,138) 9 Fund Balances - Beginning of Year 46,343 46,343 46,343	, , ,	\$		\$		\$		\$	1_
General Government: 39,165 39,165 39,157 8 Pension Obligation Bonds Debt Service 39,165 39,165 39,157 8 Total Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (18,147) (18,147) (18,138) \$ 9 Fund Balances - Beginning of Year 46,343 46,343 46,343	Total Revenues and Other Financing Sources		21,018		21,018		21,019		1_
Total Expenditures and Other Financing Uses 39,165 39,165 39,157 8 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (18,147) (18,147) (18,138) \$ 9 Fund Balances - Beginning of Year 46,343 46,343 46,343									
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (18,147) (18,147) (18,147) Fund Balances - Beginning of Year 46,343 46,343 46,343	Pension Obligation Bonds Debt Service		39,165		39,165		39,157		8
Sources Over Expenditures and Other Financing Uses (18,147) (18,147) (18,138) \$ 9 Fund Balances - Beginning of Year 46,343 46,343 46,343	Total Expenditures and Other Financing Uses		39,165		39,165		39,157		8
Fund Balances - Beginning of Year 46,343 46,343 46,343									
	Sources Over Expenditures and Other Financing Uses		(18,147)		(18,147)		(18,138)	\$	9
	Fund Balances - Beginning of Year		46,343		46,343		46,343		
	Fund Balances - End of Year	\$	28,196	\$	28,196	\$	28,205		

^{*} Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

BUDGETARY COMPARISON SCHEDULES NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS

Prima Dustice Facilities Revenues and Other Financing Sources Standard Penalties St		* Original Budget		* Original Budget Final Budget		Actual on Budgetary Basis		/ariance Positive Negative)
Fines, Forfeitures, and Penalties								
Use of Money and Property Other 50 50 158 108 Other 5 5 73 68 Transfers In Total Revenues and Other Financing Sources 26,146 30,301 20,200 (10,101) Expenditures and Other Financing Uses Public Protection: Criminal Justice Facilities Accumulated Capital Outlay 15,062 16,862 5,351 11,511 Counthouse Temporary Construction 3,635 3,647 3,647 Sheriff - Coroner Construction and Facility Development 21,468 25,464 8,845 16,619 Total Expenditures and Other Financing Uses 40,165 45,973 17,843 28,130 Excess (Defict) of Revenues and Other Financing Uses (14,019) (11,696) 5,636 \$ 17,332 Fund Balances - Beginning of Year 14,461 14,461 14,461 Fund Balances - End of Year \$ 442 \$ 2,765 \$ 20,097 Countywide Capital Projects Non-General Fund Revenues and Other Financing Sources \$ - \$ - \$ - \$ 6 \$ 6 Transfers In								
Other 5 5 73 68 Transfers In 21,696 30,301 20,200 (10,101) Total Revenues and Other Financing Sources 26,146 34,277 23,479 (10,798) Expenditures and Other Financing Uses Public Protection: Criminal Justice Facilities Accumulated Capital Outlay 15,062 16,862 5,351 11,511 Courthouse Temporary Construction and Facility Development 21,468 25,464 8,845 16,619 Total Expenditures and Other Financing Uses 40,165 45,973 17,843 28,130 Excess (Deficit) of Revenues and Other Financing Uses (14,019) (11,696) 5,636 \$ 17,332 Fund Balances - Beginning of Year 14,461 14,461 14,461 Fund Balances - End of Year \$ 442 \$ 2,765 \$ 20,097 Countywide Capital Projects Non-General Fund Revenues and Other Financing Sources \$ - \$ - \$ 6 6 Other \$ 15,212 100,627 89,919 (10,714) Total Revenues and Other Financing	· · · · · · · · · · · · · · · · · · ·	\$,	\$	- , -	\$,	\$ ` ,
Transfers In Total Revenues and Other Financing Sources 21,696 30,301 20,200 (10,101) Expenditures and Other Financing Uses 26,146 34,277 23,479 (10,798) Public Protection: Expenditures and Other Financing Uses Use Sources Or Earlities Accumulated Capital Outlay 15,062 16,862 5,351 11,511 Courthouse Temporary Construction 3,635 3,647 3,647 Sheriff - Coroner Construction and Facility Development 21,468 25,464 8,845 16,619 Total Expenditures and Other Financing Uses 40,165 45,973 17,843 28,130 Excess (Deficit) of Revenues and Other Financing Uses (14,019) (11,696) 5,636 \$ 17,332 Fund Balances - Beginning of Year 14,461 <t< td=""><td>, , ,</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	, , ,							
Total Revenues and Other Financing Sources 26,146 34,277 23,479 (10,798)			-					
Expenditures and Other Financing Uses Public Protection:								
Public Protection: Criminal Justice Facilities Accumulated Capital Outlay 15,062 16,862 5,351 11,511 Courthouse Temporary Construction 3,635 3,647 3,647	Total Revenues and Other Financing Sources		26,146		34,277		23,479	 (10,798)
Courthouse Temporary Construction 3,635 3,647	•							
Sheriff - Coroner Construction and Facility Development 21,468 25,464 8,845 16,619 Total Expenditures and Other Financing Uses 40,165 45,973 17,843 28,130 Excess (Deficit) of Revenues and Other Financing Uses (14,019) (11,696) 5,636 \$ 17,332	Criminal Justice Facilities Accumulated Capital Outlay		15,062		16,862		5,351	11,511
Total Expenditures and Other Financing Uses 40,165 45,973 17,843 28,130	Courthouse Temporary Construction		3,635		3,647		3,647	·
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (14,019) (11,696) 5,636 \$ 17,332 Fund Balances - Beginning of Year 14,461<	Sheriff - Coroner Construction and Facility Development		21,468		25,464		8,845	16,619
Sources Over Expenditures and Other Financing Uses (14,019) (11,696) 5,636 \$ 17,332 Fund Balances - Beginning of Year 14,461 14,461 14,461 14,461 Fund Balances - End of Year \$ 442 \$ 2,765 \$ 20,097 Countywide Capital Projects Non-General Fund Revenues and Other Financing Sources Other \$ \$ \$ 6 6 Transfers In 15,212 100,627 89,913 (10,714) Total Revenues and Other Financing Sources 15,212 100,627 89,919 (10,708) Expenditures and Other Financing Uses Capital Improvements: 2 2 2 74,327 28,427 Countywide Capital Projects Non-General 94,203 102,754 74,327 28,427 Countywide IT Projects Non-General 5,567 591 4,976 Total Expenditures and Other Financing Uses 94,203 108,321 74,918 33,403 Excess (Deficit) of Revenues and Other Financing Uses (78,991) (7,694) 15,001 <t< td=""><td>Total Expenditures and Other Financing Uses</td><td></td><td>40,165</td><td></td><td>45,973</td><td></td><td>17,843</td><td> 28,130</td></t<>	Total Expenditures and Other Financing Uses		40,165		45,973		17,843	 28,130
Countywide Capital Projects Non-General Fund \$ 442 \$ 20,097 Revenues and Other Financing Sources S \$ \$ 6 \$ 6 Other \$ 15,212 100,627 89,913 (10,714) Total Revenues and Other Financing Sources 15,212 100,627 89,919 (10,708) Expenditures and Other Financing Uses Capital Improvements: Value of the control			(14,019)		(11,696)		5,636	\$ 17,332
Countywide Capital Projects Non-General Fund \$ 442 \$ 20,097 Revenues and Other Financing Sources S \$ \$ 6 \$ 6 Other \$ 15,212 100,627 89,913 (10,714) Total Revenues and Other Financing Sources 15,212 100,627 89,919 (10,708) Expenditures and Other Financing Uses Capital Improvements: Value of the control	Fund Balances - Reginning of Year		14 461		14 461		14 461	
Revenues and Other Financing Sources Other \$ \$ 10,627 \$ 89,913 \$ (10,714) Transfers In 15,212 100,627 89,919 (10,714) Total Revenues and Other Financing Sources 15,212 100,627 89,919 (10,708) Expenditures and Other Financing Uses Capital Improvements: 5 5 2 28,427 Countywide Capital Projects Non-General 94,203 102,754 74,327 28,427 Countywide IT Projects Non-General - 5,567 591 4,976 Total Expenditures and Other Financing Uses 94,203 108,321 74,918 33,403 Excess (Deficit) of Revenues and Other Financing Uses (78,991) (7,694) 15,001 \$22,695 Fund Balances - Beginning of Year 31,557 31,557 31,557		\$		\$		\$		
Transfers In Total Revenues and Other Financing Sources 15,212 100,627 89,913 (10,714) Expenditures and Other Financing Uses Capital Improvements: Countywide Capital Projects Non-General 94,203 102,754 74,327 28,427 Countywide IT Projects Non-General 5,567 591 4,976 Total Expenditures and Other Financing Uses 94,203 108,321 74,918 33,403 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (78,991) (7,694) 15,001 \$22,695 Fund Balances - Beginning of Year 31,557 31,557 31,557	Revenues and Other Financing Sources							
Total Revenues and Other Financing Sources 15,212 100,627 89,919 (10,708)		\$		\$		\$		\$
Expenditures and Other Financing Uses Capital Improvements: Countywide Capital Projects Non-General 94,203 102,754 74,327 28,427								
Capital Improvements: 94,203 102,754 74,327 28,427 Countywide Capital Projects Non-General 94,203 102,754 74,327 28,427 Countywide IT Projects Non-General 5,567 591 4,976 Total Expenditures and Other Financing Uses 94,203 108,321 74,918 33,403 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (78,991) (7,694) 15,001 \$ 22,695 Fund Balances - Beginning of Year 31,557 31,557 31,557	Total Revenues and Other Financing Sources		15,212		100,627		89,919	 (10,708)
Countywide IT Projects Non-General 5,567 591 4,976 Total Expenditures and Other Financing Uses 94,203 108,321 74,918 33,403 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (78,991) (7,694) 15,001 \$ 22,695 Fund Balances - Beginning of Year 31,557 31,557 31,557	•							
Total Expenditures and Other Financing Uses 94,203 108,321 74,918 33,403 Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (78,991) (7,694) 15,001 \$ 22,695 Fund Balances - Beginning of Year 31,557 31,557 31,557	Countywide Capital Projects Non-General		94,203		102,754		74,327	28,427
Excess (Deficit) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses (78,991) (7,694) 15,001 \$\frac{\$\$\$ 22,695}{\$}\$ Fund Balances - Beginning of Year 31,557 31,557	Countywide IT Projects Non-General				5,567		591	 4,976
Sources Over Expenditures and Other Financing Uses (78,991) (7,694) 15,001 \$ 22,695 Fund Balances - Beginning of Year 31,557 31,557 31,557	Total Expenditures and Other Financing Uses		94,203		108,321		74,918	33,403
Fund Balances - Beginning of Year 31,557 31,557 31,557								
	Sources Over Expenditures and Other Financing Uses		(78,991)		(7,694)		15,001	\$ 22,695
	Fund Balances - Beginning of Year		31.557		31,557		31.557	
	5 5	\$		\$		\$		

^{*} Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.

BUDGETARY COMPARISON SCHEDULE NONMAJOR GOVERNMENTAL FUNDS - PERMANENT FUND

	* Origina	ıl Budget	 Final Budget	Actual on Budgetary Basis		Variance Positive (Negative)
Regional Park Endowment						
Revenues and Other Financing Sources						
Use of Money and Property	\$	2	\$ 2	\$ 3	\$	3 1
Other				2		2
Total Revenues and Other Financing Sources		2	 2	5		3
Expenditures and Other Financing Uses Public Ways and Facilities:						
Limestone Regional Park Mitigation Maintenance Endowment		2	2			2
Total Expenditures and Other Financing Uses		2	 2		_	2
Excess (Deficit) of Revenues and Other Financing Sources						_
Over Expenditures and Other Financing Uses				5	\$	5 5
Fund Balances - Beginning of Year		179	179	179		
Fund Balances - End of Year	\$	179	\$ 179	\$ 184	_	

^{*} Budgeted amounts, which include carried forward prior year encumbrance, may differ from the adopted budget.



INTERNAL SERVICE FUNDS

These funds are used to account for the financing of goods or services provided by one County department or agency to other County departments or agencies, 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, group dental insurance programs, wellness program, and flexible spending accounts.

Health Maintenance Organization (HMO) Health Insurance

This fund is used to account for the fully insured health plans for the County employees and retirees.

Life Insurance

This fund is used to account for the County's life insurance and accidental death and dismemberment insurance for employees.

Workers' Compensation

This fund is used to account for the County's self-funded workers' compensation insurance program.

Unemployment Insurance

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

Property and Casualty Risk

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

Transportation

This fund is used to account for motor pool repair and maintenance, and for other transportation services, which are provided to departments and agencies on a cost-reimbursement basis.

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 applications development and support, voice and data services, and desktop support to departments and agencies on a cost-reimbursement basis.

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS

	Total	Health and Other Self-Insured Employee Benefits	HMO Health Insurance	Life Insurance	Workers' Compensation	
<u>ASSETS</u>						
Current Assets						
Pooled Cash/Investments	\$ 237,275	\$ 32,740	\$ 7,662	\$ 159	\$ 76,769	
Cash/Cash Equivalents	375	375				
Imprest Cash Funds	8					
Restricted Cash and Investments with Trustee	5	5				
Receivables Accounts	137	1	13			
Interest/Dividends	488	73			174	
Allowance for Uncollectible Receivables	(52)					
Due from Other Funds	4,717	14	105		128	
Due from Other Governmental Agencies	1,052	608			2	
Inventory of Materials and Supplies	409					
Prepaid Costs	1,826				248	
Total Current Assets	246,240	33,816	7,780	159	77,321	
Noncurrent Assets						
Capital Assets						
Construction in Progress	1,846					
Intangible Assets In Progress	65				65	
Structures and Improvements	11,788					
Accumulated Depreciation	(6,412)					
Equipment	129,026				8	
Accumulated Depreciation Total Capital Assets	<u>(77,719)</u> 58,594				(8) 65	
Total Capital Assets	30,394					
Total Assets	304,834	33,816	7,780	159	77,386	
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows of Resources Related to Pension	0 421				1,820	
Total Deferred Outflows of Resources	8,421 8,421				1,820	
	0,421				1,020	
LIABILITIES						
Current Liabilities						
Accounts Payable	21,256	419	5		1,344	
Retainage Payable	12					
Salaries and Employee Benefits Payable	468				64	
Due to Other Funds	2,521	36			10	
Due to Other Governmental Agencies	13					
Insurance Claims Payable	54,026	12,553			28,248	
Compensated Employee Absences Payable Capital Lease Obligations Payable	1,068				151	
Total Current Liabilities	6,900 86,264	13.008	5		29,817	
Total Guiterit Liabilities	00,204	13,000			29,017	
Noncurrent Liabilities						
Insurance Claims Payable	148,145				117,386	
Compensated Employee Absences Payable	1,194				140	
Net Pension Liability	38,515				7,276	
Total Noncurrent Liabilities	187,854				124,802	
Total Liabilities	274,118	13,008	5		154,619	
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflavor of Decourses Deleted to Decourse	F 007				4 000	
Deferred Inflows of Resources Related to Pension Total Deferred Inflows of Resources	5,607 5,607				1,286 1,286	
	5,001				1,200	
NET POSITION						
Net Investment in Capital Assets	51,694				65	
Unrestricted	(18,164)	20,808	7,775	159	(76,764)	
Total Net Position	\$ 33,530	\$ 20,808	\$ 7,775	<u>\$ 159</u>	\$ (76,699)	

nployment surance		roperty & sualty Risk	Tra	nsportation	Rep	rographics	rmation & chnology	ASSETS
								Current Assets
\$ 9,032	\$	55,380	\$	13,857	\$	3,758	\$ 37,918	Pooled Cash/Investments
		·						Cash/Cash Equivalents
		5					3	Imprest Cash Funds
								Restricted Cash and Investments with Trustee
								Receivables
		4		57			62	Accounts
20		125		24			72	Interest/Dividends
				(51)			(1)	Allowance for Uncollectible Receivables
		200		4,266			4	Due from Other Funds
		24		23		6	389	Due from Other Governmental Agencies
				409				Inventory of Materials and Supplies
 		127		586		101	764	Prepaid Costs
 9,052		55,865		19,171		3,865	 39,211	Total Current Assets
								Noncurrent Assets
								Capital Assets
				582			1,264	Construction in Progress
								Intangible Assets In Progress
				8,986			2,802	Structures and Improvements
				(5,440)			(972)	Accumulated Depreciation
				51,772		1,515	75,731	Equipment
 				(25,673)		(1,256)	 (50,782)	Accumulated Depreciation
 				30,227	-	259	 28,043	Total Capital Assets
 9,052		55,865		49,398		4,124	 67,254	Total Assets
								DEFERRED OUTFLOWS OF RESOURCES
		586		2,603		494	2,918	Deferred Outflows of Resources Related to Pensior
		586		2,603		494	2,918	Total Deferred Outflows of Resources
								<u>LIABILITIES</u>
								Company Link Water
		1.014		1 070		42	16.250	Current Liabilities
		1,914		1,272 9		43	16,259 3	Accounts Payable Retainage Payable
		34		162		29	179	Salaries and Employee Benefits Payable
		34		559		220	1,696	Due to Other Funds
						13		Due to Other Governmental Agencies
922		12,303						Insurance Claims Payable
		105		355		53	404	Compensated Employee Absences Payable
							6,900	Capital Lease Obligations Payable
922		14,356		2,357		358	25,441	Total Current Liabilities
								Noncurrent Liabilities
		30,759						Insurance Claims Payable
		104		454		49	447	Compensated Employee Absences Payable
		2,881		12,583		2,466	13,309	Net Pension Liability
 		33,744	_	13,037		2,515	 13,756	Total Noncurrent Liabilities
000		40.400		45.004		0.070	00.407	Total Colombia
 922	-	48,100		15,394		2,873	39,197	Total Liabilities
								DEFERRED INFLOWS OF RESOURCES
 		390		1,725		320	 1,886	Deferred Inflows of Resources Related to Pension
		390		1,725		320	 1,886	Total Deferred Inflows of Resources
								NET POSITION
				30,227		259	21,143	Net Investment in Capital Assets
8,130		7,961		4,655		1,166	7,946	Unrestricted
\$ 8,130	\$	7,961	\$	34,882	\$	1,425	\$ 29,089	Total Net Position
	_		_					

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

	Total	Self-I	and Other nsured e Benefits	 HMO Health nsurance	Life urance	Vorkers'
Operating Revenues						
Use of Money and Property	\$ 1,889	\$		\$ 	\$ 	\$
Charges for Services	94,841					
Insurance Premiums	 324,975		66,712	 173,930	835	52,045
Total Operating Revenues	421,705		66,712	 173,930	 835	 52,045
Operating Expenses						
Salaries and Employee Benefits	21,815					2,806
Services and Supplies	25,816		1,976			466
Professional Services	58,366		4,711	4		5,002
Operating Leases	1,630					196
Insurance Claims and Premiums	279,586		62,039	169,106	798	30,398
Other Charges	455		455	·		
Taxes and Other Fees	11					
Depreciation	8,086					
Total Operating Expenses	395,765		69,181	 169,110	798	38,868
Operating Income (Loss)	25,940		(2,469)	4,820	37	13,177
Nonoperating Revenues						
Intergovernmental Revenues	1,147		1,147			
Interest and Investment Income	791		136	67	1	220
Gain on Disposition of Capital Assets	248					
Other Taxes	11					
Other Revenue	5,789		1,925	144		2,969
Total Nonoperating Revenues	7,986		3,208	211	1	3,189
Income (Loss) Before Contributions and Transfers	33,926		739	5,031	38	16,366
Capital Contributions	454					
Transfers In	8,321		1,853	5		398
Transfers Out	(4,101)			(78)	(1)	(12)
Change in Net Position	 38,600		2,592	4,958	 37	16,752
Net Position - Beginning of Year	(5,070)		18,216	 2,817	 122	(93,451)
Net Position - End of Year	\$ 33,530	\$	20,808	\$ 7,775	\$ 159	\$ (76,699)

mployment surance		operty & ualty Risk	Tran	sportation	Ren	rographics	rmation & chnology	
 <u>surunce</u>	- 003	duity Mon	III	орогииоп	ТСР	rograpinos	 ciniology	Operating Revenues
\$ 	\$		\$		\$		\$ 1,889	Use of Money and Property
				22,752		4,336	67,753	Charges for Services
		31,453						Insurance Premiums
		31,453		22,752		4,336	69,642	Total Operating Revenues
								Operating Expenses
		1,518		7,759		1,303	8,429	Salaries and Employee Benefits
		6,097		8,230		1,178	7,869	Services and Supplies
49		596		2,475		475	45,054	Professional Services
		192		26		473	743	Operating Leases
1,088		16,157						Insurance Claims and Premiums
								Other Charges
				11				Taxes and Other Fees
				4,030		96	3,960	Depreciation
1,137		24,560		22,531		3,525	66,055	Total Operating Expenses
 (1,137)		6,893		221		811	3,587	Operating Income (Loss)
								Nonoperating Revenues
								Intergovernmental Revenues
39		158		62		15	93	Interest and Investment Income
				204		42	2	Gain on Disposition of Capital Assets
				11				Other Taxes
6		200		227		146	 172	Other Revenue
 45		358		504		203	 267	Total Nonoperating Revenues
(1,092)		7,251		725		1,014	3,854	Income (Loss) Before Contributions and Transfer
				454				Capital Contributions
				6,065				Transfers In
 				(215)			 (3,795)	Transfers Out
(1,092)		7,251		7,029		1,014	59	Change in Net Position
 9,222		710		27,853		411	 29,030	Net Position - Beginning of Year
\$ 8,130	\$	7,961	\$	34,882	\$	1,425	\$ 29,089	Net Position - End of Year

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

	 Total	Health an Self-Ins Employee	sured		MO Health	_	Life Insurance		Vorkers'
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from Customers	\$ 28,870	\$		\$		\$		\$	
Cash Received for Premiums Within the County's Entity	324,975		66,712		173,930		835		52,045
Payments to Suppliers for Goods and Services	(381,042)	((69,022)		(169,106)		(798)		(50,068)
Payments to Employees for Services	(22,101)								(2,907)
Payments for Interfund Services	(3,242)				(104)				(121)
Receipts for Interfund Services	70,395		721						
Payment for Taxes and Other Fees	(11)								
Other Operating Receipts	5,789		1,925		144				2,969
Other Operating Payments	(2,404)		(765)		(5)				(196)
Net Cash Provided (Used) by Operating Activities	21,229		(429)		4,859		37		1,722
OACH ELONG EDOM NONGADITAL EINANGING ACTIVITIES									
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	0.004		4.050		_				000
Transfers In	8,321		1,853		5				398
Transfers Out	(4,101)				(78)		(1)		(12)
Intergovernmental Revenues	1,147		1,147						
Other Taxes	 11								
Net Cash Provided (Used) by Noncapital Financing Activities	 5,378		3,000		(73)		(1)		386
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition of Capital Assets	(13,658)								(65)
Principal Paid on Capital Lease Obligations	(6,900)								
Net Cash (Used) by Capital and Related Financing Activities	 (20,558)	-				_			(65)
• • • • • • • • • • • • • • • • • • • •	 (==,===)					_			(447)
CASH FLOW FROM INVESTING ACTIVITIES	COF		115		67		1		176
Interest on Investments	 685		115 115		67 67	_	<u> </u>		176 176
Net Cash Provided by Investing Activities	 685		115		67		1		176
Net Increase (Decrease) in Cash and Cash Equivalents	6,734		2,686		4,853		37		2,219
Cash and Cash Equivalents - Beginning of Year	230,929		30,434		2,809		122		74,550
Cash and Cash Equivalents - End of Year	\$ 237,663	\$	33,120	\$	7,662	\$	159	\$	76,769
Provided (Used) by Operating Activities Operating Income (Loss) Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	\$ 25,940	\$	(2,469)	\$	4,820	\$	37	\$	13,177
Depreciation	8,086								
Other Revenue	5,789		1,925		144				2,969
(Increases) Decreases In:	5,769		1,920		144				2,909
Accounts Receivable	(29)		5		(5)				
Due from Other Funds	(2,134)		686		(5) (105)				(128)
Due from Other Governmental Agencies	(397)		(315)		(103)				(120)
Inventory of Materials and Supplies	3		(313)						
Prepaid Costs	(213)								(72)
Deferred Outflows of Resources Related to Pension	3,063								878
Increases (Decreases) In:	•								
Accounts Payable	245		129		5				(73)
Retainage Payable	10								`
Salaries and Employee Benefits Payable	(686)								(80)
Due to Other Funds	1,532		35						6
Due to Other Governmental Agencies	8								
Insurance Claims Payable	(17,325)		(425)						(14,056)
Compensated Employee Absences Payable	148								15
Net Pension Liability	(4,008)								(1,304)
Deferred Inflows of Resources Related to Pension	1,197								390
Total Adjustments	 (4,711)		2,040		39				(11,455)
Net Cash Provided (Used) by Operating Activities	\$ 21,229	\$	(429)	\$	4,859	\$	37	\$	1,722
Reconciliation of Cash and Cash Equivalents to	 _	· <u> </u>	_	_	_		_	_	_
Statement of Net Position									
Clarent of Not I Conton									
Pooled Cash/Investments	\$ 237 275	\$	32 740	\$	7 662	\$	150	\$	76 769
Pooled Cash/Investments Cash/Cash Equivalents	\$ 237,275 375	\$	32,740 375	\$	7,662	\$	159	\$	76,769
Cash/Cash Equivalents	\$ 375	\$	32,740 375	\$	7,662 	\$		\$	76,769
Cash/Cash Equivalents Imprest Cash Funds	\$ 375 8	\$	375 	\$	7,662 	\$		\$	76,769
Cash/Cash Equivalents	\$ 375	\$		\$	7,662 7,662	\$		\$	76,769 76,769

	mployment surance		roperty & sualty Risk	Tra	nsportation	Rep	prographics		ormation & echnology	
\$	-	\$	 31,453	\$	22,781	\$	4,415	\$	1,674	CASH FLOWS FROM OPERATING ACTIVITIES Receipts from Customers Cook Provinged for Propriation Within the Countrie Entitle
	(1,046)		(25,574)		(10,551)		(1,690)		(53,187)	Cash Received for Premiums Within the County's Entity Payments to Suppliers for Goods and Services
	(1,040)		(1,523)		(7,783)		(1,050)		(8,535)	Payments to Suppliers for Services Payments to Employees for Services
			(55)		(2,962)		(1,000)		(0,000)	Payments for Interfund Services
					(=,=)		175		69,499	Receipts for Interfund Services
					(11)					Payment for Taxes and Other Fees
	6		200		227		146		172	Other Operating Receipts
			(196)		(26)		(473)		(743)	Other Operating Payments
	(1,040)		4,305		1,675		1,220		8,880	Net Cash Provided (Used) by Operating Activities
										CACH ELONIO EDOM NONCADITAL EINANCINO ACTIVITIES
	_				6,065					CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers In
					(215)				(3,795)	Transfers Out
					(213)				(5,755)	Intergovernmental Revenues
					11					Other Taxes
					5,861				(3,795)	Net Cash Provided (Used) by Noncapital Financing Activities
										CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
					(12,873)		(11)		(709)	Acquisition of Capital Assets
									(6,900)	Principal Paid on Capital Lease Obligations
					(12,873)		(11)		(7,609)	Net Cash (Used) by Capital and Related Financing Activities
	35		122		55		18		96	CASH FLOW FROM INVESTING ACTIVITIES Interest on Investments
	35		122		55		18		96	Net Cash Provided by Investing Activities
									-	, .
	(1,005)		4,427		(5,282)		1,227		(2,428)	Net Increase (Decrease) in Cash and Cash Equivalents
	10,037	_	50,958		19,139		2,531	_	40,349	Cash and Cash Equivalents - Beginning of Year
\$	9,032	\$	55,385	\$	13,857	\$	3,758	\$	37,921	Cash and Cash Equivalents - End of Year
\$	(1,137)	\$	6,893	\$	221	\$	811	\$	3,587	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:
	-				4,030		96		3,960	Depreciation
	6		200		227		146		172	Other Revenue
					(4)				(00)	(Increases) Decreases In:
	-		(10)		(1) (2,834)				(28) 257	Accounts Receivable Due from Other Funds
			(4)		30		79		(187)	Due from Other Funds Due from Other Governmental Agencies
			()		3				(107)	Inventory of Materials and Supplies
			(4)		(33)		(10)		(94)	Prepaid Costs
			193		852 [°]		117 [′]		1,023	Deferred Outflows of Resources Related to Pension
										Increases (Decreases) In:
	(23)		238		178		(37)		(172)	Accounts Payable
					8				2	Retainage Payable
			(45)		(211)		(43)		(307)	Salaries and Employee Benefits Payable
			(45)		(128)		175		1,489	Due to Other Funds
			(2.050)		(2)		10			Due to Other Governmental Agencies Insurance Claims Payable
	114		(2,958) 7		 71		(0)		64	•
			(228)		(1,050)		(9) (163)		(1,263)	Compensated Employee Absences Payable Net Pension Liability
			68		314		48		377	Deferred Inflows of Resources Related to Pension
	97		(2,588)		1,454		409		5,293	Total Adjustments
\$	(1,040)	\$	4,305	\$	1,675	\$	1,220	\$	8,880	Net Cash Provided (Used) by Operating Activities
										Reconciliation of Cash and Cash Equivalents to
•	0.000	•			40.0==	•	0	•	07.010	Statement of Net Position
\$	9,032	\$	55,380	\$	13,857	\$	3,758	\$	37,918	Pooled Cash/Investments
			 5						3	Cash/Cash Equivalents Imprest Cash Funds
										Restricted Cash and Investments with Trustee
\$	9,032	\$	55,385	\$	13,857	\$	3,758	\$	37,921	Total Cash and Cash Equivalents
===		_								·

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.

Orange County Redevelopment Successor Agency (Successor Agency)

The Orange County Development Agency (OCDA) was dissolved effective February 1, 2012 in accordance with ABx1 26. A successor agency was designated as the successor entity to the former redevelopment agency in accordance with Health and Safety Code 34173. The Orange County Redevelopment Successor Agency holds the assets of the dissolved OCDA pending liquidation and distribution.

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 (HRA) Plan

This fund is used to account for the employer contributions to the 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 ministration rust Funds	Re	range County edevelopment cessor Agency
<u>ASSETS</u>						
Pooled Cash/Investments Restricted Cash and Investments	\$	62,928	\$	53,841	\$	9,087
Restricted Investments with Trustee Receivables		4,653				4,653
Interest/Dividends		155		131		24
Due from Other Governmental Agencies Land and Improvements Held for Resale		1 133				1 133
Total Assets		67,870		53,972		13,898
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charge on Refunding		333				333
Total Deferred Outflows of Resources		333				333
LIABILITIES						
Bonds Payable		26,238				26,238
Interest Payable		339				339
Due to Other Governmental Agencies Total Liabilities		26,584		 		7 26,584
DEFERRED INFLOWS OF RESOURCES						
Deferred Charge on Refunding		114				114
Total Deferred Inflows of Resources		114				114
NET POSITION						
Restricted for Private-Purpose Trust Funds		41,505		53,972		(12,467)
Net Position (Deficit)	\$	41,505	\$	53,972	\$	(12,467)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2017

		Total	Adm	Public ninistration ist Funds	Orange County Redevelopment Successor Agency		
Additions:	-	Total		iot i unao		scor rigority	
Contributions to Private-Purpose Trust	\$	72,203	\$	72,203	\$		
Intergovernmental Revenues	•	5,137	•		*	5,137	
Other Revenues		628				628	
Interest and Investment Income		609		559		50	
Less: Investment Expense		(5)				(5)	
Total Additions		78,572		72,762		5,810	
Deductions:							
Distributions from Private-Purpose Trust		65,213		65,213			
Professional Services		112		27		85	
Tax Pass-Throughs		23				23	
Interest Expense		931				931	
Total Deductions		66,279		65,240		1,039	
Change in Net Position		12,293		7,522		4,771	
Net Position (Deficit), Beginning of Year		29,212		46,450		(17,238)	
Net Position (Deficit), End of Year	\$	41,505	\$	53,972	\$	(12,467)	

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

<u>ASSETS</u>	 Total	tra-Help ned Benefit Plan	[ktra-Help Defined ntribution Plan	[401(a) Defined ntribution Plan
Pooled Cash/Investments	\$ 297	\$ 	\$		\$	
Restricted Cash and Investments						
Restricted Investments with Trustee	131,379	6,528		7,854		15,480
Restricted Cash with OCERS	268,394					
Receivables						
Interest/Dividends	14					
Due from Other Governmental Agencies	 1,477	 		19		23
Total Assets	 401,561	 6,528		7,873		15,503
LIABILITIES						
Due to Other Governmental Agencies	2					
Total Liabilities	2	-		-		-
NET POSITION						
Restricted for Pension and OPEB Benefits	401,559	6,528		7,873		15,503
Net Position	\$ 401,559	\$ 6,528	\$	7,873	\$	15,503

Ret 401(a	2% at 65 irement, a) Defined bution Plan	Plan 401	ree Medical (Combined (h) and 115 Trusts)	Reim	Health Reimbursement Arrangement Plan			
\$	1	\$	250	\$	46			
	2,738 		 268,394		98,779 			
	32 2,771		14 1,147 269,805		256 99,081			
			2 2					
\$	2,771 2,771	\$	269,803 269,803	\$	99,081 99,081			

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

LIABILITIES

Due to Other Governmental Agencies Total Liabilities

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

Additions:		Total	Extra-Help Defined Benefit Plan		Extra-Help Defined Contribution Plan		De Cont	01(a) efined tribution Plan
Contributions to Pension and Other								
Employee Benefits Trust: Employer	\$	64,006	\$	784	\$		\$	970
Employee	Ψ	3,687	Ψ	704	Ψ	996	Ψ	37 U
Interest and Investment Income		40,148		523		150		1,460
Less: Investment Expense		(603)		(5)		(8)		(11)
Total Additions		107,238		1,302		1,138		2,419
Deductions:								
Benefits Paid to Participants		37,722		373		624		1,177
Administrative Expense		47						
Total Deductions		37,769		373		624		1,177
Change in Net Position		69,469		929		514		1,242
Net Position, Beginning of Year		332,090		5,599		7,359		14,261
Net Position, End of Year	\$	401,559	\$	6,528	\$	7,873	\$	15,503

Ref 401(a	1.62% at 65 Retirement, 401(a) Defined Contribution Plan		ree Medical (Combined (h) and 115 Trusts)	Reim	Health bursement gement Plan	
						Additions:
						Contributions to Pension and Other
						Employee Benefits Trust:
\$	1,211	\$	47,853	\$	13,188	Employer
			2,691			Employee
	270		27,817		9,928	Interest and Investment Income
	(3)		(7)		(569)	Less: Investment Expense
	1,478		78,354		22,547	Total Additions
						Deductions:
			33,796		1,752	Benefits Paid to Participants
			47			Administrative Expense
			33,843		1,752	Total Deductions
	1,478		44,511		20,795	Change in Net Position
	1,293		225,292		78,286	Net Position, Beginning of Year
\$	2,771	\$	269,803	\$	99,081	Net Position, End of Year

COMBINING STATEMENT OF FIDUCIARY NET POSITION ALL AGENCY FUNDS

<u>ASSETS</u>	 Total	apportioned and Interest Funds	Departmental Funds		
Pooled Cash/Investments	\$ 352,816	\$ 191,591	\$	161,225	
Cash/Cash Equivalents	206			206	
Restricted Cash and Investments with Trustee	38,313			38,313	
Investments	1,082			1,082	
Deposits In-Lieu of Cash	54,565			54,565	
Receivables					
Accounts	475			475	
Taxes	302,964	302,964			
Interest/Dividends	12,145	11,833		312	
Allowance For Uncollectible Receivables	(179,589)	(179,588)		(1)	
Due from Other Governmental Agencies	3,181	340		2,841	
Notes Receivable	 29,431	 		29,431	
Total Assets	 615,589	 327,140		288,449	
<u>LIABILITIES</u>					
Interest Payable	9,907	9,907			
Deposits from Others	18,457			18,457	
Monies Held for Others	203,981			203,981	
Due to Other Governmental Agencies	66,011			66,011	
Unapportioned Taxes	317,233	317,233			
Total Liabilities	615,589	327,140		288,449	
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
<u>ASSETS</u>					
Pooled Cash/Investments Receivables Taxes Interest/Dividends Allowance for Uncollectible Receivables Due from Other Governmental Agencies Total Assets	\$ \$	134,680 340,178 8,632 (167,620) 510 316,380	\$ 8,483,942 18,096,670 83,677 25,829 26,690,118	\$ 8,427,031 18,133,884 80,476 11,968 25,999 26,679,358	\$ 191,591 302,964 11,833 (179,588) 340 327,140
<u>LIABILITIES</u>					
Interest Payable Due to Other Governmental Agencies Unapportioned Taxes Total Liabilities	\$ \$	8,269 2 308,109 316,380	\$ 32,954 62,570 11,232,053 11,327,577	\$ 31,316 62,570 11,222,931 11,316,817	\$ 9,907 2 317,231 327,140
DEPARTMENTAL FUNDS		Balance Beginning of Year	 Additions	 Deductions	Balance nd of Year
<u>ASSETS</u>					
Pooled Cash/Investments Cash/Cash Equivalents Restricted Cash and Investments with Trustee Investments Deposits In-Lieu of Cash Receivables Accounts Interest/Dividends Allowance for Uncollectible Receivables	\$	139,804 270 29,465 1,082 19,454 28 390 (1)	\$ 3,627,548 445 117,323 36,753 2,502 1,032	\$ 3,606,127 509 108,475 1,642 2,055 1,110	\$ 161,225 206 38,313 1,082 54,565 475 312 (1)
Due from Other Governmental Agencies Prepaid Costs		2,756 	675,405 14,236	675,320 14,236	2,841
Notes Receivable Total Assets	\$	29,674 222,922	\$ 4,475,244	\$ 243 4,409,717	\$ 29,431 288,449
LIABILITIES					
Deposits From Others Monies Held for Others Due to Component Unit Due to Other Governmental Agencies	\$	14,505 147,095 61,322	\$ 21,613 6,157,608 21 1,272,606	\$ 17,661 6,100,722 21 1,267,917	\$ 18,457 203,981 66,011
Total Liabilities	\$	222,922	\$ 7,451,848	\$ 7,386,321	\$ 288,449

TOTAL - ALL AGENCY FUNDS	Balance Beginning of Year	 Additions	 Deductions	Balance nd of Year
<u>ASSETS</u>				
Pooled Cash/Investments Cash/Cash Equivalents Restricted Cash and Investments with Trustee Investments Deposits In-Lieu of Cash Receivables	\$ 274,484 270 29,465 1,082 19,454	\$ 12,111,490 445 117,323 36,753	\$ 12,033,158 509 108,475 1,642	\$ 352,816 206 38,313 1,082 54,565
Accounts Taxes Interest/Dividends Allowance for Uncollectible Receivables Due from Other Governmental Agencies Prepaid Costs Notes Receivable	28 340,178 9,022 (167,621) 3,266 29,674	2,502 18,096,670 84,709 701,234 14,236	2,055 18,133,884 81,586 11,968 701,319 14,236 243	475 302,964 12,145 (179,589) 3,181 29,431
Total Assets	\$ 539,302	\$ 31,165,362	\$ 31,089,075	\$ 615,589
<u>LIABILITIES</u>				
Interest Payable Deposits from Others Monies Held for Others Due to Component Unit Due to Other Governmental Agencies Unapportioned Taxes	\$ 8,269 14,505 147,095 61,324 308,109	\$ 32,954 21,613 6,157,608 21 1,335,176 11,232,053	\$ 31,316 17,661 6,100,722 21 1,330,487 11,222,931	\$ 9,907 18,457 203,981 66,013 317,231
Total Liabilities	\$ 539,302	\$ 18,779,425	\$ 18,703,138	\$ 615,589





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.

<u>Contents</u>		<u>Page</u>
<u> </u>	Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	193
<u> </u>	Revenue Capacity These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	205
<u>]</u>	Debt Capacity These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	210
<u> </u>	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.	215
<u>(</u>	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.	217

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

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

					F	iscal Year				
		2016-17		2015-16		2014-15		2013-14	(3)	2012-13
Governmental Activities										
Net Investment in Capital Assets	\$	2,813,296	\$	2,707,493	\$	2,670,577	\$	2,646,812	\$	2,563,976
Restricted for:										
Expendable										
OPEB										
Pension Benefits		125,876		111,639		112,544		109,986		105,900
Capital Projects		164,400		10,836		6,154		8,661		11,904
Debt Service		33,409		36,380		37,734		37,639		31,965
Legally Segregated for Grants										
and Other Purposes		1,192,827		1,103,257		1,045,897		1,190,106		1,174,791
Regional Park Endowment		145		144		141		140		139
Nonexpendable										
Regional Park Endowment		196		193		188		185		183
Unrestricted		(3,074,958)		(2,979,945)		(2,991,814)		331,408		196,850
Total Governmental Activities Net Position	\$	1,255,191	\$	989,997	\$	881,421	\$	4,324,937	\$	4,085,708
Business-Type Activities										
Net Investment in Capital Assets	\$	708,286	\$	663,280	\$	642,427	\$	624,621	\$	587,934
Restricted for:										
Expendable										
Debt Service		36,181		8,499		7,324		7,090		58,772
Passenger Facility Charges		,		,		,		,		,
Approved Capital Projects		2,775		14,705		70,538		62,522		55,331
Replacements and Renewals		1,000		1,000		1,000		1,000		1,000
Landfill Closure/Postclosure		28,962		33,997		33,337		37,412		40,355
Landfill Corrective Action		8,278		8,245		8,174		7,141		6,109
Wetland		879		879		879		879		879
Prima Deshecha/La Pata Closure		104		104		104		104		104
Airport (2)										
Waste Management (2)										
Unrestricted		463,495		465,003		362,546		384,871		335,122
Total Business-Type Activities Net Position	\$	1,249,960	\$	1,195,712	\$	1,126,329	\$	1,125,640	\$	1,085,606
Total Basilloss Type Notivities (40t) Ostion	Ψ	1,270,000	Ψ	1,100,112	Ψ	1,120,023	Ψ	1,120,040	Ψ	1,000,000

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				
2011-12 ⁽³	3)	2010-11		2009-10	2008-09	2007-08	
							Governmental Activities
\$ 2,699,809	\$	2,626,281	\$	2,560,468	\$ 2,445,397	\$ 2,302,926	Net Investment in Capital Assets
							Restricted for:
							Expendable
(:	1)	41,609		43,580	57,322	46,442	OPEB
96,604		107,807					Pension Benefits
16,269		56,219		58,947	85,197	211,426	Capital Projects
87,		87,253		76,936	66,515	168,468	Debt Service
							Legally Segregated for Grants
1,077,117		1,133,256		1,069,801	1,047,284	990,198	and Other Purposes
							Regional Park Endowment
							Nonexpendable
319		315		154	149	139	Regional Park Endowment
 37,790		(73,741)		(9,986)	(1,271)	57,812	Unrestricted
\$ 3,927,908	\$	3,978,999	\$	3,799,900	\$ 3,700,593	\$ 3,777,411	Total Governmental Activities Net Position
							Business-Type Activities
\$ 574,982	\$	591,664	\$	537,375	\$ 493,658	\$ 395,227	
\$ 574,982	\$	591,664	\$	537,375	\$ 493,658	\$ 395,227	Business-Type Activities Net Investment in Capital Assets Restricted for:
\$ 574,982	\$	591,664	\$	537,375	\$ 493,658	\$ 395,227	Net Investment in Capital Assets
\$ 574,982	\$	591,664 	\$	537,375	\$ 493,658	\$ 395,227 	Net Investment in Capital Assets Restricted for:
\$ 574,982 	\$	591,664 	\$	537,375	\$ 493,658 	\$ 395,227	Net Investment in Capital Assets Restricted for: Expendable
\$ 574,982 	\$	591,664 	\$	537,375	\$ 493,658 	\$ 395,227	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges
\$ 574,982 	\$	591,664 	\$	537,375 	\$ 493,658 	\$ 395,227 	Net Investment in Capital Assets Restricted for: Expendable Debt Service
\$ 574,982 	\$	591,664 	\$	537,375 	\$ 493,658 	\$ 395,227 	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects
\$ 574,982 	\$	591,664 	\$	537,375 	\$ 493,658 	\$ 395,227 	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects Replacements and Renewals
\$ 574,982 	\$	591,664 	\$	537,375 	\$ 493,658 	\$ 395,227 	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects Replacements and Renewals Landfill Closure/Postclosure
\$ 574,982 	\$	591,664 	\$	537,375 	\$ 493,658 	\$ 395,227 	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects Replacements and Renewals Landfill Closure/Postclosure Landfill Corrective Action
\$ 574,982 58,149	\$	591,664 50,899	\$	537,375 48,225	\$ 493,658 176,225	\$ 395,227 218,293	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects Replacements and Renewals Landfill Closure/Postclosure Landfill Corrective Action Wetland
\$ 	\$	 	\$	 	\$ 	\$ 	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects Replacements and Renewals Landfill Closure/Postclosure Landfill Corrective Action Wetland Prima Deshecha/La Pata Closure
\$ 58,149	\$	 50,899	\$	 48,225	\$ 176,225	\$ 218,293	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects Replacements and Renewals Landfill Closure/Postclosure Landfill Corrective Action Wetland Prima Deshecha/La Pata Closure Airport
\$ 58,149 82,205	\$	 50,899 84,070	\$	 48,225 86,943	\$ 176,225	\$ 218,293	Net Investment in Capital Assets Restricted for: Expendable Debt Service Passenger Facility Charges Approved Capital Projects Replacements and Renewals Landfill Closure/Postclosure Landfill Corrective Action Wetland Prima Deshecha/La Pata Closure Airport Waste Management

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

			F	iscal Year			
	2016-17	2015-16		2014-15	2013-14 ⁽	3)	2012-13
Primary Government							
Net Investment in Capital Assets	\$ 3,521,582	\$ 3,370,773	\$	3,313,004	\$ 3,271,433	\$	3,151,910
Restricted for:							
Expendable							
OPEB							
Pension Benefits	125,876	111,639		112,544	109,986		105,900
Capital Projects	164,400	10,836		6,154	8,661		11,904
Debt Service	69,590	44,879		45,058	44,729		90,737
Legally Segregated for Grants							
and Other Purposes	1,192,827	1,103,257		1,045,897	1,190,106		1,174,791
Regional Park Endowment	145	144		141	140		139
Passenger Facility Charges							
Approved Capital Projects	2,775	14,705		70,538	62,522		55,331
Replacements and Renewals	1,000	1,000		1,000	1,000		1,000
Landfill Closure/Postclosure	28,962	33,997		33,337	37,412		40,355
Landfill Corrective Action	8,278	8,245		8,174	7,141		6,109
Wetland	879	879		879	879		879
Prima Deshecha/La Pata Closure	104	104		104	104		104
Airport (2)							
Waste Management (2)							
Nonexpendable							
Regional Park Endowment	196	193		188	185		183
Unrestricted	(2,611,463)	(2,514,942)		(2,629,268)	716,279		531,972
Total Primary Government Net Position	\$ 2,505,151	\$ 2,185,709	\$	2,007,750	\$ 5,450,577	\$	5,171,314

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		
2011-12 ⁰	(3)	2010-11		2009-10	2008-09	2007-08
\$ 3,274,791	\$	3,217,945	\$	3,097,843	\$ 2,939,055	\$ 2,698,153
(1)	41,609		43,580	57,322	46,442
96,604		107,807		 50.047	 05 407	
16,269		56,219		58,947	85,197	211,426
		87,253		76,936	66,515	168,468
1,077,117		1,133,256		1,069,801	1,047,284	990,198
58,149		50,899		48,225	176,225	218,293
82,205		84,070		86,943	284,943	294,068
319		315		154	149	139
388,264		239,827		311,792	(1,271)	57,812
\$ 4,993,718	\$	5,019,200	\$	4,794,221	\$ 4,655,419	\$ 4,684,999

Primary Government Net Investment in Capital Assets Restricted for: Expendable **OPEB** Pension Benefits Capital Projects Debt Service Legally Segregated for Grants and 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 Airport Waste Management Nonexpendable Regional Park Endowment

Total Primary Government Net Position

Unrestricted

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

Page						F	iscal Year				
Governmental Activities: \$ 186.340 \$ 203.394 \$ 191.793 \$ 131.026 \$ 221.110 Public Protection 1,485.137 1,433.421 1,326,028 1,261,984 1,264,354 Public Ways and Facilities 979,228 142,071 1114,398 127,561 137,651 Health and Sanitation 593,617 554,872 537,500 626,063 621,381 Public Assistance 1,097,327 1,097,129 1,049,665 988,735 944,230 Education 44,510 46,170 43,314 412,0 35,85,48 Recreation and Cultural Services 112,749 115,136 102,089 96,820 101,232 Interest on Long-Term Debt 7,7544 20,112 23,560 29,028 31,269 Subtotal Governmental Activities 3,65,152 3612,305 3,88,407 3,301,457 3559,775 Business-Type Activities: Airport 125,522 120,921 124,778 120,731 120,731 122,568 Waste Management 105,149 96,301			2016-17		2015-16		2014-15		2013-14 ⁽	1)	2012-13
Public Protection	Expenses										
Public Protection	Governmental Activities:										
Public Ways and Facilities	General Government	\$	186,340	\$	203,394	\$	191,793	\$	131,026	\$	221,110
Public Assistance	Public Protection		1,485,137		1,433,421		1,326,028		1,261,984		1,264,354
Public Assistance 1,097,327 1,097,329 1,049,665 988,735 944,230 Education 44,510 46,170 43,314 41,240 38,548 Recreation and Cultural Services 112,749 115,136 102,069 96,820 101,232 Interest on Long-Term Debt 17,544 20,112 23,660 28,028 31,269 Subtotal Governmental Activities 3,635,152 3,612,305 3,388,407 3,01,457 3,359,775 Business-Type Activities: 125,522 120,921 124,778 120,731 122,568 Waste Management 105,149 96,301 69,307 94,161 94,737 Compressed Natural Gas 367 283 331 379 305 Subtotal Business-Type Activities 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 33,866,190 3,829,810 3,582,823 3,516,728 3,517,328 Governmental Activities 41,988 34,048 36,924 32,016 32,127	Public Ways and Facilities		97,928		142,071		114,398		127,561		137,651
Education 44,510 46,170 43,314 41,240 38,548 Recreation and Cultural Services 112,749 115,136 102,069 96,820 101,232 Interest on Long-Term Debt 17,544 20,112 23,560 28,028 31,269 Subtotal Governmental Activities 3,635,152 3,612,305 3,388,407 3,301,457 3,359,775 Business-Type Activities: 1105,149 96,301 69,307 94,161 94,737 Compressed Natural Gas 367 283 331 379 305 Subtotal Business-Type Activities 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 3,866,190 3,829,810 3,582,823 3,516,728 3,577,385 Program Revenues Governmental Activities: 41,988 34,048 36,924 32,016 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Assistance 40,589 37,975 37,650 <	Health and Sanitation		593,617		554,872		537,580		626,063		621,381
Recreation and Cultural Services Interest on Long-Term Debt 112,749 115,136 102,069 96,820 101,232 Subtotal Governmental Activities 3,635,152 3,612,305 3,388,407 3,301,457 3,359,775 Business-Type Activities: Airport 125,522 120,921 124,778 120,731 122,568 Waste Management 105,149 96,301 69,307 94,161 94,737 Compressed Natural Gas 367 283 331 379 3,05 Subtotal Business-Type Activities 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 231,038 234,048 \$3,82,823 \$3,516,728 \$3,577,385 Program Revenues General Government \$41,988 34,048 \$36,924 \$32,016 \$32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 </td <td>Public Assistance</td> <td></td> <td>1,097,327</td> <td></td> <td>1,097,129</td> <td></td> <td>1,049,665</td> <td></td> <td>988,735</td> <td></td> <td>944,230</td>	Public Assistance		1,097,327		1,097,129		1,049,665		988,735		944,230
Interest on Long-Term Debt 17,544 20,112 23,560 28,028 31,269 3,635,152 3,612,305 3,388,407 3,301,457 3,359,775 3,610	Education		44,510		46,170		43,314		41,240		38,548
Subtotal Governmental Activities 3,635,152 3,612,305 3,388,407 3,301,457 3,359,775	Recreation and Cultural Services		112,749		115,136		102,069		96,820		101,232
Business-Type Activities: Airport	Interest on Long-Term Debt		17,544		20,112		23,560		28,028		31,269
Airport Waste Management Waste Management Waste Management Compressed Natural Gas 125,522 120,921 124,778 120,731 122,568 Waste Management Compressed Natural Gas 367 283 331 379 305 Subtotal Business-Type Activities 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 3,866,190 3,829,810 3,582,823 3,516,728 3,577,385 Program Revenues Governmental Activities: Charges for Services General Government 41,988 34,048 36,924 32,016 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,489 43,882	Subtotal Governmental Activities		3,635,152		3,612,305		3,388,407		3,301,457		3,359,775
Waste Management Compressed Natural Gas 105,149 96,301 69,307 94,161 94,737 Subtotal Business-Type Activities 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 3,866,199 3,829,810 1,582,823 3,516,728 3,577,385 Program Revenues Governmental Activities: Charges for Services General Government 41,988 34,048 36,924 32,016 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,898 37,975 37,650 42,300 39,831 Education 1,274 1,41,242 1,480 2,059 1,327 Recreation and 2,067,777 2,037,311 1,96,861 2,033,550 1	Business-Type Activities:										
Compressed Natural Gas 367 283 331 379 305 Subtotal Business-Type Activities 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 3,866,190 3,829,810 3,582,823 3,516,728 3,577,385 Program Revenues Charges for Services General Government 41,988 34,048 36,924 32,016 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,322 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 47,763 46,937 43,882 39,251 39,631 Cultural Services 47,763 46,937 43,882 39,251 39,634 Capital Grants and Contributions 113,481 105,776	Airport		125,522		120,921		124,778		120,731		122,568
Compressed Natural Gas 367 283 331 379 305 Subtotal Business-Type Activities 231,038 217,505 194,416 215,271 217,610 Total Primary Government Expenses 3,866,190 3,829,810 3,582,823 3,516,728 3,577,385 Program Revenues Covernmental Activities: Charges for Services General Government 41,988 34,048 36,924 32,016 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,322 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 47,763 46,937 43,882 39,251 39,631 Cultural Services 47,763 46,937 43,882 39,251 39,634 Capital Grants and Co	Waste Management		105,149		96,301		69,307		94,161		94,737
Program Revenues \$ 3,866,190 \$ 3,829,810 \$ 3,582,823 \$ 3,516,728 \$ 3,577,385 Program Revenues Governmental Activities: Charges for Services General Government \$ 41,988 \$ 34,048 \$ 36,924 \$ 32,016 \$ 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and 201tural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 <			367		283		331		379		305
Program Revenues \$ 3,866,190 \$ 3,829,810 \$ 3,582,823 \$ 3,516,728 \$ 3,577,385 Program Revenues Governmental Activities: Charges for Services General Government \$ 41,988 \$ 34,048 \$ 36,924 \$ 32,016 \$ 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and 201tural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 <	Subtotal Business-Type Activities		231.038		217.505		194.416		215.271		217.610
Covernmental Activities: Charges for Services September Sept	· · · · · · · · · · · · · · · · · · ·	\$		\$		\$		\$		\$	
Covernmental Activities: Charges for Services September Sept	Program Revenues										
Charges for Services 41,988 34,048 36,924 32,016 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and 2,014 recreation and 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: 150,260 149,894 141,563 136,359 <td>•</td> <td></td>	•										
General Government \$ 41,988 \$ 34,048 \$ 36,924 \$ 32,016 \$ 32,127 Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and 2,012,702 1,426 1,480 2,059 1,327 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: 2 150,260 149,894 141,563 136,359 132,941 <td></td>											
Public Protection 307,630 288,185 286,644 273,215 283,031 Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and Cultural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 1	•	\$	41.988	\$	34.048	\$	36.924	\$	32.016	\$	32.127
Public Ways and Facilities 67,796 63,487 53,834 53,071 39,981 Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and Cultural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services 414,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 <		*		Ψ	,	Ψ	,	Ψ	,	Ψ	
Health and Sanitation 117,170 85,392 102,599 93,470 81,039 Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and 2014 Tural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services 419,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 </td <td></td>											
Public Assistance 40,589 37,975 37,650 42,300 34,780 Education 1,274 1,426 1,480 2,059 1,327 Recreation and Cultural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services Airport 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,82							,				
Education 1,274 1,426 1,480 2,059 1,327 Recreation and Cultural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services Airport 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Re			,								
Recreation and Cultural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services Airport 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241											
Cultural Services 47,763 46,937 43,882 39,251 39,637 Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services 4141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241			.,		.,0		.,		2,000		.,02.
Operating Grants and Contributions 2,067,777 2,037,311 1,996,861 2,033,550 1,904,858 Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services 4 4 414,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241			47.763		46.937		43.882		39.251		39.637
Capital Grants and Contributions 113,481 105,776 33,241 54,478 62,893 Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services 4			,				,				
Subtotal Governmental Activities Program Revenues 2,805,468 2,700,537 2,593,115 2,623,410 2,479,673 Business-Type Activities: Charges for Services Airport 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241											
Charges for Services Airport 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241							•				
Charges for Services Airport 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241	Business-Type Activities										
Airport 150,260 149,894 141,563 136,359 132,941 Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241	**										
Waste Management 153,842 147,130 139,493 125,106 106,876 Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241			150 260		149 894		141 563		136 359		132 941
Compressed Natural Gas 248 269 312 392 385 Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241	•		,						,		,
Operating Grants and Contributions 69 171 255 900 200 Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241					,						,
Capital Grants and Contributions 1,828 2,174 9,215 5,277 3,839 Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241	•										
Subtotal Business-Type Activities Program Revenues 306,247 299,638 290,838 268,034 244,241											
	•		,								
TOTAL ENHANGED VED VED DE LE COLLA MERCE EL LA SALLA S	Total Primary Government Program Revenues	\$	3,111,715	\$	3,000,175	\$	2,883,953	\$	2,891,444	\$	2,723,914

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

					iscal Year					
	2011-12 ^{(*}	1)	2010-11		2009-10		2008-09		2007-08	
										Expenses
										Governmental Activities:
\$	161,615	\$	223,710	\$	165,489	\$	268,092	\$	264,049	General Government
	1,231,925		1,174,859		1,160,823		1,230,894		1,164,458	Public Protection
	144,382		136,017		120,135		108,748		131,563	Public Ways and Facilities
	593,657		586,525		578,983		593,331		576,160	Health and Sanitation
	930,348		931,263		931,469		898,668		862,709	Public Assistance
	41,226		39,788		41,009				37,728	Education
	102,762		101,993		90,649		81,896		75,612	Recreation and Cultural Services
	56,765		53,806		53,782		59,751		76,210	Interest on Long-Term Debt
	3,262,680		3,247,961		3,142,339		3,241,380		3,188,489	Subtotal Governmental Activities
										Business-Type Activities:
	107,120		88,059		92,068		91,959		86,750	Airport
	94,553		93,985		84,754		79,374		101,990	Waste Management
	306		349		95					Compressed Natural Gas
	201,979		182,393		176,917		171,333		188,740	Subtotal Business-Type Activities
\$	3,464,659	\$	3,430,354	\$	3,319,256	\$	3,412,713	\$	3,377,229	Total Primary Government Expenses
										Dragram Davanua
										Program Revenues
										Governmental Activities:
Φ.	00.040	Φ.	00.504	Φ	07.450	Φ.	44.700	Φ	40.050	Charges for Services
\$	26,942	Ф	33,561	\$	27,452	Ъ	44,782	Ъ	40,659	General Government
	271,423		310,773		278,355		289,014		295,740	Public Protection
	62,653		53,960		45,809		47,283		45,898	Public Ways and Facilities Health and Sanitation
	86,027		93,815		86,430		82,059		95,069	
	35,036		36,304		30,914		26,636		6,360	Public Assistance
	1,437		1,576		1,449		1,338		1,349	Education Recreation and
	38,888		27 560		38,223		40,138		40,449	Cultural Services
	1,800,296		37,560 1,706,231		1,741,762		1,641,501		1,735,820	Operating Grants and Contributions
	39,010		1,706,231		16,828		94,031		46,308	Capital Grants and Contributions
	2,361,712		2,444,296		2,267,222		2,266,782		2,307,652	Subtotal Governmental Activities Program Revenues
	2,001,112		_, ,		_,,		2,200,: 02		2,00.,002	Ç
										Business-Type Activities:
										Charges for Services
	129,213		124,298		126,656		125,095		126,139	Airport
	99,249		102,595		82,442		93,456		99,548	Waste Management
	293		242		129					Compressed Natural Gas
	212		657		1,432		171		569	Operating Grants and Contributions
	5,216		6,544		8,077		7,466		15,188	Capital Grants and Contributions
	234,183		234,336		218,736		226,188		241,444	Subtotal Business-Type Activities Program Revenues
\$	2,595,895	\$	2,678,632	\$	2,485,958	\$	2,492,970	\$	2,549,096	Total Primary Government Program Revenues

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

	Fiscal Year										
		2016-17		2015-16		2014-15	2013-14 ⁽³⁾	2012-13 ⁽³⁾			
Net (Expense)/Revenue											
Governmental Activities	\$	(829,684)	\$	(911,768)	\$	(795,292) \$	(678,047) \$	(880,102)			
Business-Type Activities		75,209		82,133		96,422	52,763	26,631			
Total Primary Government (Expense)	\$	(754,475)	\$	(829,635)	\$	(698,870) \$	(625,284) \$	(853,471)			
General Revenue and Other											
Changes in Net Position											
Governmental Activities:											
Taxes											
Property Taxes, Levied for General Fund	\$	287,212	\$	311,902	\$	328,500 \$	277,591 \$	313,299			
Property Taxes, Levied for											
Flood Control District		98,563		82,193		77,090	72,737	69,321			
Property Taxes, Levied for OC Parks		76,493		61,048		57,266	54,042	51,550			
Property Taxes, Levied for											
OC Public Libraries		47,804		45,364		42,333	39,734	37,961			
Property Tax Increments (2)											
Property Taxes in-Lieu of											
Motor Vehicle License Fees		351,011		333,595		314,957	295,798	309,745			
Other Taxes		98,216		78,184		71,613	73,178	108,430			
Grants and Contributions Not Restricted		,		-, -		,	-, -	,			
to Specific Programs		8,434		4,583		49,476	14,192	6,711			
State Allocation of Motor		•		•		,	,	,			
Vehicle License Fees		1,234		1,100		764	895	1,659			
Unrestricted Investment Earnings		19,760		17,032		6,796	18,459	11,559			
Miscellaneous		80,229		63,825		69,789	54,412	48,478			
Gain on Sale of Capital Assets											
Transfers		25,922		21,518		19,959	17,557	10,276			
Subtotal Governmental Activities		1,094,878		1,020,344		1,038,543	918,595	968,989			
Extraordinary Gain/(Loss)	-							-			
Dissolution of OCDA (1)								1,800			
2.000.00.00.0027.								,			
Business-Type Activities:											
Other Taxes		78		72		109	101	93			
Unrestricted Investment Earnings		3,497		6,526		3,042	3,064	2,113			
Miscellaneous Revenues		1,386		2,170		1,597	3,177	1,235			
Special Items											
Transfers		(25,922)		(21,518)		(19,959)	(17,557)	(10,276)			
Subtotal Business-Type Activities		(20,961)		(12,750)		(15,211)	(11,215)	(6,835)			
Total Primary Government General		,		· ·		Ì	, ,	<u> </u>			
Revenue and Other Charges		1,073,917	\$	1,007,594	\$	1,023,332 \$	907,380 \$	963,954			
Change in Not Position							_				
Change in Net Position	æ	OCE 404	φ	400 E70	φ	040.054	040 540	00.607			
Governmental Activities	\$,	\$	108,576	\$	243,251 \$	240,548 \$	90,687			
Business-Type Activities	ተ	54,248	Φ	69,383	Φ	81,211	41,548	19,796			
Total Primary Government	\$	319,442	\$	177,959	\$	324,462 \$	282,096 \$	110,483			

Notes:

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

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

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

			Fiscal Year				
	2011-12	2010-11	2009-10	2008-09)	2007-08	
							Net (Expense)/Revenue
\$	(900,968) \$	(803,665)	, ,		\$	(880,837)	Governmental Activities
	32,204	51,943	41,819	54,855		52,704	Business-Type Activities
\$	(868,764) \$	(751,722)	\$ (833,298)	\$ (961,008	\$	(828,133)	Total Primary Government (Expense)
							General Revenue and Other
							Changes in Net Position
							Governmental Activities:
ተ	044.770	200 052	ф 000 0E4	ф <u>000</u> 000	Φ	070.050	Taxes
\$	311,779 \$	298,953	\$ 290,054	\$ 263,893	Ф	273,259	Property Taxes, Levied for General Property Taxes, Levied for
	68,184	73,260	67,103	68,747		68,042	Flood Control District
	51,168	51,554	49,857	51,076		50,551	Property Taxes, Levied for OC Park
	31,100	31,334	49,007	31,070		30,331	Property Taxes, Levied for
	37,389	37,590	37,057	37,932		37,454	OC Public Libraries
	18,308	30,755	31,917	35,276		32,376	Property Tax Increments
	10,000	00,700	01,017	00,270		02,070	Property Taxes in-Lieu of
	303,955	228,421	229,635	232,760		224,210	Motor Vehicle License Fees
	43,568	83,938	93,024	94,184		84,434	Other Taxes
	10,000	00,000	00,021	01,101		01,101	Grants and Contributions Not Restricte
	9,377	27,457	10,299	27,637		23,434	to Specific Programs
	•	,	•	•		,	State Allocation of Motor
	2,667	49,889	46,697	50,390		54,656	Vehicle License Fees
	4,195	23,703	15,541	13,583		27,773	Unrestricted Investment Earnings
	57,125	64,563	54,496	49,438		66,887	Miscellaneous
	34						Gain on Sale of Capital Assets
	11,767	12,681	11,188	14,129		16,802	Transfers
	919,516	982,764	936,868	939,045		959,878	Subtotal Governmental Activities
							Extraordinary Gain/(Loss)
	(69,639)						Dissolution of OCDA
							Business-Type Activities:
	134						Other Taxes
	3,530	5,509	6,411	17,332		29,206	Unrestricted Investment Earnings
	1,508	1,109	2,453	786		2,886	Miscellaneous Revenues
						(6,835)	Special Items
	(11,767)	(12,681)	(11,188)	(14,129)	(16,802)	Transfers
	(6,595)	(6,063)	(2,324)	3,989		8,455	Subtotal Business-Type Activities
							Total Primary Government General
\$	843,282 \$	976,701	\$ 934,544	\$ 943,034	\$	968,333	Revenue and Other Charges
							Change in Net Position
\$	(51,091) \$	179,099	\$ 61,751	\$ (76,818	\$	79,041	Governmental Activities
*	25,609	45,880	39,495	58,844	•	61,159	Business-Type Activities
\$	(25,482) \$			\$ (17,974	\$	140,200	Total Primary Government

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

	Fiscal Year								
		2016-17		2015-16		2014-15		2013-14	2012-13(2)
General Fund									_
Reserved	\$		\$		\$		\$		\$
Unreserved									
Nonspendable (1)		372,572		331,889		336,606		321,022	263,446
Restricted (1)		39,581		49,230		31,486		42,028	34,679
Assigned (1)		265,293		321,064		269,529		153,336	68,157
Unassigned (1)		73,446		25,655		26,887			78,264
Total General Fund	\$	750,892	\$	727,838	\$	664,508	\$	516,386	\$ 444,546
All Other Governmental Funds									
Reserved	\$		\$		\$		\$		\$
Unreserved, Reported in:									
Special Revenue Funds									
Debt Service Funds									
Capital Projects Funds									
Permanent Fund									
Nonspendable (1)		21,697		20,501		21,296		21,207	18,929
Restricted (1)		1,635,408		1,479,405		1,417,122		1,362,102	1,357,556
Assigned (1)		170,472		129,782		83,765		67,929	65,556
Unassigned (1)									
Total All Other Governmental									
Funds	\$	1,827,577	\$	1,629,688	\$	1,522,183	\$	1,451,238	\$ 1,442,041

Note:

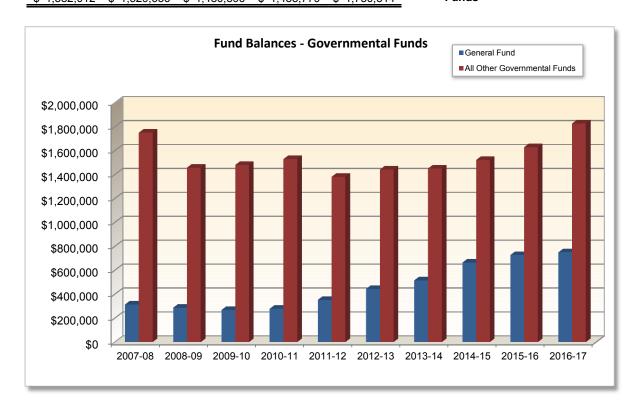
⁽¹⁾ In accordance with GASB Statement No. 54, which was implemented in FY 2010-11, the classification of fund balance was redefined.

⁽²⁾ The balances shown have not been restated to include prior period adjustments.

	Fiscal Year												
	2011-12		2010-11		2009-10		2008-09		2007-08				
\$		\$		\$	53,190	\$	49,423	\$	99,877				
					215,094		238,621		215,096				
	225,460		266,328										
	26,336		10,872										
	100,448		1,394										
	990												
\$	353,234	\$	278,594	\$	268,284	\$	288,044	\$	314,973				
\$		\$		\$	540,745	\$	517,375	\$	671,739				
•		•		•	- 10,1	•	,	_	,				
					894,148		878,113		880,288				
					(1,813)		(9,903)		,				
					47,362		73,045		198,348				
					154		149		139				
	23,057		20,802										
	1,318,071		1,482,755										
	43,900		34,173										
	(3,016)		(8,074)										
	, , ,		` ' '										
\$	1.382.012	\$	1.529.656	\$	1.480.596	\$	1.458.779	\$	1.750.514				

General Fund Reserved Unreserved Nonspendable (1) Restricted (1) Assigned (1) Unassigned Total General Fund

All Other Governmental Funds Reserved Unreserved, Reported in: Special Revenue Funds Debt Service Funds Capital Projects Funds Permanent Fund Nonspendable (1) Restricted (1) Assigned (1) Unassigned (1) Total All Other Governmental Funds



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

	2016-17	2015-16	2014-15	2013-14	2012-13
Revenues					
Taxes	\$ 923,561	\$ 876,808	\$ 822,511	\$ 778,936	\$ 854,587
Licenses, Permits, and Franchises	28,209	27,659	24,583	24,920	15,213
Fines, Forfeitures, and Penalties	96,950	61,669	108,115	62,081	79,267
Use of Money and Property	68,498	88,211	73,700	63,611	58,441
Intergovernmental	2,172,013	2,125,136	2,064,354	2,070,245	1,940,687
Charges for Services	530,883	466,659	480,023	470,899	439,224
Other	63,949	69,436	71,207	54,406	77,464
Total Revenues	3,884,063	3,715,578	3,644,493	3,525,098	3,464,883
Expenditures					
General Government	267,663	261,387	212,805	172,195	186,145
Public Protection	1,401,694	1,289,902	1,230,878	1,194,069	1,157,676
Public Ways and Facilities	97,169	123,140	102,732	127,506	112,294
Health and Sanitation	578,772	527,482	515,560	621,891	611,369
Public Assistance	1,073,964	1,061,647	1,030,404	972,156	932,414
Education	42,564	43,928	41,949	40,008	37,239
Recreation and Cultural Services	106,356	100,381	98,001	98,388	94,051
Capital Outlay	176,308	116,569	102,863	125,781	122,639
Debt Service	,	,	,	,	,
Principal Retirement	100,119	126,319	104,756	111,486	72,499
Interest	47,089	43,039	31,513	35,107	43,777
Debt Issuance Costs				200	
Total Expenditures	3,891,698	3,693,794	3,471,461	3,498,787	3,370,103
Excess (Deficit) of Revenues		-,, -	-, , -	-,, -	
Over Expenditures	(7,635)	21,784	173,032	26,311	94,780
Other Financing Sources (Uses)					
Transfers In	653,593	396,952	338,055	294,374	274,363
Transfers Out	(631,891)	(387,373)	•	•	(268,110)
Debt Issued	31,536	127,494	31,541	39,639	78,419
Premium on Debt Issued	31,330	11,724	31,541	39,039	70,413
Principal Payment on Demand Bonds					
Refunding Bonds Issued					
Payment to Refunded Bond Escrow					
for Resale					
Capital Leases		254	43		
Loan Proceeds	175,340	234			
Total Other Financing Sources	228,578	149,051	46,035	54,726	84,672
Extraordinary Gain/(Loss)	220,576	149,051	46,035	54,726	
Net Change in Fund Balances	\$ 220,943	\$ 170,835	\$ 219,067	\$ 81,037	1,800 \$ 181,252
_	Ψ 220,040	ψ 170,000	Ψ 210,007	ψ 01,007	ψ 101,202
Debt Service as a Percentage					
of Noncapital Expenditures:	3.97%	4.73%	4.04%	4.34%	3.60%

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

				Fi	scal Year				
	2011-12 ⁽¹	1)	2010-11		2009-10	2008-09		2007-08	
									Revenues
\$	784,797	\$	738,109	\$	741,850	\$ 727,159	\$	719,742	Taxes
	18,046		16,831		14,976	17,965		20,516	Licenses, Permits, and Franchises
	80,180		93,461		102,959	112,882		89,700	Fines, Forfeitures, and Penalties
	81,088		89,514		88,350	69,667		146,983	Use of Money and Property
	1,846,311		1,745,066		1,769,253	1,697,017		1,743,637	Intergovernmental
	435,920		478,916		418,373	443,456		423,611	Charges for Services
_	66,920		64,125		65,727	89,064		91,197	Other
_	3,313,262		3,226,022		3,201,488	3,157,210		3,235,386	Total Revenues
									Expenditures
	170,156		207,193		211,434	277,369		252,781	General Government
	1,125,831		1,068,267		1,054,947	1,117,882		1,103,442	Public Protection
	126,809		110,789		106,985	110,548		117,963	Public Ways and Facilities
	580,791		576,793		559,315	576,964		564,335	Health and Sanitation
	909,296		911,704		903,733	878,436		851,836	Public Assistance
	37,621		37,671		38,921	39,666		37,091	Education
	91,753		84,506		82,826	79,889		70,084	Recreation and Cultural Services
	105,207		84,311		124,077	155,286		143,468	Capital Outlay
									Debt Service
	95,429		87,685		88,962	205,268		301,066	Principal Retirement
	46,152		40,634		39,565	46,697		53,478	Interest
									Debt Issuance Costs
	3,289,045		3,209,553		3,210,765	3,488,005		3,495,544	Total Expenditures
									Excess (Deficit) of Revenues
	24,217		16,469		(9,277)	(330,795)		(260,158)	Over Expenditures
									Other Financing Sources (Uses)
	345,692		395,752		382,154	793,528		359,791	Transfers In
	(336,157)		(388,274)		(370,820)	(781,397)		(345,674)	Transfers Out
	10,000		36,000						Debt Issued
	2,927								Premium on Debt Issued
								211,065	Principal Payment on Demand Bonds
	34,380								Refunding Bonds Issued
	(40,491)		(710)						Payment to Refunded Bond Escrow
	43								for Resale
			133					2,400	Capital Leases
									Loan Proceeds
	16,394		42,901		11,334	12,131		227,582	Total Other Financing Sources
_	(113,615)					 	_		Extraordinary Gain/(Loss)
\$	(73,004)	\$	59,370	\$	2,057	\$ (318,664)	\$	(32,576)	Net Change in Fund Balances
									Debt Service as a Percentage
	4.44%		4.12%		4.18%	7.54%		10.43%	of Noncapital Expenditures:

Assessed Value of Taxable Property (1) Last Ten Fiscal Years

Fiscal Year	Residential Property	Industrial/ Commercial Property	Other Property ⁽²⁾	Unsecured Roll Gross Total ⁽³⁾		
2016-17	\$ 400,931,553	\$ 114,636,194	\$ 2,787,769	\$ 20,582,609		
2015-16	377,592,570	110,440,476	3,294,159	20,394,462		
2014-15	352,800,864	105,523,254	3,694,094	20,902,660		
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		

Notes:

Source: Orange County Assessor Department

⁽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).

Total Taxable Assessed Value	Less: Exempt & Non-Reimbursed Exemptions	Net Taxable Assessed Value	Total Direct Tax Rate Percent ⁽¹⁾
\$ 538,938,125	\$ (12,807,570)	\$ 526,130,555	1.00
511,721,667	(12,722,344)	498,999,323	1.00
482,920,872	(11,661,965)	471,258,907	1.00
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

COUNTY OF ORANGE Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Rate Per \$1,000 of Assessed Value) (4)

	Direct Rate (1)					
Fiscal Year	County General	School Districts	Local Special Districts	Cities	Public Utility	Total Direct & Overlapping Rates
2016-17	1.00000	0.04840	0.01316	0.00659	0.00270	1.07085
2015-16	1.00000	0.05101	0.01455	0.00670	0.00227	1.07453
2014-15	1.00000	0.04579	0.04438	0.00681	(3)	1.09698

Notes:

Source: Auditor-Controller, County of Orange

⁽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.

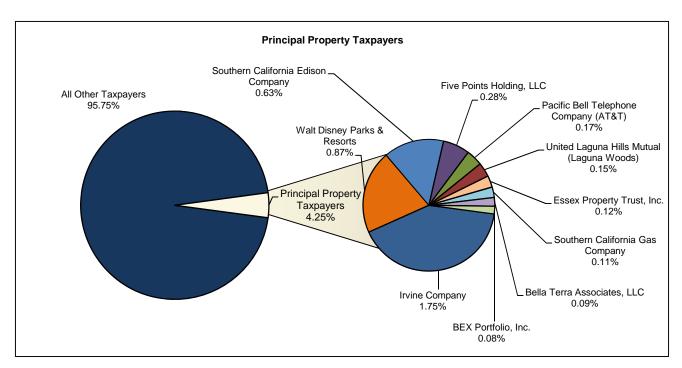
⁽³⁾ No rate was available for Public Utility in FY 2014-15.

⁽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

	2017					2008				
Taxpayer	Actual Taxes Levied		Rank	Percentage of Total Taxes Levied	Ac	tual Taxes Levied	Rank	Percentage of Total Taxes Levied		
Irvine Company	\$	106,206	1	1.75%	\$	55,806	1	1.12%		
Walt Disney Parks & Resorts US		52,961	2	0.87%		39,452	2 & 8	0.80%		
Southern California Edison Company		38,592	3	0.63%		19,195	4	0.39%		
Five Points Holding, LLC		17,221	4	0.28%						
Pacific Bell Telephone Company (AT&T)		10,181	5	0.17%		7,389	9	0.15%		
United Laguna Hills Mutual (Laguna Woods)		9,145	6	0.15%		7,895	7	0.16%		
Essex Property Trust, Inc.		7,305	7	0.12%						
Southern California Gas Company		6,777	8	0.11%						
Bella Terra Associates, LLC		5,740	9	0.09%						
BEX Portfolio, Inc.		4,999	10	0.08%						
Irvine Apartment Communities						22,146	3	0.45%		
Irvine Community Development						9,869	5	0.20%		
Heritage Fields El Toro LLC						8,586	6	0.17%		
Irvine Co. of W VA						5,844	10	0.12%		
Total	\$	259,127		4.25%	\$	176,182		3.56%		

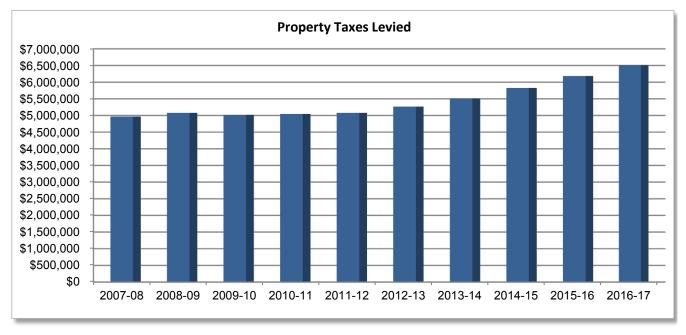


Note: The base used for the Percentage of Total Taxes Levied for 2017 includes total secured taxes of \$6,082,465.

Source: Treasurer-Tax Collector, County of Orange

Property Tax Levies and Collections Last Ten Fiscal Years

	Taxes Levied for the		Within the Fiscal f the Levy (2)	Collections of Delinquent Taxes from	Tot	Total Collections for the Fiscal Year (3)			
Fiscal Year	Fiscal Year (1)	Amount	Percentage of Levy	Prior Years (4)		Amount	Percentage of Levy		
2016-17	\$ 6,511,944	\$ 6,446,780	99.00%	\$	\$	6,446,780	99.00%		
2015-16	6,183,862	6,119,771	98.96%	38,105		6,157,876	99.58%		
2014-15	5,828,106	5,759,699	98.83%	49,442		5,809,141	99.67%		
2013-14	5,509,379	5,444,912	98.83%	48,522		5,493,434	99.71%		
2012-13	5,265,844	5,194,193	98.64%	55,393		5,249,586	99.69%		
2011-12	5,079,589	5,002,490	98.48%	81,634		5,084,124	100.09%		
2010-11	5,045,802	4,960,748	98.31%	33,682		4,994,430	98.98%		
2009-10	5,019,061	4,904,188	97.71%	20,909		4,925,097	98.13%		
2008-09	5,076,796	4,901,574	96.55%	15,648		4,917,222	96.86%		
2007-08	4,965,990	4,784,438	96.34%	6,919		4,791,357	96.48%		



Notes:

- (1) Total tax levy includes secured, supplemental, unsecured and former redevelopment agency increment, including penalties.
- (2) Total tax collections include penalties.
- (3) Total collections include collections of current year taxes and collections related to prior year levies.

 The percentage of levy represents the ratio of total collections to the taxes levied for that fiscal year.
- (4) No amounts are shown because the property taxes levied will be collected in the following year.

Source: Auditor-Controller, County of Orange

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

Governmental Activities

			overninental / toti	VILICO				
Fiscal Year	Refunding Recovery Bonds ⁽⁶⁾	Redevelopment Bonds (2)	Certificates of Participation (5)	Pension Obligation Bonds ⁽⁵⁾	Teeter Plan Revenue Bonds	Teeter Plan Notes	SARI Line Loans	Civic Center Facilities Master Plan Financing
2016-17	\$	\$	\$ 811	\$ 11,220	\$	\$ 27,868	\$ 23,900	\$ 175,340
2015-16			1,262	19,140		30,191	28,022	
2014-15			1,744	27,227		33,823	36,277	
2013-14	19,172		2,262	32,193		39,830	47,410	
2012-13	35,317		2,822	37,925		43,486	59,892	
2011-12	51,600		3,422	47,523			40,328	
2010-11	67,028	47,009	4,064	54,680			33,999	
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			

Notes:

Source: Auditor-Controller, County of Orange

⁽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

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

Business-Type Activities															
	Lease Revenue onds ^{(6), (7)}		Capital Lease igations ⁽³⁾	A	nterest ccretion on CAB	Re	irport evenue onds ⁽⁷⁾	ste Managem stem Revenu Bonds			l Primary rernment	Percer of Pers	sonal	(Per Capita ⁽⁴⁾
\$	88,352	\$	55,831	\$	46,641	\$ 1	87,318	\$		\$	617,281	(0.31%	\$	193
	141,145		67,928		73,926	1	95,127				556,741	(0.29%		175
	105,880		79,168		96,303	2	202,536				582,958	(0.31%		185
	137,115		62,446		103,377	2	209,804				653,609	(0.34%		210
	155,828		67,353		110,084	2	240,540	7,0	018		760,265	(0.41%		247
	181,097		71,755			2	248,900	13,6	666		658,291	(0.40%		215
	249,924		76,074			2	256,683	19,9	921		809,382	(0.51%		269
	309,517		80,114			2	264,099	25,7	738		874,905	(0.57%		276
	365,850		84,952				33,502	31,1	144		738,173	(0.50%		235
	420,668		90,769				89,897	36,1	177	1	,003,195	(0.65%		321

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

General Debt Outstanding

Fiscal Year	Refunding Recovery Bonds	Pension Obligation Bonds ⁽³⁾	Restricted for Debt Payments (3)	Total (Excess)/ Under	Percentage of Assessed Value	Per Capita ⁽²⁾
2016-17	\$	\$ 53,985	\$ 53,985	\$	0.00%	\$
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

Notes:

Source: Auditor Controller, County of Orange

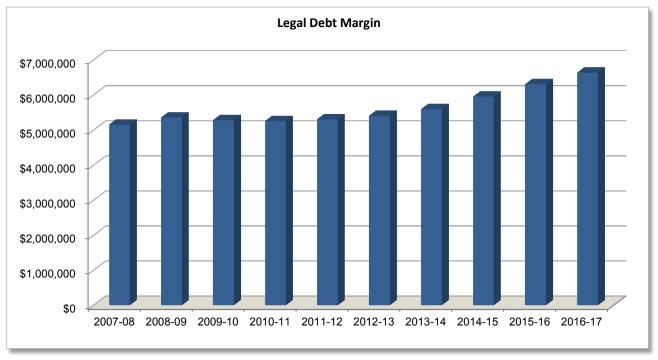
⁽¹⁾ Details regarding the County's outstanding debt can be found in Note 10, Long-Term Obligations.

⁽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.

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

Fiscal Year	A:	ssessed Value ⁽¹⁾	Leg	al Debt Limit	Applic	let Debt able to mit	L	egal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2016-17	\$	531,052,158	\$	6,638,152	\$		\$	6,638,152	0%
2015-16		504,650,360		6,308,130				6,308,130	0%
2014-15		476,303,290		5,953,791				5,953,791	0%
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%



Note:

Source: Auditor-Controller, County of Orange

⁽¹⁾ Starting from FY 2007-08, Assessed Value includes the State assessed properties.

⁽²⁾ The amount of the general obligation bonded indebtedness the County can incur is limited by law to 1.25 percent of the equalized assessment property tax roll. In order for the County to issue general obligation bonds secured by ad valorem taxes on real property, California Constitution Article XIIIA, section 1 requires the approval of 2/3 of the voting on the proposition.

Pledged Revenue Coverage⁽¹⁾ Last Ten Fiscal Years

South Orange County Public Financing Authority							Oran	ge County F	ublic Facilities	Corporation	n Bonds				
Fur	nding	Source:	Interest Earnin	ngs, R	ents and Co		d Transfers Service	_	Fundir	ng Source:	Interest Earni	ngs and Transfers	Debt Se	ervice	
Fiscal Year	R	Gross levenue	Operating Expenses		Available evenue	Principal	Interest	Coverage	Fiscal Year	Gross Revenue	Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2016-17	\$	10,465	\$	\$	10,465	\$ 7,335	\$ 2,974	1.02	2016-17	\$ 2,405	\$ 8	\$ 2,397	\$ 451	\$ 2,157	0.92
2015-16		5,828	271		5,557	4,920	906	0.95	2015-16	2,470		2,470	482	2,121	0.95
2014-15		5,830			5,830	4,780	1,049	1.00	2014-15	2,475		2,475	518	2,090	0.95
2013-14		5,825			5,825	4,680	1,143	1.00	2013-14	2,459		2,459	560	2,045	0.94
2012-13		5,841			5,841	4,520	1,307	1.00	2012-13	2,403	44	2,359	600	2,005	0.91
2011-12			262		(262)				2011-12	2,770		2,770	642	1,958	1.07
2010-11									2010-11	2,525		2,525	694	1,906	0.97
2009-10									2009-10	2,743		2,743	744	1,861	1.05
2008-09									2008-09	2,700		2,700	804	1,801	1.04
2007-08									2007-08	2,789		2,789	859	1,741	1.07
		Ora	ange County	Publ	lic Financi	ng Authorit	y					Teeter Plan No	tes		
Fur	nding	Source:	Interest Earnin	ngs, R	ents and Co	ncessions, an	d Transfers		Fundir	ng Source:	Delinquent Pr	operty Taxes Colle	ected		
						Debt 9	Service	_					Debt Se	ervice	
Fiscal Year															
	R	Gross	Operating Expenses		Available	Princinal	Interest	Coverage	Fiscal	Gross Revenue	Operating Expenses	Net Available	Princinal	Interest	Coverage
2016-17		levenue	Operating Expenses	R	evenue	Principal	Interest \$ 1.587	Coverage 0.24	Year (2)	Revenue	Expenses	Revenue	Principal	Interest	Coverage 0.76
2016-17 2015-16	\$ \$	10,189	Expenses		10,189	\$ 41,235	\$ 1,587	0.24		Revenue \$ 26,232	Expenses \$ 154	Revenue \$ 26,078	\$ 33,859	\$ 600	0.76
		levenue	Expenses	R	evenue				Year (2)	Revenue	Expenses	Revenue	\$ 33,859 74,561		0.76 0.00
2015-16		10,189 44,418 29,928	Expenses	R	10,189 44,418	\$ 41,235 25,420	\$ 1,587 3,235	0.24 1.55	Year (2) 2016-17 2015-16	Revenue \$ 26,232 316	\$ 154 210	Revenue \$ 26,078 106	\$ 33,859 74,561	\$ 600 347	0.76
2015-16 2014-15 2013-14		10,189 44,418 29,928 29,949	Expenses	R	10,189 44,418 29,928 29,949	\$ 41,235 25,420 24,235 23,115	\$ 1,587 3,235 4,455 5,605	0.24 1.55 1.04	Year (2) 2016-17 2015-16 2014-15	Revenue \$ 26,232 316 174 11,147	\$ 154 210 2,954	Revenue \$ 26,078 106 (2,780): 10,896	\$ 33,859 74,561 37,548 43,295	\$ 600 347 352	0.76 0.00 (0.07) 0.25
2015-16 2014-15		10,189 44,418 29,928	Expenses	R	10,189 44,418 29,928	\$ 41,235 25,420 24,235	\$ 1,587 3,235 4,455	0.24 1.55 1.04 1.04	Year (2) 2016-17 2015-16 2014-15 2013-14	Revenue \$ 26,232 316 174	\$ 154 210 2,954 251	Revenue \$ 26,078 106 (2,780)	\$ 33,859 74,561 3) 37,548	\$ 600 347 352 413	0.76 0.00 (0.07)
2015-16 2014-15 2013-14 2012-13		10,189 44,418 29,928 29,949 29,952	Expenses	R	10,189 44,418 29,928 29,949 29,952	\$ 41,235 25,420 24,235 23,115 22,160	\$ 1,587 3,235 4,455 5,605 6,638	0.24 1.55 1.04 1.04	Year (2) 2016-17 2015-16 2014-15 2013-14 2012-13	Revenue \$ 26,232 316 174 11,147 15,706	\$ 154 210 2,954 251 1,032	Revenue \$ 26,078 106 (2,780)3 10,896 14,674	\$ 33,859 74,561 3) 37,548 43,295 14,449	\$ 600 347 352 413 327	0.76 0.00 (0.07) 0.25
2015-16 2014-15 2013-14 2012-13 2011-12		10,189 44,418 29,928 29,949 29,952 35,697	Expenses	R	10,189 44,418 29,928 29,949 29,952 35,697	\$ 41,235 25,420 24,235 23,115 22,160 61,630	\$ 1,587 3,235 4,455 5,605 6,638 10,837	0.24 1.55 1.04 1.04 1.04 0.49	Year (2) 2016-17 2015-16 2014-15 2013-14 2012-13 2011-12	Revenue \$ 26,232 316 174 11,147 15,706	\$ 154 210 2,954 251 1,032	Revenue \$ 26,078	\$ 33,859 74,561 3) 37,548 43,295 14,449	\$ 600 347 352 413 327	0.76 0.00 (0.07) 0.25
2015-16 2014-15 2013-14 2012-13 2011-12 2010-11		10,189 44,418 29,928 29,949 29,952 35,697 74,725	Expenses	R	evenue 10,189 44,418 29,928 29,949 29,952 35,697 74,725	\$ 41,235 25,420 24,235 23,115 22,160 61,630 58,990	\$ 1,587 3,235 4,455 5,605 6,638 10,837 13,643	0.24 1.55 1.04 1.04 1.04 0.49 1.03	Year (2) 2016-17 2015-16 2014-15 2013-14 2012-13 2011-12 2010-11	Revenue \$ 26,232	\$ 154 210 2,954 251 1,032 	Revenue \$ 26,078 106 (2,780): 10,896 14,674	\$ 33,859 74,561 3) 37,548 43,295 14,449	\$ 600 347 352 413 327 	0.76 0.00 (0.07) 0.25

Airport Revenue Bonds

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

Debt Service

Fiscal Year	F	Gross Revenue	perating xpenses	 Available evenue	Р	rincipal	ı	nterest	Coverage
2016-17	\$	143,707	\$ 89,055	\$ 54,652	\$	7,530	\$	9,999	3.12
2015-16		143,661	82,833	60,828		7,205		10,338	3.47
2014-15		135,491	82,558	52,933		6,995		10,603	3.01
2013-14		131,285	84,708	46,577		30,473		11,395	1.11
2012-13		126,966	79,739	47,227		9,250		12,250	2.20
2011-12		124,403	77,628	46,775		7,851		12,592	2.29
2010-11		120,088	70,521	49,567		7,460		12,906	2.43
2009-10		121,761	68,771	52,990		2,865		7,163	5.28
2008-09		115,026	67,749	47,277		13,480		4,567	2.62
2007-08		118,105	63,174	54,931		12,765		5,280	3.04

(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.

Source: Auditor-Controller, County of Orange

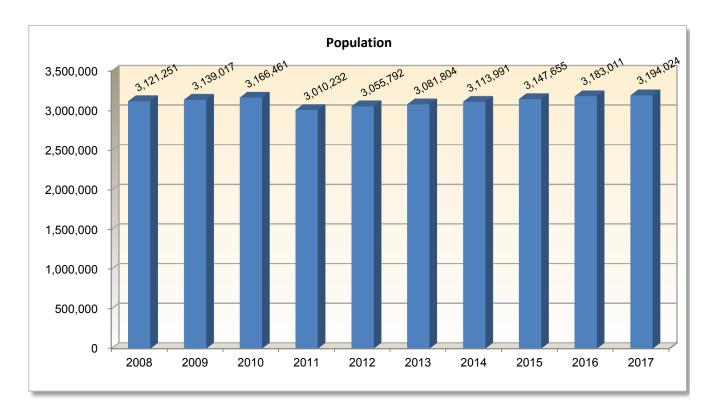
Notes:

⁽²⁾ 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.

⁽³⁾ For FY 2014-15, there is a deficit balance for Net Available Revenue due to the change in Teeter Plan Reserve methodology.

Demographic and Economic Statistics Last Ten Calendar Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (Absolute Dollars) (2)	Median Age ⁽³⁾	Public School Enrollment (In Thousands) (4)	Unemployment Rate ⁽⁵⁾
2017	3,194,024	\$ 199,492,000	\$ 62,458	N/A	490,430	4.2%
2016	3,183,011	190,978,000	59,999	37.1	493,030	4.4%
2015	3,147,655	185,500,000	58,933	36.7	497,116	4.0%
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%



N/A means Not Available

Sources:

- (1) California Department of Finance, Demographic Research Unit, http://www.dof.ca.gov
- (2) Chapman University Economic & Business Review.
- (3) U.S. Census Bureau, American Community Survey, http://www.census.gov, 2017 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

2017

Employer	Number of Employees	Rank	Percentage of Total County Employment
Walt Disney Co.	29,000	1	1.80%
University of California, Irvine	23,605	2	1.46%
County of Orange	18,264	3	1.13%
St. Joseph Health System	11,925	4	0.74%
Allied Universal	8,229	5	0.51%
Kaiser Permanente	7,694	6	0.48%
Boeing Co.	6,103	7	0.38%
Wal-Mart	6,000	8	0.37%
California State University, Fullerton	5,781	9	0.36%
Bank of America	5,500	10	0.34%

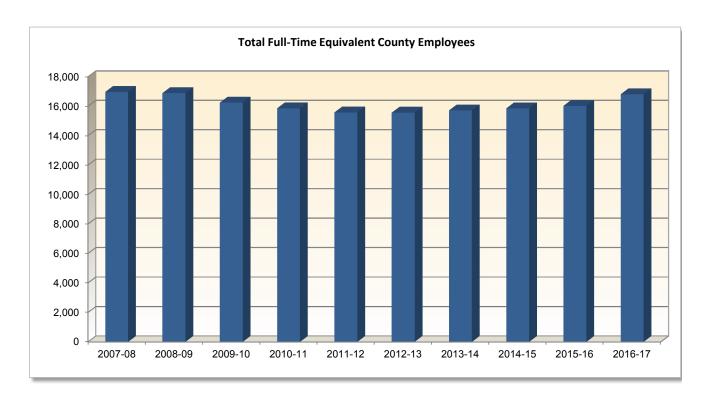
2008

Employer	Number of Employees	Rank	Percentage of Total County Employment
Walt Disney Co.	20,000	1	1.22%
County of Orange	18,748	2	1.14%
University of California, Irvine	17,579	3	1.07%
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%
Memorial Health Services Inc.	4,956	10	0.30%

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

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

Function/Program	2016-17	2015-16	2014-15	2013-14	2012-13 ⁽²⁾	2011-12	2010-11	2009-10	2008-09	2007-08
General Government	1,511	1,419	1,341	1,322	1,273	1,279	1,314	1,346	1,383	1,377
Public Protection	6,915	6,642	6,674	6,760	6,781	6,653	6,692	6,879	7,298	7,226
Public Ways and Facilities	431	435	440	478	508	542	569	585	622	621
Health and Sanitation	2,409	2,253	2,198	2,128	2,137	2,209	2,292	2,346	2,507	2,550
Public Assistance	4,529	4,306	4,239	4,043	3,876	3,867	3,935	4,023	4,000	4,123
Education	309	302	286	290	286	307	324	325	350	360
Recreation and Cultural Services	298	272	265	274	268	283	289	285	277	264
Airport	153	154	159	162	167	168	168	169	168	161
Waste Management	249	233	241	249	255	257	261	267	272	270
CFCOC	9	11	11	11	11	13	14	16	17	17
Total Full-time Equivalent Employees (1)	16,813	16,027	15,854	15,717	15,562	15,578	15,858	16,241	16,894	16,969



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

			F	iscal Year		
Function/Program	 2016-17	2015-16		2014-15	2013-14	2012-13
General Government						
Auditor-Controller						
Property Tax Bills Prepared	1,127,725	1,141,652		1,216,325	1,220,750	1,186,238
Assessor						
Number of Real Property Valued	937,630	930,470		924,791	918,672	914,489
Number of Unsecured Property Assessed	121,665	141,224		145,151	135,551	139,865
New Parcels Created and Mapped	9,053	6,665		6,918	4,519	8,175
New Construction Events	21,254	19,397		18,530	16,904	17,173
County Executive Office Volunteer Program Service Hours	645,482	613,277		638,230	700,759	815,407
Clerk-Recorder						
Marriage Licenses Issued	25,309	23,725		23,553	25,244	22,502
Marriage Ceremonies Performed	12,876	11,122		11,213	12,056	*
Copies of Birth Certificates Issued	85,051	74,508		79,826	82,268	81,775
Property-Related Document Recordings	640,243	617,914		651,866	580,899	839,353
Passport Applications Filed	9,437	7,093		5,016	2,686	*
Treasurer-Tax Collector						
Orange County Investment Pool Income (1)	\$ 36,677	\$ 24,877	\$	14,581	\$ 11,298	\$ 12,958
Assets Under Management (1)	\$ 9,092,268	\$ 8,271,502	\$	7,604,246	\$ 6,566,145	\$ 6,490,056
Number of Property Tax Bills	1,448,886	1,367,275		1,381,808	1,421,654	1,347,596
Percentage of Secured Tax Bill Collection	99.39%	99.26%		99.21%	99.16%	98.94%
Number of Incoming Phone Calls	108,061	111,948		121,461	115,123	150,830
Percentage of Electronic Payments	57.2%	54.9%		54.2%	53.8%	49.4%
Secured Tax Bill Reminders	40,898	38,213		35,917	31,988	28,664
Property Tax Payments by eCheck	348,961	309,977		285,932	248,908	213,146
Registrar of Voters						
Registered Voters	1,535,967	1,395,380		1,424,216	1,411,232	1,683,001
Highest Number of Ballots Cast	1,239,405	691,802		640,358	340,187	1,133,204
Elections Conducted	1	4		7	3	2
Public Protection						
Sheriff-Coroner	044 400	044.750		007.004	224 224	007.447
Patrolled Cities Population	644,496	641,753		637,261	631,934	627,447
Patrolled Unincorporated Areas Population	125,792	125,420		104 014	101 172	120,396
Number of Bookings to Orange County	125,792	125,420		124,014	121,473	120,390
Jail System	56,330	56.163		56.135	61,262	63,439
Average Daily Jail Head Count	6,220	6,028		6,055	7,039	6,805
District Attorney	-,	-,		2,222	.,	-,
Defendants Prosecuted - Adult	61,219	61,521		56,233	55,906	57,873
Defendants Prosecuted - Juvenile	3,631	3,564		4,482	5,103	6,651
Probation	-,	-,		, -	.,	-,
Physical Arrests - Adult	*	*		*	*	2,947
Physical Arrests - Juvenile	*	*		*	*	640
Probationers under Supervision as of						
June 30th-Adult	11,189	11,714		10,725	14,425	14,186
Probationers under Supervision as of						
June 30th-Juvenile	2,290	2,550		3,124	4,156	4,984
Avg. Daily Juvenile Hall Population	150	130		150	229	320
Avg. Daily Camp Population	136	143		203	182	193
Public Defender						
Cases Appointed Annually	61,878	65,574		79,119	74,101	77,073
•••						

Note: (1) Dollar amounts in thousand

(2) * means Not Available

Sources: County Departments

		F	iscal Year			
2011-12	2010-11		2009-10	2008-09	2007-08	Function/Program
1,153,816	1,189,320		1,144,933	1,148,720	1,149,007	General Government Auditor-Controller Property Tax Bills Prepared
901,840 159,464 3,649	899,644 161,005 2,739		897,547 168,208 9,413	888,770 169,821 9,185	881,233 176,584 10,252	Assessor Number of Real Property Valued Number of Unsecured Property Assessed New Parcels Created and Mapped
17,129 885,416	9,372 935,284		13,172 882,680	16,565 839,125	19,380 675,285	New Construction Events County Executive Office Volunteer Program Service Hours
22,415	20,868		20,292	21,339	20,894	Clerk-Recorder Marriage Licenses Issued Marriage Ceremonies Performed
83,611 741,935 *	85,773 725,323 *		87,999 669,332 *	98,231 629,373 *	117,226 658,005 *	Copies of Birth Certificates Issued Property-Related Document Recordings Passport Applications Filed
						Treasurer-Tax Collector
\$ 17,978	\$ 22,295	\$	35,656	\$ 67,242	\$ 141,824	Orange County Investment Pool Income (1)
\$ 5,922,768 1,257,709 98.51% 148,463 51.1% 25,451 181,151	\$ 6,183,195 1,382,198 98.35% 162,955 49.3% 21,027 143,136	\$	5,975,392 1,362,221 97.61% 160,067 43.8% * 126,942	\$ 5,963,577 1,367,901 96.30% 178,420 40.8% * 112,114	\$ 6,064,067 1,472,466 96.13% 175,149 41.2% *	Assets Under Management (1) Number of Property Tax Bills Percentage of Secured Tax Bill Collection Number of Incoming Phone Calls Percentage of Electronic Payments Secured Tax Bill Reminders Property Tax Payments by eCheck
1,612,145 145,474 2	1,621,934 898,205 5		1,603,312 482,708 5	1,607,989 1,167,657 4	1,566,951 748,910 5	Registrar of Voters Registered Voters Highest Number of Ballots Cast Elections Conducted
						Public Protection
557,403	553,148		584,947	581,109	575,909	Sheriff-Coroner Patrolled Cities Population Patrolled Unincorporated Areas
119,698 65,256	121,488 63,615		120,088 58,322	119,480 61,778	118,136 64,596	Population Number of Bookings to Orange County Jail System
6,265	5,721		5,171	6,090	6,183	Average Daily Jail Head Count District Attorney
61,759 6,743	64,418 7,907		64,969 6,894	70,058 7,740	69,507 9,076	Defendants Prosecuted - Adult Defendants Prosecuted - Juvenile
-,	.,		-,	.,	5,515	Probation
2,307	1,926		1,822	1,725	2,470	Physical Arrests - Adult
467	488		685	595	1,051	Physical Arrests - Juvenile Probationers under Supervision as of
14,788	13,243		13,476	15,022	16,223	June 30th-Adult Probationers under Supervision as of
5,399	5,792		6,527	6,492	6,569	June 30th-Juvenile
315 169	417 194		428 191	455 310	490 438	Avg. Daily Juvenile Hall Population Avg. Daily Camp Population

79,052

83,029

73,487

77,661

76,191

Public Defender

Cases Appointed Annually

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

	Fiscal Year								
Function/Program	2016-17	2015-16	2014-15	2013-14	2012-13				
Recreation and Cultural Services									
OC Community Resources									
Exotic Invasive Plant Removal (acres)	2,940	2,782	1,466	1,154	4,102				
Native Vegetation Restoration (acres)	262	293	312	368	843				
New Open Space Management (acres)									
Dana Point Harbor									
Slip and Dry Storage Tenants	438	2,903	3,204	2,679	2,700				
Boat Launches	16,303	17,695	15,511	15,606	15,037				
Sailing and Event Center Participants	80,752	50,000	75,000	111,838	115,996				
Ocean Institute Students/Visitors	127,361	192,384	41,000	100,000	108,668				
Hotel Guests	39,140	43,515	43,073	42,887	41,141				
Catalina Express Passengers	128,000	25,711	123,688	123,257	123,257				
Special Events at the Harbor	6	8	12	15	16				
Public Ways and Facilities									
OC Public Works (OCPW)									
Building and Home Inspections	39,056	40,662	30,324	31,772	19,368				
Health and Sanitation									
OC Community Resources									
Animal Licenses	171,237	192,470	198,358	192,320	191,098				
Health Care Agency									
911 Emergency Medical Services Responses	204,683	193,538	183,794	170,804	171,420				
Retail Food Facility Inspections Conducted	32,305	26,195	31,397	32,689	34,953				
Hazardous Waste Inspections Conducted	7,271	8,328	5,950	4,616	6,058				
Number of Home Visits by Public Health Nurses	32,108	29,219	31,258	35,101	34,953				
Number of Low Income Children Dental Health	044	400		4.00=	4 40=				
Services	311	496	755	1,225	1,107				
Number of Ocean Water Days of Closure	47	00	0.4	00	0				
(In Beach-Miles)	17	22	24	20	8				
Public Assistance									
OC Community Resources	47.567	40.074	42.040	E0 044	40 400				
Adult Day Care Hours of Service	47,567 1,417,361	49,971 1,374,275	43,010	50,944	49,129 1,360,601				
Elderly Nutrition Program Meals Delivered One-Way Transportation Trips Provided to Seniors	190,534	1,374,275	1,406,526 180,899	1,347,251 187,864	155,003				
	190,554	190,001	100,099	107,004	155,005				
Social Service Agency	047 400	040.000	710 001	504.070	100 550				
Average Monthly Medi-Cal Recipients	817,408	810,388	718,061	521,078	430,559				
Average Monthly Child Abuse Hotline Calls	4,076	4,259	4,049	3,674	3,009				
Average Monthly CalFresh (formerly Food	250 772	262 556	250 676	247 517	220.064				
Stamp) Recipients	250,772	263,556	258,676	247,517	230,964				
Average Monthly In-Home Supportive Services Average Persons Receiving Cash Assistance	24,427 46,369	22,635 52,081	20,787 55,921	19,652 55,225	19,663 55,008				
Average Children in Foster Care/Relative Care	1,886	1,791	1,924	2,119	2,213				
Average Elder and Adult Abuse Unduplicated	1,000	1,751	1,524	2,113	2,210				
Reports Received	995	942	815	710	636				
Education									
OC Community Resources									
Total Volumes Borrowed at Library Branches	6,864,635	6,634,747	6,411,127	6,642,739	6,564,262				
Airport	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,,	-, ,	-,- ,	.,,				
Passengers	10,373,714	10,361,436	9,608,873	9,304,295	9,124,172				
Air Cargo Tonnage	17,813	18,568	16,997	17,564	17,821				
Takeoffs & Landings	285,704	276,817	264,726	252,166	252,506				
Waste Management	, -	-,-	, -	,	,				
Solid Waste Tonnage	4,810,116	4,772,722	4,581,359	4,070,238	3,428,657				
Gallons of Leachate and Impacted	1,010,110	1,112,122	1,001,000	1,010,200	0, 120,001				
Ground Water Collected	5,599,757	3,542,736	5,510,821	3,854,530	3,116,108				
	,, -	, ,	, -,-	, ,	, -,				

^{*} means Not Available

Sources: County Departments

		Fiscal Year			
2011-12	2010-11	2009-10	2008-09	2007-08	Function/Program
					Recreation and Cultural Services
					OC Community Resources
4,042	629	61	1,475	*	Exotic Invasive Plant Removal (acres)
994	2,448	82	144	*	Native Vegetation Restoration (acres)
				250	New Open Space Management (acres)
					Dana Point Harbor
2,237	2,748	2,750	2,836	2,932	Slip and Dry Storage Tenants
14,327	15,150	18,759	19,903	22,247	Boat Launches
111,959	108,070	83,738	66,163	54,371	Sailing and Event Center Participants
110,059	125,000	125,060	126,957	116,218	Ocean Institute Students/Visitors
36,800	26,972	25,252	28,650	26,940	Hotel Guests
120,945	114,176	106,305	111,648	114,000	Catalina Express Passengers
16	16	16	16	16	Special Events at the Harbor
					Public Ways and Facilities
					OC Public Works (OCPW)
15,591	13,215	11,222	24,731	31,363	Building and Home Inspections
					Health and Sanitation
					OC Community Resources
200,755	173,570	176,123	158,202	155,875	Animal Licenses
					Health Care Agency
168,172	156,638	158,863	160,369	150,545	911 Emergency Medical Services Responses
35,025	34,962	36,445	33,146	33,451	Retail Food Facility Inspections Conducted
5,444	6,237	6,600	5,847	6,194	Hazardous Waste Inspections Conducted
32,498	29,260	30,091	29,505	30,447	Number of Home Visits by Public Health Nurses
4.044	4.500	4 500	070	200	Number of Low Income Children Dental Health
1,344	1,533	1,520	979	660	Services
0.93	61	20	26	11	Number of Ocean Water Days of Closure (In Beach-Miles)
0.55	01	20	20		·
					Public Assistance OC Community Resources
70,267	93,425	92,964	101,732	89,584	Adult Day Care Hours of Service
1,636,379	1,846,571	1,796,596	1,725,058	1,736,877	Elderly Nutrition Program Meals Delivered
184,476	287,611	213,832	233,382	225,783	One-Way Transportation Trips Provided to Seniors
					Social Service Agency
418,649	403,142	376,101	343,222	326,506	Average Monthly Medi-Cal Recipients
2,880	3,003	3,165	3,242	3,427	Average Monthly Child Abuse Hotline Calls
_,	2,222	2,122	-,	2,	Average Monthly CalFresh (formerly Food
213,919	185,489	150,141	109,491	88,284	Stamp) Recipients
19,240	18,335	17,595	16,364	14,425	Average Monthly In-Home Supportive Services
56,847	58,770	53,214	44,115	38,840	Average Persons Receiving Cash Assistance
2,128	2,148	2,336	2,466	2,797	Average Children in Foster Care/Relative Care
					Average Elder and Adult Abuse Unduplicated
630	604	598	531	549	Reports Received
					Education
0.744.000		-	= 011 015	0.000.4==	OC Community Resources
6,741,380	7,796,954	7,629,378	7,314,615	6,908,477	Total Volumes Borrowed at Library Branches
0.040.440	0.044.054	0.046.400	0.550.500	0.500.015	Airport
8,642,116	8,611,054	8,812,169	8,552,590	9,566,043	Passengers
16,831	15,150	14,870	15,197	21,084	Air Cargo Tonnage
251,191	260,466	213,404	215,585	319,791	Takeoffs & Landings
0.004.040	0.405.040	0.500.515	0.070.000	4 007 045	Waste Management
3,304,643	3,495,649	3,502,715	3,876,902	4,207,649	Solid Waste Tonnage
3,448,964	3,209,725	3,390,965	3,441,343	3,766,898	Gallons of Leachate and Impacted Ground Water Collected
5,770,804	0,200,720	0,000,000	0,771,040	5,700,030	Ground Water Collected

Capital Asset Statistics by Function Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2016-17	2015-16	2014-15	2013-14	2012-13
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	4	3	3
Public Protection					
Sheriff-Coroner					
Crime/Forensic Lab	1	1	1	1	1
Jail Facilities	3	3	3	3	3
Vehicles	948	917	916	911	918
Buses	12	11	11	11	11
Helicopters	5	4	3	3	2
Boats	10	10	10	10	9
Robot Andros	3	3	3	3	3
Haz-mat Vehicles	4	4	4	4	4
K-9 units	26	28	22	18	13
District Attorney					
Justice Center Offices	5	5	5	5	5
Probation Department					
Juvenile Institutions	4	4	4	4	4
Vehicles/Trucks	159	155	159	156	*
Equipment	13	12	16	12	*
Recreation and Cultural Services					
OC Community Resources					
Park Land (acres)	62,900	62,900	62,900	60,500	59,318
Recreational Trails (in miles)	295	295	295	295	295
Zoo	1	1	1	1	1
Urban Regional Parks	15	15	15	15	15
Wilderness Parks	5	5	5	5	5
Nature Preserves	4	4	4	4	4
Harbors	3	3	3	3	3
Beaches	11	11	11	11	11
Historical Sites	7	7	7	7	7
Boats	10	8	7	7	9
Tractors	26	25	26	28	24
Trailers	33	31	27	29	33
Vehicles/Trucks	199	204	174	170	211
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

	F	iscal Year			
2011-12	2010-11	2009-10	2008-09	2007-08	Function/Program
					General Government
					Auditor-Controller
1	1	1	1	1	Hall of Finance and Records
					Clerk-Recorder
1	1	1	1	1	OC Archives Building
					Registrar of Voters
1	1	1	1	1	Trailer
3	3	3	3	3	Vehicle/Truck
					Public Protection
					Sheriff-Coroner
1	1	1	1	1	Crime/Forensic Lab
3	3	3	3	3	Jail Facilities
838	844	844	859	855	Vehicles
11	13	13	13	12	Buses
2	2	2	2	2	Helicopters
9 3	5 3	5 3	5 3	5 3	Boats
3 4	3 4	3 4	3 4	3 4	Robot Andros Haz-mat Vehicles
10	14	14	14	13	K-9 units
10	14	14	14	13	District Attorney
5	5	5	5	6	Justice Center Offices
3	3	3	3	U	Probation Department
5	5	5	5	6	Juvenile Institutions
*	*	*	*	*	Vehicles/Trucks
*	*	*	*	*	Equipment
					Recreation and Cultural Services OC Community Resources
57,688	57,688	39,490	39,490	32,000	Park Land (acres)
295	295	292	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	4	3	3	Nature Preserves
2	2	2	2	2	Harbors
9	9	9	9	9	Beaches
7	7	7	7	7	Historical Sites
21	15	14	14	15	Boats
26	22	18	17	9	Tractors
30	24	20	17	15	Trailers
188	233	208	176	165	Vehicles/Trucks
					Dana Point Harbor
1	1	1	1	1	Harbor
2	2	2	2	2	Marinas
9	9	9	9	9	Public Parking Areas

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

	Fiscal Year								
Function/Program	2016-17	2015-16	2014-15	2013-14	2012-13				
Recreation and Cultural Services (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	24	23	23	23				
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 (Yacht Building Company)	1	1	*	*	*				
Parcel 23 (Yacht Club)	1	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	46	50	51	60	60				
Vehicles/Trucks	45	42	53	54	51				
OC Flood Control District									
Watersheds	21	19	13	13	13				
Dams	4	3	3	3	3				
Dump Trucks	4	7	7	12	5				
Tractors	20	20	14	19	5				
Trailers	16	14	24	17	8				
Vehicles/Trucks	97	79	156	156	156				
Roads									
Street Miles	330	330	320	320	319				
Dump Trucks	12	12	11	9	4				
Tractors	30	30	18	9	6				
Trailers	24	32	30	18	10				
Vehicles/Trucks	174	147	146	165	151				
Health and Sanitation			•	.00					
Clinics (1)	4	4	4	3	2				
Laboratories ⁽¹⁾	4 2	4 2	4 2	2	3 2				
Trailers (1)	9	12	12	8					
Vehicles and Trucks ⁽¹⁾	_	· -			11				
	30	24	24	25	25				
OC Community Resources Animal Care Center	4	4	4	4	4				
	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

	F	iscal Year			
2011-12	2010-11	2009-10	2008-09	2007-08	Function/Program
					Recreation and Cultural Services (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	25	26	26	Shops
16	15	16	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 (Yacht Building Company)
*	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	59	Alternate Fuel Vehicles
50	50	50	47	47	Vehicles/Trucks
					OC Flood Control District
13	19	11	11	11	Watersheds
3	3	3	3	3	Dams
5	13	13	13	14	Dump Trucks
5	10	19	19	20	Tractors
12	15	14	14	13	Trailers
165	161	122	166	162	Vehicles/Trucks
					Roads
320	320	320	320	320	Street Miles
11	9	1	8	8	Dump Trucks
3	4	3	12	13	Tractors
5	9	11	14	14	Trailers
146	151	144	158	157	Vehicles/Trucks
					Health and Sanitation
3	2	2	2	49	Clinics (1)
2	2	2	1	2	Laboratories (1)
27	27	27	27	25	Trailers (1)
24	27	26	25	68	Vehicles and Trucks ⁽¹⁾
					OC Community Resources
1	1	1	1	1	Animal Care Center
3	3	3	3	2	Trailers
-	-	-	-		

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

	Fiscal Year								
Function/Program	2016-17	2015-16	2014-15	2013-14	2012-13				
Public Assistance									
Social Service Agency									
Vehicles	4	5	5	5	6				
Office Locations	20	20	20	19	20				
<u>Education</u>									
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	6	8	7	7	7				
Dump Trucks	10	10	10	10	12				
Loaders	12	21	20	20	20				
Scrapers	6	8	8	8	8				
Excavators	2	2	2	2	2				
Tractors	27	30	28	29	28				
Graders	4	4	4	4	4				
Compactors	7	8	8	8	8				
Water/Fuel Trucks	14	13	13	13	11				

Source: County Departments

^{*} means Not Available

			iscal Year			
_	2011-12	2010-11	2009-10	2008-09	2007-08	Function/Program
_						Public Assistance
						Social Service Agency
	10	10	8	7	8	Vehicles
	20	19	20	21	27	Office Locations
						<u>Education</u>
	33	33	33	33	33	Library Branches
	*	1	1	1	1	Library Headquarters
						Airport .
	501	501	501	501	501	Acres
	2	2	2	2	2	Runways
	5	5	5	5	5	Public Parking Structures/Lots
	3	1	1	1	1	Terminals
	4	4	4	4	4	Fire Trucks
						Wasta Managament
	2	2	2	2	3	Waste Management Active Landfills
	3 2	3 2	3 2	3 2	ა 2	Inactive Landfills
	2	2	2	2	2	Household Hazardous Waste
	4	4	4	4	4	Collection Centers
	4	4	4	4	4	
	8	8	10	10	10	Dozers
	12	14	14	14	14	Dump Trucks
	21	22	21	21	21	Loaders
	8	11	13	13	15	Scrapers
	2	2				Excavator
		00			~ =	Tuestana

Tractors

Graders
Compactors
Water/Fuel Trucks

3





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







EXHIBIT B

OFFICIAL STATEMENT

INSURED RATING: S&P: "AA"
UNINSURED AND UNDERLYING RATING: S&P: "A"
(See "RATINGS" herein)

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the matters described in "TAX MATTERS" herein, interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income for the owners thereof for federal income tax purposes and is not included in the federal alternative minimum tax for individuals or, except as described herein, corporations. See "TAX MATTERS" herein. It is also the opinion of Bond Counsel that under existing law interest on the Bonds is exempt from personal income taxes of the State of California.



\$28,425,000 COUNTY OF ORANGE REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV) LIMITED OBLIGATION IMPROVEMENT REFUNDING BONDS

Dated: Date of Delivery

Due: September 2, as shown on the inside cover

The \$28,425,000 County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds (the "Bonds") are being issued by the County of Orange (the "County") to (i) refund outstanding (a) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B, currently outstanding in the principal amount of \$4,135,000, (b) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One, currently outstanding in the principal amount of \$11,605,000, (c) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two, currently outstanding in the principal amount of \$7,485,000 and (d) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three, currently outstanding in the principal amount of \$9,165,000 (collectively, the "Prior Bonds"), (ii) make a deposit to the Reserve Fund for a portion of the Reserve Requirement; (iii) pay the premiums for municipal bond insurance and a reserve surety for the Bonds, and (vi) pay the costs of issuing the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF REFUNDING."

The Bonds are being issued as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Ultimate purchasers of Bonds will not receive physical certificates representing their interest in the Bonds. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the owners shall mean Cede & Co., and shall not mean the ultimate purchasers of the Bonds. Interest on the Bonds will be payable on March 2 and September 2 of each year, commencing March 2, 2018. Payments of the principal of, premium, if any, and interest on the Bonds will be made directly to DTC, or its nominee, Cede & Co., by U.S. Bank National Association, as trustee (the "Trustee"), so long as DTC or Cede & Co. is the registered owner of the Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants, as more fully described herein. See APPENDIX F – "BOOK-ENTRY SYSTEM."

The Bonds are subject to optional redemption and mandatory redemption from reassessment prepayments prior to maturity as described herein. See "THE BONDS – Redemption."

The scheduled payment of principal of and interest on the Bonds maturing on September 2 of the years 2031 through 2033, inclusive (the "Insured Bonds"), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by ASSURED GUARANTY MUNICIPAL CORP. See "BOND INSURANCE" herein.



The Bonds are limited obligations, payable solely from the Reassessments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. The County is not obligated to advance available funds from the County treasury to cure any deficiency in the Redemption Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

This cover page contains information for quick reference only. It is not intended to be a summary of all factors relating to an investment in the Bonds. Investors must read the entire Official Statement before making any investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriter subject to the approval, as to their validity, by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the County by County Counsel and by Norton Rose Fulbright US LLP, as Disclosure Counsel and for the Underwriter by its counsel Best Best & Krieger, LLP, Riverside, California. It is expected that the Bonds will be available for delivery through the book-entry facilities of DTC on or about January 31, 2018.

\$28,425,000 COUNTY OF ORANGE REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV) LIMITED OBLIGATION IMPROVEMENT REFUNDING BONDS

Maturity Date (September 2)	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>	CUSIP** (Base No. <u>684265</u>)
2018	\$ 2,310,000	2.000%	1.420%	100.336	QH7
2019	1,260,000	3.000	1.510	102.325	QJ3
2020	1,310,000	4.000	1.580	106.107	QK0
2021	1,375,000	4.000	1.630	108.221	QL8
2022	1,420,000	4.000	1.700	110.104	QM6
2023	1,480,000	5.000	1.830	116.758	QN4
2024	1,590,000	5.000	1.940	118.831	QP9
2025	1,665,000	3.000	2.060	106.569	QQ7
2026	1,710,000	5.000	2.170	122.058	QR5
2027	1,795,000	5.000	2.280	123.300	QS3
2028	1,845,000	5.000	2.350	124.706	QT1
2029	1,935,000	5.000	2.470	123.438 ^(c)	QU8
2030	2,035,000	5.000	2.600	122.083 ^(c)	QV6
2031*	2,140,000	5.000	2.610	121.979 ^(c)	QW4
2032^{*}	2,240,000	3.000	3.100	98.832	QX2
2033*	2,315,000	3.000	3.140	98.283	QY0

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⁽C) Priced to call at par on September 2, 2028.

^{*} Insured Bonds

^{**} CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of investors. Neither the County nor the Municipal Advisor is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the County, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or 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. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information set forth herein has been obtained from official sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. All summaries of the Indenture and other documents referred to in this Official Statement, are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access ("EMMA") website.

The County maintains a website. However, the information presented therein is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds (as defined herein) or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and APPENDIX G — "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements." These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the County. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Results may differ materially from those expressed or implied by these forward-looking statements.

COUNTY OF ORANGE, CALIFORNIA

BOARD OF SUPERVISORS

Andrew Do, Chairman	First District
Shawn Nelson, Vice Chair	Fourth District
Lisa A. Bartlett, Supervisor	Fifth District
Todd Spitzer, Supervisor	Third District
Michelle Steel, Supervisor	Second District

COUNTY OFFICIALS

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Shari L. Freidenrich, County Treasurer-Tax Collector
Eric H. Woolery, Auditor-Controller
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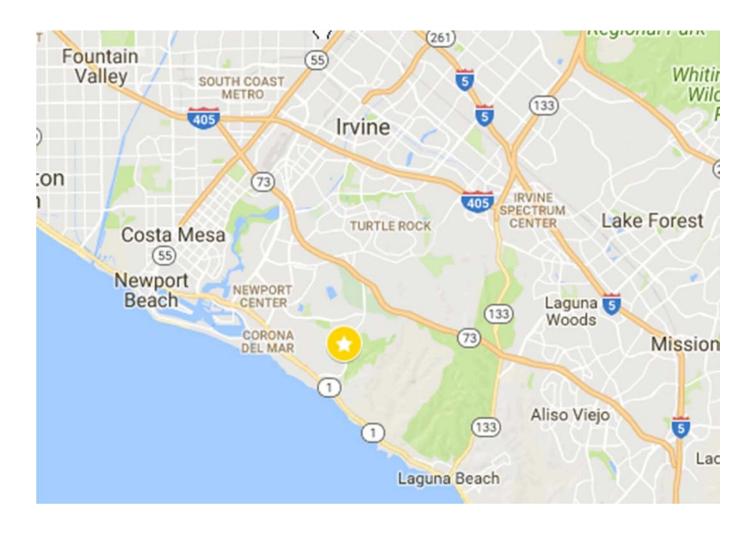
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REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV)





OFFICIAL STATEMENT

\$28,425,000 COUNTY OF ORANGE REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV) LIMITED OBLIGATION IMPROVEMENT REFUNDING BONDS

INTRODUCTION

General

This Official Statement, including the cover page and appendices hereto, sets forth certain information in connection with the sale of \$28,425,000 County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds (the "Bonds") which are being issued by the County of Orange (the "County"). This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents described herein.

Application of Proceeds

The Bonds are being issued by the County of Orange (the "County") to (i) refund outstanding (a) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B, currently outstanding in the principal amount of \$4,135,000, (b) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One, currently outstanding in the principal amount of \$11,605,000, (c) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two, currently outstanding in the principal amount of \$7,485,000 and (d) Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three, currently outstanding in the principal amount of \$9,165,000 (collectively, the "Prior Bonds"), (ii) make a deposit to the Reserve Fund for a portion of the Reserve Requirement; (iii) pay the premiums for municipal bond insurance and a reserve surety for the Bonds, and (vi) pay the costs of issuing the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "PLAN OF REFUNDING."

All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" or, if not defined therein, shall have the meanings assigned to such terms in the Indenture.

The Reassessment District

Reassessment District No. 17-1R (Newport Coast Phase IV) (the "Reassessment District") was designated by the County for the purpose of refinancing the costs of acquisition of certain infrastructure improvements, among other purposes. The Reassessment District is located entirely within the City of Newport Beach. The Reassessment District consists of 703 parcels (excluding prepaid parcels and parcels without outstanding assessment liens) in the central coastal portion of the County, with a total assessed value of \$2,689,991,813 for Fiscal Year 2017-18. The total reassessment lien on such parcels is \$28,245,000. Based on the \$28,425,000 principal amount of Bonds, the value to lien ratio for Fiscal Year 2017-18 is approximately 94.6 to 1. The \$28,425,000 principal amount of Bonds constitutes direct debt for the assessable property in the Reassessment District. As set forth in Table 13 under "THE REASSESSMENT DISTRICT — Direct and Overlapping Debt," there is approximately \$30.1 million of other outstanding direct and overlapping tax indebtedness applicable to taxable property in the Reassessment District. The estimated direct and overlapping debt allocable to the assessed parcels in the Reassessment District following the refunding of the Prior Bonds will be approximately \$58.553 million. See THE REASSESSMENT DISTRICT."

Authority for Issuance

The Bonds are being issued under the provisions of the Refunding Act of 1984 for 1915 Improvement Bonds, Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code (the "Refunding Law") and the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code (the "Bond Law" and, together with the Refunding Law, the "Act") and an Indenture of Trust, dated as of January 1, 2018 (the "Indenture"), by and between the County and U.S. Bank National Association, as trustee (the "Trustee").

The Bonds

The Bonds will be dated their date of issuance and delivery. Interest on the Bonds will be payable on March 2 and September 2 of each year, commencing March 2, 2018 (each, an "Interest Payment Date"), at the rates per annum and will mature on the dates and in the amounts set forth on the inside cover page hereof. The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. See "THE BONDS."

The Bonds are subject to optional redemption and mandatory redemption from reassessment prepayments prior to maturity as described herein. See "THE BONDS – Redemption."

Security for the Bonds

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Reassessments (including prepayments thereof), together with interest and any penalties thereon, and any other amounts

(including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture (other than the Continuing Costs Fund) are hereby pledged by the County to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act; provided that such pledge shall exclude any and all payments of Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan (as defined herein), which such amounts shall be retained by the County and utilized in accordance with the provisions of the County's Teeter Plan. Such pledge will constitute a first lien on such assets. "Continuing Costs Fund" means the fund by that name established and held by the County pursuant to the Indenture. "Reassessments" means the reassessments levied within the Reassessment District by the County Board of Supervisors (the "Board of Supervisors") under the proceedings taken pursuant to the Resolution of Intention. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." On December 12, 2017, the Board of Supervisors of the County passed and adopted Resolution No. 17-154 (the "Resolution of Intention") relating to the levy of reassessments and issuance of refunding bonds under the Refunding Law.

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the 2018 Bonds maturing on September 2 of the years 2031 through 2033, inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included in APPENDIX G – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Reserve Fund

Under the Indenture, a Reserve Fund is established for the Bonds to be held by the Trustee and funded at the Reserve Requirement. The "Reserve Requirement" means an amount equal to the least of (i) ten percent (10%) of the original issue price of the Bonds (or, if the Bonds are issued with net premium and such premium is less than 2% of the par amount of the Bonds, then 10% of the initial stated principal amount of the Bonds); (ii) one hundred twenty-five percent (125%) of average annual debt service on the Outstanding Bonds as of the Closing Date; and (iii) maximum annual debt service on the Outstanding Bonds. The Reserve Requirement will be satisfied in part by a debt service reserve surety provided by AGM, that is a Qualified Reserve Fund Credit Instrument under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Fund."

Limited Obligations

The Bonds are limited obligations, payable solely from the Reassessments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the County or the State of California (the "State"), or any political subdivision thereof, is pledged to the payment of the Bonds. The County is not obligated to advance available funds from the County treasury to cure any deficiency in the Redemption Fund.

Further Information

The summaries and references of the Indenture, the Act and other documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to the Indenture and each document, statute, report or instrument. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" for summaries of certain of such definitions.

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PLAN OF REFUNDING

The proceeds of the Bonds, together with other available amounts, will be used to (i) refund outstanding Prior Bonds, (ii) make a deposit to the Reserve Fund for a portion of the Reserve Requirement; (iii) pay the premiums for municipal bond insurance and a reserve surety for the Bonds, and (vi) pay the costs of issuing the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." The following table sets forth a summary of the Prior Bonds to be refunded with a portion of the proceeds of the Bonds and other available amounts.

	J	Refunded Bon	ıds	
	Bond Type	Maturity Date	Par Amount	Redemption Price
Fixed Rate	Series 2003 B:			
	SERIAL	9/2/2018	\$ 165,000	100.00
		9/2/2019	175,000	100.00
		9/2/2020	185,000	100.00
		9/2/2021	195,000	100.00
	TERM	9/2/2033	3,415,000	100.00
			\$ 4,135,000	
Limited Ob	ligation Improv	ement Bonds	, Group One:	
	SERIAL	9/2/2018	\$ 485,000	100.00
		9/2/2019	500,000	100.00
		9/2/2020	525,000	100.00
	TERM	9/2/2028	5,440,000	100.00
	TERM	9/2/2033	4,655,000	100.00
			\$11,605,000	
Limited Ob	ligation Improv	ement Bonds	, Group Two:	
	SERIAL	9/2/2018	\$ 315,000	100.00
		9/2/2019	330,000	100.00
		9/2/2020	350,000	100.00
	TERM	9/2/2026	2,490,000	100.00
	TERM	9/2/2033	4,000,000	100.00
			\$ 7,485,000	
Limited Ob	ligation Improv	vement Bonds	, Group Three:	
	SERIAL	9/2/2018	\$ 385,000	100.00
	SERIAL	9/2/2018	405,000	100.00
		9/2/2019	425,000	100.00
		9/2/2020	450,000	100.00
	TERM	9/2/2021	960,000	100.00
	TERM	9/2/2023	2,315,000	100.00
	TERM	9/2/2033	4,225,000	100.00
	LIXIVI	71212033	\$ 9,165,000	100.00
Total			\$32,390,000	
1 Viai			φ <i>32</i> ,390,000	

Pursuant to an Escrow Agreement, dated as of January 1, 2018 (the "Escrow Agreement"), by and between U.S. Bank, National Association as escrow agent (the "Escrow Agent") and the County, a portion of the proceeds of the Bonds, together with certain other available monies, will be deposited into separate escrow accounts, established for each series of Prior Bonds to be refunded (each, an "Escrow Account"), created pursuant to the Escrow Agreement, and will be held in cash or will be invested in non-callable (a) direct obligations of the United States of America and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America ("Federal Securities"). The Federal Securities will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their terms, such amounts, together with any amounts held as cash in the respective Escrow Accounts, will provide sufficient monies to pay the redemption price (i.e., 100% of the principal amount) of such Prior Bonds (the "Redemption Price") on March 2, 2018 (the "Redemption Date"), the date of redemption therefor.

Grant Thornton LLP, certified public accountants (the "Verification Agent"), will deliver a report stating that the firm has verified the accuracy of mathematical computations concerning the adequacy of the amounts deposited in the respective Escrow Accounts. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

ESTIMATED SOURCES AND USES OF FUNDS

The following sets forth the estimated sources and uses of funds related to the Bonds.

Sources of Funds:

79 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Principal Amount	\$28,425,000.00
Net Premium	3,588,984.70
Release from Prior Bonds	3,146,447.34
Total Sources of Funds	\$35,160,432.04
Uses of Funds:	
Deposit to Escrow Accounts ⁽¹⁾	\$33,185,110.97
Deposit to Reserve Fund ⁽²⁾	1,496,938.33
Deposit to Costs of Issuance ⁽³⁾	478,382.74
Total Uses of Funds	\$35,160,432.04

^{(1) \$4,251,546.72} will be deposited into the Escrow Account for the Fixed Rate Series 2003 B; \$11,882,553.41 will be deposited into the Escrow Account for the Limited Obligation Improvement Bonds, Group One; \$7,664,354.94 will be deposited into the Escrow Account for the Limited Obligation Improvement Bonds, Group Two; and \$9,386,655.90 will be deposited into the Escrow Account for the Limited Obligation Improvement Bonds, Group Three.

⁽²⁾ Equals 50% of the Reserve Requirement for the Bonds.

⁽³⁾ Includes fees and expenses of Bond Counsel, Disclosure Counsel, the Rating Agency, the Verification Agent, the Municipal Advisor, Reassessment Consultant and the Trustee, Underwriter's discount, printing costs, premiums for municipal bond insurance and a reserve surety for the Bonds, and other miscellaneous fees and expenses.

THE BONDS

General

The Bonds will be dated their date of issuance and delivery, will bear interest at the rates per annum set forth on the inside cover page hereof payable on each Interest Payment Date and will mature on the dates and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, so long as no Bond may have more than one maturity date. The Bonds will be issued only as one fully registered Bond for each maturity, in the name of Cede & Co., as nominee for DTC, as registered owner of all Bonds. See APPENDIX F – "BOOK ENTRY SYSTEM." Ownership may be changed only upon the registration books maintained by the Trustee as provided in the Indenture.

Interest on the Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Dated Date, or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date. Interest shall be paid in lawful money of the United States on each Interest Payment Date to the Persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date shall be payable to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special Record Date to be established by the Trustee for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to such Owner not less than ten days prior to such special Record Date. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, except that in the case of an Owner of \$1,000,000 or more in aggregate principal amount of Bonds, upon the written request of such Owner to the Trustee, received at least ten days prior to a Record Date, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds on the following Interest Payment Date.

Redemption

Optional Redemption. The Bonds shall be subject to optional redemption in whole or in part on such basis as shall be designated by the County in a Written Certificate of the County filed with the Trustee, on any date on or after September 2, 2028, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption.

Mandatory Redemption From Reassessment Prepayments. The Bonds shall be subject to mandatory redemption, in whole or in part pursuant to Section 8768 of the Streets and Highways Code of the State, on any Interest Payment Date, from and to the extent of any

prepayment of Reassessments, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates	Redemption Price
Any Interest Payment Date through March 2, 2026	103%
September 2, 2026 and March 2, 2027	102
September 2, 2027 and March 2, 2028	101
September 2, 2028 and thereafter	100

Notice of Redemption. Written notice of any redemption shall be given by the County to the Trustee at least forty-five (45) days prior to the date of redemption (unless a shorter time shall be acceptable to the Trustee for its convenience). The Trustee on behalf and at the expense of the County shall mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Securities Depositories and to the Municipal Securities Rulemaking Board, at least 20 but not more than 60 days prior to the Redemption Date. Notice of redemption to the Municipal Securities Rulemaking Board shall be given electronically and uploaded to its Electronic Municipal Market Access ("EMMA") system. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, the Bond numbers (except in the event of redemption of all of the Bonds of a maturity or maturities in whole) and the maturity or maturities of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption.

With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Trustee shall hold sufficient available funds to pay the redemption price of the Bonds to be redeemed, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the redemption price of the Bonds to be redeemed, and that if such moneys shall not have been so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the persons who received such notice of redemption and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the sufficiency of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

Right to Rescind Notice of Redemption. The County shall have the right to rescind any notice of redemption, by written notice to the Trustee, on or prior to the date fixed for such redemption. The Trustee shall distribute the notice of such rescission in the manner in which the notice of redemption was given.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for optional redemption of less than all of the Bonds maturing on a particular date, the Trustee shall

select the Bonds to be redeemed from all Bonds not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Whenever provision is made in the Indenture for the mandatory redemption from Reassessment Prepayments, the County shall select the Bonds to be redeemed among maturities so that the ratio of Outstanding Bonds after such redemption to issued Bonds shall be approximately the same in each maturity, insofar as possible. The County shall notify the Trustee of the principal amount of the Bonds so selected for redemption in each maturity of the Bonds by a Written Certificate of the County delivered to the Trustee not less than forty-five (45) days, or such lesser number of days as is acceptable to the Trustee, in its sole discretion, prior to the date selected for redemption. The Trustee shall select Bonds for redemption within each maturity of the Bonds by lot. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the County shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the County, a new Bond or Bonds of authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Bonds surrendered.

Upon the occurrence of an optional or mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer.

Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the redemption (including the interest to the applicable date fixed for redemption and including any applicable premium), having been deposited in the Redemption Fund or Prepayment Account, as applicable, the Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date. If, on said date fixed for redemption, moneys for the redemption of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

Transfers and Exchanges

So long as they are subject to the DTC book-entry system, the Bonds may be transferred or exchanged only as described in APPENDIX F – "BOOK ENTRY SYSTEM." However, should the Bonds cease to be in book-entry form, then they may be transferred or exchanged as provided in the Indenture.

DEBT SERVICE REQUIREMENTS

The amounts required to be set aside each year ending September 2 for principal of and interest on the Bonds are set forth below.

Year Ending September 2	<u>Principal</u>	Bonds <u>Interest</u>	<u>Total</u>
2018	\$ 2,310,000.00	\$ 683,876.66	\$2,993,876.66
2019	1,260,000.00	1,115,100.00	2,375,100.00
2020	1,310,000.00	1,077,300.00	2,387,300.00
2021	1,375,000.00	1,024,900.00	2,399,900.00
2022	1,420,000.00	969,900.00	2,389,900.00
2023	1,480,000.00	913,100.00	2,393,100.00
2024	1,590,000.00	839,100.00	2,429,100.00
2025	1,665,000.00	759,600.00	2,424,600.00
2026	1,710,000.00	709,650.00	2,419,650.00
2027	1,795,000.00	624,150.00	2,419,150.00
2028	1,845,000.00	534,400.00	2,379,400.00
2029	1,935,000.00	442,150.00	2,377,150.00
2030	2,035,000.00	345,400.00	2,380,400.00
2031	2,140,000.00	243,650.00	2,383,650.00
2032	2,240,000.00	136,650.00	2,376,650.00
2033	2,315,000.00	69,450.00	2,384,450.00
Total	\$28,425,000.00	\$10,488,376.66	\$38,913,376.66

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Reassessments (including prepayments thereof), together with interest and any penalties thereon, and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture, other than the Continuing Costs Fund, are pledged by the County under the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act; provided that said pledge shall exclude any and all payments of Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, which such amounts shall be retained by the County and utilized in accordance with the provisions of the County's Teeter Plan. Said pledge shall constitute a first lien on such assets.

Pursuant to the Act, the Reassessments are confirmed on the basis of findings by the County that: (1) each estimated annual installment of principal and interest on the reassessment is less than the corresponding annual installment of principal and interest on the portion of the original reassessment being superseded and supplanted by the same percentage for all subdivisions of land within the district, provided that any amount added to the annual

installments on the reassessment due to a delinquency in payment on the original reassessment need not be considered in this calculation (which addition is not applicable to the Reassessment); (2) the number of years to the last maturity of the Bonds relating to a series of Prior Bonds is not more than the number of years to the last maturity of such series of Prior Bonds being refunded; and (3) the principal amount of the reassessment on each subdivision of land within the district is less than the unpaid principal amount of the portion of the reassessment, as applicable, being superseded and supplanted by the same percentage for each subdivision of land within the district, provided that any amount added to the annual installments on the assessment or reassessment due to a delinquency in payment on the original assessment or reassessment need not be considered in this calculation (which addition is not applicable to the Reassessment). Under the Act, any reassessment so approved and confirmed shall not be deemed to be an assessment within the meaning of, and may be ordered without compliance with the procedural requirements of, Article XIIID of the California Constitution. See "RISK FACTORS – Proposition 218."

The County will comply with all requirements of the Act and the Indenture to assure the timely collection of the Reassessments, and interest thereon, including, without limitation, the enforcement of delinquent Reassessments. Any funds received by the County in and for the Reassessment District, including, but not limited to, collections of Reassessments (including prepayments thereof) and interest thereon upon the secured tax rolls, collections of delinquent Reassessments and interest and penalties thereon through foreclosure proceedings or otherwise, and collections of amounts for the Continuing Costs of the Bonds, will as soon as practicable be transmitted directly to the Trustee, without deduction, to be deposited into the funds and accounts under the Indenture. Pursuant to the Indenture, the Trustee will establish, maintain and hold in trust the Redemption Fund and the Prepayment Account. In addition, the Trustee will establish, maintain and hold in trust the Reserve Fund. The Bonds are secured by the amounts held in such funds and accounts, except for the Continuing Costs Fund. Principal of and interest on the Bonds are payable exclusively out of the Redemption Fund. As defined in the Indenture, the term "Continuing Costs of the Bonds" means the continuing costs of the Bonds, including the fees, costs and indemnifications due the Trustee or the County.

Payments of the principal of, premium, if any, and interest on the Bonds are payable solely from the Reassessments and the other assets pledged therefor under the Indenture, together with interest and any penalties received with respect thereto, and any other amounts (including proceeds of the sale of the Bonds) held in any account established pursuant to the Indenture (except the Continuing Costs Fund). Pursuant to the Indenture, the Trustee will establish, maintain and hold in trust a special fund designated the "Redemption Fund." Except as otherwise provided in the Indenture, the Trustee will deposit in the Redemption Fund all Reassessments (other than prepayments thereof), together with interest and any penalties thereon, and any other amounts required to be deposited therein by the Indenture or the Act; provided, that it is expressly understood the County will not transfer to the Trustee any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the Teeter Plan.

Limited Obligations

The Bonds are limited obligations, payable solely from the Reassessments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the County or the State, or any political subdivision thereof, is pledged to the payment of the Bonds. The County is not obligated to advance available funds from the County treasury to cure any deficiency in the Redemption Fund.

Collection and Application of Reassessments

The County covenants in the Indenture to comply with all requirements of the Act, the Resolution of Issuance and the Indenture to assure the timely collection of the Reassessments, and interest thereon, including, without limitation, the enforcement of delinquent Reassessments. Any funds received by the County in and for the Reassessment District, including, but not limited to, collections of Reassessments (including prepayments thereof), and interest thereon, upon the secured tax rolls, collections of delinquent Reassessments and interest and penalties thereon, through foreclosure proceedings or otherwise (other than amounts collected on account of Continuing Costs and such other such amounts as are payable to the County) shall as soon as practicable be transmitted directly to the Trustee to be deposited into the funds and accounts specified in the Indenture; provided that any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, which such amounts will be retained by the County to be utilized in accordance with the County's Teeter Plan.

The Reassessments and interest thereon, will be payable and be collected in the same manner at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

The County shall, before the final date on which the Auditor will accept the transmission of the Reassessments for inclusion on the next tax roll, prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the installments of such Reassessments, together with interest thereon, and the Continuing Costs of the Bonds on the next secured tax roll of the County. The County is authorized under the Indenture to employ consultants to assist in computing the installments of the Reassessments under the Indenture and in reconciling Reassessments billed to amounts received.

Upon receipt of any Reassessments, or interest or penalties thereon, or prepayments of Reassessments, the County shall, as soon as practicable, transfer the same to the Trustee, together with a Written Certificate of the County that identifies which portion, if any, of the amounts so transferred that constitute Reassessments, or interest or penalties thereon, or prepayments of Reassessments; provided, that amounts received on account of Continuing Costs of the Bonds will be retained by the County for deposit in the Continuing Costs Fund and amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, will be retained by the County to be

utilized in accordance with the County's Teeter Plan. All sums transferred to the Trustee from the collection of the Reassessments and of the interest and penalties thereon will be placed in the Redemption Fund, and any prepayments of Reassessments will be placed in the Prepayment Account.

Any Reassessment may be prepaid at any time by paying, in whole or in part, the unpaid amount thereof less, if available, the amount transferred to the Redemption Fund from the Reserve Fund, if any, together with the redemption premium, if any, and interest on such prepaid Reassessment (if not collected in a Reassessment Installment) to the earliest redemption date for which notice of redemption may be given in accordance with the Indenture.

Reserve Fund

Under the Indenture, a Reserve Fund is established for the Bonds to be held by the Trustee and funded at the Reserve Requirement. The Reserve Requirement will be satisfied in part by a debt service reserve surety provided by AGM, that is a Qualified Reserve Fund Credit Instrument under the Indenture. The surety, together with cash, shall equal the Reserve Requirement for the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

The County shall cause the Reserve Fund to be administered in accordance with Part 16 of the Act; provided that proceeds from redemption or sale of properties, with respect to which payment of delinquent Reassessments and interest thereon was made from the Reserve Fund, shall be credited to the Reserve Fund.

Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Redemption Fund in the event of any deficiency at any time in the Redemption Fund of the amount then required for payment of the principal of, and interest on the Bonds or for the purpose of redeeming Bonds from the Redemption Fund.

Whenever, after the issuance of the Bonds, a Reassessment is prepaid, in whole or in part, as provided in the Act, the Trustee, pursuant to a Written Request of the County, shall transfer from the Reserve Fund (but only to the extent of moneys on deposit therein and from no other source whatsoever) to the Prepayment Account within the Redemption Fund an amount, specified in such Written Request, equal to the remainder of (1) the product of the ratio of the original amount of the Reassessment, or portion thereof, so prepaid to the original amount of all unpaid Reassessments, times the initial Reserve Requirement minus (2) any credit supplied in connection with a previous partial prepayment of the same Reassessment; provided that in no event will moneys be transferred in an amount that causes the Reserve Fund to drop below the Reserve Requirement; provided, however, that such transfer shall be reduced proportionately in the event the Reserve Fund is funded in whole or in part, with a Qualified Reserve Fund Credit Instrument.

On or about July 1, 2032, the Reassessment Consultant shall calculate each parcel's *pro rata* portion of the Reserve Fund and monitor each parcel's payment status, and provide to the County a report specifying the allocation of moneys which will become available in the Reserve Fund at the end of the fiscal year due to a reduction, if any, in the amount of the Reserve Requirement as a result of the debt service payment to be paid on September 2 following such

fiscal year. Those parcels which would otherwise be in their final year of reassessment shall be afforded a credit against the reassessment that would otherwise have been levied in such year, such credit to be based on such parcel's pro rata portion of the reduction and such credit not in excess of such parcel's pro rata portion of the Reserve Fund. The County shall then direct the Trustee, pursuant to a Written Request of the County, to transfer from the Reserve Fund (but only to the extent of moneys on deposit therein and from no other source whatsoever) to the Redemption Fund, the amount specified in such Written Request for such transfer, such transfer to occur on or about September 1 of the next succeeding fiscal year (e.g., a report filed during July 2032 will specify the amount to be transferred on September 1, 2033 for payment of debt service of the Bonds on September 2, 2033).

The Trustee shall create a separate sub-account in the Redemption Fund for the moneys transferred from the Reserve Fund (or separate subaccounts therein) if directed to do so by the County pursuant to the Written Request of the County, if the County and the Reassessment Consultant have determined a separate sub-account in the Redemption Fund would be useful for purposes of accounting for the transfer of moneys from the Reserve Fund and the allocation of such moneys to parcels within the Reassessment District. Notwithstanding any provision of the Indenture, the amount to be transferred from the Reserve Fund may be utilized for optional redemption of Bonds provided that in no event will moneys be transferred to accomplish such redemption in an amount that causes the Reserve Fund to drop below the Reserve Requirement subsequent to such redemption. If at any time prior to the date of transfer identified in the Reassessment Consultant's report described above the balance in the Reserve Fund is sufficient to retire all Outstanding Bonds, whether by advance retirement or otherwise, collection of the principal and interest on the Reassessments shall be discontinued and the Reserve Fund shall be liquidated by the Trustee and transferred to the Redemption Fund for the retirement of such Outstanding Bonds, pursuant to a Written Request of the County. In the event that the balance in the Reserve Fund at the time of its liquidation exceeds the amount necessary to retire all of such Outstanding Bonds, the excess shall, after the payment of amounts due to the Trustee, be transferred to the County to be used in accordance with the Act.

So long as no Event of Default shall have occurred and be continuing to the actual knowledge of the Trustee, any amount in the Reserve Fund in excess of the Reserve Requirement on September 3 of each year, except as otherwise provided in the Indenture for purposes of arbitrage rebate to the Federal government, shall be withdrawn from the Reserve Fund by the Trustee and shall be deposited in the Redemption Fund.

On each September 3, the Trustee shall transfer from the Redemption Fund Reassessment payments and amounts collected from foreclosures to the Reserve Fund an amount which, together with amounts then on deposit therein, is sufficient to cause the aggregate amount in the Reserve Fund to equal the Reserve Requirement.

Foreclosure

With respect to a delinquency in the payment of an installment of any Reassessment not advanced by the County pursuant to the County's Teeter Plan, the County covenants in the Indenture that it will, not later than the first day of November following a delinquency in the payment of Reassessments, or interest thereon, or amounts to pay the Continuing Costs of the Bonds, forthwith undertake and diligently prosecute foreclosure proceedings in the manner

prescribed in Section 8830 *et seq.* of the Act to collect such delinquent amounts; provided, however, that if the amount collected from any source is greater than 92.5% of the installment of the Reassessment and interest thereon, and amounts to pay the Continuing Costs of the Bonds, to be collected, the County shall not be required to undertake such foreclosure proceedings, unless it is determined that any single property owner is delinquent in excess of \$25,000 in the payment of such amounts in which case it shall diligently institute, prosecute and pursue such foreclosure proceedings against such property owner as set forth herein.

Upon the redemption or sale of the real property responsible for such delinquencies, the County shall deposit in the Reserve Fund, from the net proceeds of such redemption or sale, the amount of any delinquency advanced therefrom; provided, however, that if and to the extent that any such deposit would cause the amount on deposit in the Reserve Fund to exceed the Reserve Requirement, such excess shall be deposited in the Redemption Fund. The balance, if any, of such redemption or sale shall be disbursed as set forth in the judgment of foreclosure or as required by law.

Teeter Plan

In 1949, the California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies pursuant to the provisions of Chapter 3, Part 8, Division 1 of the California Revenue and Taxation Code (Sections 4701 and following). The Board of Supervisors of the County adopted its "Teeter Plan" on June 29, 1993 under such provisions of State law. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county acts as "bank" and certain other public agencies and taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. The Teeter Plan provides participating local agencies such as the Reassessment District with stable cash flow and the elimination of collection risk, while a county benefits from the penalties associated with these delinquent taxes when they are paid.

Once adopted, a county's Teeter Plan remains in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency. The County has not previously removed any levying agency, such as the Reassessment District, from the Teeter Plan.

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of taxes and assessments (if a county has elected to include assessments), 100% of the tax and assessment delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the tax or assessment. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether

the county has actually collected the levies. If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a *pro rata* adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the county as an interest-free offset against future advances of tax levies under the Teeter Plan.

On June 29, 1993, the County elected pursuant to Resolution No. 93-745 to include assessments levied in the Reassessment District on the secured roll in the Teeter Plan. The County has the power to unilaterally discontinue the Teeter Plan or remove the Reassessment District from the Teeter Plan. The County also has the power to include additional taxing agencies on the Teeter Plan. The Teeter Plan may also be discontinued by petition of two-thirds (2/3) of the participant taxing agencies.

Priority of Lien

The Reassessments and each Reassessment Installment, and any interest and penalties thereon, constitute a lien against the respective parcels of assessable property within the Reassessment District until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general taxes and any lien imposed under the Mello-Roos Community Facilities Act of 1982, as amended.

Existing Liens

Contained within the Reassessment District are numerous overlapping local agencies providing public services and having liens against the respective parcels of assessable property within the Reassessment District. There are not any senior fixed special assessment liens against the respective parcels of assessable property within the Reassessment District. See "THE REASSESSMENT DISTRICT – Direct and Overlapping Debt."

BOND INSURANCE

Bond Insurance Policy

Concurrent with the issuance of the Insured Bonds, AGM will issue the Policy. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as APPENDIX G – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and

global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On June 26, 2017, S&P issued a research update report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 14, 2016, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 8, 2016, Moody's published a credit opinion affirming its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Capitalization of AGM. At September 30, 2017:

- 1. The policyholders' surplus of AGM was approximately \$2,322 million.
- 2. The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,371 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- 3. The net unearned premium reserves of AGM and its subsidiaries (as described below) were approximately \$1,681 million. Such amount includes (i) 100% of the net

unearned premium reserves of AGM and AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc, Assured Guaranty (UK) plc, CIFG Europe S.A. and Assured Guaranty (London) plc (together, the "AGM European Subsidiaries") and (ii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves and net unearned premium reserves of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves of the AGM European Subsidiaries were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (filed by AGL with the SEC on February 24, 2017);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017 (filed by AGL with the SEC on May 5, 2017);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017 (filed by AGL with the SEC on August 3, 2017); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 (filed by AGL with the SEC on November 3, 2017).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Insured Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

THE REASSESSMENT DISTRICT

General

The Reassessment District was designated by the County for the purpose of refinancing the costs of acquisition of certain infrastructure improvements, among other purposes. The Reassessment District is an area of special assessment, referring to property that is specifically benefitted from such improvements and that is assessed or reassessed to pay for the costs of the acquisition of such improvements.

The County confirmed a total reassessment in the Reassessment District of \$32,055,000 on December 12, 2017 on the basis of the preliminary principal amount of the Bonds and recorded such confirmed reassessment. David Taussig & Associates, Inc., Newport Beach, California (the "Reassessment Consultant") prepared a written report, dated December 12, 2017 (the "Reassessment Report"), which contains, among other things, the proposed Reassessment for each of the parcels in the Reassessment District. The total amount of the proposed reassessments was based upon the Reassessment Engineer's estimated cost of redemption of the Prior Bonds.

The Reassessment Consultant applied the following rules for determining the Reassessments:

- Reassessment amounts were determined separately for the parcels within the four separate subareas of the original assessment district which were the subject of the first four conversion transactions (the "Subject Conversions") in a three-step process.
- In the first step, an inventory was made of the existing balances in the respective funds and accounts pertaining to those existing assessments and those limited obligation improvement bonds of each of the Subject Conversions which are included in this reassessment and refunding program.
- In the second step, the unpaid amount of the original assessment for each parcel for which there remains an unpaid assessment amount was established. The proceeds of such 2017-18 installments, when received, will be utilized for the economic benefit of the affected property owners by paying the principal and accrued interest to become payable during 2018 on the Prior Bonds.
- In the third step, the amount of the reassessment for each reassessment parcel, as set forth in the Reassessment Report, was calculated by reducing the amount of the existing unpaid assessment on each parcel, as set forth in Reassessment Report, by the *pro rata* share of the existing fund balances pertaining to that particular set of

assessments and bonds of the applicable Subject Conversion. This third step resulted in different levels of reduction for the parcels in each of the Subject Conversions.

Reassessment District Location

The Reassessment District consists of 703 parcels (one parcel is located in both Group One and Group Two of the prior Assessment District 01-1) in the central coastal portion of the County (excluding prepaid parcels and parcels without outstanding assessment liens). The payment of debt service on each series of the Prior Bonds is secured by the respective unpaid assessments levied on parcels within the Reassessment District, as specified in the respective documents pursuant to which the Prior Bonds were issued. As described herein, upon the issuance of the Bonds, the Reassessments levied on the applicable parcels within the Reassessment District will secure the Bonds and the original assessments will be superseded and supplanted. The Prior Bonds are secured by assessments from certain respective Prior Groups and a Prior Subarea within the Reassessment District.

Included herein as APPENDIX A – "COUNTY OF ORANGE DEMOGRAPHIC AND ECONOMIC INFORMATION" is general economic data regarding the County. Such information is included for the purposes of general background information only. 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.

Description of Prior Assessment Lien

The following table summarizes the parcel count and remaining assessment or reassessment amount for each applicable Prior Group within the Reassessment District.

Table 1
DESCRIPTION OF PRIOR ASSESSMENT LIEN

Prior Group	Number of Parcels ^{1,2}	Amount of Prior Assessment Lien	% of Total Prior Assessment Lien	Final Payment Date
2003B	168	\$ 4,135,000	12.77%	9/2/2033
Group One	236	11,605,000	35.83	9/2/2033
Group Two	141	7,485,000	23.11	9/2/2033
Group Three	159	9,165,000	28.30	9/2/2033
Total	704	\$32,390,000	100.00%	N/A

Source: Reassessment Consultant.

Included herein as APPENDIX A – "COUNTY OF ORANGE DEMOGRAPHIC AND ECONOMIC INFORMATION" is general economic data regarding the County. Such information is included for the purposes of general background information only.

¹ Excluding prepaid parcels and parcels with no outstanding assessment lien.

² Total actual number of parcels is 703, one parcel is located in both Prior Group One and Prior Group Two. This parcel is a merger of three custom home lots, two of which were originally in Prior Group One and the other in Prior Group Two.

Land Uses and Development Status

The following table sets forth the total parcels that are developed and undeveloped for the fiscal year shown.

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PARCEL TOTALS FOR EACH LAND USE FOR FISCAL YEAR 2017-18 Table 2

					Total Direct and		Percent of
	Total	Total Assessed	Reassessment	Overlapping	Overlapping	Value	Reassessment
Land Use ¹	Parcels	Value	Lien	$Debt^2$	Debt	to Lien	Lien
Developed	929	\$2,589,446,014	\$27,185,608	\$28,803,000	\$55,988,608	46.25	95.64%
Undeveloped	27	100,545,799	1,239,392	\$1,325,797	\$2,565,189	39.20	4.36%
Total	703	\$2,689,991,813	\$28,425,000	\$30,128,797	\$58,553,797	45.94	100.00%

¹ Developed Property includes (i) all property that has improvement value on the 2017-18 County Assessor's Roll or

(ii) all property that has issued building permits for new construction.

² Includes the following outstanding debt:

(i) The Metropolitan Water District of Southern California: After March 1, 2017 principal payment;

(ii) Irvine Ranch Water District Improvement District Nos. 125, 225 and 240: As of June 30, 2016;

(iii) Newport-Mesa Unified School District: As of May 19, 2017 and excludes accreted value;

(iv) Laguna Beach Unified School District: As of June 30, 2016;

(v) Coast Community College District: As of June 30, 2016 for bonds issued prior to 2016 and original principal for bonds issued afterwards;

(vi) Newport-Mesa Unified School District Community Facilities District No. 90-1: After September 1, 2017 principal payment; and (vii) Laguna Beach Unified School District Community Facilities District No. 98-1: After September 1, 2017 principal payment.

The following table shows the undeveloped parcels by Prior Group for the fiscal year shown.

Table 3
UNDEVELOPED PARCELS FOR FISCAL YEAR 2017-18

	Total	Total Reassessment	Number of Undeveloped	Total Undeveloped Reassessment	Percent of Undeveloped
Prior Group	Parcels ^{1,2}	Amount	Parcels	Amount	Reassessment Lien
2003 B	168	\$ 3,575,000	0	\$ 0	0.00%
Group One	236	10,210,000	3	133,131	0.47
Group Two	141	6,590,000	5	232,429	0.82
Group Three	159	8,050,000	19	873,832	3.07
Total	704	\$28,425,000	27	\$1,239,392	4.36%

Source: Reassessment Consultant.

Property Tax and Assessment Payment Delinquency Status

The following tables summarize prior Bond Year delinquencies in the payment of assessments by owners of real property on which assessments securing the Prior Bonds were levied for the fiscal years shown. The risk of delinquencies in the payment of Reassessment installments may be reduced by the existence and implementation of the Teeter Plan. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Teeter Plan" for a discussion of the Teeter Plan.

[Remainder of page intentionally left blank.]

¹ Excluding prepaid parcels and parcels with no outstanding assessment lien.

² Total actual number of parcels is 703, one developed parcel is located in both Prior Group One and Prior Group Two. This parcel is a merger of three custom home lots, two of which were originally in Prior Group One and the other in Prior Group Two.

Table 4
BOND YEAR END SUMMARY OF DELINQUENT ASSESSMENTS

			Bond Y	Bond Year End Deling as of September 2	quency 2	Outst as 0	Outstanding Delinquency as of January 17, 2018	uency 2018
Fiscal Year	Parcels Levied	Annual Assessment	Parcels Delinquent	Assessment Delinguent	Percent Delinquent	Parcels Delinquent	Assessment Delinquent	Percent Delinguent
2012-13	13 707	\$2,673,671	6	\$19,200.30	0.72%	0	\$ 0.00	0.00%
2013-14	707	\$2,509,594	6	25,398.25	1.01%	0	0.00	0.00%
2014-15	707	\$2,789,809	6	27,979.84	1.00%	2	3,768.23	0.14%
2015-16	704	\$2,842,267	6	23,588.02	0.83%	3	6,251.45	0.22%
2016-17	704	\$3,205,418	_	25.301.78	0.79%	9	23.513.07	0.73%

Table 5 LIMITED OBLIGATION IMPROVEMENT BONDS, SERIES 2003 B

			Bond Y	Bond Year End Delinquency as of September 2	quency 2	Outst as o	outstanding Delinquency as of January 17, 2018	uency 018
Fiscal Year	Fiscal Parcels An Year Levied Asses	al Parcels Annual r Levied Assessment	Parcels Delinquent	Assessment Delinquent	Percent Delinquent	Parcels Delinquent	Assessment Delinquent	Percent Delinquent
2012-13 168	168	\$296,591	4	\$5,296.26	1.79%	0	\$ 0.00	0.00%
2013-14	168	33	$\overline{}$	1,986.09	%09.0	0	0.00	0.00%
2014-15	168	379,394	2	3,387.45	0.89%	0	0.00	0.00%
2015-16	168	391,524	2	3,495.75	68.0	0	0.00	0.00%
2016-17	168	447,120	-	2,661.43	%09'0	1	2,661.43	0.60%

Table 6
LIMITED OBLIGATION IMPROVEMENT BONDS, GROUP ONE
Bond Year End Delinquency
as of September 2
as of Ja

			Bond Y as	Bond Year End Delinquency as of September 2	luency	Outst. as of	Outstanding Delinquency as of January 17, 2018	uency 018
Fiscal Year	Parcels Levied	Fiscal Parcels Annual Year Levied Assessment	Parcels Delinquent	Assessment Delinquent	Percent Delinquent	Parcels Delinquent	Assessment Delinquent	Percent Delinquent
2012-13	237	\$911,262	4	\$9,294.63	1.02%	0	\$ 0.00	
2013-14	237	838,719	4	13,932.14	1.66%	0	\$0.00	0.00%
2014-15	237	957,993	3	11,312.60	1.18%		1,532.54	0.16%
2015-16	236	971,475	2	3,976.02	0.41%	\leftarrow	1,561.65	0.16%
2016-17	236	1,115,647	4	12,210.36	1.09%	3	10,421.65	0.93%

Table 7
LIMITED OBLIGATION IMPROVEMENT BONDS, GROUP TWO

			Bond N	Bond Year End Delinquency as of September 2	quency 2	Outst:	outstanding Delinquency as of January 17, 2018	uency 018
Fiscal Parcels Annu Year Levied Assessi	Parcels Levied	Annual Assessment	Parcels Delinquent	Assessment Delinquent	Percent Delinquent	Parcels Delinquent	Assessment Delinquent	Percent Delinquent
2012-13	142	\$609,239	1	\$4,609.41	0.76%	0	\$ 0.00	0.00%
2013-14	142	565,685		1,994.95	0.35%	0	0.00	0.00%
2014-15	142	633,932	2	6,707.08	1.06%		2,235.69	0.35%
2015-16	141	650,972	2	4,916.34	0.76%	_	2,296.85	0.35%
2016-17	141	738,276	1	5,209.40	0.71%	1	5,209.40	0.71%

Table 8

LIMITED OBLIGATION IMPROVEMENT BONDS, GROUP THREE

Rand Year End Delinquency
as of January 17, 2018

			as	as or september 2	7	as 01	as of January 17, 2018	2018
Fiscal	Fiscal Parcels A	Annual	Parcels	Assessment	Percent	Parcels	Assessment	Percent
Year	Levied A	Assessment	Delinquent	Delinquent	Delinquent	Delinquent	Delinquent	Delinquent
2012-13	160	\$856,579	0	\$ 0.00	0.00%	0	\$ 0.00	0.00%
2013-14	160	771,526	\mathcal{C}	7,485.07	0.97%	0	00.0	0.00%
2014-15	160	818,489	2	6,572.71	0.80%	0	00.0	0.00%
2015-16	159	828,296	3	11,199.91	1.35%	_	2,392.95	0.29%
2016-17	159	904,375	1	5,220.59	0.58%	1	5,220.59	0.58%

Historical Assessed Valuation

The following table sets forth the historical assessed valuation for the years shown.

Table 9 HISTORICAL ASSESSED VALUATION

Year	Aggregate Assessed Value	Percent of Change
2007	\$1,154,191,588	-
2008	1,528,424,810	32.42%
2009	1,536,165,967	0.51
2010	1,507,754,301	-1.85
2011	1,529,368,839	1.43
2012	1,583,621,454	3.55
2013	1,717,347,773	8.44
2014	1,938,201,382	12.86
2015	2,137,527,915	10.28
2016	2,390,050,865	11.81
2017	2,689,991,813	12.55

Source: Reassessment Consultant.

Estimated Value to Lien Ratios

According to the County's Fiscal Year 2017-18 property ownership records, there were 704 parcels in the Reassessment District (with one parcel in two Prior Groups) (excluding prepaid parcels and parcels without outstanding assessment liens).

The following table sets forth the value to lien ratios for the Fiscal Year 2017-18 assessed value. No assurance can be given that any of the following value to lien ratios will be maintained during the period of time that the Bonds are Outstanding. The County has no control over future property values or the amount of additional indebtedness that may be issued in the future by other public agencies, the payment of which, through the levy of a tax or an assessment, is on a parity with the Reassessments.

Table 10 VALUE TO LIEN RATIOS Fiscal Year 2017-18

	Number	Fiscal Year			Total Direct and	
Prior Group	of Parcels ^{1,2}	2017-18 Assessed Value ³	Reassessment Lien	Overlapping Debt ^{4,5}	Overlapping Debt	Value to Lien
2003B Group	168	\$ 176,948,976	\$ 3,575,000	\$1,604,234	\$ 5,179,234	34.17
One Group	236	757,546,326	10,210,000	8,159,192	18,369,192	41.24
Two Group	141	796,627,314	6,590,000	8,174,957	14,764,957	53.95
Three	159	958,869,198	8,050,000	12,190,413	20,240,413	47.37
Total	704	\$2,689,991,813	\$28,425,000	\$30,128,797	\$58,553,797	45.94

- (i) The Metropolitan Water District of Southern California: After March 1, 2017 principal payment;
- (ii) Irvine Ranch Water District Improvement District Nos. 125, 225 and 240: As of June 30, 2016;
- (iii) Newport-Mesa Unified School District: As of May 19, 2017 and excludes accreted value;
- (iv) Laguna Beach Unified School District: As of June 30, 2016;
- (v) Coast Community College District: As of June 30, 2016 for bonds issued prior to 2016 and original principal for bonds issued afterwards;
- (vi) Newport-Mesa Unified School District Community Facilities District No. 90-1: After September 1, 2017 principal payment; and
- (vii) Laguna Beach Unified School District Community Facilities District No. 98-1: After September 1, 2017 principal payment.
- ⁵ The overlapping debt for the parcel located in both Group One and Group Two is evenly split between Group One and Group Two to avoid double counting.

¹ Excluding prepaid parcels and parcels with no outstanding assessment lien.

² Total actual number of parcels is 703, one parcel is located in both Prior Group One and Prior Group Two. This parcel is a merger of three custom home lots, two of which were originally in Prior Group One and the other in Prior Group Two.

³ The assessed value for the parcel located in both Group One and Group Two is evenly split between Group One and Group Two to avoid double counting.

⁴ Include the following outstanding debt:

The following table sets forth the assessed value to lien ratios.

Table 11 ASSESSED VALUE TO LIEN RATIOS Fiscal Year 2017-18

	Number			
	of	Total Assessed	Reassessment	Percentage of
Value to Lien 1	Parcels	Value	Lien	Reassessment Lien
50.00:1 and over	130	\$1,262,021,096	\$6,028,047	21.21%
40.00:1 to 49.99:1	112	409,042,527	3,801,129	13.37
30.00:1 to 39.99:1	306	735,132,418	12,161,257	42.78
20.00:1 to 29.99:1	145	277,832,277	6,067,213	21.34
10.00:1 to 19.99:1	5	4,855,355	199,685	0.70
5.00:1 to 9.99:1	3	856,365	100,120	0.35
4.99:1 and below	2	251,775	67,548	0.24
Total	703	\$2,689,991,813	\$28,425,000	100.00%

¹ Lien includes direct and overlapping tax and assessment debt.

Sample Tax Bills

The following tables set forth sample tax bills for low, median and high assessed values, excluding the top and bottom ten percent of assessed value.

Low Assessed Values						
Total Fiscal Year 2017-18 Assessed Value: \$950,943						
Description/Service Agency	Tax Rate (07-166)	Value Base	Amount			
BASIC LEVY RATE	1.00000%	\$950,943	\$9,509.43			
NWPRT MESA USD 2010R	0.00979%	\$950,943	93.09			
NEW-MESA U-05 D/S 07	0.00548%	\$950,943	52.11			
METRO WATER D-MWDOC	0.00350%	\$950,943	33.29			
NWPRT MSA 2005SR2011	0.00151%	\$950,943	14.36			
NWPRT MSA 2005SR2017	0.00110%	\$950,943	10.46			
IRWD #240 WATER BOND	0.01500%	\$622,140	93.32			
IRWD DISTR ID #125	0.01300%	\$622,140	80.86			
SUBTOTAL:	1.04938%		\$9,886.92			
SPECIAL ASSESSMENT USER FEES						
MOSQ,FIRE ANT ASSMT			\$ 4.03			
VECTOR CONTROL CHG			0.67			
OCSD SEWER USER FEE			331.00			
1915 AD BOND V6			2,658.04			
NEWPORT-MESA USD CFD 90-1			207.08			
SUBTOTAL:			\$3,200.82			
		Total Tax:	\$13,087.74			
		Total Effective Tax Rate:	1.38%			

Median Assessed Values						
Total Fiscal Year 2017-18 Assessed Value: \$2,562,997						
Description/Service Agency	Tax Rate (07-216)	Value Base	Amount			
BASIC LEVY RATE	1.00000%	\$2,562,997	\$25,629.97			
NWPRT MESA USD 2010R	0.00979%	\$2,562,997	250.91			
COAST COMM COL 2017E	0.00804%	\$2,562,997	206.07			
COAST 2013, A&B	0.00721%	\$2,562,997	184.79			
COAST CCD 2002 BD 06	0.00624%	\$2,562,997	159.93			
NEW-MESA U-05 D/S 07	0.00548%	\$2,562,997	140.45			
COAST CCD 2002 BD 03	0.00514%	\$2,562,997	131.74			
COAST CCD 2002 BD 06	0.00370%	\$2,562,997	94.83			
METRO WATER D-MWDOC	0.00350%	\$2,562,997	89.71			
NWPRT MSA 2005SR2011	0.00151%	\$2,562,997	38.70			
COAST CCD 2012, SR C	0.00111%	\$2,562,997	28.45			
NWPRT MSA 2005SR2017	0.00110%	\$2,562,997	28.19			
COAST COMM COL 2017D	0.00001%	\$2,562,997	0.26			
IRWD #240 WATER BOND	0.01500%	\$2,562,997	384.44			
IRWD DISTR ID #125	<u>0.01300%</u>	\$2,562,997	333.19			
SUBTOTAL:	1.08083%		\$27,701.63			
SPECIAL ASSESSMENT USER FEES						
MOSQ,FIRE ANT ASSMT			\$3.36			
VECTOR CONTROL CHG			\$0.10			
MWD WATER STDBY CHG			\$11.60			
1915 AD BOND V0			\$5,424.03			
SUBTOTAL:			\$5,439.09			
		Total Tax:	\$33,140.72			
Total Effective Tax Rate: 1.29%						

High Assessed Values						
Total Fiscal Year 2017-18 Assessed Value: \$8,601,161						
Description/Service Agency	Tax Rate (07-179)	Value Base	Amount			
BASIC LEVY RATE	1.00000%	\$8,594,161	\$85,941.60			
LAG BCH USD 2010R	0.01287%	\$8,594,161	1,106.06			
METRO WATER D-MWDOC	0.00350%	\$8,594,161	300.80			
IRWD #240 WATER BOND	0.01500%	\$6,456,545	968.48			
IRWD DISTR ID #125	<u>0.01300%</u>	\$6,456,545	839.35			
SUBTOTAL:	1.04437%		\$89,156.29			
SPECIAL ASSESSMENT USER FEES						
MOSQ,FIRE ANT ASSMT			\$ 6.72			
VECTOR CONTROL CHG			1.92			
MWD WATER STDBY CHG			11.60			
OCSD SEWER USER FEE			331.00			
1915 AD BOND V0			4,990.09			
LAGUNA BEACH USD CFD 98-1			1,257.92			
SUBTOTAL:			\$6,599.25			
		Total Tax:	\$95,755.54			
		Total Effective Tax Rate:	1.11%			

Top Taxpayers

The following table sets forth the top taxpayers subject to reassessment in the Reassessment District.

Table 12 TOP TAXPAYERS

	Proporty Owner	Parcels		Fiscal Year 2017-18 Assessed Value	2017-18 Assessed Reassessment		Percent of Total Reassessment Lien	Value to Lien
1	Property Owner	rarceis	\$		\$	Lien 135.240	0.48%	Ratio 182.04
1	Golden Orange LLC ¹	1	Ф	24,618,727	Ф	,		
2	Bower, Scott L Trust Bower Living Trust	1		15,497,452		97,780	0.34%	158.49
3	Penske, Jennifer Lynn Trust	1		10,237,356		92,972	0.33%	110.11
4	Samson, Eric Trust	1		18,405,284		92,972	0.33%	197.97
5	Donegan, Mark Trust	1		23,538,876		92,972	0.33%	253.18
6	May Long California Capital LLC	1		28,000,000		88,754	0.31%	315.48
	Subtotal	6	\$	120,297,695	\$	600,688	2.11%	200.27
	All Others	697	\$2	2,569,694,118	\$2	7,824,312	97.89%	92.35
	Total	703	\$2	2,689,991,813	\$2	8,425,000	100.00%	94.63

¹ This parcel is a merger of three custom home lots, two of which were originally in Prior Group One and the other in Prior Group Two

Direct and Overlapping Debt

The following table sets for the principal amount of direct and overlapping tax and assessment debt in the Reassessment District.

Table 13 DIRECT AND OVERLAPPING DEBT

2017-18 Assessed Valuation: \$2,689,991,813		
OUTSTANDING PRIOR BONDS (AS OF OCTOBER 31, 2017)		\$32,390,000
OVERLAPPING TAX AND ASSESSMENT DEBT	% Applicable	Debt Outstanding
The Metropolitan Water District of Southern California ⁽¹⁾	0.077%	\$57,935
Irvine Ranch Water District Improvement District No. 125 ⁽²⁾	4.759%	\$8,705,156
Irvine Ranch Water District Improvement District No. 225 ⁽²⁾	0.131%	\$30,162
Irvine Ranch Water District Improvement District No. 240 ⁽²⁾	25.776%	\$5,524,009
Newport Mesa Unified School District ⁽³⁾	2.332%	\$5,075,068
Laguna Beach Unified School District ⁽⁴⁾	6.016%	\$1,569,462
Coast Community College District ⁽⁵⁾	0.746%	\$6,471,311
Newport-Mesa Unified School District Community Facilities District No. 90-1 ⁽⁶⁾	12.448%	\$586,927
Laguna Beach Unified School District Community Facilities District No. 98-1 ⁽⁷⁾	<u>25.407%</u>	<u>\$2,108,767</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	N/A	\$30,128,797
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$62,518,797
Ratios to 2017-18 Assessed Valuation:		
Direct Debt		1.20%
Total Overlapping Tax and Assessment Debt		1.12%
Total Direct and Overlapping Tax and Assessment Debt		2.32%

⁽¹⁾ After March 1, 2017 principal payment.

⁽²⁾ As of June 30, 2016.

⁽³⁾ As of May 19, 2017 and excludes accreted value.

⁽⁴⁾ As of June 30, 2016.

⁽⁵⁾ As of June 30, 2016 for bonds issued prior to 2016 and original principal for bonds issued afterwards.

⁽⁶⁾ After September 1, 2017 principal payment.

⁽⁷⁾ After September 1, 2017 principal payment.

RISK FACTORS

General

To provide for the payment of debt service on the Bonds, it is necessary that unpaid Reassessments be paid in a timely manner. Although the unpaid Reassessments constitute fixed liens on the assessable parcels of property in the Reassessment District, they do not constitute a personal indebtedness of the respective owners of such parcels. There is no assurance that such owners will be financially able to pay the Reassessments or that they will pay such installments even though financially able to do so.

Failure by owners of the assessable parcels of property in the Reassessment District to pay Reassessments when due (absent the receipt of sufficient payments under the Teeter Plan), depletion of the Reserve Fund or the inability to sell the assessable parcels of property in the Reassessment District at foreclosure proceedings for amounts sufficient to cover delinquent Reassessments levied against such parcels would result in the inability to make full or punctual payments of debt service to the Owners.

The timely payment of the Reassessments will depend upon the willingness and ability of the owners of the assessable parcels of property in the Reassessment District to pay such installments when due. The County has not undertaken to assess the financial condition of the owners of the assessable parcels of property in the Reassessment District or the likelihood that they will pay or will be able to pay the Reassessments when due, and expresses no view concerning these matters.

Risks of Real Estate Secured Investments Generally

The Owners and Beneficial Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (a) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the Reassessment District, the supply of or demand for competitive properties in such area, and the market value of competitive properties in the event of sale or foreclosure, (b) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies, and (c) natural disasters (including, without limitation, earthquakes, fires, droughts and floods), which may result in uninsured losses.

Limitations on Remedies; No Acceleration

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on, or to preserve the tax-exempt status of, the Bonds. Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles, by the exercise of judicial discretion and by limitations on remedies against public agencies in the State. Additionally, the Bonds are not subject to acceleration in the event of the breach of any covenant

or duty under the Indenture. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Termination of Teeter Plan

So long as the Reassessment District is included in the Teeter Plan and the County is paid under the Teeter Plan for all Reassessments levied therein, the proceeds of any foreclosure sale of an assessable parcel of property in the Reassessment District will be paid to the Teeter Plan. The County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies and taxing areas covered thereby, including the Reassessment District. A termination of the Teeter Plan with respect to the Reassessment District would eliminate such protection from delinquent Reassessments. If the Teeter Plan is terminated, the Trustee may be required to transfer the amount of a delinquent installment from the Reserve Fund to the Redemption Fund. If the Reserve Fund is depleted and if there are additional delinquencies, the County is not required to transfer into the Redemption Fund the amount of the delinquency out of any other moneys of the County. If the Teeter Plan is terminated, the failure of any owners to pay Reassessments in a timely manner could result in the unavailability of money to pay the principal of or interest on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan."

Bankruptcy and Foreclosure Delays

The payment of the Reassessments and the ability of the County to foreclose the lien of a delinquent unpaid Reassessments, as discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars, delays in the legal process and procedural delaying tactics. So long as the Reassessment District is included in the Teeter Plan and the County is paid under the Teeter Plan for all Reassessments levied therein, the proceeds of any foreclosure sale of an assessable parcel of property in the Reassessment District will be paid to the Teeter Plan and not to directly to the County.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of the Reassessments to become extinguished, the bankruptcy of a property owner or of a partner or other equity owner of a property owner, could result in the stay of the enforcement of the lien for the Reassessments, a delay in prosecuting State Superior Court foreclosure proceedings or adversely affect the ability or willingness of a property owner to pay the Reassessments, and could result in the possibility of delinquent Reassessments not being paid in full. In addition, the amount of any lien on property securing the payment of delinquent Reassessments could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Reassessment installments in excess of the reduced

lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien, or any such delay or non-payment would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Reassessments not being paid in full.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Reassessments or the timing of enforcement of Reassessments. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

FDIC/Federal Government Interests in Properties

The County's ability to enforce the lien of a Reassessment installment and to foreclose the lien of a delinquent Reassessment, is limited with regard to properties in which the Internal Revenue Service, the Drug Enforcement Agency, Federal Deposit Insurance Corporation (the "FDIC"), or other federal government entities such as Fannie Mae or Freddie Mac, has or obtains an interest.

In the case of the FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable installment of any Reassessments levied within the Reassessment District is not paid, the remedies available to the County may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than ad valorem taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-ad valorem taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed upon by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes or assessments.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against the County in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. The County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The County is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale. In the case of Fannie Mae and Freddie Mac, in the event a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or in the event a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Reassessments levied within the Reassessment District and each installment thereof may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including the Reassessments), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if an instrumentality of the federal government such as Fannie Mae or Freddie Mac has a mortgage interest in the parcel and the County wishes to foreclose on the parcel as a result of delinquent Reassessments levied within the Reassessment District and each installment thereof, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Reassessments and preserve the federal government's mortgage interest.

The County's remedies may also be limited in the case of delinquent Reassessments levied within the Reassessment District and each installment thereof with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

The County is unable to predict what effect the FDIC's application of the Policy Statement would have in the event of a delinquency on a parcel within the County in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed at a judicial foreclosure sale would reduce or eliminate the persons willing to purchase a parcel at a foreclosure sale. Owners and Beneficial Owners of the Bonds should assume that the County will be unable to foreclose on any parcel owned by the FDIC. According to County records, no property in the portion of the Reassessment District securing the Prior Bonds described herein was owned by the FDIC or any other federal government entity.

Price Realized Upon Foreclosure

Section 8832 of the Streets and Highways Code of the State prescribes the minimum price (the "Minimum Price") at which property may be sold in a judicial foreclosure resulting from delinquencies on assessment installments. The Minimum Price is the amount equal to the delinquent installments of principal and interest of the assessment, together with all interest, penalties, costs, fees, charges and other amounts more fully detailed in Section 8832. However, Section 8836 of the Streets and Highways Code of the State provides that the court may authorize a sale at less than the Minimum Price if the court makes certain determinations, based on the evidence introduced at the required hearing, which evidence must establish that no ultimate loss will result to the Owners or that no other remedy is acceptable and at least 75% of the owners of outstanding bonds consent to such sale.

The Reassessment lien upon property sold pursuant to this procedure at a lesser price than the Minimum Price would be reduced by the difference between the Minimum Price and the actual sale price. If foreclosure proceedings do not result in full collection of delinquent Reassessments, it is possible that owners of the Bonds may not receive payment of principal of or interest on the Bonds. In any event, the County may not need to institute foreclosure proceedings so long as the Teeter Plan is in existence and such Teeter Plan continues to provide the County with full tax and assessment levies instead of actual tax collections. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Teeter Plan" for a discussion of the County's Teeter Plan.

Pursuant to the Act, if a parcel which is included within the Reassessment District is foreclosed upon and cannot be sold at the foreclosure sale at a price equal to the amount of the judgment for delinquent Reassessments with costs and interest thereon, the County may petition a court to authorize the sale of such parcel at a lesser Minimum Price or without a Minimum Price. "Minimum Price" as used in the Act is the amount equal to the delinquent installments of principal or interest of the assessment, together with all interest penalties, costs fees, charges and other amounts more fully defined in the Act. The court may authorize a sale at less than the Minimum Price if it will not result in an ultimate loss to the Owners or, under certain circumstances, if owners of 75% or more of the outstanding bonds consent to such sale. Any such sale would produce a shortfall in the aggregate Reassessments payable with respect to such parcel and, absent payments from the Teeter Plan and sufficient amounts on deposit in the Reserve Fund, could ultimately result in a default in the payment of principal on the Bonds. The County may not need to institute foreclosure proceedings so long as the Teeter Plan is in existence and such Teeter Plan continues to provide the County with full tax and assessment levies instead of actual tax collections. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Teeter Plan."

In comparing the aggregate value of real property within the Reassessment District and the principal amount of the Bonds, it should be noted that only parcels upon which there is a delinquent Reassessment can be foreclosed, and the other parcels within the Reassessment District cannot be foreclosed upon as a whole to pay delinquent Reassessments of the owners of such delinquent parcels. In any event, individual parcels may be foreclosed upon to pay delinquent installments of the Reassessments levied only against such parcels.

Natural Disasters

The County, including the Reassessment District, like all communities in the State, may be subject to unpredictable seismic activity, wildfires or flooding in the wake of fires or in the event of unseasonable rainfall. For example, during the fall and winter of 2017, the County, like other areas of southern California during such span, experienced several incidents of wildfire. While such wildfires did not occur in the boundaries of the Reassessment District, it is possible that a wildfire could occur within the Reassessment District. In addition, there is significant potential for destructive ground-shaking during the occurrence of a major seismic event. There is no evidence that a ground surface rupture will occur in the event of an earthquake, but there is significant potential for destructive ground-shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In the event of a severe earthquake, there may be significant damage to both property and infrastructure in the Reassessment District. As a result, a substantial

portion of the property owners may be unable or unwilling to pay the Reassessments when due. In addition, the value of land within the Reassessment District could be diminished in the aftermath of such an earthquake, fire or flood, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of Reassessments.

Endangered Species

There has been an increase in activity at the State and federal level related to the listing and possible listing of certain plant and animal species found in the State as endangered species. The property located in the Reassessment District located in Prior Group One, Prior Group Two and Prior Group Three is part of the Central and Coastal/Natural Community Conservation Planning Program and Habitat Conservation Plan which were adopted in 1996 to address compliance with the State and federal Endangered Species Acts. Pursuant to the implementation agreement adopted in conjunction with those plans, landowners are authorized to develop all lands located outside of a reserve system that was created to protect endangered species. The impacts of the authorized development were mitigated in accordance with the plans to cover 39 endangered species that were identified as being covered by the plans and where no further mitigation was required. The plans also considered ten additional species to be conditionally covered, such that, although development was authorized, additional mitigation would need to be provided. As of the date of this Official Statement, none of the developed parcels in the Reassessment District required additional mitigation. In the event that any of the conditionally covered species are found to occupy undeveloped lands located within the Reassessment District, the provision of the required additional mitigation could delay the completion of the development as planned, which in turn could reduce the likelihood of timely payment of Reassessments with respect to such parcels.

Hazardous Substances

One of the most serious risks in terms of the potential reduction in the value of real property is a claim with regard to a hazardous substance. In general, the owners and operators of real property may be required by law to remedy conditions of the lot relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of the property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the assessable property within the Reassessment District be affected by a hazardous substance, will be to reduce the marketability and value of such parcel by the costs of remedying the condition, because the prospective purchaser, upon becoming owner, will become obligated to remedy the condition just as the seller is so obligated.

Further, it is possible that liabilities may arise in the future with respect to any of the assessable property within the Reassessment District resulting from the current existence on such parcel of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on such parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a

hazardous substance but from the method in which it is handled. All of these possibilities could significantly affect the value of assessable parcels of property in the Reassessment District that is realizable upon a delinquency.

The County has no knowledge of any hazardous substances being located on the assessable parcels of property in the Reassessment District; however, the County has not conducted any investigation with respect to hazardous substances within the Reassessment District.

Property Values

The value of the assessable property within the Reassessment District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of a Reassessment installment, the County's only remedy is to commence foreclosure proceedings in an attempt to obtain funds to pay the Bonds. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations or other events could adversely impact the security underlying the Reassessments.

The estimated value to lien ratio of individual parcels varies greatly. No assurance can be given that should a parcel with delinquent Reassessments be foreclosed upon and sold for the amount of the delinquency, any bid will be received for such parcel or, if a bid is received, that such bid will be sufficient to pay all delinquent Reassessments. Further, no assurance can be given that such value to lien ratios will be maintained over time. As discussed herein, many factors which are beyond the control of the County could adversely affect the property values within the Reassessment District. The County also has no control over the amount of additional indebtedness that may be issued by other public agencies, the payment of which, through the levy of a tax or an assessment, is on a parity with the Reassessments. A decrease in the property values in the Reassessment District or an increase in the parity liens on property in the Reassessment District, or both, could result in a lowering of the value to lien ratios of the property in the Reassessment District.

Although the Act authorizes the County to cause a foreclosure action to be commenced and diligently pursued to completion, the Act does not specify any obligation of the County with regard to purchasing or otherwise acquiring any parcel of property sold at a foreclosure sale in any such action if there is no other purchaser at such sale. The County has not in any way agreed, nor does it expect, to be such a purchaser. See "— FDIC/Federal Government Interests in Properties" above for a discussion of the policy of the FDIC regarding the payment of assessments and special taxes and limitations on the County's ability to foreclose on the lien of the Reassessments in certain circumstances.

Effect of Tax Reform Legislation

On December 22, 2017, legislation making significant changes to the Internal Revenue Code was signed into law. Such legislation includes, among other items, provisions that change income tax rates for individuals and corporations and limit the deductibility of state and local taxes and mortgage interest, effective for tax years beginning after December 31, 2017. Such legislation may increase the income tax burden on certain property owners within the Reassessment District. In addition, these provisions may have the effect of increasing the cost of

home ownership within the Reassessment District. It is not possible at this time to predict the impact such legislation will have on the financial condition of the owners of the assessable parcels of property in the Reassessment District or the likelihood that they will pay or will be able to pay the Reassessments when due. It is also not possible at this time to predict the effect that the legislation will have on the cost of homeownership or the price of homes located within the Reassessment District.

Parity of Taxes, Bonds and Special Assessments

The Reassessments and any penalties with respect thereto constitute a lien against the assessable property within the Reassessment District until they are paid. The lien of the Reassessments is subordinate to all fixed special assessment liens previously imposed upon the same property, but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Such lien is co-equal to and independent of the lien for general taxes and any lien imposed under the Mello-Roos Community Facilities Act of 1982, as amended. See "THE REASSESSMENT DISTRICT – Direct and Overlapping Debt" for a description of other special taxes or assessments secured by a lien on property within the Reassessment District. The County does not have control over the ability of other local government agencies to issue indebtedness secured by assessments or special taxes against all or a portion of the Reassessment District. In addition, the owners of assessable parcels of property in the Reassessment District may, without the consent or knowledge of the County, petition other public agencies to issue public indebtedness secured by assessments or special taxes. Any such assessments or special taxes may have a lien on such property on a parity with the Reassessments. See "THE REASSESSMENT DISTRICT – Direct and Overlapping Debt."

Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which contain, among other things, a number of provisions affecting the ability of the County to levy and collect both existing and future taxes, assessments, fees and charges. Under the Act, Section 9525(b) of the Streets and Highways Code of the State, the Reassessments herein are not assessments within the meaning of, and may be ordered without compliance with the procedural requirements of, Article XIIID of the California Constitution. In addition, under Section 10400 of the California Streets and Highways Code, any challenge (including any constitutional challenge) to the proceedings or the assessment must be brought within 30 days after the date the assessment was levied. With respect to the portion of the Reassessment District securing the Prior Bonds described herein for which the County completed its proceedings for the levy of assessments after July 1, 1997, the County complied with the provisions of Section 4 of Article XIIID.

Article XIIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIIC does not define the term "assessment", and it is unclear whether this term is intended to include assessments levied under the 1913 Act. Furthermore, this provision of Article XIIIC is not, by its terms, restricted in its application to assessments which were established or imposed on or after July 1, 1997. In the case of the unpaid Reassessments which are pledged as security for the payment of the Bonds, the Act provides a mandatory, statutory duty of the County and the County Auditor to post installments

on account of the unpaid Reassessments to the property tax roll of the County each year while any of the Bonds are outstanding, in amounts equal to the principal of and interest on the Bonds coming due in the succeeding calendar year. Although the matter is not free from doubt, it is likely that a court would hold that Article XIIIC has not conferred on the voters the power to reduce or repeal the unpaid Reassessments which are pledged as security for payment of a Bond or to otherwise interfere with performance of the mandatory, statutory duty of the County and the County Auditor with respect to the unpaid Reassessments which are pledged as security for payment of the Bonds.

The interpretation and application of the Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Future Initiatives

Proposition 218 was adopted pursuant to a measure qualified for the ballot pursuant to the State's constitutional initiative process, and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provision for particular activities. From time to time, other initiative measures could be adopted by State voters or legislation enacted by the Legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the County or local cities or districts to increase revenues or to increase appropriations or on the ability of a landowner to complete the development of property.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Reassessment District by not later than each May 1, commencing with its report for the fiscal year ended June 30, 2017 (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. The County has retained David Taussig & Associates, Inc. to serve as its Dissemination Agent in connection with the Bonds. The Annual Reports and notices of enumerated events will be filed with the Municipal Securities Rulemaking Board (the "MSRB") by the Dissemination Agent on behalf of the County. This Official Statement will serve as the first Annual Report under the Continuing Disclosure Certificate. These covenants have been made in order to assist the Underwriter in complying with U.S. Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The specific nature of the information to be contained in the Annual Report and the enumerated events is summarized in APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

During the last five years, the County and certain of its related entities, have failed to comply in certain respects described below with continuing disclosure undertakings related to outstanding bonded indebtedness.

With respect to the County and its related entities, the failure to comply fell into four general categories: (i) failure to provide event notices with respect to changes in the ratings of outstanding bonds, primarily related to changes in the ratings of various bond insurers insuring the bonds of the County or its related entities; (ii) omission of required financial and operating

data required to be included in certain annual reports and late filing of annual reports with respect to a number of the bond issues, in some cases by only a day and in other cases by a longer period of time; (iii) failure to file audited financial statements as a part of certain annual reports; and (iv) failure to file annual reports with respect to certain bonds after they were economically (but not legally) defeased.

The County and various related entities have made additional filings to provide certain of the previously omitted information; provided that with respect to ratings changes, notice has been provided only of the existing rating or ratings applicable to each outstanding series of bonds. Each of these filings may be accessed through EMMA.

To ensure ongoing compliance with the County's undertaking pursuant to the Continuing Disclosure Certificate (i) County staff have taken steps to ensure that the filing due date is correctly documented in policies and procedures and a single County staff member has been assigned primary responsibility to monitor compliance; and (ii) the County has contracted with a consultant to assist in filing accurate, complete and timely disclosure reports on behalf of the District.

LEGAL OPINIONS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the County by the County Counsel and for the County by Norton Rose Fulbright US LLP, Disclosure Counsel. The compensation of Bond Counsel and Disclosure Counsel for this issue is contingent on the successful sale and issuance of the Bonds.

TAX MATTERS

General

The delivery of the Bonds is subject to delivery of the opinion of Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), of the owners thereof pursuant to section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. The delivery of the Bonds is also subject to the delivery of the opinion of Bond Counsel, based upon existing provisions of the laws of the State that interest on the Bonds is exempt from personal income taxes of the State. A form of Bond Counsel's anticipated opinion is included as Appendix D. The statutes, regulations, rulings, and court decisions on which such opinion will be based are subject to change.

For taxable years that began before January 1, 2018, interest on the Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit,

or a financial asset securitization investment trust. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the County made in a certificate of even date with the initial delivery of the Bonds pertaining to the use, expenditure and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Indenture by the County subsequent to the issuance of the Bonds. The Indenture and the Tax Certificate contain covenants by the County with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the "Service") or the State with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the County as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the County may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to Owners of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and

marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum tax on corporations for taxable years that began before January 1, 2018, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, "S" corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued original issue discount on Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Bonds (the "Premium Bonds") may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at

maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

NO LITIGATION

There is no action, suit, or proceeding known by the County to be pending or threatened at the present time restraining or enjoining the delivery or in any way contesting or affecting the validity of the Bonds, the Indenture or the proceedings of the County taken with respect to the execution or delivery thereof.

RATINGS

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), is expected to assign a rating of "AA" to the Insured Bonds based on the delivery of the Policy by AGM at the time of issuance and delivery of the Bonds. In addition, S&P has assigned the Bonds a rating of "A," which such rating shall also be the underlying rating for the Insured Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such rating should be obtained from S&P, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. The County has furnished to S&P certain materials and information with respect to the County and the Bonds. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. The County and the Municipal Advisor undertake no responsibility to oppose any such proposed revision or withdrawal. Any such downward change in or withdrawal of any rating might have an adverse effect on the market price or marketability of the Bonds or the Insured Bonds.

MUNICIPAL ADVISOR

The County has retained Fieldman, Rolapp & Associates, Inc., Irvine, California as municipal advisor (the "Municipal Advisor") in connection with the structuring, marketing and pricing of the Bonds. The Municipal Advisor has reviewed this Official Statement but makes no guaranty, warranty or other representation respecting the accuracy and completeness of the information contained herein.

UNDERWRITING

Piper Jaffray & Co. (the "Underwriter") has purchased the Bonds from the County pursuant to a bond purchase agreement for a purchase price of \$31,900,000.45 (representing the aggregate principal amount of the Bonds, plus a net premium of \$3,588,984.70, and less an underwriting discount of \$113,984.25). The public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices shown on the inside cover page hereof.

The Underwriter has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent will verify the accuracy of mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the Federal Securities deposited in the respective Escrow Accounts, together with amounts held as cash therein, to provide for payment of the Redemption Price of the Prior Bonds on the Redemption Date.

The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it and that the Verification Agent has no obligation to update its report because of events occurring, or data or information coming to its attention, after the date of its report.

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MISCELLANEOUS

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or Owners of any of the Bonds.

The preparation and distribution of this Official Statement has been duly authorized by the County.

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By:	/s/ Frank Kim
_	Frank Kim
	County Executive Officer



APPENDIX A

COUNTY OF ORANGE DEMOGRAPHIC AND ECONOMIC INFORMATION

Set forth below is certain demographic and economic information with respect to the County of Orange, California (the "County"). Such information is provided as general information and has been obtained from sources that the County believes to be reliable, but the County makes no representation as to the accuracy or completeness of the information included.

Population

According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 3,194,024 as of January 1, 2017, reflecting a 0.7% increase over the prior year.

The following table sets forth the estimated population of the County, the State of California and the United States for the years 2008 to 2017. The County's population increased by 219,703, or approximately 7.4%, over this period.

COUNTY OF ORANGE, STATE OF CALIFORNIA AND THE UNITED STATES POPULATION 2008 THROUGH 2017

	County of	State of	
Year	Orange ⁽¹⁾	$\mathbf{California}^{(1)}$	United States ⁽²⁾
2008	2,974,321	36,704,375	304,093,966
2009	2,990,805	36,966,713	306,771,529
2010	3,010,232	37,253,956	309,348,193
2011	3,035,167	37,536,835	311,663,358
2012	3,069,454	37,881,357	313,998,379
2013	3,102,606	38,238,492	316,204,908
2014	3,127,083	38,572,211	318,563,456
2015	3,152,376	38,915,880	320,896,618
2016	3,172,152	39,189,035	323,127,513
2017	3,194,024	39,523,613	-

Observed Source: State of California Department of Finance, Demographic Research Unit. E-4 Historical Population Estimates for Cities, Counties, and the State. Reflects population estimates as of January 1, except 2010, which reflects population estimate as of April 1.

⁽²⁾ Source: U.S. Census Bureau. Reflects population estimates as of July 1, except for 2010, which reflects population estimate as of April 1. Data for 2017 not available.

Personal Income

The following table sets forth a summary of the total personal income and per capita personal income for the County, the State of California and the United States for the calendar years 2011 through 2015.

COUNTY OF ORANGE AND STATE OF CALIFORNIA TOTAL PERSONAL INCOME AND PER CAPITA INCOME 2011 THROUGH 2015⁽¹⁾

		Total Personal	
		Income	Per Capita
<u>Year</u>	<u>Area</u>	(in Thousands)	Personal Income ⁽²⁾
2011	County	\$ 157,031,273	\$51,383
	California	1,727,433,579	45,820
	United States	13,233,436,000	42,453
2012	County	169,583,534	54,893
	California	1,838,567,162	48,312
	United States	13,904,485,000	44,267
2013	County	166,369,802	53,321
	California	1,861,956,514	48,471
	United States	14,068,960,000	44,462
2014	County	174,451,316	55,470
	California	1,977,923,740	50,988
	United States	14,801,624,000	46,414
2015	County	183,052,341	57,749
	California	2,103,669,473	53,741
	United States	15,463,981,000	48,112

⁽¹⁾ Data for 2016 not available.

⁽²⁾ Per capita personal income is total personal income divided by Census Bureau midyear population estimates, which differ from the population estimates shown above in the preceding table. Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Industry and Employment

The following table sets forth a comparison of labor force, employment and unemployment for the County, the State of California and the United States for the years 2012 through 2016. For the month ending September, 2017, the County's unadjusted unemployment rate was 3.6% (58,200 persons), the State's unadjusted unemployment rate was 4.7% (917,300 persons), and the United States' unadjusted unemployment rate was 4.2% (6,801,000 persons).

COUNTY OF ORANGE, STATE OF CALIFORNIA AND UNITED STATES ANNUAL AVERAGE LABOR FORCE AND INDUSTRY EMPLOYMENT 2012 THROUGH 2016⁽¹⁾

		Civilian			Unemployment
<u>Year</u>	<u>Area</u>	Labor Force	Employment	Unemployment	Rate
2012	County	1,562,100	1,439,300	122,900	7.9
	California	18,523,800	16,602,700	1,921,100	10.4
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	County	1,565,300	1,462,400	102,900	6.6
	California	18,624,300	16,958,700	1,665,600	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4
2014	County	1,572,000	1,485,700	86,200	5.5
	California	18,755,000	17,348,600	1,406,400	7.5
	United States	155,922,000	146,305,000	9,617,000	6.2
2015	County	1,588,700	1,518,000	70,700	4.4
	California	18,893,200	17,723,300	1,169,900	6.2
	United States	157,130,000	148,834,000	8,296,000	5.3
2016	County	1,602,400	1,538,000	64,300	4.0
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	7,751,000	4.9

⁽¹⁾ All data presented as annual averages.

Source: For State and County information, State of California Employment Development Department, California Labor Market Information Division. For the U.S. information, U.S. Department of Labor, Bureau of Labor Statistics.

The following table sets forth employment by selected industry groups in the County for calendar years 2012 through 2016:

COUNTY OF ORANGE ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY GROUP⁽¹⁾ 2012 THROUGH 2016

Industry Group	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u> 2015</u>	<u> 2016</u>
Farm	2,800	2,900	2,800	2,400	2,800
Mining, Logging and Construction	73,500	79,000	83,800	92,300	97,400
Manufacturing	158,300	158,000	157,400	157,000	156,400
Trade, Transportation and Utilities	249,200	252,400	255,900	259,200	260,600
Information	24,300	25,000	24,500	25,500	26,000
Financial Activities	108,300	113,100	113,600	116,100	117,400
Professional & Business Services	260,600	267,300	276,600	286,600	296,200
Educational & Health Services	177,000	186,000	190,800	198,800	203,700
Leisure and Hospitality	180,600	187,800	194,500	203,800	211,800
Other Services	44,600	45,600	47,300	48,900	50,300
Government	147,900	148,700	152,200	156,400	160,100
Total, All Industries	1,427,100	1,465,700	1,499,300	1,546,900	1,582,600

⁽¹⁾ Industry employment is by place of work and excludes self-employed individuals, unpaid family workers, household domestic workers and workers on strike.

Source: State of California Employment Development Department.

The following table sets forth the ten largest employers in the County, and their respective annual average number of employees as of 2016. These ten employers collectively account for approximately 7.2% of total County employment.

PRINCIPAL EMPLOYERS 2016

		Number of
Rank	Employer	Employees ⁽¹⁾
1	Walt Disney Co.	27,000
2	University of California, Irvine	22,385
3	County of Orange	18,190
4	St. Joseph Health System	12,227
5	Kaiser Permanente	7,000
6	Boeing Co.	6,890
7	Wal-Mart	6,000
8	Memorial Care Health System	5,650
9	Bank of America	5,500
10	Target Corporation	<u>5,400</u>
	Total	<u>116,242</u>

⁽¹⁾ Number of employees reflects 2015 data for all except County of Orange.

Source: County of Orange Comprehensive Annual Financial Report For the Year Ended June 30, 2016.

Commercial Activity

Commercial activity is an important part of the County's economy.

TAXABLE TRANSACTIONS 2011-2015 (in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Motor Vehicle and Parts Dealers	\$5,777,582	\$ 6,551,466	\$7,147,519	\$ 7,765,471	\$ 8,352,815
Furniture and Home Furnishings	909,455	965,018	1,050,308	1,119,188	2,995,975
Stores					
Electronics and Appliance Stores	2,319,992	2,536,415	2,488,963	2,220,818	=
Building Material and Garden	2,267,363	2,351,574	2,581,968	2,662,657	2,870,940
Equip. and Supplies					
Food and Beverage Stores	1,990,893	2,056,803	2,111,209	2,177,054	2,461,305
Health and Personal Care Stores	894,003	948,220	983,067	1,059,761	-
Gasoline Stations	4,826,228	5,063,762	4,706,666	4,675,051	3,767,842
Clothing and Clothing	3,164,857	3,510,757	3,764,088	3,942,629	4,062,185
Accessories Stores					
Sporting Goods, Hobby, Book,	1,101,159	1,133,702	1,176,097	1,175,740	=
and Music Stores					
General Merchandise Stores	4,771,143	5,026,911	5,169,057	5,206,936	4,773,788
Miscellaneous Store Retailers	1,656,162	1,738,855	1,766,848	1,669,672	5,130,425
Nonstore Retailers	459,841	635,707	893,254	976,238	=
Food Services and Drinking	5,449,117	5,853,267	6,186,883	6,637,321	7,174,652
Places					
Total Retail and Food Services	\$35,587,795	\$38,372,456	\$40,025,929	\$41,288,537	\$41,589,928
All Other Outlets	16,143,344	16,858,156	17,565,288	18,808,591	19,768,161
Total All Outlets	\$ <u>51,731,139</u>	\$ <u>55,230,612</u>	\$ <u>57,591,217</u>	\$ <u>60,097,128</u>	\$ <u>61,358,087</u>

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Local Housing Market

The total number of housing units in the County was estimated by the California State Department of Finance to be 1,075,705 as of January 1, 2016. This compares to 969,484 reported in 2000 and 875,105 in 1990. According to CoreLogic the median home price in the County was \$640,000 as compared to the \$460,000 for the six Southern California Counties combined.

Building and Real Estate Activity

The following tables set forth five-year summaries of residential building permit valuations and new dwelling units authorized in the County for the years 2012 through 2016. Amounts are rounded to the nearest dollar.

COUNTY OF ORANGE RESIDENTIAL BUILDING PERMIT VALUATIONS AND PERMITS ISSUED

(dollar amounts in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u> 2015</u>	<u> 2016</u>
Valuations					
Residential	\$1,554,904	\$2,596,543	\$2,633,471	\$2,826,883	\$3,151,640
Non-Residential	<u>1,265,309</u>	1,578,466	2,000,168	2,203,105	2,495,687
Total All Buildings	\$ <u>2,820,213</u>	\$ <u>4,175,009</u>	\$ <u>4,633,639</u>	\$ <u>5,029,988</u>	\$ <u>5,647,327</u>
Permits					
Single Family	2,438	3,889	3,646	3,667	4,226
Multi-Family	<u>3,725</u>	6,564	<u>6,990</u>	7,230	7,908
Total All Permits	<u>6,163</u>	<u>10,453</u>	<u>10,636</u>	<u>10,897</u>	<u>12,134</u>

Source: California Homebuilding Foundation/Construction Industry Research Board.

Transportation

The County is situated in one of the most heavily populated areas in California and has access to excellent roads, rail, air, and sea transportation. The Santa Ana Freeway (I 5) provides direct access to downtown Los Angeles and connects with the San Diego Freeway (I 405) southeast of the City of Santa Ana providing a direct link with San Diego. The Garden Grove Freeway (SR 22) and the Riverside Freeway (SR 91) provide east-west transportation, linking the San Diego Freeway, Santa Ana Freeway and the Newport Freeway (SR 55). The Newport Freeway provides access to certain beach communities.

Drivers in the County have access to five toll roads. The 91 Express Lanes is a 10-mile express lanes toll road in the median of the SR 91 connecting Orange County and Riverside County. The San Joaquin Toll Road (73) runs from Costa Mesa to Mission Viejo connecting to the I-405 and the I-5 freeways. The Foothill Eastern Toll Roads consisting of the 241, 261 and 133 connect to the SR 91 near the Riverside County line and I-5 freeway in the City of Irvine, the Laguna Canyon Road, and other cities in South County.

Rail freight service is provided by the Burlington Northern Santa Fe Railway and the Union Pacific Railroad Company. Amtrak provides passenger service to San Diego to the south, Riverside and San Bernardino Counties to the east, and Los Angeles and Santa Barbara to the north. Metrolink provides passenger service to San Bernardino and Riverside Counties to the east, San Diego County to the south and Los Angeles County to the north. Bus service is provided by Greyhound Bus Lines. The Orange County Transportation Authority provides bus service between most cities in the County. Most interstate common carrier truck lines operating in California serve the County.

John Wayne Airport is located in the unincorporated area between the cities of Costa Mesa, Irvine, and Newport Beach and is owned and operated by the County. The airport is classified as a medium air traffic hub by the Federal Aviation Administration, serving the County and portions of Los Angeles, Riverside, San Bernardino and San Diego counties (its "Trade Area"). The airport is an origination and destination airport, primarily for short-to-medium haul markets in its Trade Area. Presently, thirteen airlines operate out of the airport, including ten commercial airlines (Alaska, American, Delta, Frontier, Southwest, United, Compass, Horizon, Skywest Commercial, and WestJet), one commuter airline (SkyWest dba United Express and Delta Connection) and two cargo airlines (FedEx and UPS). From January through December 2016, the airport served approximately 10.5 million passengers. General aviation activities at the airport are served by two full service Fixed Base Operators.

Education

The County has a number of top-rated, college-level educational institutions, including the University of California at Irvine, the California State University at Fullerton, several private colleges, universities and law schools and four community college districts.



APPENDIX B REASSESSMENT REPORT



REASSESSMENT REPORT COUNTY OF ORANGE REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV)

Prepared for

COUNTY OF ORANGE 333 West Santa Ana Boulevard Santa Ana, California 92701

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC. 5000 Birch Street, Suite 6000 Newport Beach, California 92660

(949) 955-1500

December 12, 2017

REASSESSMENT REPORT

(County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV))

The undersigned, as the qualified person retained by the County of Orange for the

purpose of preparing this report, respectfully submits this report as directed by resolution of the Board of Supervisors. Dated: ______, 2017 DAVID TAUSSIG & ASSOCIATES, INC. By I HEREBY CERTIFY that this Reassessment Report, together with Reassessment and Reassessment Diagram thereto attached, was filed with me on the day of _____, 2017. ROBIN STIELER, Clerk of the Board of Supervisors, County of Orange Ву_____ I HEREBY CERTIFY that the enclosed Reassessment Report, together with Reassessment and Reassessment Diagram thereto attached, was approved and confirmed by the Board of Supervisors of the County of Orange on the _____ day of ______, 2017, by its Resolution No. ______. ROBIN STIELER, Clerk of the Board of Supervisors, County of Orange By____

	I HEREBY	CERTIFY	that the	enclosed	Reassessment	Report,	together	with
Reas	sessment and	Reassessmer	nt Diagram	thereto	attached, was r	ecorded i	n my offi	ce on
the _	day of		<u>,</u> 2017.				-	
				KEVI	N HILLS, PLS	•		
				Count	y Surveyor			
				Count	y of Orange			
				By				

Reassessment Report December 12, 2017
County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)
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REASSESSMENT REPORT

(County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV))

DAVID TAUSSIG & ASSOCIATES, INC. as the qualified person retained by the County of Orange to prepare this report, hereby submits this report, as directed by resolution of the Board of Supervisors, pursuant to Section 9523 of the Streets and Highways Code (Refunding Act of 1984 for 1915 Improvement Act Bonds; hereafter the "1984 Act").

Limited obligation refunding bonds representing reassessments, and bearing interest at a rate not to exceed twelve percent (12%) per annum, shall be issued in the manner provided by the 1984 Act, and the last installment of the bonds shall mature on September 2, 2033.

This report includes the following attached exhibits:

EXHIBIT A -

<u>I:</u> Unpaid Assessments Securing the Remaining Outstanding Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B.

<u>II:</u> Unpaid Assessments Securing the Remaining Outstanding Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One.

<u>III:</u> Unpaid Assessments Securing the Remaining Outstanding Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two.

<u>IV:</u> Unpaid Assessments Securing the Remaining Outstanding Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three.

EXHIBIT B -

The four corresponding Debt Service Schedules for the Respective Separate Series of 1915 Act Bonds to be Refunding.

<u>I:</u> Debt Service Schedule for the Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B.

<u>II:</u> Debt Service Schedule for the Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One.

<u>III:</u> Debt Service Schedule for the Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two.

<u>IV:</u> Debt Service Schedule for the Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three.

EXHIBIT C - Sample Auditor's Record for Existing Assessments.

<u>I:</u> Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B.

<u>II:</u> Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One.

<u>III:</u> Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two.

<u>IV:</u> Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three.

EXHIBIT D - Estimate of Sizing of 1984 Act Refunding Bond Issue.

EXHIBIT E - Reassessment Roll, showing the amount proposed to be specifically reassessed against each parcel of real property within the Reassessment District. Each parcel is described by County Assessor's Tax Parcel Number, and each parcel is also assigned a separate "reassessment number" for the purpose of this proceeding.

EXHIBIT F - Estimated Debt Service Schedule for 1984 Act Refunding Bonds.

EXHIBIT G - Sample Auditor's Record for Reassessments.

EXHIBIT H - A Reassessment Diagram showing all of the parcels of real property within the Reassessment District upon which a reassessment has been levied. The Reassessment Diagram is keyed to Exhibit E by reassessment number.

EXHIBIT I - Rules for Determination of Reassessments.

EXHIBIT J - Annual Administrative Cost Add-On.

Respectfully submitted,

DAVID TAUSSIG & ASSOCIATES, INC.

EXHIBIT A

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Schedule of Unpaid Assessments

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B As of September 2, 2017

Assessor's

Limited Obligation Improvement
Bonds Unpaid Balance

Parcel	Assessment		Non-Delinquent	Delinguent	nee
Number	Number	Owner	Principal	Principal	Total
934-330-61	1-25	GHAZI, SHADI	\$24,613.10	\$0.00	\$24,613.10
934-330-62	1-26	SAHARA PLAZA LLC	\$24,613.10	\$0.00	\$24,613.10
934-330-63	1-27	PEARCE, JOSEPH	\$24,613.10	\$0.00	\$24,613.10
934-330-64	1-28	HOAG HOSPITAL FOUNDATION	\$24,613.10	\$0.00	\$24,613.10
934-330-65	1-29	CARTER, LISA M	\$24,613.10	\$0.00	\$24,613.10
934-330-66	1-30	NAGASAWA, LLOYD STUART	\$24,613.10	\$0.00	\$24,613.10
934-330-67	1-31	ACTINO LLC	\$24,613.10	\$0.00	\$24,613.10
934-330-68	1-32	ZEINEH, JACK	\$24,613.10	\$0.00	\$24,613.10
934-330-69	1-33	WEINGART, ROBERT M	\$24,613.10	\$0.00	\$24,613.10
934-330-70	1-34	KUO, NELSON	\$24,613.10	\$0.00	\$24,613.10
934-330-71	1-35	DEMETRESCU, AGNES H TR	\$24,613.10	\$0.00	\$24,613.10
934-330-72	1-36	PREVETTE, L K ERIC TR	\$24,613.10	\$0.00	\$24,613.10
934-330-73	1-37	WILCOXSON, JEANINE W	\$24,613.10	\$0.00	\$24,613.10
934-330-74	1-38	HOGIN, BRADLEY R	\$24,613.10	\$0.00	\$24,613.10
934-330-75	1-39	WANG, JIAREN	\$24,613.10	\$0.00	\$24,613.10
934-330-76	1-40	FAZIO, STEPHEN J TR M & S FAZIO LIVING TR	\$24,613.10	\$0.00	\$24,613.10
934-330-77	1-41	LIU, DEHONG	\$24,613.10	\$0.00	\$24,613.10
934-330-78	1-42	COHEN, THOMAS R TR COHEN FAMILY TR	\$24,613.10	\$0.00	\$24,613.10
934-330-79	1-43	SKAE, EDWARD ASKIN JR TR E A SKAE JR REVOC TR	\$24,613.10	\$0.00	\$24,613.10
934-330-80	1-44	LIN, YON MEEI TR	\$24,613.10	\$0.00	\$24,613.10
934-330-81	1-45	HOBBS, WILLIAM	\$24,613.10	\$0.00	\$24,613.10
934-330-82	1-46	ROTHROCK, FRANK C TR	\$24,613.10	\$0.00	\$24,613.10
934-330-83	1-47	WIELAND, KEVIN	\$24,613.10	\$0.00	\$24,613.10
934-330-84	1-48	WHEELER, JOHN C	\$24,613.10	\$0.00	\$24,613.10
934-330-85	1-49	BAAYOUN, YAHYA Z TR Y Z BAAYOUN LIVING TR	\$24,613.10	\$0.00	\$24,613.10
934-330-86	1-50	MUSURLIAN, ROXIE TR	\$24,613.10	\$0.00	\$24,613.10
934-330-87	1-51	JOSEPH, LLOYD	\$24,613.10	\$0.00	\$24,613.10
934-330-88	1-52	BACHA, PAMELA	\$24,613.10	\$0.00	\$24,613.10
934-330-89	1-383	ZELLER, JOSEPH T TR	\$24,613.10	\$0.00	\$24,613.10
934-330-90	1-384	DAVIDOFF, ANDREW I	\$24,613.10	\$0.00	\$24,613.10
934-330-91	1-385	FISH, LESLIE ROBERT TR L R & M S FISH REVOC TR	\$24,613.10	\$0.00	\$24,613.10
934-330-92	1-386	TIRAKITSOONTORN, PORNCHAI TR PORNCHAI & LEE LIVING	\$24,613.10	\$0.00	\$24,613.10
934-330-93	1-387	TEEUWS, JOHN	\$24,613.10	\$0.00	\$24,613.10
934-330-94	1-388	ANKLESARIA, JENNIFER LEE	\$24,613.10	\$0.00	\$24,613.10
934-330-95	1-389	MARUOKA, TAMAKI	\$24,613.10	\$0.00	\$24,613.10
934-330-96	1-390	CHAPIN, KAREN C	\$24,613.10	\$0.00	\$24,613.10
934-330-97	1-391	ZIERHUT, PETER R	\$24,613.10	\$0.00	\$24,613.10
934-330-98	1-392	GILL, SHAWN P TR	\$24,613.10	\$0.00	\$24,613.10
934-330-99	1-393	ZAHEDI, FARIDEH	\$24,613.10	\$0.00	\$24,613.10
934-331-00	1-394	ECKER, KRISTINE M TR FAMILY TR	\$24,613.10	\$0.00	\$24,613.10
934-331-01	1-395	LAYMAN, HARRY A	\$24,613.09	\$0.00	\$24,613.09
934-331-02	1-396	BRISTOL CREEKSIDE LLC	\$24,613.09	\$0.00	\$24,613.09
934-331-03	1-397	GEVORKIAN, CYNTHIA	\$24,613.10	\$0.00	\$24,613.10
934-331-04	1-398	TAYLOR, MICHAEL L	\$24,613.10	\$0.00	\$24,613.10
934-331-05	1-399	SOSA, SILVIA E	\$24,613.10	\$0.00	\$24,613.10
934-331-06	1-400	SHAMSAI, BERNARD	\$24,613.10	\$0.00	\$24,613.10
934-331-07	1-401	KONDRI, FARAH Z	\$24,613.10	\$0.00	\$24,613.10
934-331-08	1-402	BENNANI, RITA TR	\$24,613.10	\$0.00	\$24,613.10
934-331-09	1-403	CORREA, JAMES WILLIAM TR	\$24,613.10	\$0.00	\$24,613.10
934-331-10	1-404	SCHIPPER, BETH E	\$24,613.10	\$0.00	\$24,613.10

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B As of September 2, 2017

Limited Obligation Improvement

				Obligation Impro	
Assessor's				nds Unpaid Balar	<u>nce</u>
Parcel	Assessment		Non-Delinquent	-	m . 1
Number	Number	Owner	Principal	Principal	Total
934-331-11	1-405	SO, BORIS	\$24,613.10	\$0.00	\$24,613.10
934-331-12	1-406	BARKI, HANSA TR H BARKI 1993 REVOC TR	\$24,613.10	\$0.00	\$24,613.10
934-331-13	1-407	MARK, DANA TR D MARK REVOC LIVING TR	\$24,613.10	\$0.00	\$24,613.10
934-331-14	1-408	NG, WINNIE LAPKAN TR	\$24,613.10	\$0.00	\$24,613.10
934-331-15	1-409	SHAH, RAJU L TR NEWPORT IRREVOCABLE TR	\$24,613.10	\$0.00	\$24,613.10
934-331-16	1-410	SANI, SAIKRISHNA	\$24,613.10	\$0.00	\$24,613.10
934-331-17	1-411	LEUNG, HON MAN	\$24,613.10	\$0.00	\$24,613.10
934-331-18	1-412	POLITIS, SPIROS TR POLITIS FAMILY TR	\$24,613.10	\$0.00	\$24,613.10
934-331-19	1-413	WANG, TIEN CHUN DAVID	\$24,613.10	\$0.00	\$24,613.10
934-331-20	1-414	BLATT, THEODORE TR	\$24,613.10	\$0.00	\$24,613.10
934-331-21	1-415	CAMELI INVESTMENTS LLC	\$24,613.10	\$0.00	\$24,613.10
934-331-22	1-416	BLOOM, FRANK	\$24,613.10	\$0.00	\$24,613.10
934-331-23	1-417	KUO, FREDDY I-CHENG	\$24,613.09	\$0.00	\$24,613.09
934-331-24	1-418	DAGDAGAN, SUZETTE D TR	\$24,613.09	\$0.00	\$24,613.09
934-331-25	1-419	TESTA, ANTHONY T TR A T TEST FAMILY TR	\$24,613.09	\$0.00	\$24,613.09
934-331-26	1-420	LEE, CHUL MIN TR	\$24,613.09	\$0.00	\$24,613.09
934-331-27	1-421	EC INVESTMENT MANAGEMENT LLC	\$24,613.09	\$0.00	\$24,613.09
934-331-28	1-422	FADAVI, ALI R	\$24,613.09	\$0.00	\$24,613.09
934-331-29	1-423	CHUNG, ANNA H TR	\$24,613.09	\$0.00	\$24,613.09
934-331-30	1-424	ROGERS, MARGARET B	\$24,613.09	\$0.00	\$24,613.09
934-331-31	1-425	SHELTON, MICHAEL R	\$24,613.09	\$0.00	\$24,613.09
934-331-32	1-426	AGARWALA REAL ESTATE LLC	\$24,613.09	\$0.00	\$24,613.09
934-331-33	1-427	YU, OUSIK	\$24,613.09	\$0.00	\$24,613.09
934-331-34	1-428	GOLDSTEIN, TERRI M TR	\$24,613.09	\$0.00	\$24,613.09
934-331-35	1-429	BRISTOL CREEKSIDE LLC	\$24,613.09	\$0.00	\$24,613.09
934-331-36	1-430	ROLL, MARY M TR M ROLL REVOC TR	\$24,613.09	\$0.00	\$24,613.09
934-331-37	1-431	SCHEINBERG, KEITH M	\$24,613.09	\$0.00	\$24,613.09
934-331-38	1-432	VICKERS, THERESE A	\$24,613.09	\$0.00	\$24,613.09
934-331-39	1-433	SADIGHI, SAEID TR S SADIGHI REVOC TR	\$24,613.09	\$0.00	\$24,613.09
934-331-40	1-434	MC CARTY, SCOTT D	\$24,613.09	\$0.00	\$24,613.09
934-331-41	1-435	MESHKIN, MICHAEL	\$24,613.10	\$0.00	\$24,613.10
934-331-42	1-436	ARESH, ZAAL TR THE ARESH 2010 TR	\$24,613.10	\$0.00	\$24,613.10
934-331-43	1-437	MILLER, EILEEN	\$24,613.10	\$0.00	\$24,613.10
934-331-44	1-438	ROSEN, RICK C	\$24,613.10	\$0.00	\$24,613.10
934-410-16	1-18	JOHNSON, GUY K TR	\$24,613.10	\$0.00	\$24,613.10
934-410-17	1-19	KONTOULIS, JOHN	\$24,613.10	\$0.00	\$24,613.10
934-410-18	1-20	MAY, LESLIE RENEE	\$24,613.09	\$0.00	\$24,613.09
934-410-19	1-21	RAI, KARANDEV	\$24,613.09	\$0.00	\$24,613.09
934-410-20	1-22	JOHNSON, STACIE YVONNE	\$24,613.09	\$0.00	\$24,613.09
934-410-21	1-23	BARRY, ADEL AL TR BARRY FAMILY TR	\$24,613.09	\$0.00	\$24,613.09
934-410-22	1-24	TAGNOLI, JOHN	\$24,613.09	\$0.00	\$24,613.09
934-410-23	1-460	MATSUMOTO, YUJI	\$24,613.10	\$0.00	\$24,613.10
934-410-24	1-461	CHAROENSOOK, GUSTIN	\$24,613.10	\$0.00	\$24,613.10
934-410-25	1-462		\$24,613.10	\$0.00	
934-410-26	1-462	KALANTARI, DANIAL	\$24,613.10 \$24,613.10	\$0.00	\$24,613.10 \$24,613.10
934-410-26	1-463	WALLACH, ILENE E	\$24,613.10 \$24,613.09	\$0.00	\$24,613.10 \$24,613.09
		O'BRIEN, VICTORIA S			\$24,613.09 \$24,613.09
934-410-28	1-465	FRANKEL, BENJAMIN W TR	\$24,613.09	\$0.00	
934-410-29	1-466	WANG, SHEAUYIN SHINE TR	\$24,613.09	\$0.00	\$24,613.09
934-410-30	1-467	ROUSEK, MILOSLAV	\$24,613.09	\$0.00	\$24,613.09
934-410-31	1-468	MITCHELL, JOHN TR J & M MITCHELL 2005 TR	\$24,613.09	\$0.00	\$24,613.09

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B As of September 2, 2017

Limited Obligation Improvement

Assessor's			Boi	Bonds Unpaid Balance		
Parcel	Assessment		Non-Delinquent			
Number	Number	Owner	Principal	Principal	Total	
934-410-32	1-469	MA, XINIE	\$24,613.09	\$0.00	\$24,613.09	
934-410-33	1-470	WANI, OMAR RASHID	\$24,613.09	\$0.00	\$24,613.09	
934-410-34	1-471	ACINDAROUROUMICHEI, KOBRA	\$24,613.09	\$0.00	\$24,613.09	
934-410-35	1-472	REID, ROCHEDA TR R REID LIVING TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-36	1-473	AHMADI, MATT MAHMOUD	\$24,613.09	\$0.00	\$24,613.09	
934-410-37	1-446	KUIST, FREDERICK F	\$24,613.09	\$0.00	\$24,613.09	
934-410-38	1-447	BROOMIS, GEORGE VALINTINE JR TR BROOMIS FAMILY TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-39	1-448	SEASTROM, KRISTEN M	\$24,613.09	\$0.00	\$24,613.09	
934-410-40	1-449	PACINO, JULIE A	\$24,613.09	\$0.00	\$24,613.09	
934-410-41	1-450	LINDSAY, MICHAEL TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-42	1-451	GEISS, JOHN MARK	\$24,613.09	\$0.00	\$24,613.09	
934-410-43	1-452	CABALLERO, EDGAR P TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-44	1-453	MUIR, DAVID	\$24,613.09	\$0.00	\$24,613.09	
934-410-45	1-454	PARTOW, HAMID	\$24,613.09	\$0.00	\$24,613.09	
934-410-46	1-455	NAKAMURA, TOSHIO TR SURVIVORS TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-47	1-456	ANHOOD, ERIKA A TRUST	\$24,613.10	\$0.00	\$24,613.10	
934-410-48	1-457	HU, ANG TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-49	1-458	GAC INVESTMENTS LLP	\$24,613.10	\$0.00	\$24,613.10	
934-410-50	1-459	OPPEGARD, GREGORY	\$24,613.10	\$0.00	\$24,613.10	
934-410-51	1-474	WANG, PHILIP D	\$24,613.09	\$0.00	\$24,613.09	
934-410-52	1-475	LYLE, BRUCE KENT TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-53	1-476	SANJABI, BAHMAN B TR SANJABI FAMILY TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-54	1-477	RO, CARRIE TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-55	1-478	HOWELL, DE MOYLE	\$24,613.09	\$0.00	\$24,613.09	
934-410-56	1-479	MERRIMAN, RONALD L TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-57	1-480	MERJANIAN, VICKEN A	\$24,613.09	\$0.00	\$24,613.09	
934-410-58	1-481	LANG, RANDY R	\$24,613.09	\$0.00	\$24,613.09	
934-410-59	1-482	HANLON, DAVID JEFFREY TR 2011 HANLON FAMILY TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-60	1-483	OHANESIAN-GAMBILL, LISA LYNN	\$24,613.09	\$0.00	\$24,613.09	
934-410-61	1-484	JOHNSEN, ERIN L TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-62	1-485	MC GLOTHLIN, BRANT H	\$24,613.10	\$0.00	\$24,613.10	
934-410-63	1-486	LEHRMAN, H EDWARD TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-64	1-487	TOVSTEIN, MARC S	\$24,613.10	\$0.00	\$24,613.10	
934-410-65	1-439	HUANG, LIEN JUNG	\$24,613.09	\$0.00	\$24,613.09	
934-410-66	1-440	WU, SU-JEN W	\$24,613.09	\$0.00	\$24,613.09	
934-410-67	1-441	FADAVI, FARNAZ	\$24,613.09	\$0.00	\$24,613.09	
934-410-68	1-442	BASSIRPOU, FATEME TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-69	1-443	KEHOE, MICHAEL ALLAN	\$24,613.09	\$0.00	\$24,613.09	
934-410-70	1-444	CHIEH, PETER T C TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-71	1-445	FOROUTAN, FARZAD	\$24,613.10	\$0.00	\$24,613.10	
934-410-72	1-488	YAZDI, HASSAN	\$24,613.09	\$0.00	\$24,613.09	
934-410-73	1-489	CHUN, STEPHEN S	\$24,613.09	\$0.00	\$24,613.09	
934-410-74	1-490	ANDERSON, JAY S	\$24,613.09	\$0.00	\$24,613.09	
934-410-75	1-491	YANG, YUN	\$24,613.09	\$0.00	\$24,613.09	
934-410-76	1-492	FAITH, JANIE	\$24,613.09	\$0.00	\$24,613.09	
934-410-77	1-493	PARENTI, JONI L	\$24,613.09	\$0.00	\$24,613.09	
934-410-78	1-494	LIU, MAGGIE JIA	\$24,613.09	\$922.62	\$25,535.71	
934-410-79	1-495	CHEBOTAREV, FILIPP	\$24,613.09	\$0.00	\$24,613.09	
934-410-80	1-496	WISE, WILLIAM P TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-81	1-497	HWANG, SOO MOG TR THE HWANG FAMILY TR	\$24,613.09	\$0.00	\$24,613.09	
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County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B As of September 2, 2017

Limited Obligation Improvement

			Emitted Songation Improvement			
Assessor's			Bo	Bonds Unpaid Balance		
Parcel	Assessment		Non-Delinquent	Delinquent		
Number	Number	Owner	Principal	Principal	Total	
934-410-82	1-498	BAIN, DAVID B	\$24,613.10	\$0.00	\$24,613.10	
934-410-83	1-499	WANG, JING	\$24,613.10	\$0.00	\$24,613.10	
934-410-84	1-500	CHUNG, YUNJO TR CHUNG FAMILY TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-85	1-501	GANOTIS, GUS GEORGE TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-86	1-502	HUANG, SHERRY	\$24,613.09	\$0.00	\$24,613.09	
934-410-87	1-503	ANOSHIVANI, ARDE K TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-88	1-504	TRUONG, CHRISTINE	\$24,613.09	\$0.00	\$24,613.09	
934-410-89	1-505	HUANG, SAMUEL Y TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-90	1-506	THOMAS, MARILEE E TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-91	1-507	THEODORE A TSUYUKI REVOC TRUST	\$24,613.09	\$0.00	\$24,613.09	
934-410-92	1-508	HARDY, CRAIG J	\$24,613.09	\$0.00	\$24,613.09	
934-410-93	1-509	WILLIFORD, JULIE A TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-94	1-510	NAPOLITANO, FRANCES R TR SURVIVOR'S TRUST	\$24,613.09	\$0.00	\$24,613.09	
934-410-95	1-511	RADMANESH, ALI REZA TR	\$24,613.09	\$0.00	\$24,613.09	
934-410-96	1-512	PAET, ALAN ANDRES TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-97	1-513	MENNICKEN, JERRY TR	\$24,613.10	\$0.00	\$24,613.10	
934-410-98	1-514	VISCONTI, DANIEL	\$24,613.10	\$0.00	\$24,613.10	
934-410-99	1-515	BERGER, DAVID M TR CASTLE TR	\$24,613.10	\$0.00	\$24,613.10	
		Total Unpaid Assessment:	\$4,135,000.00	\$922.62	\$4,135,922.62	

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessor's

Limited Obligation Improvement Bonds Unpaid Balance

Assessor's				ids Unpaid Baland	<u>:e</u>
Parcel	Assessment		Non-Delinquent	Delinquent	
Number	Number	Owner	Principal	Principal	Total
477-102-08	2-37	ABDI, ABRAHAM TR	\$50,440.16	\$0.00	\$50,440.16
477-102-09	2-36	BUCKLEY, JENNIFER J TR QPRT II TR	\$50,440.16	\$0.00	\$50,440.16
477-102-10	2-35	DHILLON, JASDEEP TR J & P DHILLON LIVING TR	\$50,440.16	\$0.00	\$50,440.16
477-102-11	2-34	DINH, ANTHONY H	\$50,440.16	\$0.00	\$50,440.16
477-102-14	2-31	ALBERT, ERIC P TR	\$50,440.16	\$0.00	\$50,440.16
477-102-15	2-30	APOLLO ESTATES LLC	\$50,440.16	\$0.00	\$50,440.16
477-102-16	2-29	PAYVAR, SASAN TR	\$50,440.16	\$0.00	\$50,440.16
477-102-17	2-16	AVILES, HUGO F TR	\$50,440.16	\$0.00	\$50,440.16
477-102-18	2-15	MOSHAYEDI, MASOUD TR	\$50,440.16	\$0.00	\$50,440.16
477-102-19	2-14	LIU, CELINE	\$50,440.16	\$0.00	\$50,440.16
477-102-49	2-296	MAY LONG CALIFORNIA CAPITAL LLC	\$100,880.32	\$0.00	\$100,880.32
477-102-53	2-350	GOLDEN ORANGE LLC	\$100,880.32	\$0.00	\$100,880.32
477-252-19	1-306	LU, STEPHANIE Y TR HUANG FAMILY TR	\$68,649.63	\$0.00	\$68,649.63
477-252-20	1-307	SLOAN, DAVID	\$68,649.63	\$0.00	\$68,649.63
477-252-21	1-307	STUMPO, GINO R TR GINO R & ANA MARIA STUMPO 2006	\$68,649.63	\$0.00	\$68,649.63
477-252-21	1-308	MAJIT, JEFFREY A	\$68,649.63	\$0.00	\$68,649.63
477-252-23	1-310	KALILI, DAVID R TR MOK HERITAGE TR	\$68,649.63	\$0.00	\$68,649.63
477-252-24	1-310	KIM, EUGENE H	\$68,649.63	\$0.00	\$68,649.63
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477-252-25	1-312	KURZWEIL, PETER RICHARD TR KURZWEIL FAMILY TR	\$68,649.63	\$0.00	\$68,649.63
477-252-26	1-313	SEASTROM, PHILIP G TR SEASTROM LIVING TR	\$68,649.63	\$0.00	\$68,649.63
477-252-27	1-314	NEELD, KENNETH BRENT	\$68,649.63	\$0.00	\$68,649.63
477-252-28	1-315	LUNGER, FRANCIS TR	\$68,649.63	\$0.00	\$68,649.63
477-252-29	1-316	SHOGHIAN, HOMA	\$68,649.63	\$0.00	\$68,649.63
477-252-30	1-317	CUELLAR, HECTOR J TR CUELLAR FAMILY TR	\$68,649.63	\$0.00	\$68,649.63
477-252-31	1-318	ARORA, LOKESH C	\$68,649.63	\$0.00	\$68,649.63
477-252-32	1-319	SADRI, EHSAN TR SADRI FAMILY TR	\$68,649.63	\$0.00	\$68,649.63
477-252-33	1-320	PIERSON, DANIEL	\$68,649.63	\$0.00	\$68,649.63
477-252-34	1-321	ELITE CAPITAL HOLDINGS LLC	\$68,649.63	\$1,375.36	\$70,024.99
477-252-35	1-322	PAWLEY, JOHN P	\$68,649.63	\$0.00	\$68,649.63
477-252-36	1-323	KAYE, MICHAEL S TR	\$68,649.63	\$0.00	\$68,649.63
477-252-37	1-324	SOTOUDEH, MASOUMEH	\$68,649.63	\$0.00	\$68,649.63
477-252-38	1-325	KAYIRAN, OMER ZEKI TR	\$68,649.63	\$0.00	\$68,649.63
477-252-39	1-326	PHAM, LOC	\$68,649.63	\$0.00	\$68,649.63
477-252-40	1-327	ALTER, ROBERT A	\$68,649.63	\$0.00	\$68,649.63
477-252-41	1-328	LEE, SANG	\$68,649.63	\$0.00	\$68,649.63
477-252-42	1-329	WATSON, BRENTON J	\$68,649.63	\$0.00	\$68,649.63
477-252-43	1-330	DNIV DEVELOPMENTS LLC	\$68,649.63	\$0.00	\$68,649.63
477-252-44	1-331	PEARL, BARRY R	\$68,649.63	\$0.00	\$68,649.63
477-252-45	1-333	HOUSHMANDZADEH, TOURAJ	\$68,649.63	\$0.00	\$68,649.63
477-252-46	1-332	SHEN, LIN	\$68,649.63	\$0.00	\$68,649.63
477-253-30	1-342	JAFARIMOJARRAD, ELHAM TR E JAFARIMOJARRAD LIVING	\$68,649.63	\$0.00	\$68,649.63
477-253-31	1-341	JIANG, QI	\$68,649.63	\$0.00	\$68,649.63
477-253-32	1-340	MOHLER, STEFAN T	\$68,649.63	\$0.00	\$68,649.63
477-253-33	1-339	TAI, KUANG-CHENG	\$68,649.63	\$0.00	\$68,649.63
477-253-34	1-338	LIU, WEI	\$68,649.63	\$0.00	\$68,649.63
477-253-35	1-337	ALI, RAED MAJIED	\$68,649.63	\$0.00	\$68,649.63
477-253-36	1-336	VRIGNAUD, LAURENT TR	\$68,649.63	\$0.00	\$68,649.63
477-253-37	1-335	DABIC, ROBERT M TR	\$68,649.63	\$0.00	\$68,649.63
477-253-38	1-334	SANCHEZ, MARIA EUGENIA	\$68,649.63	\$0.00	\$68,649.63
477-261-07	2-51	5 DEL MAR LLC	\$50,440.16	\$0.00	\$50,440.16
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County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessor's

Limited Obligation Improvement Bonds Unpaid Balance

Assessor's				ids Unpaid Balanc	<u>e</u>
Parcel	Assessment		Non-Delinquent	Delinquent	
Number	Number	Owner	Principal	Principal	Total
477-261-08	2-52	BERRI, TAREK	\$50,440.16	\$0.00	\$50,440.16
477-261-10	2-28	PACIFIC TREASURE LLC	\$50,440.16	\$0.00	\$50,440.16
477-261-11	2-27	CRAIL, JOE TR	\$50,440.16	\$0.00	\$50,440.16
477-261-12	2-26	KHALIL, SAMIR S TR KHALIL REVOC TR	\$50,440.16	\$0.00	\$50,440.16
477-261-24	2-22	ANTARES CAPITAL MANAGEMENT LLC	\$50,440.16	\$0.00	\$50,440.16
477-261-25	2-21	SUN FAMILY LIMITED PARTNERSHIP NO 2 LP	\$50,440.16	\$0.00	\$50,440.16
477-261-26	2-20	CHOPRA, RAKESH TR	\$50,440.16	\$0.00	\$50,440.16
477-261-27	2-19	FADAVI, FARNOUSH TR	\$50,440.16	\$0.00	\$50,440.16
477-261-28	2-18	INSIGHT ASSET HOLDINGS INC	\$50,440.16	\$0.00	\$50,440.16
477-261-29	2-17	DOPPES, AUGUST B	\$50,440.16	\$0.00	\$50,440.16
478-452-01	1-154	N, GRANT TR ONE VERANDA TR	\$36,775.25	\$0.00	\$36,775.25
478-452-02	1-153	BROUSSARD, TIMOTHY J TR BROUSSARD LIVING TR	\$36,775.25	\$0.00	\$36,775.25
478-452-03	1-152	SAKR, YASSER	\$36,775.25	\$0.00	\$36,775.25
478-452-04	1-149	SLAVIN, NATHANIEL E TR BAME SLAVIN FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-452-05	1-150	OPPEGARD, PETER	\$36,775.25	\$0.00	\$36,775.25
478-452-06	1-151	AVILA, MARGARITA TR	\$36,775.25	\$0.00	\$36,775.25
478-452-07	1-148	TOWNSEND, JOHN S TR	\$36,775.25	\$0.00	\$36,775.25
478-452-08	1-147	XIE, FUSHAN	\$36,775.25	\$0.00	\$36,775.25
478-452-09	1-146	DZHAKISHEV, ADILZHAN	\$36,775.25	\$0.00	\$36,775.25
478-452-10	1-145	AVILA, MARIA ELENA TR	\$36,775.25	\$0.00	\$36,775.25
478-452-11	1-144	KO, TINGTING CHRISTINE	\$36,775.25	\$0.00	\$36,775.25
478-452-12	1-143	MC COOK, MITZI	\$36,775.25	\$2,852.03	\$39,627.28
478-452-13	1-142	REYNOLDS, STEVEN D	\$36,775.25	\$0.00	\$36,775.25
478-452-14	1-141	ARCHER, SANFORD MITCHELL	\$36,775.25	\$0.00	\$36,775.25
478-452-15	1-140	GODBER, DAVID S TR	\$36,775.25	\$0.00	\$36,775.25
478-452-16	1-251	SIEGEL, JAIME ADAM	\$54,348.02	\$0.00	\$54,348.02
478-452-17	1-250	KMETO, EVA TR KMETO REVOCABLE TR	\$54,348.02	\$0.00	\$54,348.02
478-452-18	1-249	WANG, TAO	\$54,348.02	\$0.00	\$54,348.02
478-452-19	1-248	DE WITT, NEAL C	\$0.00	\$0.00	\$0.00
478-452-20	1-247	CHENG, BAO-DING	\$54,348.02	\$0.00	\$54,348.02
478-452-21	1-246	XIE, ZHONGCE	\$54,348.02	\$0.00	\$54,348.02
478-452-22	1-245	GHALAMBOR, NAVID TR THE GHALAMBOR REVOCABLE	\$54,348.02	\$0.00	\$54,348.02
478-452-23	1-244	OMMI, SHIVA TR	\$54,348.02	\$0.00	\$54,348.02
478-452-24	1-243	BORAS, SCOTT D TR BORAS FAMILY REVOC TR	\$54,348.02	\$0.00	\$54,348.02
478-452-25	1-242	PANG, CHEE WAI TR	\$54,348.02	\$0.00	\$54,348.02
478-452-26	1-241	NGUYEN, DUNG DUC	\$54,348.02	\$0.00	\$54,348.02
478-452-27	1-240	SOHRAB, PAYAM TR	\$54,348.02	\$0.00	\$54,348.02
478-452-28	1-239	AL TR THE AL & E F PALAZZO FAMILY TR	\$54,348.02	\$0.00	\$54,348.02
478-452-29	1-238	WILMINGTON TRUST NATIONAL ASSOCIATION TR SERIES	\$54,348.02	\$0.00	\$54,348.02
478-452-30	1-237	OLSON, VIRGINIA TR	\$54,348.02	\$0.00	\$54,348.02
478-452-31	1-236	KASHANI, MAJID TR KASHANI-NAJAFI FAMILY TR	\$54,348.02	\$0.00	\$54,348.02
478-452-31	1-235	DU, XING	\$54,348.02	\$0.00	\$54,348.02
478-452-33	1-234	BASSIRI, DARYOUSH	\$54,348.02	\$0.00	\$54,348.02
478-452-34	1-234	KO, HSITOUNG	\$54,348.02 \$54,348.02	\$0.00	\$54,348.02 \$54,348.02
478-452-35	1-232	HUBBS, KRISTEN TR FAMILY TR	\$54,348.02	\$0.00	\$54,348.02
478-452-36	1-232	CAGGIANO, JAMES V TR	\$54,348.02 \$54,348.02	\$0.00	\$54,348.02
478-452-37	1-231	ELAHI, ALI	\$54,348.02 \$54,348.02	\$0.00	\$54,348.02 \$54,348.02
478-452-38	1-230	RAVANPAK, MASOUD TR M ANDR TR	\$54,348.02	\$0.00	\$54,348.02 \$54,348.02
478-452-39	1-160	FALKENBERG, ROBERT	\$34,348.02	\$0.00	\$36,775.25
478-452-39 478-452-40	1-159	SMITH, FANE S	\$36,775.25	\$0.00	\$36,775.25
+/0-434-4U	1-139	SIVITITI, TAINE S	\$30,773.23	\$0.00	\$50,775.25

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessor's

Limited Obligation Improvement Bonds Unpaid Balance

Assessor's				ids Unpaid Balance	2
Parcel	Assessment		Non-Delinquent	Delinquent	
Number	Number	Owner	Principal	Principal	Total
478-452-41	1-158	HAMIDI, SHAHRAM TR HAMIDI FAMILY REVOC LIVING TR	\$36,775.25	\$0.00	\$36,775.25
478-452-42	1-157	BRINKET, BRIAN C	\$36,775.25	\$0.00	\$36,775.25
478-452-43	1-156	SEBASTIAN, CHRISTOPHER	\$36,775.25	\$0.00	\$36,775.25
478-452-44	1-155	SANTOS, MARIO J TR SANTOS & GRAHAM 2011 FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-453-33	1-284	NANULA, PETER J TR	\$54,348.02	\$0.00	\$54,348.02
478-453-34	1-285	DE STEFANO, LINDA	\$54,348.02	\$0.00	\$54,348.02
478-453-35	1-286	LU, HONG UNG TR	\$54,348.02	\$0.00	\$54,348.02
478-453-36	1-287	PIROZZI, ALESSANDRO	\$54,348.02	\$0.00	\$54,348.02
478-453-37	1-288	SADEGHI, SHAHRAM	\$54,348.02	\$0.00	\$54,348.02
478-453-38	1-289	TEBYANI, NEYSSAN	\$54,348.02	\$0.00	\$54,348.02
478-453-39	1-290	BAGHERI, MONA	\$54,348.02	\$0.00	\$54,348.02
478-453-40	1-291	EMDADI, ALIREZA	\$54,348.02	\$0.00	\$54,348.02
478-453-41	1-292	RAVANPAK, MASOUD TR	\$54,348.02	\$0.00	\$54,348.02
478-453-42	1-293	JONES, KENNETH L TR	\$54,348.02	\$0.00	\$54,348.02
478-453-43	1-294	PINELLI, DEBRA Z TR D Z PINELLI REVOC LIVING TR	\$54,348.02	\$0.00	\$54,348.02
478-453-44	1-295	GROFF, LYNN T TR	\$54,348.02	\$0.00	\$54,348.02
478-453-45	1-296	REBENSDORF, JOAN	\$54,348.02	\$0.00	\$54,348.02
478-453-46	1-297	MOZAYENI-AZAR MANDANA TR	\$54,348.02	\$0.00	\$54,348.02
478-453-47	1-298	HUANG, CHARLIE QIAN TR	\$54,348.02	\$0.00	\$54,348.02
478-462-13	1-204	DAS PROPERTY HOLDINGS LLC	\$58,066.60	\$0.00	\$58,066.60
478-462-14	1-203	TORANJI, SHADFAR	\$58,066.60	\$0.00	\$58,066.60
478-462-15	1-202	PIRGHIBI, BORZOOIEHN TR	\$58,066.60	\$0.00	\$58,066.60
478-462-16	1-201	GALLOWAY, BERNADETTE L TR GALLOWAY FAMILY TR	\$58,066.60	\$0.00	\$58,066.60
478-462-17	1-205	WEAVER, COLBY J	\$58,066.60	\$0.00	\$58,066.60
478-463-01	1-188	MASSOUDI, M S	\$58,066.60	\$0.00	\$58,066.60
478-463-02	1-187	JALALI, JELVEH	\$58,066.60	\$0.00	\$58,066.60
478-463-03	1-186	AHMED, SYED	\$58,066.60	\$0.00	\$58,066.60
478-463-04	1-185	KLINGLER, LARRY R	\$58,066.60	\$0.00	\$58,066.60
478-463-05	1-184	HABBAL, BASEL A TR THE 2014 B A HABBAL REVOC	\$58,066.60	\$0.00	\$58,066.60
478-463-06	1-183	YUAN, DAVID SHENG-LIN TR YUAN FAMILY TR	\$58,066.60	\$0.00	\$58,066.60
478-463-07	1-182	HEFAZI, HAMID TR	\$58,066.60	\$0.00	\$58,066.60
478-463-08	1-181	DAKER, LUTFI TR DAKER FAMILY TR	\$58,066.60	\$0.00	\$58,066.60
478-463-09	1-180	TANG, LE	\$58,066.60	\$0.00	\$58,066.60
478-463-10	1-179	NGUYEN, THANH N	\$58,066.60	\$0.00	\$58,066.60
478-463-11	1-178	MANOOGIAN, JOSEPH JAY TR JJ MANOOGIAN FAMILY TR	\$58,066.60	\$0.00	\$58,066.60
478-463-12	1-177	WONG, CASTULO SETO TR THE C WONG REVOC TR	\$58,066.60	\$0.00	\$58,066.60
478-463-13	1-176	RUI, ZHENG	\$58,066.60	\$0.00	\$58,066.60
478-463-14	1-175	GRIBBLE, STANLEY W TR	\$58,066.60	\$0.00	\$58,066.60
478-463-15	1-174	KENDRICKS, RANDALL	\$58,066.60	\$0.00	\$58,066.60
478-463-16	1-173	SALIB, NADER	\$58,066.60	\$0.00	\$58,066.60
478-463-17	1-172	CORDAS, MICHAEL	\$58,066.60	\$0.00	\$58,066.60
478-463-18	1-171	ZHANG, YI	\$58,066.60	\$0.00	\$58,066.60
478-463-19	1-170	EVANS, GARETH T	\$58,066.60	\$0.00	\$58,066.60
478-463-20	1-169	TUNG, JOSEPH K TR THE TUNG FAMILY TR	\$58,066.60	\$0.00	\$58,066.60
478-463-21	1-168	WONG, DOUGLAS N	\$58,066.60	\$0.00	\$58,066.60
478-463-22	1-167	KELLY, MATTHEW J	\$58,066.60	\$0.00	\$58,066.60
478-463-23	1-161	AMINIKHARRAZI, TAHER	\$58,066.60	\$0.00	\$58,066.60
478-463-24	1-162	GHAVAMI, ALI TR GHAVAMI FAMILY TR	\$58,066.60	\$0.00	\$58,066.60
478-463-25	1-163	YOUNG, MAOSON	\$58,066.60	\$0.00	\$58,066.60
478-463-26	1-164	DISNEY CRESTED BUTTE L P	\$58,066.60	\$0.00	\$58,066.60

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessor's

Limited Obligation Improvement Bonds Unpaid Balance

Assessor's			· · · · · · · · · · · · · · · · · · ·	ids Unpaid Balanc	<u>e</u>
Parcel	Assessment		Non-Delinquent	Delinquent	
Number	Number	Owner	Principal	Principal	Total
478-463-27	1-165	RHYME, MARK STEVEN	\$58,066.60	\$0.00	\$58,066.60
478-463-28	1-166	DOOSE, MARK TR	\$0.00	\$0.00	\$0.00
478-463-37	1-106	HOUSE, DAVID D TR HOUSE/HUANG FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-463-38	1-107	HASHEMIAN, FATEMEH TR	\$36,775.25	\$0.00	\$36,775.25
478-463-39	1-108	LUI, STEPHEN CHAOKAI TR	\$36,775.25	\$0.00	\$36,775.25
478-463-40	1-109	PAIK, WILLLIAM N	\$36,775.25	\$0.00	\$36,775.25
478-463-41	1-110	KELISHADI, SHERRY	\$36,775.25	\$0.00	\$36,775.25
478-463-42	1-111	YE, SHENG	\$36,775.25	\$0.00	\$36,775.25
478-463-43	1-112	FOSTER, ANGELA L TR A FOSTER LIVING TR	\$36,775.25	\$0.00	\$36,775.25
478-463-44	1-113	GUSTAFSON, DEREK MICHAEL	\$36,775.25	\$0.00	\$36,775.25
478-463-45	1-114	GUO, YUN TR APPLE TR	\$36,775.25	\$0.00	\$36,775.25
478-463-46	1-115	CHRISTENSEN, CHARLES R TR CHRISTENSEN FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-463-47	1-116	TAO, JEREMIAH P TR J P & S C TAO FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-463-48	1-117	POLYMEROPOULOS, XENI	\$36,775.25	\$0.00	\$36,775.25
478-463-49	1-118	JAHANBIN, MASOUD M TR	\$36,775.25	\$0.00	\$36,775.25
478-463-50	1-119	THAMES, DERRICK S	\$36,775.25	\$0.00	\$36,775.25
478-463-51	1-120	PIROZZI, ALESSANDRO	\$36,775.25	\$0.00	\$36,775.25
478-463-52	1-121	BOLTON, LAURENCE E	\$36,775.25	\$0.00	\$36,775.25
478-463-53	1-122	BANK, SETH	\$36,775.25	\$0.00	\$36,775.25
478-463-54	1-123	PARK, JONG H TR J & W H PARK LIVING TR	\$36,775.25	\$0.00	\$36,775.25
478-463-55	1-124	SULLIVAN, SHANE	\$36,775.25	\$0.00	\$36,775.25
478-463-56	1-125	SCHLOEGL, LUTZ	\$36,775.25	\$0.00	\$36,775.25
478-463-57	1-126	NIKOLAEV, ANTOAN	\$36,775.25	\$0.00	\$36,775.25
478-463-58	1-130	LABRUSCIANO, VINCENT F	\$36,775.25	\$0.00	\$36,775.25
478-463-59	1-129	ELLIOTT, RODNEY	\$36,775.25	\$0.00	\$36,775.25
478-463-60	1-128	SHEN, JIA TR THE ZHU & SHEN FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-463-61	1-127	LIU, XIN	\$36,775.25	\$0.00	\$36,775.25
478-464-01	1-54	MIRHASHEMI, BAHMAN TR	\$36,775.25	\$0.00	\$36,775.25
478-464-02	1-55	PARK, SUNGJIN	\$36,775.25	\$0.00	\$36,775.25
478-464-03	1-56	ENAYEH, HUSAM	\$36,775.25	\$0.00	\$36,775.25
478-464-04	1-57	SPECTER, RICHARD B TR	\$36,775.25	\$0.00	\$36,775.25
478-464-05	1-58	POSEY, ROBERTA DE LA CUESTA TR	\$36,775.25	\$0.00	\$36,775.25
478-464-06	1-59	ABGHARI, BRIAN TR ABGHARI REVOC FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-07	1-60	KDG INVESTMENTS INC	\$36,775.25	\$0.00	\$36,775.25
478-464-08	1-61	GHAZAL, ROLAND R TR EAGLELEGACY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-09	1-62	FAN, WEI TR THE W FAN & J CHEN REVOC TR	\$36,775.25	\$0.00	\$36,775.25
478-464-10	1-63	WOO, NAM K	\$36,775.25	\$0.00	\$36,775.25
478-464-11	1-64	GREGORY, LEE R TR L & B GREGORY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-12	1-65	MA, KENNETH	\$36,775.25	\$0.00	\$36,775.25
478-464-13	1-66	DWYER, STEPHEN	\$36,775.25	\$0.00	\$36,775.25
478-464-14	1-67	BOLLS, RICHARD WILLIAM TRRWB TRUST	\$36,775.25	\$0.00	\$36,775.25
478-464-15	1-68	SABOUNJIAN, AZAD TR SABOUNJIAN LIVING TR	\$36,775.25	\$0.00	\$36,775.25
478-464-16	1-69	WANG, DIANA TING-SUI	\$36,775.25	\$0.00	\$36,775.25
478-464-17	1-70	BEARD, JUDY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-18	1-71	SAFAR, ADEL AL	\$36,775.25	\$0.00	\$36,775.25
478-464-19	1-72	DE PAUL, PAUL TR	\$36,775.25	\$0.00	\$36,775.25
478-464-20	1-73	HYLDMAR, JOHNNY TR J HYLDMAR LIVING TR	\$36,775.25	\$0.00	\$36,775.25
478-464-21	1-74	CAVALLARO, DOMINIC J	\$36,775.25	\$0.00	\$36,775.25
478-464-22	1-75	CHUNG, STEVEN	\$36,775.25	\$0.00	\$36,775.25
478-464-23	1-76	CHILDS, FRANK C	\$36,775.25	\$0.00	\$36,775.25

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Limited Obligation Improvement

Assessor's			Bonds Unpaid Balance		
Parcel	Assessment		Non-Delinquent	Delinquent	
Number	Number	Owner	Principal	Principal	Total
478-464-24	1-77	CROW, TODD O	\$36,775.25	\$0.00	\$36,775.25
478-464-25	1-78	MORIRAHIMI, ALIREZA	\$36,775.25	\$0.00	\$36,775.25
478-464-26	1-79	CAWTHON, GLEN S	\$36,775.25	\$0.00	\$36,775.25
478-464-27	1-80	MASOUD, SHAKEAL	\$36,775.25	\$0.00	\$36,775.25
478-464-28	1-81	SWANSON, WAYNE	\$36,775.25	\$1,473.55	\$38,248.80
478-464-29	1-82	SHAHANGIAN, AIDA	\$36,775.25	\$736.78	\$37,512.03
478-464-30	1-83	PAUL, DON	\$36,775.25	\$0.00	\$36,775.25
478-464-31	1-84	KINNARD, ROBERT J TR	\$36,775.25	\$0.00	\$36,775.25
478-464-32	1-85	BRIGHTVIEW DEVELOPMENT LLC	\$36,775.25	\$0.00	\$36,775.25
478-464-33	1-86	DAVIES, JOHN RANDALL	\$36,775.25	\$0.00	\$36,775.25
478-464-34	1-87	HU, LI GUO	\$36,775.25	\$0.00	\$36,775.25
478-464-35	1-88	BREUER, HETHE A	\$36,775.25	\$0.00	\$36,775.25
478-464-36	1-89	RICHARDSON, D MATTHEW	\$36,775.25	\$0.00	\$36,775.25
478-464-37	1-90	HUANG, KEVIN	\$36,775.25	\$0.00	\$36,775.25
478-464-38	1-91	NGUYEN, TAMMY T	\$36,775.25	\$0.00	\$36,775.25
478-464-39	1-92	MERCER, SHAIN	\$36,775.25	\$0.00	\$36,775.25
478-464-40	1-93	HINGORANI, MANOHAR LAL TR HINGORANI FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-41	1-94	LANI, MANIJEH E TR	\$36,775.25	\$0.00	\$36,775.25
478-464-42	1-95	SARBASI, SANAZ SARA	\$36,775.25	\$0.00	\$36,775.25
478-464-43	1-96	HARIYANTO, THOMPSON	\$36,775.25	\$0.00	\$36,775.25
478-464-44	1-97	PARSAEIAN, ALI	\$36,775.25	\$0.00	\$36,775.25
478-464-45	1-98	SHASHANI, ALI TR A SHASHANI REVOC TR	\$36,775.25	\$0.00	\$36,775.25
478-464-46	1-99	JAZAYERI, JASON MEHRDAD TR THE JAZAYERI FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-47	1-100	KASHANI, MAJID TR KASHANI-NAJAFI FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-48	1-101	MANN, W JEFFREY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-49	1-102	CHANG, TIEN HSIANG TR	\$36,775.25	\$0.00	\$36,775.25
478-464-50	1-103	JUNG, LUNNY RONNIE TR	\$36,775.25	\$0.00	\$36,775.25
478-464-51	1-104	IVEY, THOMAS JOSEPH	\$36,775.25	\$0.00	\$36,775.25
478-464-52	1-105	FILIPPOV, KONSTANTIN A TR LAKE TAHOE TR	\$36,775.25	\$0.00	\$36,775.25
478-464-53	1-131	DARIUSHNIA, ALEX	\$36,775.25	\$0.00	\$36,775.25
478-464-54	1-132	CLARK, CRISTINA MARIA TR	\$36,775.25	\$0.00	\$36,775.25
478-464-55	1-133	SHIN, JASON H TR J & A SHIN FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
478-464-56	1-134	WIELGOS, PETER A	\$36,775.25	\$0.00	\$36,775.25
478-464-57	1-135	KRUEGER, JON D	\$36,775.25	\$0.00	\$36,775.25
478-464-58	1-136	MOHAGHEGH, OMID H TR	\$36,775.25	\$0.00	\$36,775.25
478-464-59	1-137	SPOKOYNY, FELIX E TR	\$36,775.25	\$0.00	\$36,775.25
478-464-60	1-138	SHEHADE, NABIL F TR N F & C M SHEHADE REVOC TR	\$36,775.25	\$0.00	\$36,775.25
478-464-61	1-139	CHEN, WEIPING TR THE LIANG & CHEN FAMILY TR	\$36,775.25	\$0.00	\$36,775.25
		Total Unpaid Assessment:	\$11,605,000.00	\$6,437.72	\$11,611,437.72

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group Two As of September 2, 2017

Limited Obligation Improvement

Bonds Unpaid Balance Assessor's **Parcel** Assessment Non-Delinquent Delinquent Principal Number Number Owner Principal Total 477-102-01 2-44 BERRI, TAREK MOHAMAD \$52,799.09 \$0.00 \$52,799.09 477-102-02 2-43 MATHER, SCOTT A TR MATHER QUALIFIED PERSONAL \$52,799.09 \$0.00 \$52,799.09 477-102-20 2-13 DE-SW PROPERTIES LLC \$52,799.09 \$0.00 \$52,799.09 477-102-21 2-12 DEEP SEA ESTATES LLC \$52,799.09 \$0.00 \$52,799.09 477-102-22 2-11 NORTON, ALAN TR \$52,799.09 \$0.00 \$52,799.09 RAFLA, ATEF TR RAFLA-FARID FAMILY TR 477-102-23 2 - 10\$52,799.09 \$0.00 \$52,799.09 477-102-24 IRVINE COMMUNITY DEVELOPMENT COMPANY LLC 2-9 \$52,799.09 \$0.00 \$52,799.09 477-102-25 \$52,799.09 2-8 HIGHWATER KADIEM LLC \$0.00 \$52,799.09 477-102-26 2-7 GHOMI, JAMSHID \$52,799.09 \$0.00 \$52,799.09 477-102-27 JHAWAR, SURESH CHANDRA TR \$52,799.09 \$0.00 \$52,799.09 2-6 477-102-28 WATERS, PAUL L TR \$52,799.09 \$0.00 \$52,799.09 2-5 477-102-29 FORMAN, SCOTT KEVIN TR 2002 S & M FORMAN FAMILY \$52,799.09 \$0.00 \$52,799.09 2-4 477-102-30 2-3 SKY KINGDOM LLC \$52,799.09 \$0.00 \$52,799.09 477-102-31 2-2 KNIGHT, WILLIAM JOHN TR KNIGHT FAMILY TR \$52,799.09 \$0.00 \$52,799.09 477-102-50 2-299 SAMSON, ERIC TR \$105,598.17 \$0.00 \$105,598.17 477-102-53 2-350 GOLDEN ORANGE LLC \$52,799.09 \$0.00 \$52,799.09 477-261-01 2-45 MATHER, SCOTT A \$52,799.09 \$0.00 \$52,799.09 477-261-84 2-351 DONEGAN, MARK TR \$105,598.17 \$0.00 \$105,598.17 477-261-04 2-48 MOEWS, LAWRENCE P TR \$52,799.09 \$0.00 \$52,799.09 477-261-05 2-49 GAREEB, NABEEL TR \$52,799.09 \$0.00 \$52,799.09 \$52,799.09 477-261-06 2-50 APGEY LLC \$0.00 \$52,799.09 ANTIGUA INVESTMENTS LLC \$52,799.09 477-261-09 2 - 53\$2,116.20 \$54,915.29 2-25 LARRY & CLAIRE BIANCHI FAMILY LIMITED \$52,799.09 477-261-13 \$0.00 \$52,799.09 477-261-14 2-24 HASKELL, GREGG R TR \$52,799.09 \$0.00 \$52,799.09 2-23 GHANEIAN, MOHSEN TR GHANEIAN FAMILY TR \$52,799.09 \$52,799.09 477-261-15 \$0.00 477-261-16 2-112 SUGIRA LTD LLC \$52,799.09 \$0.00 \$52,799.09 CRYSTAL CLEAR WATER CORPORATION 477-261-17 2-111 \$52,799.09 \$0.00 \$52,799.09 2-110 \$52,799.09 477-261-18 BAJA WASHINGTON LLC \$0.00 \$52,799.09 477-261-19 2-109 VALBUENA, STEPHEN TR VALBUENA FAMILY TR \$52,799.09 \$0.00 \$52,799.09 477-261-22 2-114 SABER, DAVID H TR SOUTH PACIFIC RIM TR \$52,799.09 \$1,992.76 \$54,791.85 477-261-23 2-113 BAJAJ, DEVENDRA D TR \$52,799.09 \$0.00 \$52,799.09 477-261-30 2-95 GHAI, ASTHA TR A GHAI REVOC TR \$52,799.09 \$0.00 \$52,799.09 VNS ENTERPRISES LLC 477-261-31 2-96 \$52,799.09 \$0.00 \$52,799.09 477-261-32 2-97 WOJTJASZEK, DAVID TR \$52,799.09 \$0.00 \$52,799.09 2-98 MBS ANTS LIMITED \$52,799.09 477-261-33 \$0.00 \$52,799.09 2-99 KANG, DANIEL S TR KANG LIVING TR \$52,799.09 \$0.00 477-261-34 \$52,799.09 477-261-35 2-100 VERDE INVESTMENTS INC \$52,799.09 \$0.00 \$52,799.09 477-261-36 2-101 PATEL, ASHOK TR \$52,799.09 \$0.00 \$52,799.09 477-261-37 2-102 PARK, CHUL SE \$52,799.09 \$0.00 \$52,799.09 477-261-38 2-103 SCHAFFER, GARY \$52,799.09 \$0.00 \$52,799.09 477-261-39 2-104 PASHA, TOUSIF M \$52,799.09 \$0.00 \$52,799.09 477-261-40 2-105 YANG, JIAN \$52,799.09 \$0.00 \$52,799.09 477-261-41 2-106 NAKJAVANI, ROD TR MIRIAM NAKJAVANI RESIDENCE TRUST \$52,799.09 \$0.00 \$52,799.09 DAY, KENNETH R TR K & N DAY 2014 FAMILY TR 477-261-42 2-85 \$52,799.09 \$0.00 \$52,799.09 VAN LINGEN, PAUL A TR P A VAN LINGEN RESIDENCE TR 477-261-43 2-86 \$52,799.09 \$0.00 \$52,799.09 477-261-44 2-87 KERSLAKE, MARK J \$52,799.09 \$0.00 \$52,799.09 DAHN, BRIAN A TR 477-261-45 2-88 \$52,799.09 \$0.00 \$52,799.09 477-261-46 2-89 CC SPEC HOUSE LLC \$52,799.09 \$0.00 \$52,799.09 477-261-47 2-90 GUO, CHANGSHENG \$52,799.09 \$0.00 \$52,799.09 477-261-48 2-91 FARSIO, FARIBORZ TR FARSIO-AMINI FAMILY TR \$52,799.09 \$0.00 \$52,799.09

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group Two As of September 2, 2017

Limited Obligation Improvement

Bonds Unpaid Balance Assessor's **Parcel** Assessment Non-Delinquent Delinquent Principal Number Number Principal Total HAIGH, THOMAS M TR HAIGH FAMILY TR \$52,799.09 477-261-49 2-92 \$52,799.09 \$0.00 2-93 \$52,799.09 477-261-50 LOWN, DAVID C TR LOWN LIVING TR \$52,799.09 \$0.00 477-261-51 2-94 \$52,799.09 \$52,799.09 20 SHELL BEACH LLC \$0.00 477-261-83 2-352 PENSKE, JENNIFER LYNN TR J L PENSKE TR \$105,598.18 \$0.00 \$105,598.18 1-252 478-453-01 MOZAYENI ALI \$56,889.72 \$0.00 \$56,889.72 478-453-02 1-253 RAHMANI SHAHRAM \$56,889.72 \$0.00 \$56,889,72 478-453-03 1-254 \$56,889,72 \$0.00 \$56,889,72 LEE JAMES SANGYOP 478-453-04 1-255 ROSHANZAMIR, NADEREH TR \$56,889,72 \$0.00 \$56,889,72 478-453-05 1-256 YAMIN, MIKE MAHMOUD TR \$56,889.72 \$0.00 \$56,889.72 478-453-06 1-257 RASOULI, MARGARET \$56,889.72 \$0.00 \$56,889.72 478-453-07 1-258 TALMOOD, SIAVOSH \$56,889.72 \$0.00 \$56,889.72 478-453-08 1-259 CHANG, YIPIN \$56,889.72 \$0.00 \$56,889.72 478-453-09 1-260 COSTANZO, CHRIS \$56,889.72 \$0.00 \$56,889.72 478-453-10 1-261 CHELAPATI, CHUNDURI VENKATA TR \$56,889.72 \$0.00 \$56,889.72 478-453-11 1-262 MORTEN, ROBERT C TR \$56,889.72 \$0.00 \$56,889.72 \$56,889.72 478-453-12 1-263 ARANI, MITRA IGHANI TR \$0.00 \$56,889.72 478-453-13 1-264 LEE, WEN-HWA TR \$56,889.72 \$0.00 \$56,889.72 478-453-14 \$56,889.72 \$56,889.72 1 - 265CASCIARO, SALVATORE \$0.00 478-453-15 NOH, SANG KHILL TR NOH FAMILY TR \$56,889.72 \$56,889.72 1-266 \$0.00 478-453-16 1-267 YOON, GUN SAINT \$56,889.72 \$0.00 \$56,889.72 478-453-17 1-268 BALLIN, CHRISTOF A \$56,889.72 \$0.00 \$56,889.72 478-453-18 1-269 LIN, JOHNNY C \$56,889.72 \$0.00 \$56,889.72 478-453-19 1-270 ZOU, LI \$56,889.72 \$0.00 \$56,889.72 478-453-20 1-271 RASOULI, MATTHEW M TR RASOULI FAMILY TR \$56,889.72 \$0.00 \$56,889.72 478-453-21 1-272 SHIN, CHARLES K TR \$56,889.72 \$0.00 \$56,889.72 478-453-22 1-273 KIM, STEVE \$56,889.72 \$0.00 \$56,889.72 478-453-23 1-274 CHANG, HELEN WEI CHUN \$56,889.72 \$0.00 \$56,889.72 478-453-24 1-275 YUEH, JEDIDIAH \$56,889.72 \$0.00 \$56,889.72 ACKERMAN, FRANCIS JOSEPH JR \$56,889.72 478-453-25 1 - 2.76\$0.00 \$56,889.72 478-453-26 1-277 FREDRICK, SCOTT TR S & S FREDRICK LIVING TR \$56,889.72 \$0.00 \$56,889.72 \$56,889.72 478-453-27 1 - 278POLLACK, BRIAN \$0.00 \$56,889.72 NGUYEN, DO THI 478-453-28 \$56,889.72 1 - 2.79\$0.00 \$56,889.72 478-453-29 \$56,889.72 1 - 280STEELE, KENNETH A \$0.00 \$56,889.72 478-453-30 1-281 \$56,889.72 \$56,889.72 FOWLER, DONALD L \$0.00 478-453-31 1-282 FESSENDEN, SCOTT C TR FESSENDEN FAMILY TR \$56,889.72 \$0.00 \$56,889.72 \$56,889.72 478-453-32 1 - 283TRAN, DENNIS S \$0.00 \$56,889.72 \$60,782.19 478-462-01 1-194 MALIK, KAPIL D \$0.00 \$60,782.19 478-462-02 1_193 ADAMSKE, BRADLEY SCOTT \$60,782.19 \$0.00 \$60,782.19 478-462-03 1-192 SANL SONA \$60,782.19 \$0.00 \$60,782.19 478-462-04 1-191 ALAGBAND, DAVID NAVID \$60,782.19 \$0.00 \$60,782.19 478-462-05 1-190 BROWN, DAVID C TR \$60,782.19 \$0.00 \$60,782.19 HILDEBRANDT, THOMAS A TR HILDEBRANDT FAMILY 1995 478-462-06 1-189 \$60,782.19 \$0.00 \$60,782.19 478-462-07 1-200 KHARRAZI, MEHRDAD \$60,782.19 \$0.00 \$60,782.19 478-462-08 1-199 ANOSHIVANI, ARDE K \$60,782.19 \$0.00 \$60,782.19 478-462-09 1-198 KIANG, ASSUMPTA L TR \$60,782.19 \$0.00 \$60,782.19 478-462-10 1-197 DAHL, CHRISTIAN \$60,782.19 \$0.00 \$60,782.19 478-462-11 1-196 WENCK, GILBERT F \$60,782.19 \$0.00 \$60,782.19 478-462-12 1-195 SLACIK, CHARLES P TR \$60,782.19 \$0.00 \$60,782.19 478-462-18 1-206 ZHANG, AIMIN \$60,782.19 \$0.00 \$60,782.19 478-462-19 1-207 LADJAVARDI, FARZAD \$60,782.19 \$0.00 \$60,782.19

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group Two As of September 2, 2017

Limited Obligation Improvement Assessor's **Bonds Unpaid Balance Parcel** Assessment Non-Delinquent Delinquent Principal Principal Total Number Number Owner HAMIDIAN, SONZA \$60,782.19 478-462-20 1-208 \$60,782.19 \$0.00 478-462-21 1-209 PARK, JAMES \$60,782.19 \$0.00 \$60,782.19 478-462-22 1-210 CONRAD, BARBARA K TR \$60,782.19 \$0.00 \$60,782.19 478-462-23 1-211 MACKENZIE, MICHAEL TR \$60,782.19 \$0.00 \$60,782.19 478-462-24 1-212 DHIR. VIJAY KUMAR TR V K & K L DHIR LIVING TR \$60,782.19 \$0.00 \$60,782.19 478-462-25 1-213 SERVATI, HAMID TR SERVATI FAMILY TR \$60,782.19 \$0.00 \$60,782,19 478-462-26 1-214 \$60,782.19 \$0.00 \$60,782.19 LI HAHUI 478-462-27 1-215 JAFARI, MEHDI TR JAFARI & TAHARI TR \$60,782.19 \$0.00 \$60,782,19 478-462-28 1-216 HASENBAIG, DAVID W TR HASENBALG FAMILY \$60,782.19 \$0.00 \$60,782,19 478-462-29 1-228 HUANG, FRANK TR F C HUANG & W SOO FAMILY TR \$60,782.19 \$0.00 \$60,782.19 478-462-30 1-227 HASTINGS, DENNIS J JR TR D J HASTINGS JR REVOC TR \$60,782.19 \$0.00 \$60,782.19 478-462-31 1-226 \$60,782.19 \$0.00 \$60,782.19 1-225 CHESHIRE, D WINSTON TR CHESHIRE-SREDANOVIC REVOC 478-462-32 \$60,782.19 \$0.00 \$60,782.19 478-462-33 1-224 JORDAN, LANCE \$60,782.19 \$0.00 \$60,782.19 478-462-34 1-223 MAYER, DANIEL TR D MAYER REVOC TR \$60,782.19 \$0.00 \$60,782.19 478-462-35 1-222 STEFANO, STEVE TR S STEFANO LIVING TR \$60,782.19 \$60,782.19 \$0.00 478-462-36 1-221 SCHAUS JOHN H \$60,782.19 \$0.00 \$60,782.19 478-462-37 1-220 TAMIRY, JAMSHID TR \$60,782.19 \$0.00 \$60,782.19 478-462-38 1-219 SABO, POONEH \$60,782.19 \$0.00 \$60,782.19 478-462-39 1-218 VAN AKKEREN, MARCO TR VAN AKKEREN YAMATO LIVING TR \$60,782.19 \$0.00 \$60,782.19 478-462-40 1-217 DUEHRING, WILLIAM K \$60,782.19 \$0.00 \$60,782.19 489-131-01 2-251 LIU, DEHONG \$26,380.21 \$0.00 \$26,380.21 489-131-02 2-250 MAO, YONGZHONG \$26,380.21 \$0.00 \$26,380.21 489-131-03 2-249 MOTAMEDIAN, MOHSEN TR \$26,380.21 \$0.00 \$26,380.21 489-131-04 2-248 LEE, TEENA \$26,380.21 \$0.00 \$26,380.21 489-131-05 2-247 NGUYEN, ANH QUOC DUY \$26,380.21 \$0.00 \$26,380.21 489-131-06 2-246 QIU, FEILI \$26,380.21 \$0.00 \$26,380.21 489-131-07 2-245 BRADFORD, DAVID R TR \$26,380.21 \$0.00 \$26,380.21 \$26,380.21 \$26,380.21 489-131-08 2-244 SATIN CALIFORNIA \$0.00 489-131-09 2-243 XIE, WEI \$26,380.21 \$0.00 \$26,380.21 2-242 WU, LING \$26,380.21 \$26,380.21 489-131-10 \$0.00 COSTAS, ROBERT \$26,380.21 \$26,380.21 489-131-11 2-261 \$0.00 489-131-12 2-260 \$26,380.21 \$26,380.21 BICK, ALAN \$0.00 489-131-13 2-259 LINDER, DERRICK SCOTT TR LINDER FAMILY 2015 TR \$26,380.21 \$26,380.21 \$0.00 489-131-14 2-258 PETERSON, JOHN STEPHEN TR \$26,380.21 \$0.00 \$26,380.21 LEBRUN, RICHARD ROLAND \$26,380.21 489-131-15 2-257 \$0.00 \$26,380.21 2-256 WANG, CHIE-NING TR \$26,380.21 \$26,380.21 489-131-16 \$0.00 489-131-17 2-255 CAMMARATA, CURTIS A \$26,380.21 \$0.00 \$26,380.21 489-131-18 2-254 HSU, EDWARD \$26,380.21 \$0.00 \$26,380.21 489-131-19 2-253 CHINI, JOSEPH Y TR \$26,380.21 \$0.00 \$26,380.21 489-131-20 WROTEN, KIPPY LYNN TR 2-252 \$26,380.21 \$0.00 \$26,380.21

Total Unpaid Assessment:

\$7,485,000.00

\$4,108.96

\$7,489,108.96

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Assessor's				bligation Impro ls Unpaid Balan	
Parcel	Assessment		Non-Delinquent		<u>ce</u>
Number	Number	Owner	Principal	Principal	Total
477-252-01	1-382	KUGELMAN, LAWRENCE N TRTHE KUGELMAN LIVING TR	\$75,755.93	\$0.00	\$75,755.93
477-252-02	1-381	WALNUT OLD GROVE CAPITAL LLC	\$75,755.93	\$0.00	\$75,755.93
477-252-03	1-380	KAYE, MICHAEL S TR	\$75,755.93	\$0.00	\$75,755.93
477-252-04	1-379	SUHERMAN, SURYO	\$75,755.93	\$0.00	\$75,755.93
477-252-05	1-378	SUHERMAN, MELIA	\$75,755.93	\$0.00	\$75,755.93
477-252-06	1-377	THOMAS, TROY	\$75,755.93	\$0.00	\$75,755.93
477-252-07	1-376	GROVER, SANJAY TR S & N GROVER REVOC TR	\$75,755.93	\$0.00	\$75,755.93
477-252-08	1-375	SEEGER, WILLIAM C JR TR SEEGER FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-252-09	1-374	PHAM, LEE	\$75,755.93	\$0.00	\$75,755.93
477-252-10	1-373	DICOSTANZO, DONALD J TR DICOSTANZO FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-252-10	1-373	GOLDSBERRY, MICHAEL TR GOLDSBERRY FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-252-11	1-299	LI, BEIBEI	\$75,755.93	\$0.00	\$75,755.93
477-252-12	1-299			\$0.00	*
		KIM, ILHYUN	\$75,755.93 \$75,755.93		\$75,755.93
477-252-14	1-301	SMITH, MICHAEL R TR SMITH-PARMAN FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-252-15	1-302	GHATAODE, RAVI	\$75,755.93	\$0.00	\$75,755.93
477-252-16	1-303	HA, JUSTIN JIAH TR JJ HA FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-252-17	1-304	LIU, BONAPARTE H TR LIU FAMILY	\$75,755.93	\$0.00	\$75,755.93
477-252-18	1-305	WANG, TONY W	\$75,755.93	\$0.00	\$75,755.93
477-253-01	1-371	YEH, THOMAS Y	\$75,755.93	\$0.00	\$75,755.93
477-253-02	1-370	NAKHLA, TONY N TR	\$75,755.93	\$0.00	\$75,755.93
477-253-03	1-369	MAKHAIL, PAUL M	\$75,755.93	\$0.00	\$75,755.93
477-253-04	1-368	LI, PING TR JIA HAO TR	\$75,755.93	\$0.00	\$75,755.93
477-253-05	1-367	RUSKEY, CHAD EDWARD JOSEPH TR C RUSKEY LIVING	\$75,755.93	\$0.00	\$75,755.93
477-253-06	1-366	SUHERMAN, ARIF	\$75,755.93	\$0.00	\$75,755.93
477-253-07	1-365	ARCHER, SANFORD M	\$75,755.93	\$0.00	\$75,755.93
477-253-08	1-364	RANGO, ROBERT A TR THE RANGO-HERMAN FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-253-09	1-363	KIM, EDMUND	\$75,755.93	\$0.00	\$75,755.93
477-253-10	1-362	TRAN, MICHAEL T TR TRAN/JING FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-253-11	1-361	SWANSON, CHRISTOPHER J TR THE SWANSON FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-253-12	1-360	SHI, YI	\$75,755.93	\$0.00	\$75,755.93
477-253-13	1-359	SIEGEL, BRYAN LEWIS	\$75,755.93	\$0.00	\$75,755.93
477-253-14	1-358	PATTERSON, ROBERT M TR PATTERSON FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-253-15	1-357	BHALLA, GUNINDER	\$75,755.93	\$0.00	\$75,755.93
477-253-16	1-356	ALTER, ROBERT A	\$75,755.93	\$0.00	\$75,755.93
477-253-17	1-355	WANG, SONGTAO	\$75,755.93	\$0.00	\$75,755.93
477-253-18	1-354	KRAEMER, KENNETH L TR KRAEMER FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-253-19	1-353	HEIDARI, BABAK	\$75,755.93	\$0.00	\$75,755.93
477-253-20	1-352	SOSA, JAVIER	\$75,755.93	\$0.00	\$75,755.93
477-253-21	1-351	ZHANG, DONGMING	\$75,755.93	\$0.00	\$75,755.93
477-253-22	1-350	KORRAA, HISHAM	\$75,755.93	\$0.00	\$75,755.93
477-253-23	1-349	XU, XIAOLONG	\$75,755.93	\$0.00	\$75,755.93
477-253-24	1-348	DUAN, SINAN TR DUAN FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-253-25	1-347	SAUNDERS, MICHAEL M	\$75,755.93	\$0.00	\$75,755.93
477-253-26	1-346	CHAO, WILSON	\$75,755.93	\$0.00	\$75,755.93
477-253-27	1-345	BERNSTEIN, ADAM JAY TR A & S BERNSTEIN REVOC TR	\$75,755.93	\$0.00	\$75,755.93
477-253-28	1-344	BOYLE, GEORGE TIMOTHY TR BOYLE FAMILY TR	\$75,755.93	\$0.00	\$75,755.93
477-253-29	1-343	PACIFIC RIDGE MAINTENANCE ASSOCIATION	\$0.00	\$0.00	\$0.00
489-101-01	2-164	LU, KEVIN TR K & G LU LIVING TR	\$50,953.53	\$0.00	\$50,953.53

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Limited Obligation Improvement

Assessor's			Bonds Unpaid Balance		
Parcel	Assessment		Non-Delinquent		<u>.c</u>
Number	Number	Owner	Principal Principal	Principal	Total
489-101-02	2-165	HELLER, LAWRENCE H TR OCEAN VIEW TR	\$50,953.53	\$0.00	\$50,953.53
489-101-03	2-166	HHG INVESTMENTS LLC	\$50,953.53	\$0.00	\$50,953.53
489-101-04	2-167	KLINSMANN, JUERGEN TR JLK LIVING TR	\$50,953.53	\$0.00	\$50,953.53
489-101-05	2-167	CARPET, ANTHONY H	\$50,953.53	\$0.00	\$50,953.53
489-101-06	2-169	SUNRISE INTERNATIONAL LIMITED	\$50,953.53	\$0.00	\$50,953.53
489-101-00	2-109	MINICUCCI, ROBERT A	\$50,953.53	\$0.00	\$50,953.53
489-101-07	2-170	CHENG, BAO DING	\$50,953.53	\$0.00	\$50,953.53
489-101-08	2-171	150 MAIN STREET LLC	\$50,953.53	\$0.00	\$50,953.53
489-101-09	2-172	HECHT, DONALD TR D HECHT REVOC TR	\$50,953.53	\$0.00	\$50,953.53
489-101-10	2-173 2-174	PERLEY, HOWARD TR PERLEY FAMILY TR	\$50,953.53	\$0.00	\$50,953.53
489-101-11	2-174	BANIASSAD, AMIR M	\$50,953.53	\$0.00	\$50,953.53
489-101-12	2-176	SANDY COVE LLC	\$50,953.53	\$0.00	
489-101-13	2-176 2-177		\$50,953.53	\$0.00	\$50,953.53 \$50,953.53
	2-177	GRASSO, CHARLES EDGAR TR LIU, JING TR	\$50,953.53	\$0.00	
489-101-16					\$50,953.53
489-101-17	2-180	PARSADAYAN, WALODIA M TR	\$50,953.53	\$0.00	\$50,953.53
489-101-18	2-181	BEMOWSKI, JAMES B	\$50,953.53 \$50,953.53	\$0.00	\$50,953.53 \$50,953.53
489-101-19	2-182	CHENG, CLIFFORD H	* /	\$0.00	<i>'</i>
489-101-20	2-183	PALMER, JAMES F TR	\$50,953.53	\$0.00	\$50,953.53
489-101-21	2-184	LEE, HERBERT HORCHANG TR	\$50,953.53	\$0.00	\$50,953.53
489-101-22	2-185	MERAGE, DAVID TR	\$50,953.53	\$0.00	\$50,953.53
489-101-23	2-186	MARKHAM, JAMES A TR	\$50,953.53	\$0.00	\$50,953.53
489-101-24	2-187	LEE, JAMES W TR LEE FAMILY TR	\$50,953.53	\$0.00	\$50,953.53
489-101-25	2-188	WRIGHT, JOHN W TR JEANPAUL TR	\$50,953.53	\$0.00	\$50,953.53
489-101-26	2-189	AL-BLEHED, MOHAMMED S O	\$50,953.53	\$0.00	\$50,953.53
489-101-27	2-190	BOSU, ROMIR TR YVONNE BOSU PRINCIPAL RESIDENCE	\$50,953.53	\$0.00	\$50,953.53
489-101-28	2-191	DURAN, JOSEPH JOHN TR DURAN FAMILY TR	\$50,953.53	\$0.00	\$50,953.53
489-101-29	2-192	CHENG, GEORGE TING-FU TR CHENG FAMILY TR	\$50,953.53	\$0.00	\$50,953.53
489-101-45	2-178	GROVER, JASWINDER	\$50,953.53	\$0.00	\$50,953.53
489-111-01	2-84	21 MOONSHELL COMPANY LLC	\$40,725.94	\$0.00	\$40,725.94
489-111-02	2-83	KISTING, SCOTT A TR	\$40,725.94	\$0.00	\$40,725.94
489-111-03	2-82	DARWISH, RIAD	\$40,725.94	\$0.00	\$40,725.94
489-111-04	2-81	SWERDLOW, STEVEN A TR	\$40,725.94	\$0.00	\$40,725.94
489-111-05	2-80	ALLEN-MILAN LLC	\$40,725.94	\$0.00	\$40,725.94
489-111-06	2-79	MORHAIME, MICHAEL TR	\$40,725.94	\$0.00	\$40,725.94
489-111-07	2-78	PLATT, STEELE TR	\$40,725.94	\$0.00	\$40,725.94
489-111-08	2-77	HASSEY, LEO PATRICK II	\$40,725.94	\$0.00	\$40,725.94
489-111-09	2-76	NEXT COMMERCE LIMITED	\$40,725.94	\$0.00	\$40,725.94
489-111-10	2-75	HILL, PETER J TR	\$40,725.94	\$0.00	\$40,725.94
489-111-11	2-74	ROCHE, THOMAS MICHAEL TR ROCHE 1997 FAMILY TR	\$40,725.94	\$0.00	\$40,725.94
489-111-12	2-73	ASNER, BARTLEY S TR B S ASNER QUALIFIED PERSONAL	\$40,725.94	\$0.00	\$40,725.94
489-111-13	2-72	SHARIFAT, HAMID TR	\$40,725.94	\$0.00	\$40,725.94
489-111-14	2-71	HALE, JAMES RICHARD TR	\$40,725.94	\$0.00	\$40,725.94
489-111-15	2-70	DHIMAN, DARSHAN	\$40,725.94	\$0.00	\$40,725.94
489-111-16	2-69	PATEL, NARENDRA B TR PATEL FAMILY TR	\$40,725.94	\$0.00	\$40,725.94
489-111-17	2-68	ROLLMAN, FREDRIC A TR LAKE VIEW TR	\$40,725.94	\$0.00	\$40,725.94
489-111-18	2-67	37 OCC LLC	\$40,725.94	\$0.00	\$40,725.94
489-111-19	2-66	BLUMETTI, SANTINO TR BLUMETTI LIVING TR	\$40,725.94	\$0.00	\$40,725.94
489-111-20	2-65	DESTINY RMS LLC	\$40,725.94	\$0.00	\$40,725.94

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Accesor's	Limited Obligation Im Assessor's Bonds Unpaid Ba				
Parcel	Assessment		Non-Delinquent		<u>ce</u>
Number	Number	Owner	Principal	Principal	Total
489-111-21	2-64	SR 43 OFFSHORE LLC	\$40,725.94	\$0.00	\$40,725.94
489-111-22	2-63	GANCAR, MICHAEL K TR	\$40,725.94	\$0.00	\$40,725.94
489-111-23	2-62	SUDEEP INC	\$40,725.94	\$0.00	\$40,725.94
489-111-24	2-61	PATEL, SONAL DILIP TR S D PATEL QPRT	\$40,725.94	\$0.00	\$40,725.94
489-111-25	2-60	DAVIS, CRAIG A TR C & C DAVIS FAMILY TR	\$40,725.94	\$0.00	\$40,725.94
489-111-26	2-59	CONLEY, J DAVID TR CONLEY FAMILY TR	\$40,725.94	\$0.00	\$40,725.94
489-111-27	2-58	8SCC LLC	\$40,725.94	\$0.00	\$40,725.94
489-111-28	2-57	LIZARDE, CHRISTOPHER	\$40,725.94	\$0.00	\$40,725.94
489-111-29	2-56	SULAHIAN, KRIKOR D TR	\$40,725.94	\$0.00	\$40,725.94
489-111-30	2-55	PALM LOTUS LLC	\$40,725.94	\$0.00	\$40,725.94
489-151-06	2-269	21 SPINNAKER LLC	\$52,676.82	\$0.00	\$52,676.82
489-151-07	2-270	FATERI, FARDAD TR FATERI FAMILY TR	\$52,676.82	\$0.00	\$52,676.82
489-151-08	2-271	SPINNAKER INVESTORS LLC	\$52,676.82	\$0.00	\$52,676.82
489-151-09	2-275	LEE, HYO S	\$52,676.82	\$0.00	\$52,676.82
489-151-10	2-274	CASCO, FRANKLIN JR TR LEE IRREVOCABLE TR	\$52,676.82	\$3,175.55	\$55,852.37
489-151-11	2-273	IRVINE COMMUNITY DEVELOPMENT COMPANY LLC	\$52,676.82	\$0.00	\$52,676.82
489-151-12	2-272	SHAYGAN, FARZAD TR SHAYGAN FAMILY TR	\$52,676.82	\$0.00	\$52,676.82
489-151-13	2-277	ANTIGUA INVESTMENTS LLC	\$52,676.82	\$0.00	\$52,676.82
489-151-14	2-278	34 SOUTH SUR LLC	\$52,676.82	\$0.00	\$52,676.82
489-151-15	2-279	36 SOUTH SUR LLC	\$52,676.82	\$0.00	\$52,676.82
489-151-16	2-276	BLUMENTHAL, GARTH L TR THE GARTH L BLUMENTHAL TR	\$52,676.82	\$0.00	\$52,676.82
489-151-17	2-288	HAIGH, THOMAS M TR HAIGH FAMILY TR	\$52,676.82	\$0.00	\$52,676.82
489-151-18	2-287	SILVER ROCK REALTY LLC	\$52,676.82	\$0.00	\$52,676.82
489-151-19	2-286	HAN, HUILIN TR HAN FAMILY TR	\$52,676.82	\$0.00	\$52,676.82
489-151-20	2-285	KHANNA, KARAN TR KHANNA LIVING TR	\$52,676.82	\$0.00	\$52,676.82
489-151-21	2-284	ZHAO, ZHIXING	\$52,676.82	\$0.00	\$52,676.82
489-151-22	2-283	NGUYEN, QUAN TR	\$52,676.82	\$0.00	\$52,676.82
489-151-23	2-282	CHANG, DAVID CHIH-JEN	\$52,676.82	\$0.00	\$52,676.82
489-151-24	2-281	BARTHOLOMEW, ROBERT F TR	\$52,676.82	\$0.00	\$52,676.82
489-151-25	2-280	MC INTYRE, ANDREW M	\$52,676.82	\$0.00	\$52,676.82
489-151-26	2-295	SMITH, SEAN K TR	\$52,676.82	\$0.00	\$52,676.82
489-151-27	2-294	DAVIDOFF, ANDREW TR	\$52,676.82	\$0.00	\$52,676.82
489-151-28	2-293	TAHBAZ, VAHID	\$52,676.82	\$0.00	\$52,676.82
489-151-29	2-292	ATTALLA, MEDHAT	\$52,676.82	\$0.00	\$52,676.82
489-151-30	2-291	TCHONG, STEPHANIE	\$52,676.82	\$0.00	\$52,676.82
489-151-31	2-290	NORDEN, WILLIAM B TR LAGARA TR	\$52,676.82	\$0.00	\$52,676.82
489-151-32	2-289	NORDEN, WILLIAM B TR LAGARA TR	\$52,676.82	\$0.00	\$52,676.82
489-181-01	2-163	KHONSARI, FERAIDOUN	\$55,661.52	\$0.00	\$55,661.52
489-181-02	2-162	CHEN, WILLIAM TAI TR CHEN FAMILY TR	\$55,661.52	\$0.00	\$55,661.52
489-181-03	2-161	SOUTH SUR INVESTMENTS LLC	\$55,661.52	\$0.00	\$55,661.52
489-181-04	2-160	SHREE RAM LEX LP	\$55,661.52	\$0.00	\$55,661.52
489-181-05	2-159	ANTIGUA INVESTMENTS LLC	\$55,661.52	\$0.00	\$55,661.52
489-181-06	2-158	DUBROW, TERRY J TR WEYBRIDGE TR	\$55,661.52	\$0.00	\$55,661.52
489-181-07	2-157	AL-KHATIB, AHMAD TR AL-KHATIB FAMILY TR	\$55,661.52	\$0.00	\$55,661.52
489-181-08	2-156	ZSLLC	\$55,661.52	\$0.00	\$55,661.52
489-181-09	2-155	CRYSTAL COVE INVESTMENT LLC	\$55,661.52	\$0.00	\$55,661.52
489-181-10	2-154	AAF HOLDINGS GRP LLC	\$55,661.52	\$0.00	\$55,661.52
489-181-11	2-153	HOAGLUND, WESLEY	\$55,661.52	\$0.00	\$55,661.52

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Unpaid Assessments Securing Outstanding Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

				Limited O	bligation Impr	ovement
Assessor's				Bond	s Unpaid Bala	nce
Parcel	Assessment			Non-Delinquent	Delinquent	
Number	Number	Owner		Principal	Principal	Total
489-181-12	2-152	CHOPRA, RAKESH TR CHOPRA FAMILY TR		\$55,661.52	\$0.00	\$55,661.52
489-181-13	2-151	MEES, DIETER L TR MEES FAMILY TR		\$55,661.52	\$0.00	\$55,661.52
489-181-14	2-150	ROSENTHAL, RICHARD M TR MARINER TR		\$55,661.52	\$0.00	\$55,661.52
489-181-15	2-149	DHIMAN, DARSHAN KUMAR		\$55,661.52	\$0.00	\$55,661.52
489-181-37	2-136	MIRZA, KAYHAN		\$55,661.52	\$0.00	\$55,661.52
489-181-68	2-349	BOWER, SCOTT L TR BOWER LIVING TR		\$111,323.02	\$0.00	\$111,323.02
489-181-40	2-139	KRADJIAN, RAFFI		\$55,661.52	\$0.00	\$55,661.52
489-181-41	2-140	MG RESIDENTIAL ESTATES LLC		\$55,661.52	\$0.00	\$55,661.52
489-181-42	2-141	MG CUSTOM ESTATES LLC		\$55,661.51	\$0.00	\$55,661.51
489-181-43	2-142	SCHAFFER, GARY L		\$55,661.51	\$0.00	\$55,661.51
489-181-44	2-143	26940 ALISO VIEJO PARKWAY LLC		\$55,661.51	\$0.00	\$55,661.51
489-181-45	2-144	10 MSUMMER LLC		\$55,661.52	\$0.00	\$55,661.52
489-181-46	2-145	8 MIDSUMMER LLC		\$55,661.52	\$0.00	\$55,661.52
489-181-47	2-146	AMINI, MICHAEL TR		\$55,661.52	\$0.00	\$55,661.52
489-181-48	2-147	SJC HOLDINGS LLC		\$55,661.52	\$0.00	\$55,661.52
489-181-49	2-148	ROSHAN, PAYMON TR ROSHAN FAMILY TR		\$55,661.52	\$0.00	\$55,661.52
			Total Unpaid Assessment:	\$9,165,000.00	\$3,175.55	\$9,168,175.55

EXHIBIT B

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Debt Service Schedules for the Bonds to be Refunded

EXHIBIT B-I

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B After Optional Bond Redemption on September 2, 2011

:				REMAINING
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$4,135,000
2018	\$165,000	\$236,275.00	\$401,275.00	\$3,970,000
2019	\$175,000	\$227,365.00	\$402,365.00	\$3,795,000
2020	\$185,000	\$217,740.00	\$402,740.00	\$3,610,000
2021	\$195,000	\$207,380.00	\$402,380.00	\$3,415,000
2022	\$205,000	\$196,362.50	\$401,362.50	\$3,210,000
2023	\$215,000	\$184,575.00	\$399,575.00	\$2,995,000
2024	\$230,000	\$172,212.50	\$402,212.50	\$2,765,000
2025	\$245,000	\$158,987.50	\$403,987.50	\$2,520,000
2026	\$255,000	\$144,900.00	\$399,900.00	\$2,265,000
2027	\$275,000	\$130,237.50	\$405,237.50	\$1,990,000
2028	\$285,000	\$114,425.00	\$399,425.00	\$1,705,000
2029	\$305,000	\$98,037.50	\$403,037.50	\$1,400,000
2030	\$320,000	\$80,500.00	\$400,500.00	\$1,080,000
2031	\$340,000	\$62,100.00	\$402,100.00	\$740,000
2032	\$360,000	\$42,550.00	\$402,550.00	\$380,000
2033	\$380,000	\$21,850.00	\$401,850.00	\$0
Total:	\$4,135,000	\$2,295,497.50	\$6,430,497.50	

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One After Optional Bond Redemption on September 2, 2011

				REMAINING
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$11,605,000
2018	\$485,000	\$580,786.25	\$1,065,786.25	\$11,120,000
2019	\$500,000	\$558,355.00	\$1,058,355.00	\$10,620,000
2020	\$525,000	\$534,605.00	\$1,059,605.00	\$10,095,000
2021	\$570,000	\$509,405.00	\$1,079,405.00	\$9,525,000
2022	\$595,000	\$480,905.00	\$1,075,905.00	\$8,930,000
2023	\$625,000	\$451,155.00	\$1,076,155.00	\$8,305,000
2024	\$660,000	\$419,905.00	\$1,079,905.00	\$7,645,000
2025	\$695,000	\$386,905.00	\$1,081,905.00	\$6,950,000
2026	\$730,000	\$352,155.00	\$1,082,155.00	\$6,220,000
2027	\$765,000	\$315,655.00	\$1,080,655.00	\$5,455,000
2028	\$800,000	\$277,405.00	\$1,077,405.00	\$4,655,000
2029	\$840,000	\$237,405.00	\$1,077,405.00	\$3,815,000
2030	\$885,000	\$194,565.00	\$1,079,565.00	\$2,930,000
2031	\$930,000	\$149,430.00	\$1,079,430.00	\$2,000,000
2032	\$975,000	\$102,000.00	\$1,077,000.00	\$1,025,000
2033	\$1,025,000	\$52,275.00	\$1,077,275.00	\$0
Total:	\$11,605,000	\$5,602,911.25	\$17,207,911.25	

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two After Optional Bond Redemption on September 2, 2011

				REMAINING
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$7,485,000
2018	\$315,000	\$375,272.50	\$690,272.50	\$7,170,000
2019	\$330,000	\$359,995.00	\$689,995.00	\$6,840,000
2020	\$350,000	\$343,825.00	\$693,825.00	\$6,490,000
2021	\$365,000	\$326,500.00	\$691,500.00	\$6,125,000
2022	\$385,000	\$308,250.00	\$693,250.00	\$5,740,000
2023	\$400,000	\$289,000.00	\$689,000.00	\$5,340,000
2024	\$425,000	\$269,000.00	\$694,000.00	\$4,915,000
2025	\$445,000	\$247,750.00	\$692,750.00	\$4,470,000
2026	\$470,000	\$225,500.00	\$695,500.00	\$4,000,000
2027	\$490,000	\$202,000.00	\$692,000.00	\$3,510,000
2028	\$515,000	\$177,255.00	\$692,255.00	\$2,995,000
2029	\$540,000	\$151,247.50	\$691,247.50	\$2,455,000
2030	\$570,000	\$123,977.50	\$693,977.50	\$1,885,000
2031	\$600,000	\$95,192.50	\$695,192.50	\$1,285,000
2032	\$625,000	\$64,892.50	\$689,892.50	\$660,000
2033	\$660,000	\$33,330.00	\$693,330.00	\$0
Total:	\$7,485,000	\$3,592,987.50	\$11,077,987.50	

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three After Optional Bond Redemption on September 2, 2011

				REMAINING
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$9,165,000
2018	\$385,000	\$463,596.25	\$848,596.25	\$8,780,000
2019	\$405,000	\$445,790.00	\$850,790.00	\$8,375,000
2020	\$425,000	\$426,552.50	\$851,552.50	\$7,950,000
2021	\$450,000	\$406,152.50	\$856,152.50	\$7,500,000
2022	\$470,000	\$383,652.50	\$853,652.50	\$7,030,000
2023	\$490,000	\$360,152.50	\$850,152.50	\$6,540,000
2024	\$540,000	\$335,652.50	\$875,652.50	\$6,000,000
2025	\$565,000	\$308,112.50	\$873,112.50	\$5,435,000
2026	\$590,000	\$279,297.50	\$869,297.50	\$4,845,000
2027	\$620,000	\$249,207.50	\$869,207.50	\$4,225,000
2028	\$620,000	\$217,587.50	\$837,587.50	\$3,605,000
2029	\$650,000	\$185,657.50	\$835,657.50	\$2,955,000
2030	\$685,000	\$152,182.50	\$837,182.50	\$2,270,000
2031	\$720,000	\$116,905.00	\$836,905.00	\$1,550,000
2032	\$755,000	\$79,825.00	\$834,825.00	\$795,000
2033	\$795,000	\$40,942.50	\$835,942.50	\$0
Total:	\$9,165,000	\$4,451,266.25	\$13,616,266.25	

EXHIBIT C

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Auditor's Record (Sample)

EXHIBIT C

AUDITOR'S REPORT FOR EXISTING ASSESSMENTS

The Auditor's Report, for Existing Assessments showing principal installments and interest for each unpaid original assessment, is voluminous and will not be bound in this Report but by this reference is incorporated as if attached to this Report. The original Auditor's Report is on file in the office of the Reassessment District Engineer for the County of Orange. A representative sample Auditor's Report is included in this Exhibit C.

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B As of September 2, 2017

Assessment Number: 1-425

Assessor's Parcel Number: 934-331-31

Tract No. 16195 Lot 11, Unit 155

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	<u>INTEREST</u>	TOTAL	PRINCIPAL
2017				\$24,613.09
2018	\$982.14	\$1,406.40	\$2,388.54	\$23,630.95
2019	\$1,041.67	\$1,353.36	\$2,395.03	\$22,589.28
2020	\$1,101.19	\$1,296.07	\$2,397.26	\$21,488.09
2021	\$1,160.71	\$1,234.40	\$2,395.12	\$20,327.38
2022	\$1,220.24	\$1,168.82	\$2,389.06	\$19,107.14
2023	\$1,279.76	\$1,098.66	\$2,378.42	\$17,827.38
2024	\$1,369.05	\$1,025.07	\$2,394.12	\$16,458.33
2025	\$1,458.33	\$946.35	\$2,404.69	\$15,000.00
2026	\$1,517.86	\$862.50	\$2,380.36	\$13,482.14
2027	\$1,636.90	\$775.22	\$2,412.13	\$11,845.24
2028	\$1,696.43	\$681.10	\$2,377.53	\$10,148.81
2029	\$1,815.48	\$583.56	\$2,399.03	\$8,333.33
2030	\$1,904.76	\$479.17	\$2,383.93	\$6,428.57
2031	\$2,023.81	\$369.64	\$2,393.45	\$4,404.76
2032	\$2,142.86	\$253.27	\$2,396.13	\$2,261.90
2033	\$2,261.90	\$130.06	\$2,391.96	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessment Number: 1-60

Assessor's Parcel Number: 478-464-07

Tract No. 16462 Lot 7

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$36,775.25
2018	\$1,536.92	\$1,840.46	\$3,377.39	\$35,238.33
2019	\$1,584.46	\$1,769.38	\$3,353.84	\$33,653.87
2020	\$1,663.68	\$1,694.12	\$3,357.80	\$31,990.19
2021	\$1,806.28	\$1,614.26	\$3,420.54	\$30,183.91
2022	\$1,885.50	\$1,523.95	\$3,409.45	\$28,298.41
2023	\$1,980.57	\$1,429.67	\$3,410.24	\$26,317.84
2024	\$2,091.48	\$1,330.64	\$3,422.13	\$24,226.36
2025	\$2,202.40	\$1,226.07	\$3,428.46	\$22,023.96
2026	\$2,313.31	\$1,115.95	\$3,429.26	\$19,710.65
2027	\$2,424.22	\$1,000.28	\$3,424.50	\$17,286.43
2028	\$2,535.13	\$879.07	\$3,414.20	\$14,751.30
2029	\$2,661.89	\$752.32	\$3,414.20	\$12,089.41
2030	\$2,804.49	\$616.56	\$3,421.05	\$9,284.92
2031	\$2,947.09	\$473.53	\$3,420.62	\$6,337.83
2032	\$3,089.69	\$323.23	\$3,412.92	\$3,248.14
2033	\$3,248.14	\$165.65	\$3,413.79	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessment Number: 2-30

Assessor's Parcel Number: 477-102-15

Tract No. 16455 Lot 29

				REMAINING NON-DELINQUENT
YEAR	PRINCIPAL	<u>INTEREST</u>	TOTAL	PRINCIPAL
2017				\$50,440.16
2018	\$2,108.01	\$2,524.34	\$4,632.35	\$48,332.15
2019	\$2,173.21	\$2,426.84	\$4,600.05	\$46,158.94
2020	\$2,281.87	\$2,323.62	\$4,605.48	\$43,877.07
2021	\$2,477.46	\$2,214.09	\$4,691.54	\$41,399.61
2022	\$2,586.12	\$2,090.21	\$4,676.33	\$38,813.49
2023	\$2,716.51	\$1,960.91	\$4,677.42	\$36,096.98
2024	\$2,868.63	\$1,825.08	\$4,693.72	\$33,228.35
2025	\$3,020.76	\$1,681.65	\$4,702.41	\$30,207.59
2026	\$3,172.88	\$1,530.61	\$4,703.50	\$27,034.71
2027	\$3,325.01	\$1,371.97	\$4,696.98	\$23,709.70
2028	\$3,477.13	\$1,205.72	\$4,682.85	\$20,232.57
2029	\$3,650.99	\$1,031.86	\$4,682.85	\$16,581.58
2030	\$3,846.58	\$845.66	\$4,692.24	\$12,735.00
2031	\$4,042.17	\$649.48	\$4,691.65	\$8,692.83
2032	\$4,237.76	\$443.33	\$4,681.09	\$4,455.07
2033	\$4,455.07	\$227.21	\$4,682.28	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessment Number: 1-290

Assessor's Parcel Number: 478-453-39

Tract No. 16464 Lot 62

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$54,348.02
2018	\$2,271.33	\$2,719.91	\$4,991.24	\$52,076.69
2019	\$2,341.58	\$2,614.86	\$4,956.44	\$49,735.11
2020	\$2,458.66	\$2,503.64	\$4,962.30	\$47,276.45
2021	\$2,669.40	\$2,385.62	\$5,055.02	\$44,607.05
2022	\$2,786.48	\$2,252.15	\$5,038.63	\$41,820.57
2023	\$2,926.97	\$2,112.83	\$5,039.80	\$38,893.60
2024	\$3,090.88	\$1,966.48	\$5,057.36	\$35,802.72
2025	\$3,254.79	\$1,811.94	\$5,066.73	\$32,547.93
2026	\$3,418.70	\$1,649.20	\$5,067.90	\$29,129.23
2027	\$3,582.61	\$1,478.26	\$5,060.88	\$25,546.62
2028	\$3,746.52	\$1,299.13	\$5,045.66	\$21,800.10
2029	\$3,933.85	\$1,111.80	\$5,045.66	\$17,866.25
2030	\$4,144.59	\$911.18	\$5,055.77	\$13,721.66
2031	\$4,355.33	\$699.80	\$5,055.14	\$9,366.33
2032	\$4,566.08	\$477.68	\$5,043.76	\$4,800.25
2033	\$4,800.25	\$244.81	\$5,045.06	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessment Number: 1-180

Assessor's Parcel Number: 478-463-09

Tract No. 16461 Lot 20

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$58,066.60
2018	\$2,426.74	\$2,906.01	\$5,332.75	\$55,639.86
2019	\$2,501.79	\$2,793.78	\$5,295.57	\$53,138.07
2020	\$2,626.88	\$2,674.94	\$5,301.82	\$50,511.19
2021	\$2,852.04	\$2,548.85	\$5,400.89	\$47,659.15
2022	\$2,977.13	\$2,406.25	\$5,383.38	\$44,682.02
2023	\$3,127.24	\$2,257.39	\$5,384.63	\$41,554.78
2024	\$3,302.37	\$2,101.03	\$5,403.40	\$38,252.41
2025	\$3,477.49	\$1,935.91	\$5,413.40	\$34,774.92
2026	\$3,652.62	\$1,762.04	\$5,414.65	\$31,122.30
2027	\$3,827.74	\$1,579.41	\$5,407.15	\$27,294.56
2028	\$4,002.87	\$1,388.02	\$5,390.89	\$23,291.69
2029	\$4,203.01	\$1,187.88	\$5,390.89	\$19,088.68
2030	\$4,428.17	\$973.52	\$5,401.69	\$14,660.51
2031	\$4,653.33	\$747.69	\$5,401.02	\$10,007.18
2032	\$4,878.50	\$510.37	\$5,388.86	\$5,128.68
2033	\$5,128.68	\$261.56	\$5,390.24	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessment Number: 1-320

Assessor's Parcel Number: 477-252-33

Tract No. 15811 Lot 22

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$68,649.63
2018	\$2,869.03	\$3,435.65	\$6,304.68	\$65,780.60
2019	\$2,957.76	\$3,302.96	\$6,260.72	\$62,822.84
2020	\$3,105.65	\$3,162.47	\$6,268.12	\$59,717.19
2021	\$3,371.85	\$3,013.40	\$6,385.24	\$56,345.34
2022	\$3,519.74	\$2,844.80	\$6,364.54	\$52,825.60
2023	\$3,697.20	\$2,668.82	\$6,366.02	\$49,128.40
2024	\$3,904.24	\$2,483.96	\$6,388.20	\$45,224.16
2025	\$4,111.29	\$2,288.74	\$6,400.03	\$41,112.87
2026	\$4,318.33	\$2,083.18	\$6,401.51	\$36,794.54
2027	\$4,525.37	\$1,867.26	\$6,392.64	\$32,269.17
2028	\$4,732.42	\$1,641.00	\$6,373.41	\$27,536.75
2029	\$4,969.04	\$1,404.37	\$6,373.41	\$22,567.71
2030	\$5,235.24	\$1,150.95	\$6,386.19	\$17,332.47
2031	\$5,501.44	\$883.96	\$6,385.39	\$11,831.03
2032	\$5,767.63	\$603.38	\$6,371.02	\$6,063.40
2033	\$6,063.40	\$309.23	\$6,372.63	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group One As of September 2, 2017

Assessment Number: 2-296

Assessor's Parcel Number: 477-102-49

Tract No. 16455 Lot 31 & 32

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$100,880.32
2018	\$4,216.02	\$5,048.68	\$9,264.70	\$96,664.30
2019	\$4,346.42	\$4,853.69	\$9,200.10	\$92,317.88
2020	\$4,563.74	\$4,647.23	\$9,210.97	\$87,754.14
2021	\$4,954.91	\$4,428.17	\$9,383.09	\$82,799.23
2022	\$5,172.24	\$4,180.43	\$9,352.66	\$77,626.99
2023	\$5,433.02	\$3,921.81	\$9,354.84	\$72,193.97
2024	\$5,737.27	\$3,650.16	\$9,387.43	\$66,456.70
2025	\$6,041.52	\$3,363.30	\$9,404.82	\$60,415.19
2026	\$6,345.77	\$3,061.22	\$9,406.99	\$54,069.42
2027	\$6,650.02	\$2,743.94	\$9,393.95	\$47,419.40
2028	\$6,954.27	\$2,411.44	\$9,365.70	\$40,465.13
2029	\$7,301.98	\$2,063.72	\$9,365.70	\$33,163.16
2030	\$7,693.16	\$1,691.32	\$9,384.48	\$25,470.00
2031	\$8,084.33	\$1,298.97	\$9,383.30	\$17,385.66
2032	\$8,475.51	\$886.67	\$9,362.18	\$8,910.15
2033	\$8,910.15	\$454.42	\$9,364.57	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Two As of September 2, 2017

Assessment Number: 2-260

Assessor's Parcel Number: 489-131-12

Tract No. 16603 Lot 52

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$26,380.21
2018	\$1,110.19	\$1,322.61	\$2,432.80	\$25,270.02
2019	\$1,163.06	\$1,268.77	\$2,431.83	\$24,106.96
2020	\$1,233.54	\$1,211.78	\$2,445.32	\$22,873.42
2021	\$1,286.41	\$1,150.72	\$2,437.13	\$21,587.01
2022	\$1,356.90	\$1,086.40	\$2,443.30	\$20,230.11
2023	\$1,409.76	\$1,018.55	\$2,428.32	\$18,820.35
2024	\$1,497.87	\$948.07	\$2,445.94	\$17,322.48
2025	\$1,568.36	\$873.17	\$2,441.54	\$15,754.12
2026	\$1,656.47	\$794.75	\$2,451.23	\$14,097.65
2027	\$1,726.96	\$711.93	\$2,438.89	\$12,370.69
2028	\$1,815.07	\$624.72	\$2,439.79	\$10,555.62
2029	\$1,903.18	\$533.06	\$2,436.24	\$8,652.44
2030	\$2,008.91	\$436.95	\$2,445.86	\$6,643.53
2031	\$2,114.65	\$335.50	\$2,450.14	\$4,528.88
2032	\$2,202.76	\$228.71	\$2,431.46	\$2,326.12
2033	\$2,326.12	\$117.47	\$2,443.59	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Two As of September 2, 2017

Assessment Number: 2-90

Assessor's Parcel Number: 477-261-47

Tract No. 16456 Lot 6

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$52,799.09
2018	\$2,222.01	\$2,647.17	\$4,869.17	\$50,577.08
2019	\$2,327.82	\$2,539.40	\$4,867.22	\$48,249.26
2020	\$2,468.90	\$2,425.34	\$4,894.23	\$45,780.36
2021	\$2,574.71	\$2,303.13	\$4,877.83	\$43,205.65
2022	\$2,715.78	\$2,174.39	\$4,890.18	\$40,489.87
2023	\$2,821.59	\$2,038.60	\$4,860.20	\$37,668.28
2024	\$2,997.94	\$1,897.52	\$4,895.47	\$34,670.34
2025	\$3,139.02	\$1,747.63	\$4,886.65	\$31,531.32
2026	\$3,315.37	\$1,590.67	\$4,906.05	\$28,215.95
2027	\$3,456.45	\$1,424.91	\$4,881.36	\$24,759.50
2028	\$3,632.80	\$1,250.35	\$4,883.16	\$21,126.70
2029	\$3,809.15	\$1,066.90	\$4,876.05	\$17,317.55
2030	\$4,020.77	\$874.54	\$4,895.31	\$13,296.78
2031	\$4,232.39	\$671.49	\$4,903.88	\$9,064.39
2032	\$4,408.74	\$457.75	\$4,866.49	\$4,655.65
2033	\$4,655.65	\$235.11	\$4,890.76	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Two As of September 2, 2017

Assessment Number: 1-270

Assessor's Parcel Number: 478-453-19

Tract No. 16464 Lot 42

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$56,889.72
2018	\$2,394.16	\$2,852.26	\$5,246.41	\$54,495.56
2019	\$2,508.16	\$2,736.14	\$5,244.30	\$51,987.40
2020	\$2,660.17	\$2,613.24	\$5,273.41	\$49,327.23
2021	\$2,774.18	\$2,481.56	\$5,255.74	\$46,553.05
2022	\$2,926.19	\$2,342.85	\$5,269.04	\$43,626.86
2023	\$3,040.20	\$2,196.54	\$5,236.74	\$40,586.66
2024	\$3,230.21	\$2,044.53	\$5,274.74	\$37,356.45
2025	\$3,382.22	\$1,883.02	\$5,265.24	\$33,974.23
2026	\$3,572.23	\$1,713.91	\$5,286.15	\$30,402.00
2027	\$3,724.24	\$1,535.30	\$5,259.54	\$26,677.76
2028	\$3,914.26	\$1,347.23	\$5,261.48	\$22,763.50
2029	\$4,104.27	\$1,149.56	\$5,253.82	\$18,659.23
2030	\$4,332.28	\$942.29	\$5,274.57	\$14,326.95
2031	\$4,560.30	\$723.51	\$5,283.81	\$9,766.65
2032	\$4,750.31	\$493.22	\$5,243.53	\$5,016.34
2033	\$5,016.34	\$253.32	\$5,269.66	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Two As of September 2, 2017

Assessment Number: 1-220

Assessor's Parcel Number: 478-462-37

Tract No. 16461 Lot 60

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$60,782.19
2018	\$2,557.97	\$3,047.41	\$5,605.38	\$58,224.22
2019	\$2,679.78	\$2,923.35	\$5,603.13	\$55,544.44
2020	\$2,842.19	\$2,792.04	\$5,634.23	\$52,702.25
2021	\$2,963.99	\$2,651.35	\$5,615.35	\$49,738.26
2022	\$3,126.41	\$2,503.15	\$5,629.56	\$46,611.85
2023	\$3,248.21	\$2,346.83	\$5,595.05	\$43,363.64
2024	\$3,451.23	\$2,184.42	\$5,635.65	\$39,912.41
2025	\$3,613.64	\$2,011.86	\$5,625.50	\$36,298.77
2026	\$3,816.65	\$1,831.18	\$5,647.83	\$32,482.12
2027	\$3,979.06	\$1,640.35	\$5,619.41	\$28,503.06
2028	\$4,182.07	\$1,439.41	\$5,621.48	\$24,320.99
2029	\$4,385.09	\$1,228.21	\$5,613.30	\$19,935.90
2030	\$4,628.70	\$1,006.76	\$5,635.47	\$15,307.20
2031	\$4,872.32	\$773.01	\$5,645.33	\$10,434.88
2032	\$5,075.33	\$526.96	\$5,602.29	\$5,359.55
2033	\$5,359.55	\$270.66	\$5,630.21	\$0.00

County of Orange, California
Newport Coast Phase IV Assessment District No. 01-1
Auditor's Report for Existing Assessments
Limited Obligation Improvement Bonds, Group Two
As of September 2, 2017

Assessment Number: 2-299

Assessor's Parcel Number: 477-102-50

Tract No. 16455 Lot 40 & 41

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$105,598.17
2018	\$4,444.01	\$5,294.33	\$9,738.35	\$101,154.16
2019	\$4,655.63	\$5,078.80	\$9,734.43	\$96,498.53
2020	\$4,937.79	\$4,850.67	\$9,788.46	\$91,560.74
2021	\$5,149.41	\$4,606.25	\$9,755.66	\$86,411.33
2022	\$5,431.57	\$4,348.78	\$9,780.35	\$80,979.76
2023	\$5,643.19	\$4,077.20	\$9,720.39	\$75,336.57
2024	\$5,995.89	\$3,795.04	\$9,790.93	\$69,340.68
2025	\$6,278.05	\$3,495.25	\$9,773.30	\$63,062.63
2026	\$6,630.75	\$3,181.35	\$9,812.09	\$56,431.88
2027	\$6,912.91	\$2,849.81	\$9,762.72	\$49,518.97
2028	\$7,265.61	\$2,500.71	\$9,766.31	\$42,253.36
2029	\$7,618.30	\$2,133.80	\$9,752.10	\$34,635.06
2030	\$8,041.54	\$1,749.07	\$9,790.62	\$26,593.52
2031	\$8,464.78	\$1,342.97	\$9,807.76	\$18,128.74
2032	\$8,817.48	\$915.50	\$9,732.98	\$9,311.26
2033	\$9,311.26	\$470.22	\$9,781.48	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Assessment Number: 2-70

Assessor's Parcel Number: 489-111-15

Tract No. 15918 Lot 16

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$40,725.94
2018	\$1,710.80	\$2,060.05	\$3,770.85	\$39,015.14
2019	\$1,799.67	\$1,980.93	\$3,780.60	\$37,215.47
2020	\$1,888.55	\$1,895.44	\$3,783.99	\$35,326.92
2021	\$1,999.64	\$1,804.79	\$3,804.43	\$33,327.28
2022	\$2,088.51	\$1,704.81	\$3,793.32	\$31,238.77
2023	\$2,177.38	\$1,600.39	\$3,777.77	\$29,061.39
2024	\$2,399.56	\$1,491.52	\$3,891.08	\$26,661.83
2025	\$2,510.66	\$1,369.14	\$3,879.80	\$24,151.17
2026	\$2,621.75	\$1,241.10	\$3,862.84	\$21,529.42
2027	\$2,755.06	\$1,107.39	\$3,862.44	\$18,774.36
2028	\$2,755.06	\$966.88	\$3,721.94	\$16,019.30
2029	\$2,888.36	\$824.99	\$3,713.36	\$13,130.94
2030	\$3,043.89	\$676.24	\$3,720.14	\$10,087.05
2031	\$3,199.42	\$519.48	\$3,718.90	\$6,887.63
2032	\$3,354.95	\$354.71	\$3,709.66	\$3,532.68
2033	\$3,532.68	\$181.93	\$3,714.61	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Assessment Number: 2-180

Assessor's Parcel Number: 489-101-17

Tract No. 16482 Lot 17

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	<u>INTEREST</u>	TOTAL	PRINCIPAL
2017				\$50,953.53
2018	\$2,140.44	\$2,577.40	\$4,717.84	\$48,813.09
2019	\$2,251.63	\$2,478.40	\$4,730.03	\$46,561.46
2020	\$2,362.82	\$2,371.45	\$4,734.27	\$44,198.64
2021	\$2,501.81	\$2,258.04	\$4,759.85	\$41,696.83
2022	\$2,613.00	\$2,132.95	\$4,745.95	\$39,083.83
2023	\$2,724.19	\$2,002.30	\$4,726.49	\$36,359.64
2024	\$3,002.17	\$1,866.09	\$4,868.26	\$33,357.47
2025	\$3,141.16	\$1,712.98	\$4,854.14	\$30,216.31
2026	\$3,280.15	\$1,552.78	\$4,832.93	\$26,936.16
2027	\$3,446.94	\$1,385.49	\$4,832.43	\$23,489.22
2028	\$3,446.94	\$1,209.69	\$4,656.63	\$20,042.28
2029	\$3,613.73	\$1,032.18	\$4,645.90	\$16,428.55
2030	\$3,808.31	\$846.07	\$4,654.38	\$12,620.24
2031	\$4,002.90	\$649.94	\$4,652.84	\$8,617.34
2032	\$4,197.48	\$443.79	\$4,641.27	\$4,419.86
2033	\$4,419.86	\$227.62	\$4,647.49	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Assessment Number: 2-280

Assessor's Parcel Number: 489-151-25

Tract No. 16605 Lot 12

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$52,676.82
2018	\$2,212.83	\$2,664.57	\$4,877.40	\$50,463.99
2019	\$2,327.78	\$2,562.23	\$4,890.01	\$48,136.21
2020	\$2,442.73	\$2,451.66	\$4,894.39	\$45,693.48
2021	\$2,586.42	\$2,334.41	\$4,920.83	\$43,107.06
2022	\$2,701.38	\$2,205.08	\$4,906.46	\$40,405.68
2023	\$2,816.33	\$2,070.02	\$4,886.34	\$37,589.35
2024	\$3,103.71	\$1,929.20	\$5,032.91	\$34,485.64
2025	\$3,247.40	\$1,770.91	\$5,018.31	\$31,238.24
2026	\$3,391.09	\$1,605.29	\$4,996.38	\$27,847.15
2027	\$3,563.52	\$1,432.35	\$4,995.86	\$24,283.63
2028	\$3,563.52	\$1,250.61	\$4,814.12	\$20,720.11
2029	\$3,735.94	\$1,067.09	\$4,803.03	\$16,984.17
2030	\$3,937.11	\$874.69	\$4,811.80	\$13,047.06
2031	\$4,138.28	\$671.92	\$4,810.20	\$8,908.78
2032	\$4,339.44	\$458.80	\$4,798.25	\$4,569.34
2033	\$4,569.34	\$235.32	\$4,804.66	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Assessment Number: 2-150

Assessor's Parcel Number: 489-181-14

Tract No. 16457 Lot 36

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$55,661.52
2018	\$2,338.21	\$2,815.55	\$5,153.75	\$53,323.31
2019	\$2,459.67	\$2,707.40	\$5,167.08	\$50,863.64
2020	\$2,581.14	\$2,590.57	\$5,171.71	\$48,282.50
2021	\$2,732.97	\$2,466.67	\$5,199.65	\$45,549.53
2022	\$2,854.44	\$2,330.03	\$5,184.46	\$42,695.09
2023	\$2,975.90	\$2,187.30	\$5,163.21	\$39,719.19
2024	\$3,279.57	\$2,038.51	\$5,318.07	\$36,439.62
2025	\$3,431.40	\$1,871.25	\$5,302.65	\$33,008.22
2026	\$3,583.23	\$1,696.25	\$5,279.48	\$29,424.99
2027	\$3,765.43	\$1,513.50	\$5,278.93	\$25,659.56
2028	\$3,765.43	\$1,321.47	\$5,086.90	\$21,894.13
2029	\$3,947.63	\$1,127.55	\$5,075.17	\$17,946.50
2030	\$4,160.19	\$924.25	\$5,084.44	\$13,786.31
2031	\$4,372.75	\$710.00	\$5,082.75	\$9,413.56
2032	\$4,585.32	\$484.80	\$5,070.12	\$4,828.24
2033	\$4,828.24	\$248.65	\$5,076.89	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Assessment Number: 1-370

Assessor's Parcel Number: 477-253-02

Tract No. 15811 Lot 72

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$75,755.93
2018	\$3,182.33	\$3,831.99	\$7,014.32	\$72,573.60
2019	\$3,347.64	\$3,684.80	\$7,032.45	\$69,225.96
2020	\$3,512.96	\$3,525.79	\$7,038.75	\$65,713.00
2021	\$3,719.60	\$3,357.17	\$7,076.77	\$61,993.40
2022	\$3,884.92	\$3,171.19	\$7,056.11	\$58,108.48
2023	\$4,050.24	\$2,976.94	\$7,027.18	\$54,058.24
2024	\$4,463.52	\$2,774.43	\$7,237.96	\$49,594.72
2025	\$4,670.17	\$2,546.79	\$7,216.96	\$44,924.55
2026	\$4,876.81	\$2,308.61	\$7,185.43	\$40,047.74
2027	\$5,124.79	\$2,059.90	\$7,184.68	\$34,922.95
2028	\$5,124.79	\$1,798.53	\$6,923.32	\$29,798.16
2029	\$5,372.76	\$1,534.61	\$6,907.37	\$24,425.40
2030	\$5,662.06	\$1,257.91	\$6,919.97	\$18,763.34
2031	\$5,951.37	\$966.31	\$6,917.68	\$12,811.97
2032	\$6,240.67	\$659.82	\$6,900.48	\$6,571.30
2033	\$6,571.30	\$338.42	\$6,909.72	\$0.00

County of Orange, California Newport Coast Phase IV Assessment District No. 01-1 Auditor's Report for Existing Assessments Limited Obligation Improvement Bonds, Group Three As of September 2, 2017

Assessment Number: 2-349

Assessor's Parcel Number: 489-181-68

Tract No. 16457 Lot 23 & 24

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$111,323.02
2018	\$4,676.42	\$5,631.09	\$10,307.51	\$106,646.60
2019	\$4,919.35	\$5,414.81	\$10,334.15	\$101,727.25
2020	\$5,162.28	\$5,181.14	\$10,343.41	\$96,564.97
2021	\$5,465.94	\$4,933.35	\$10,399.29	\$91,099.03
2022	\$5,708.87	\$4,660.05	\$10,368.92	\$85,390.16
2023	\$5,951.80	\$4,374.61	\$10,326.41	\$79,438.36
2024	\$6,559.13	\$4,077.02	\$10,636.15	\$72,879.23
2025	\$6,862.79	\$3,742.50	\$10,605.29	\$66,016.44
2026	\$7,166.46	\$3,392.50	\$10,558.96	\$58,849.98
2027	\$7,530.85	\$3,027.01	\$10,557.86	\$51,319.13
2028	\$7,530.85	\$2,642.93	\$10,173.79	\$43,788.28
2029	\$7,895.25	\$2,255.10	\$10,150.35	\$35,893.03
2030	\$8,320.38	\$1,848.49	\$10,168.87	\$27,572.65
2031	\$8,745.51	\$1,419.99	\$10,165.50	\$18,827.14
2032	\$9,170.64	\$969.60	\$10,140.23	\$9,656.50
2033	\$9,656.50	\$497.31	\$10,153.81	\$0.00

EXHIBIT D

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Estimated Sizing of Refunding Bonds

EXHIBIT D

By virtue of the authority of the "Refunding Act of 1984 for 1915 Improvement Act Bonds", being Division 11.5 of the Streets and Highways Code of the State of California, the undersigned Assessment Engineer hereby makes the following reassessment to cover the costs and expenses of the proposed reassessment and refunding for said Reassessment District based upon the total costs as follows:

Unpaid Principal as of 9/3/2017	
Series 2003B Bonds	\$4,135,000.00
Group One Bonds	\$11,605,000.00
Group Two Bonds	\$7,485,000.00
Group Three Bonds	\$9,165,000.00
Subtotal Unpaid Principal	\$32,390,000.00
March 2, 2018 Debt Service Requirement (Six Month	s Interest)
Series 2003B Bonds	\$118,137.50
Group One Bonds	\$290,393.13
Group Two Bonds	\$187,636.25
Group Three Bonds	\$231,798.13
Subtotal Debt Service Requirement	\$827,965.01
Deposit to Reserve Fund	\$2,899,750.00
Costs of Issuance	\$200,000.00
Interest Earnings on "SLGs"	(\$25,761.44)
Total Reassessment Refunding Costs	\$36,291,953.57
Underwriter's Discount	\$128,540.55
Net Bond Premium	(\$1,258,219.50)
Transfer from Reserve Funds	
Series 2003B Bonds	(\$477,855.01)
Group One Bonds	(\$1,082,977.70)
Group Two Bonds	(\$696,028.76)
Group Three Bonds	(\$850,413.15)
Subtotal Transfer from Reserve Funds	(\$3,107,274.62)
Balance to Reassessment	\$32,055,000.00

The following sets forth the reassessment amount allocated to each zone.

Zone	Prior Conversion	Reassessment
1	Series 2003B Bonds	\$4,020,000.00
2	Group One Bonds	\$11,510,000.00
3	Group Two Bonds	\$7,425,000.00
4	Group Three Bonds	\$9,100,000.00

A schedule setting forth the original assessment number for the original assessment district, the reassessment number for the reassessment district, the owner name, and the individual reassessment for all unpaid assessments of the original assessment is included in Exhibit E.

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Reassessment Roll

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's Parcel Number	County of Orange Reassessment District No. 17-1R Reassessment Number	AD No. 01-1 Assessment	Outron	County of Orange Reassessment District No. 17-1R Reassessment
		Number	Owner	Amount
934-330-61	1-1 1-2	1-25	GHAZI, SHADI	\$23,928.57
934-330-62 934-330-63	1-2	1-26 1-27	SAHARA PLAZA LLC PEARCE, JOSEPH	\$23,928.57 \$23,928.57
934-330-64	1-3 1-4	1-27	HOAG HOSPITAL FOUNDATION	\$23,928.57 \$23,928.57
934-330-65	1-4	1-28	CARTER, LISA M	\$23,928.57
934-330-66	1-6	1-30	NAGASAWA, LLOYD STUART	\$23,928.57
934-330-67	1-7	1-30	ACTINO LLC	\$23,928.57
934-330-68	1-8	1-31	ZEINEH, JACK	\$23,928.57
934-330-69	1-9	1-32	WEINGART, ROBERT M	\$23,928.57
934-330-70	1-10	1-34	KUO, NELSON	\$23,928.57
934-330-71	1-11	1-35	DEMETRESCU, AGNES H TR	\$23,928.57
934-330-72	1-12	1-36	PREVETTE, L K ERIC TR	\$23,928.57
934-330-73	1-13	1-37	WILCOXSON, JEANINE W	\$23,928.57
934-330-74	1-14	1-38	HOGIN, BRADLEY R	\$23,928.57
934-330-75	1-15	1-39	WANG, JIAREN	\$23,928.57
934-330-76	1-16	1-40	FAZIO, STEPHEN J TR M & S FAZIO LIVING TR	\$23,928.57
934-330-77	1-17	1-41	LIU, DEHONG	\$23,928.57
934-330-78	1-18	1-42	COHEN, THOMAS R TR COHEN FAMILY TR	\$23,928.57
934-330-79	1-19	1-43	SKAE, EDWARD ASKIN JR TR E A SKAE JR REVOC TR	\$23,928.57
934-330-80	1-20	1-44	LIN, YON MEEI TR	\$23,928.57
934-330-81	1-21	1-45	HOBBS, WILLIAM	\$23,928.57
934-330-82	1-22	1-46	ROTHROCK, FRANK C TR	\$23,928.57
934-330-83	1-23	1-47	WIELAND, KEVIN	\$23,928.57
934-330-84	1-24	1-48	WHEELER, JOHN C	\$23,928.57
934-330-85	1-25	1-49	BAAYOUN, YAHYA Z TR Y Z BAAYOUN LIVING TR	\$23,928.57
934-330-86	1-26	1-50	MUSURLIAN, ROXIE TR	\$23,928.57
934-330-87	1-27	1-51	JOSEPH, LLOYD JOSEPH, ABIGAIL	\$23,928.57
934-330-88	1-28	1-52	BACHA, PAMELA	\$23,928.57
934-330-89	1-29	1-383	ZELLER, JOSEPH T TR	\$23,928.57
934-330-90	1-30	1-384	DAVIDOFF, ANDREW I	\$23,928.57
934-330-91	1-31	1-385	FISH, LESLIE ROBERT TR L R & M S FISH REVOC TR	\$23,928.57
934-330-92	1-32	1-386	TIRAKITSOONTORN, PORNCHAI TR PORNCHAI & LEE LIVING	\$23,928.57
934-330-93	1-33	1-387	TEEUWS, JOHN	\$23,928.57
934-330-94	1-34	1-388	ANKLESARIA, JENNIFER LEE	\$23,928.57
934-330-95	1-35	1-389	MARUOKA, TAMAKI	\$23,928.57
934-330-96	1-36	1-390	CHAPIN, KAREN C	\$23,928.57
934-330-97	1-37	1-391	ZIERHUT, PETER R	\$23,928.57
934-330-98	1-38	1-392	GILL, SHAWN P TR	\$23,928.57
934-330-99	1-39	1-393	ZAHEDI, FARIDEH	\$23,928.57
934-331-00	1-40	1-394	ECKER, KRISTINE M TR FAMILY TR	\$23,928.57
934-331-01	1-41	1-395	LAYMAN, HARRY A	\$23,928.57
934-331-02	1-42	1-396	BRISTOL CREEKSIDE LLC	\$23,928.57
934-331-03	1-43	1-397	GEVORKIAN, CYNTHIA	\$23,928.57
934-331-04	1-44	1-398	TAYLOR, MICHAEL L	\$23,928.57
934-331-05	1-45	1-399	SOSA, SILVIA E	\$23,928.57
934-331-06	1-46	1-400	SHAMSAI, BERNARD	\$23,928.57
934-331-07	1-47	1-401	KONDRI, FARAH Z	\$23,928.57
934-331-08	1-48	1-402	BENNANI, RITA TR	\$23,928.57
934-331-09	1-49	1-403	CORREA, JAMES WILLIAM TR	\$23,928.57

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's	County of Orange Reassessment District No. 17-1R	AD No. 01-1		County of Orange Reassessment District No. 17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
934-331-10	1-50	1-404	SCHIPPER, BETH E	\$23,928.57
934-331-11	1-51	1-405	SO, BORIS	\$23,928.57
934-331-12	1-52	1-406	BARKI, HANSA TR H BARKI 1993 REVOC TR	\$23,928.57
934-331-13	1-53	1-407	MARK, DANA TR D MARK REVOC LIVING TR	\$23,928.57
934-331-14	1-54	1-408	NG, WINNIE LAPKAN TR	\$23,928.57
934-331-15	1-55	1-409	SHAH, RAJU L TR NEWPORT IRREVOCABLE TR	\$23,928.57
934-331-16	1-56	1-410	SANI, SAIKRISHNA	\$23,928.57
934-331-17	1-57	1-411	LEUNG, HON MAN	\$23,928.57
934-331-18	1-58	1-412	POLITIS, SPIROS TR POLITIS FAMILY TR	\$23,928.57
934-331-19	1-59	1-413	WANG, TIEN CHUN DAVID	\$23,928.57
934-331-20	1-60	1-414	BLATT, THEODORE TR	\$23,928.57
934-331-21	1-61	1-415	CAMELI INVESTMENTS LLC	\$23,928.57
934-331-22	1-62	1-416	BLOOM, FRANK	\$23,928.57
934-331-23	1-63	1-417	KUO, FREDDY I-CHENG	\$23,928.57
934-331-24	1-64	1-418	DAGDAGAN, SUZETTE D TR	\$23,928.57
934-331-25	1-65	1-419	TESTA, ANTHONY T TR A T TEST FAMILY TR	\$23,928.57
934-331-26	1-66	1-420	LEE, CHUL MIN TR	\$23,928.57
934-331-27	1-67	1-421	EC INVESTMENT MANAGEMENT LLC	\$23,928.57
934-331-28	1-68	1-422	FADAVI, ALI R	\$23,928.57
934-331-29	1-69	1-423	CHUNG, ANNA H TR	\$23,928.57
934-331-30	1-70	1-424	ROGERS, MARGARET B	\$23,928.57
934-331-31	1-71	1-425	SHELTON, MICHAEL R	\$23,928.57
934-331-32	1-72	1-426	AGARWALA REAL ESTATE LLC	\$23,928.57
934-331-33	1-73	1-427	YU, OUSIK	\$23,928.57
934-331-34	1-74	1-428	GOLDSTEIN, TERRI M TR	\$23,928.57
934-331-35	1-75	1-429	BRISTOL CREEKSIDE LLC	\$23,928.57
934-331-36	1-76	1-430	ROLL, MARY M TR M ROLL REVOC TR	\$23,928.57
934-331-37	1-77	1-431	SCHEINBERG, KEITH M	\$23,928.57
934-331-38	1-78	1-432	VICKERS, THERESE A	\$23,928.57
934-331-39	1-79	1-433	SADIGHI, SAEID TR S SADIGHI REVOC TR	\$23,928.57
934-331-40	1-80	1-434	MC CARTY, SCOTT D	\$23,928.57
934-331-41	1-81	1-435	MESHKIN, MICHAEL	\$23,928.57
934-331-42	1-82	1-436	ARESH, ZAAL TR THE ARESH 2010 TR	\$23,928.57
934-331-43	1-83	1-437	MILLER, EILEEN	\$23,928.57
934-331-44	1-84	1-438	ROSEN, RICK C	\$23,928.57
934-410-16	1-85	1-18	JOHNSON, GUY K TR	\$23,928.58
934-410-17	1-86	1-19	KONTOULIS, JOHN	\$23,928.58
934-410-18	1-87	1-20	MAY, LESLIE RENEE	\$23,928.57
934-410-19	1-88	1-21	RAI, KARANDEV	\$23,928.57
934-410-20	1-89	1-22	JOHNSON, STACIE YVONNE	\$23,928.57
934-410-21	1-90	1-23	BARRY, ADEL AL TR BARRY FAMILY TR	\$23,928.57
934-410-22	1-91	1-24	TAGNOLI, JOHN	\$23,928.57
934-410-23	1-92	1-460	MATSUMOTO, YUJI	\$23,928.58
934-410-24	1-93	1-461	CHAROENSOOK, GUSTIN	\$23,928.58
934-410-25	1-94	1-462	KALANTARI, DANIAL	\$23,928.58
934-410-26	1-95	1-463	WALLACH, ILENE E	\$23,928.58
934-410-27	1-96	1-464	O'BRIEN, VICTORIA S	\$23,928.57
934-410-28	1-97	1-465	FRANKEL, BENJAMIN W TR	\$23,928.57
934-410-29	1-98	1-466	WANG, SHEAUYIN SHINE TR	\$23,928.57
				<i>4-1,2-0.01</i>

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

	County of Orange Reassessment			County of Orange Reassessment District No.
Assessor's	District No. 17-1R	AD No. 01-1		17-1R
Parcel Number	Reassessment Number	Assessment Number	Owner	Reassessment Amount
934-410-30	1-99		ROUSEK, MILOSLAV	
		1-467 1-468	•	\$23,928.57
934-410-31	1-100		MITCHELL, JOHN TR J & M MITCHELL 2005 TR	\$23,928.57
934-410-32	1-101	1-469	MA, XINIE	\$23,928.57
934-410-33	1-102	1-470	WANI, OMAR RASHID	\$23,928.57
934-410-34	1-103	1-471	ACINDAROUROUMICHEI, KOBRA	\$23,928.57
934-410-35	1-104	1-472	REID, ROCHEDA TR R REID LIVING TR	\$23,928.57
934-410-36	1-105	1-473	AHMADI, MATT MAHMOUD	\$23,928.57
934-410-37	1-106	1-446	KUIST, FREDERICK F	\$23,928.57
934-410-38	1-107	1-447	BROOMIS, GEORGE VALINTINE JR TR BROOMIS FAMILY TR	\$23,928.57
934-410-39	1-108	1-448	SEASTROM, KRISTEN M	\$23,928.57
934-410-40	1-109	1-449	PACINO, JULIE A	\$23,928.57
934-410-41	1-110	1-450	LINDSAY, MICHAEL TR	\$23,928.57
934-410-42	1-111	1-451	GEISS, JOHN MARK	\$23,928.57
934-410-43	1-112	1-452	CABALLERO, EDGAR P TR	\$23,928.57
934-410-44	1-113	1-453	MUIR, DAVID	\$23,928.57
934-410-45	1-114	1-454	PARTOW, HAMID	\$23,928.57
934-410-46	1-115	1-455	NAKAMURA, TOSHIO TR SURVIVORS TR	\$23,928.57
934-410-47	1-116	1-456	ANHOOD, ERIKA A TRUST	\$23,928.58
934-410-48	1-117	1-457	HU, ANG TR	\$23,928.58
934-410-49	1-118	1-458	GAC INVESTMENTS LLP	\$23,928.58
934-410-50	1-119	1-459	OPPEGARD, GREGORY	\$23,928.58
934-410-51	1-120	1-474	WANG, PHILIP D	\$23,928.57
934-410-52	1-121	1-475	LYLE, BRUCE KENT TR	\$23,928.57
934-410-53	1-122	1-476	SANJABI, BAHMAN B TR SANJABI FAMILY TR	\$23,928.57
934-410-54	1-123	1-477	RO, CARRIE TR	\$23,928.57
934-410-55	1-124	1-478	HOWELL, DE MOYLE	\$23,928.57
934-410-56	1-125	1-479	MERRIMAN, RONALD L TR	\$23,928.57
934-410-57	1-126	1-480	MERJANIAN, VICKEN A	\$23,928.57
934-410-58	1-127	1-481	LANG, RANDY R	\$23,928.57
934-410-59	1-128	1-482	HANLON, DAVID JEFFREY TR 2011 HANLON FAMILY TR	\$23,928.57
934-410-60	1-129	1-483	OHANESIAN-GAMBILL, LISA LYNN	\$23,928.57
934-410-61	1-130	1-484	JOHNSEN, ERIN L TR	\$23,928.58
934-410-62	1-131	1-485	MC GLOTHLIN, BRANT H	\$23,928.58
934-410-63	1-132	1-486	LEHRMAN, H EDWARD TR	\$23,928.58
934-410-64	1-133	1-487	TOVSTEIN, MARC S	\$23,928.58
934-410-65	1-134	1-439	HUANG, LIEN JUNG	\$23,928.57
934-410-66	1-135	1-440	WU, SU-JEN W	\$23,928.57
934-410-67	1-136	1-441	FADAVI, FARNAZ	\$23,928.57
934-410-68	1-137	1-442	BASSIRPOU, FATEME TR	\$23,928.57
934-410-69	1-138	1-443	KEHOE, MICHAEL ALLAN	\$23,928.57
934-410-70	1-139	1-444	CHIEH, PETER T C TR	\$23,928.58
934-410-71	1-140	1-445	FOROUTAN, FARZAD	\$23,928.58
934-410-72	1-141	1-488	YAZDI, HASSAN	\$23,928.57
934-410-72	1-142	1-489	CHUN, STEPHEN S	\$23,928.57
934-410-73	1-143	1-490	ANDERSON, JAY S	\$23,928.57
934-410-74	1-143	1-490	YANG, YUN	\$23,928.57 \$23,928.57
934-410-75		1-491	FAITH, JANIE	
	1-145			\$23,928.57 \$23,928.57
934-410-77	1-146 1-147	1-493 1-494	PARENTI, JONI L LIU, MAGGIE JIA	\$23,928.57 \$23,928.57

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's	County of Orange Reassessment District No. 17-1R	AD No. 01-1		County of Orange Reassessment District No. 17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
934-410-79	1-148	1-495	CHEBOTAREV, FILIPP	\$23,928.57
934-410-80	1-149	1-496	WISE, WILLIAM P TR	\$23,928.57
934-410-81	1-150	1-497	HWANG, SOO MOG TR THE HWANG FAMILY TR	\$23,928.57
934-410-82	1-151	1-498	BAIN, DAVID B	\$23,928.58
934-410-83	1-152	1-499	WANG, JING	\$23,928.58
934-410-84	1-153	1-500	CHUNG, YUNJO TR CHUNG FAMILY TR	\$23,928.58
934-410-85	1-154	1-501	GANOTIS, GUS GEORGE TR	\$23,928.58
934-410-86	1-155	1-502	HUANG, SHERRY	\$23,928.57
934-410-87	1-156	1-503	ANOSHIVANI, ARDE K TR	\$23,928.57
934-410-88	1-157	1-504	TRUONG, CHRISTINE	\$23,928.57
934-410-89	1-158	1-505	HUANG, SAMUEL Y TR	\$23,928.57
934-410-90	1-159	1-506	THOMAS, MARILEE E TR	\$23,928.57
934-410-91	1-160	1-507	THEODORE A TSUYUKI REVOC TRUST	\$23,928.57
934-410-92	1-161	1-508	HARDY, CRAIG J	\$23,928.57
934-410-93	1-162	1-509	WILLIFORD, JULIE A TR	\$23,928.57
934-410-94	1-163	1-510	NAPOLITANO, FRANCES R TR SURVIVOR'S TRUST	\$23,928.57
934-410-95	1-164	1-511	RADMANESH, ALI REZA TR	\$23,928.57
934-410-96	1-165	1-512	PAET, ALAN ANDRES TR	\$23,928.58
934-410-97	1-166	1-513	MENNICKEN, JERRY TR	\$23,928.58
934-410-98	1-167	1-514	VISCONTI, DANIEL	\$23,928.58
934-410-99	1-168	1-515	BERGER, DAVID M TR CASTLE TR	\$23,928.58
477-102-08	2-1	2-37	ABDI, ABRAHAM TR	\$50,027.25
477-102-09	2-2	2-36	BUCKLEY, JENNIFER J TR QPRT II TR	\$50,027.25
477-102-10	2-3	2-35	DHILLON, JASDEEP TR J & P DHILLON LIVING TR	\$50,027.25
477-102-11	2-4	2-34	DINH, ANTHONY H	\$50,027.25
477-102-14	2-5	2-31	ALBERT, ERIC P TR	\$50,027.25
477-102-15	2-6	2-30	APOLLO ESTATES LLC	\$50,027.25
477-102-16	2-7	2-29	PAYVAR, SASAN TR	\$50,027.25
477-102-17	2-8	2-16	AVILES, HUGO F TR	\$50,027.25
477-102-18	2-9	2-15	MOSHAYEDI, MASOUD TR	\$50,027.25
477-102-19	2-10	2-14	LIU, CELINE	\$50,027.25
477-102-49	2-11	2-296	MAY LONG CALIFORNIA CAPITAL LLC	\$100,054.50
477-102-53	2-12	2-350	GOLDEN ORANGE LLC	\$152,430.35
477-252-19	2-13	1-306	LU, STEPHANIE Y TR HUANG FAMILY TR	\$68,087.67
477-252-20	2-14	1-307	SLOAN, DAVID	\$68,087.67
477-252-21	2-15	1-308	STUMPO, GINO R TR GINO R & ANA MARIA STUMPO 2006	\$68,087.67
477-252-22	2-16	1-309	MAJIT, JEFFREY A	\$68,087.67
477-252-23	2-17	1-310	KALILI, DAVID R TR MOK HERITAGE TR	\$68,087.67
477-252-24	2-18	1-311	KIM, EUGENE H	\$68,087.67
477-252-25	2-19	1-312	KURZWEIL, PETER RICHARD TR KURZWEIL FAMILY TR	\$68,087.67
477-252-26	2-20	1-313	SEASTROM, PHILIP G TR SEASTROM LIVING TR	\$68,087.67
477-252-27	2-21	1-314	NEELD, KENNETH BRENT	\$68,087.67
477-252-28	2-22	1-315	LUNGER, FRANCIS TR	\$68,087.67
477-252-29	2-23	1-316	SHOGHIAN, HOMA	\$68,087.67
477-252-30	2-24	1-317	CUELLAR, HECTOR J TR CUELLAR FAMILY TR	\$68,087.67
477-252-31	2-25	1-318	ARORA, LOKESH C	\$68,087.67
477-252-32	2-26	1-319	SADRI, EHSAN TR SADRI FAMILY TR	\$68,087.67
477-252-33	2-27	1-320	PIERSON, DANIEL	\$68,087.67
477-252-34	2-28	1-321	ELITE CAPITAL HOLDINGS LLC	\$68,087.67

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

	County of Orange Reassessment			County of Orange Reassessment District No.
Assessor's	District No. 17-1R	AD No. 01-1		17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
477-252-35	2-29	1-322	PAWLEY, JOHN P	\$68,087.67
477-252-36	2-30	1-323	KAYE, MICHAEL S TR	\$68,087.66
477-252-37	2-31	1-324	SOTOUDEH, MASOUMEH	\$68,087.66
477-252-38	2-32	1-325	KAYIRAN, OMER ZEKI TR	\$68,087.66
477-252-39	2-33	1-326	PHAM, LOC	\$68,087.66
477-252-40	2-34	1-327	ALTER, ROBERT A	\$68,087.66
477-252-41	2-35	1-328	LEE, SANG	\$68,087.66
477-252-42	2-36	1-329	WATSON, BRENTON J	\$68,087.66
477-252-43	2-37	1-330	DNIV DEVELOPMENTS LLC	\$68,087.66
477-252-44	2-38	1-331	PEARL, BARRY R	\$68,087.66
477-252-45	2-39	1-333	HOUSHMANDZADEH, TOURAJ	\$68,087.66
477-252-46	2-40	1-332	SHEN, LIN	\$68,087.66
477-253-30	2-41	1-342	JAFARIMOJARRAD, ELHAM TR E JAFARIMOJARRAD LIVING	\$68,087.66
477-253-31	2-42	1-341	JIANG, QI	\$68,087.66
477-253-32	2-43	1-340	MOHLER, STEFAN T	\$68,087.66
477-253-33	2-44	1-339	TAI, KUANG-CHENG	\$68,087.66
477-253-34	2-45	1-338	LIU, WEI	\$68,087.66
477-253-35	2-46	1-337	ALI, RAED MAJIED	\$68,087.66
477-253-36	2-47	1-336	VRIGNAUD, LAURENT TR	\$68,087.66
477-253-37	2-48	1-335	DABIC, ROBERT M TR	\$68,087.66
477-253-38	2-49	1-334	SANCHEZ, MARIA EUGENIA	\$68,087.66
477-261-07	2-50	2-51	5 DEL MAR LLC	\$50,027.25
477-261-08	2-51	2-52	BERRI, TAREK	\$50,027.25
477-261-10	2-52	2-28	PACIFIC TREASURE LLC	\$50,027.25
477-261-11	2-53	2-27	CRAIL, JOE TR	\$50,027.25
477-261-12	2-54	2-26	KHALIL, SAMIR S TR KHALIL REVOC TR	\$50,027.25
477-261-24	2-55	2-22	ANTARES CAPITAL MANAGEMENT LLC	\$50,027.25
477-261-25	2-56	2-21	SUN FAMILY LIMITED PARTNERSHIP NO 2 LP	\$50,027.25
477-261-26	2-57	2-20	CHOPRA, RAKESH TR	\$50,027.25
477-261-27	2-58	2-19	FADAVI, FARNOUSH TR	\$50,027.25
477-261-28	2-59	2-18	INSIGHT ASSET HOLDINGS INC	\$50,027.25
477-261-29	2-60	2-17	DOPPES, AUGUST B	\$50,027.25
478-452-01	2-61	1-154	N, GRANT TR ONE VERANDA TR	\$36,474.20
478-452-02	2-62	1-153	BROUSSARD, TIMOTHY J TR BROUSSARD LIVING TR	\$36,474.20
478-452-03	2-63	1-152	SAKR, YASSER	\$36,474.20
478-452-04	2-64	1-149	SLAVIN, NATHANIEL E TR BAME SLAVIN FAMILY TR	\$36,474.20
478-452-05	2-65	1-150	OPPEGARD, PETER	\$36,474.20
478-452-06	2-66	1-151	AVILA, MARGARITA TR	\$36,474.20
478-452-07	2-67	1-148	TOWNSEND, JOHN S TR	\$36,474.20
478-452-08	2-68	1-147	XIE, FUSHAN	\$36,474.20
478-452-09	2-69	1-146	DZHAKISHEV, ADILZHAN	\$36,474.20
478-452-10	2-70	1-145	AVILA, MARIA ELENA TR	\$36,474.20
478-452-11	2-71	1-144	KO, TINGTING CHRISTINE	\$36,474.20
478-452-12	2-72	1-143	MC COOK, MITZI	\$36,474.20
478-452-13	2-73	1-142	REYNOLDS, STEVEN D	\$36,474.20
478-452-14	2-74	1-141	ARCHER, SANFORD MITCHELL	\$36,474.20
478-452-15	2-75	1-140	GODBER, DAVID S TR	\$36,474.20
478-452-16	2-76	1-251	SIEGEL, JAIME ADAM	\$53,903.12
478-452-17	2-77	1-250	KMETO, EVA TR KMETO REVOCABLE TR	\$53,903.12
	= * *	- 200	-,	\$55,505.12

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's	County of Orange Reassessment District No. 17-1R	AD No. 01-1		County of Orange Reassessment District No. 17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
478-452-18	2-78	1-249	WANG, TAO	\$53,903.12
478-452-20	2-79	1-247	CHENG, BAO-DING	\$53,903.12
478-452-21	2-80	1-246	XIE, ZHONGCE	\$53,903.12
478-452-22	2-81	1-245	GHALAMBOR, NAVID TR THE GHALAMBOR REVOCABLE	\$53,903.12
478-452-23	2-82	1-244	OMMI, SHIVA TR	\$53,903.12
478-452-24	2-83	1-243	BORAS, SCOTT D TR BORAS FAMILY REVOC TR	\$53,903.12
478-452-25	2-84	1-242	PANG, CHEE WAI TR	\$53,903.12
478-452-26	2-85	1-241	NGUYEN, DUNG DUC	\$53,903.12
478-452-27	2-86	1-240	SOHRAB, PAYAM TR	\$53,903.12
478-452-28	2-87	1-239	AL TR THE AL & E F PALAZZO FAMILY TR	\$53,903.12
478-452-29	2-88	1-238	WILMINGTON TRUST NATIONAL ASSOCIATION TR SERIES	\$53,903.12
478-452-30	2-89	1-237	OLSON, VIRGINIA TR	\$53,903.12
478-452-31	2-90	1-236	KASHANI, MAJID TR KASHANI-NAJAFI FAMILY TR	\$53,903.12
478-452-32	2-91	1-235	DU, XING	\$53,903.12
478-452-33	2-92	1-234	BASSIRI, DARYOUSH	\$53,903.12
478-452-34	2-93	1-233	KO, HSITOUNG	\$53,903.12
478-452-35	2-94	1-232	HUBBS, KRISTEN TR FAMILY TR	\$53,903.12
478-452-36	2-95	1-231	CAGGIANO, JAMES V TR	\$53,903.12
478-452-37	2-96	1-230	ELAHI, ALI	\$53,903.12
478-452-38	2-97	1-229	RAVANPAK, MASOUD TR M ANDR TR	\$53,903.12
478-452-39	2-98	1-160	FALKENBERG, ROBERT	\$36,474.20
478-452-40	2-99	1-159	SMITH, FANE S	\$36,474.20
478-452-41	2-100	1-158	HAMIDI, SHAHRAM TR HAMIDI FAMILY REVOC LIVING TR	\$36,474.20
478-452-42	2-101	1-157	BRINKET, BRIAN C	\$36,474.20
478-452-43	2-102	1-156	SEBASTIAN, CHRISTOPHER	\$36,474.20
478-452-44	2-103	1-155	SANTOS, MARIO J TR SANTOS & GRAHAM 2011 FAMILY TR	\$36,474.20
478-453-33	2-104	1-284	NANULA, PETER J TR	\$53,903.12
478-453-34	2-105	1-285	DE STEFANO, LINDA	\$53,903.12
478-453-35	2-106	1-286	LU, HONG UNG TR	\$53,903.12
478-453-36	2-107	1-287	PIROZZI, ALESSANDRO	\$53,903.12
478-453-37	2-108	1-288	SADEGHI, SHAHRAM	\$53,903.12
478-453-38	2-109	1-289	TEBYANI, NEYSSAN	\$53,903.12
478-453-39	2-110	1-290	BAGHERI, MONA	\$53,903.12
478-453-40	2-111	1-291	EMDADI, ALIREZA	\$53,903.12
478-453-41	2-112	1-292	RAVANPAK, MASOUD TR	\$53,903.12
478-453-42	2-113	1-293	JONES, KENNETH L TR	\$53,903.12
478-453-43	2-114	1-294	PINELLI. DEBRA Z TR D Z PINELLI REVOC LIVING TR	\$53,903.12
478-453-44	2-115	1-295	GROFF, LYNN T TR	\$53,903.12
478-453-45	2-116	1-296	REBENSDORF, JOAN	\$53,903.12
478-453-46	2-117	1-297	MOZAYENI-AZAR MANDANA TR	\$53,903.12
478-453-47	2-118	1-298	HUANG, CHARLIE QIAN TR	\$53,903.12
478-462-13	2-119	1-204	DAS PROPERTY HOLDINGS LLC	\$57,591.26
478-462-14	2-120	1-203	TORANJI, SHADFAR	\$57,591.26
478-462-15	2-121	1-202	PIRGHIBI, BORZOOIEHN TR	\$57,591.26
478-462-16	2-122	1-201	GALLOWAY, BERNADETTE L TR GALLOWAY FAMILY TR	\$57,591.26
478-462-17	2-123	1-205	WEAVER, COLBY J	\$57,591.26
478-463-01	2-124	1-188	MASSOUDI, M S	\$57,591.26
478-463-02	2-125	1-187	JALALI, JELVEH	\$57,591.26
478-463-03	2-126	1-186	AHMED, SYED	\$57,591.26
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County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

	County of Orange Reassessment			County of Orange Reassessment District No.
Assessor's	District No. 17-1R	AD No. 01-1		17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
478-463-04	2-127	1-185	KLINGLER, LARRY R	\$57,591.26
478-463-05	2-128	1-184	HABBAL, BASEL A TR THE 2014 B A HABBAL REVOC	\$57,591.26
478-463-06	2-129	1-183	YUAN, DAVID SHENG-LIN TR	\$57,591.26
478-463-07	2-130	1-182	HEFAZI, HAMID TR	\$57,591.26
478-463-08	2-131	1-181	DAKER, LUTFI TR DAKER FAMILY TR	\$57,591.26
478-463-09	2-132	1-180	TANG, LE	\$57,591.26
478-463-10	2-133	1-179	NGUYEN, THANH N	\$57,591.26
478-463-11	2-134	1-178	MANOOGIAN, JOSEPH JAY TR JJ MANOOGIAN FAMILY TR	\$57,591.26
478-463-12	2-135	1-177	WONG, CASTULO SETO TR THE C WONG REVOC TR	\$57,591.26
478-463-13	2-136	1-176	RUI, ZHENG	\$57,591.26
478-463-14	2-137	1-175	GRIBBLE, STANLEY W TR	\$57,591.26
478-463-15	2-138	1-174	KENDRICKS, RANDALL	\$57,591.26
478-463-16	2-139	1-173	SALIB, NADER	\$57,591.26
478-463-17	2-140	1-172	CORDAS, MICHAEL	\$57,591.26
478-463-18	2-141	1-171	ZHANG, YI	\$57,591.26
478-463-19	2-142	1-170	EVANS, GARETH T	\$57,591.26
478-463-20	2-143	1-169	TUNG, JOSEPH K TR THE TUNG FAMILY TR	\$57,591.26
478-463-21	2-144	1-168	WONG, DOUGLAS N	\$57,591.26
478-463-22	2-145	1-167	KELLY, MATTHEW J	\$57,591.26
478-463-23	2-146	1-161	AMINIKHARRAZI, TAHER	\$57,591.26
478-463-24	2-147	1-162	GHAVAMI, ALI TR GHAVAMI FAMILY TR	\$57,591.26
478-463-25	2-148	1-163	YOUNG, MAOSON	\$57,591.26
478-463-26	2-149	1-164	DISNEY CRESTED BUTTE L P	\$57,591.26
478-463-27	2-150	1-165	RHYME, MARK STEVEN	\$57,591.26
478-463-37	2-151	1-106	HOUSE, DAVID D TR HOUSE/HUANG FAMILY TR	\$36,474.20
478-463-38	2-152	1-107	HASHEMIAN, FATEMEH TR	\$36,474.20
478-463-39	2-153	1-108	LUI, STEPHEN CHAOKAI TR	\$36,474.20
478-463-40	2-154	1-109	PAIK, WILLLIAM N	\$36,474.20
478-463-41	2-155	1-110	KELISHADI, SHERRY	\$36,474.20
478-463-42	2-156	1-111	YE, SHENG	\$36,474.20
478-463-43	2-157	1-112	FOSTER, ANGELA L TR A FOSTER LIVING TR	\$36,474.20
478-463-44	2-158	1-113	GUSTAFSON, DEREK MICHAEL	\$36,474.20
478-463-45	2-159	1-114	GUO, YUN TR APPLE TR	\$36,474.20
478-463-46	2-160	1-115	CHRISTENSEN, CHARLES R TR CHRISTENSEN FAMILY TR	\$36,474.20
478-463-47	2-161	1-116	TAO, JEREMIAH P TR J P & S C TAO FAMILY TR	\$36,474.20
478-463-48	2-162	1-117	POLYMEROPOULOS, XENI	\$36,474.20
478-463-49	2-162	1-117	JAHANBIN, MASOUD M TR	\$36,474.20
478-463-50	2-164	1-119	THAMES, DERRICK S	\$36,474.20
478-463-51	2-165	1-119	PIROZZI, ALESSANDRO	\$36,474.20
478-463-52	2-166	1-120	BOLTON, LAURENCE E	\$36,474.20
478-463-53	2-167	1-121	BANK, SETH	\$36,474.20
478-463-54 478-463-55	2-168	1-123 1-124	PARK, JONG H TR J & W H PARK LIVING TR	\$36,474.20 \$36,474.20
478-463-55 478-463-56	2-169 2-170	1-124 1-125	SULLIVAN, SHANE SCHLOEGL, LUTZ	\$36,474.20 \$36,474.20
				\$36,474.20 \$36,474.20
478-463-57	2-171	1-126	NIKOLAEV, ANTOAN	\$36,474.20 \$36,474.20
478-463-58	2-172	1-130	LABRUSCIANO, VINCENT F	\$36,474.20
478-463-59	2-173	1-129	ELLIOTT, RODNEY	\$36,474.20
478-463-60	2-174	1-128	SHEN, JIA TR THE ZHU & SHEN FAMILY TR	\$36,474.20
478-463-61	2-175	1-127	LIU, XIN	\$36,474.20

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

	County of Orange Reassessment			County of Orange Reassessment District No.
Assessor's	District No. 17-1R	AD No. 01-1		17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
478-464-01	2-176	1-54	MIRHASHEMI, BAHMAN TR	\$36,474.20
478-464-02	2-177	1-55	PARK, SUNGJIN	\$36,474.20
478-464-03	2-178	1-56	ENAYEH, HUSAM	\$36,474.20
478-464-04	2-179	1-57	SPECTER, RICHARD B TR	\$36,474.20
478-464-05	2-180	1-58	POSEY, ROBERTA DE LA CUESTA TR	\$36,474.20
478-464-06	2-181	1-59	ABGHARI, BRIAN TR ABGHARI REVOC FAMILY TR	\$36,474.20
478-464-07	2-182	1-60	KDG INVESTMENTS INC	\$36,474.20
478-464-08	2-183	1-61	GHAZAL, ROLAND R TR EAGLELEGACY TR	\$36,474.20
478-464-09	2-184	1-62	FAN, WEI TR THE W FAN & J CHEN REVOC TR	\$36,474.20
478-464-10	2-185	1-63	WOO, NAM K	\$36,474.20
478-464-11	2-186	1-64	GREGORY, LEE R TR L & B	\$36,474.20
478-464-12	2-187	1-65	MA, KENNETH	\$36,474.20
478-464-13	2-188	1-66	DWYER, STEPHEN	\$36,474.20
478-464-14	2-189	1-67	BOLLS, RICHARD WILLIAM TRRWB TRUST	\$36,474.20
478-464-15	2-190	1-68	SABOUNJIAN, AZAD TR SABOUNJIAN LIVING TR	\$36,474.20
478-464-16	2-191	1-69	WANG, DIANA TING-SUI	\$36,474.20
478-464-17	2-192	1-70	BEARD, JUDY TR	\$36,474.20
478-464-18	2-193	1-71	SAFAR, ADEL AL	\$36,474.20
478-464-19	2-194	1-72	DE PAUL, PAUL TR	\$36,474.20
478-464-20	2-195	1-73	HYLDMAR, JOHNNY TR J HYLDMAR LIVING TR	\$36,474.20
478-464-21	2-196	1-74	CAVALLARO, DOMINIC J	\$36,474.20
478-464-22	2-197	1-75	CHUNG, STEVEN	\$36,474.20
478-464-23	2-198	1-76	CHILDS, FRANK C	\$36,474.20
478-464-24	2-199	1-77	CROW, TODD O	\$36,474.20
478-464-25	2-200	1-78	MORIRAHIMI, ALIREZA	\$36,474.20
478-464-26	2-201	1-79	CAWTHON, GLEN S	\$36,474.20
478-464-27	2-202	1-80	MASOUD, SHAKEAL	\$36,474.20
478-464-28	2-203	1-81	SWANSON, WAYNE	\$36,474.20
478-464-29	2-204	1-82	SHAHANGIAN, AIDA	\$36,474.20
478-464-30	2-205	1-83	PAUL, DON	\$36,474.20
478-464-31	2-206	1-84	KINNARD, ROBERT J TR	\$36,474.20
478-464-32	2-207	1-85	BRIGHTVIEW DEVELOPMENT LLC	\$36,474.20
478-464-33	2-208	1-86	DAVIES, JOHN RANDALL	\$36,474.20
478-464-34	2-209	1-87	HU, LI GUO	\$36,474.20
478-464-35	2-210	1-88	BREUER, HETHE A	\$36,474.20
478-464-36	2-211	1-89	RICHARDSON, D MATTHEW	\$36,474.20
478-464-37	2-212	1-90	HUANG, KEVIN	\$36,474.20
478-464-38	2-213	1-91	NGUYEN, TAMMY T	\$36,474.20
478-464-39	2-214	1-92	MERCER, SHAIN	\$36,474.20
478-464-40	2-214	1-92	HINGORANI, MANOHAR LAL TR HINGORANI FAMILY TR	\$36,474.20
478-464-41	2 - 215 2 - 216	1-93	LANI, MANIJEH E TR	\$36,474.20
478-464-42	2-210 2-217	1-94	SARBASI, SANAZ SARA	\$36,474.20
478-464-43	2-217	1-93 1-96	HARIYANTO, THOMPSON	\$36,474.20
478-464-44	2-218 2-219	1-90	PARSAEIAN, ALI	\$36,474.20 \$36,474.20
478-464-44 478-464-45	2-219 2-220	1-97	SHASHANI, ALI TR A SHASHANI REVOC TR	\$36,474.20 \$36,474.20
478-464-46 478-464-46	2-220 2-221	1-98 1-99	JAZAYERI, JASON MEHRDAD TR THE JAZAYERI FAMILY TR	· · · · · · · · · · · · · · · · · · ·
			· · · · · · · · · · · · · · · · · · ·	\$36,474.20 \$36,474.20
478-464-47	2-222	1-100	KASHANI, MAJID TR KASHANI-NAJAFI FAMILY TR	\$36,474.20 \$36,474.20
478-464-48	2-223	1-101	MANN, W JEFFREY TR	\$36,474.20
478-464-49	2-224	1-102	CHANG, TIEN HSIANG TR	\$36,474.20

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's	County of Orange Reassessment District No. 17-1R	AD No. 01-1		County of Orange Reassessment District No. 17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
478-464-50	2-225	1-103	JUNG, LUNNY RONNIE TR	\$36,474.20
478-464-51	2-226	1-104	IVEY, THOMAS JOSEPH	\$36,474.20
478-464-52	2-227	1-105	FILIPPOV, KONSTANTIN A TR LAKE TAHOE TR	\$36,474.20
478-464-53	2-228	1-131	DARIUSHNIA, ALEX	\$36,474.20
478-464-54	2-229	1-132	CLARK, CRISTINA MARIA TR	\$36,474.20
478-464-55	2-230	1-133	SHIN, JASON H TR J & A SHIN FAMILY TR	\$36,474.20
478-464-56	2-231	1-134	WIELGOS, PETER A	\$36,474.20
478-464-57	2-232	1-135	KRUEGER, JON D	\$36,474.20
478-464-58	2-233	1-136	MOHAGHEGH, OMID H TR	\$36,474.20
478-464-59	2-234	1-137	SPOKOYNY, FELIX E TR	\$36,474.20
478-464-60	2-235	1-138	SHEHADE, NABIL F TR N F & C M SHEHADE REVOC TR	\$36,474.20
478-464-61	2-236	1-139	CHEN, WEIPING TR THE LIANG & CHEN FAMILY TR	\$36,474.20
477-102-01	2-237	2-44	BERRI, TAREK MOHAMAD	\$52,375.85
477-102-02	3-1	2-43	MATHER, SCOTT A TR MATHER QUALIFIED PERSONAL	\$52,375.85
477-102-20	3-2	2-13	DE-SW PROPERTIES LLC	\$52,375.85
477-102-21	3-3	2-12	DEEP SEA ESTATES LLC	\$52,375.85
477-102-22	3-4	2-11	NORTON, ALAN TR	\$52,375.85
477-102-23	3-5	2-10	RAFLA, ATEF TR RAFLA-FARID FAMILY TR	\$52,375.85
477-102-24	3-6	2-9	IRVINE COMMUNITY DEVELOPMENT COMPANY LLC	\$52,375.85
477-102-25	3-7	2-8	HIGHWATER KADIEM LLC	\$52,375.85
477-102-26	3-8	2-7	GHOMI, JAMSHID	\$52,375.85
477-102-27	3-9	2-6	JHAWAR, SURESH CHANDRA TR	\$52,375.85
477-102-28	3-10	2-5	WATERS, PAUL L TR	\$52,375.85
477-102-29	3-11	2-4	FORMAN, SCOTT KEVIN TR 2002 S & M FORMAN FAMILY	\$52,375.85
477-102-30	3-12	2-3	SKY KINGDOM LLC	\$52,375.85
477-102-31	3-13	2-2	KNIGHT, WILLIAM JOHN TR KNIGHT FAMILY TR	\$52,375.85
477-102-50	3-14	2-299	SAMSON, ERIC TR	\$104,751.69
477-261-01	3-15	2-45	MATHER, SCOTT A	\$52,375.85
477-261-84	3-16	2-351	DONEGAN, MARK TR	\$104,751.69
477-261-04	3-17	2-48	MOEWS, LAWRENCE P TR	\$52,375.85
477-261-05	3-18	2-49	GAREEB, NABEEL TR	\$52,375.85
477-261-06	3-19	2-50	APGEY LLC	\$52,375.85
477-261-09	3-20	2-53	ANTIGUA INVESTMENTS LLC	\$52,375.85
477-261-13	3-21	2-25	LARRY & CLAIRE BIANCHI FAMILY LIMITED	\$52,375.85
477-261-14	3-22	2-24	HASKELL, GREGG R TR	\$52,375.85
477-261-15	3-23	2-23	GHANEIAN, MOHSEN TR GHANEIAN FAMILY TR	\$52,375.85
477-261-16	3-24	2-112	SUGIRA LTD LLC	\$52,375,85
477-261-17	3-25	2-111	CRYSTAL CLEAR WATER CORPORATION	\$52,375.85
477-261-18	3-26	2-110	BAJA WASHINGTON LLC	\$52,375.85
477-261-19	3-27	2-109	VALBUENA, STEPHEN TR VALBUENA FAMILY TR	\$52,375.85
477-261-22	3-28	2-114	SABER, DAVID H TR SOUTH PACIFIC RIM TR	\$52,375.85
477-261-23	3-29	2-113	BAJAJ, DEVENDRA D TR	\$52,375.85
477-261-30	3-30	2-95	GHAI, ASTHA TR A GHAI REVOC TR	\$52,375.85
477-261-31	3-31	2-96	VNS ENTERPRISES LLC	\$52,375.85
477-261-32	3-32	2-97	WOJTJASZEK, DAVID TR	\$52,375.85
477-261-33	3-33	2-98	MBS ANTS LIMITED	\$52,375.85
477-261-34	3-34	2-99	KANG, DANIEL S TR KANG LIVING TR	\$52,375.85
477-261-35	3-35	2-100	VERDE INVESTMENTS INC	\$52,375.85
477-261-36	3-36	2-101	PATEL, ASHOK TR	\$52,375.85
201 00	- 50		,	\$22,2 \ 7.00

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's	County of Orange Reassessment District No. 17-1R	AD No. 01-1		County of Orange Reassessment District No. 17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
477-261-37	3-37	2-102	PARK, CHUL SE	\$52,375.85
477-261-38	3-38	2-103	SCHAFFER, GARY	\$52,375.85
477-261-39	3-39	2-104	PASHA, TOUSIF M	\$52,375.85
477-261-40	3-40	2-105	YANG, JIAN	\$52,375.85
477-261-41	3-41	2-106	NAKJAVANI, ROD TR MIRIAM NAKJAVANI RESIDENCE TRUST	\$52,375.85
477-261-42	3-42	2-85	DAY, KENNETH R TR K & N DAY 2014 FAMILY TR	\$52,375.85
477-261-43	3-43	2-86	VAN LINGEN, PAUL A TR P A VAN LINGEN RESIDENCE TR	\$52,375.85
477-261-44	3-44	2-87	KERSLAKE, MARK J	\$52,375.85
477-261-45	3-45	2-88	DAHN, BRIAN A TR	\$52,375.85
477-261-46	3-46	2-89	CC SPEC HOUSE LLC	\$52,375.85
477-261-47	3-47	2-90	GUO, CHANGSHENG	\$52,375.85
477-261-48	3-48	2-91	FARSIO, FARIBORZ TR FARSIO-AMINI FAMILY TR	\$52,375.85
477-261-49	3-49	2-92	HAIGH, THOMAS M TR HAIGH FAMILY TR	\$52,375.85
477-261-50	3-50	2-93	LOWN, DAVID C TR LOWN LIVING TR	\$52,375.85
477-261-51	3-51	2-94	20 SHELL BEACH LLC	\$52,375.85
477-261-83	3-52	2-352	PENSKE, JENNIFER LYNN TR	\$104,751.70
478-453-01	3-53	1-252	MOZAYENI, ALI	\$56,433.69
478-453-02	3-54	1-253	RAHMANI, SHAHRAM	\$56,433.69
478-453-03	3-55	1-254	LEE, JAMES SANGYOP	\$56,433.69
478-453-04	3-56	1-255	ROSHANZAMIR, NADEREH TR	\$56,433.69
478-453-05	3-57	1-256	YAMIN, MIKE MAHMOUD TR	\$56,433.69
478-453-06	3-58	1-257	RASOULI, MARGARET	\$56,433.69
478-453-07	3-59	1-258	TALMOOD, SIAVOSH	\$56,433.69
478-453-08	3-60	1-259	CHANG, YIPIN	\$56,433.69
478-453-09	3-61	1-260	COSTANZO, CHRIS	\$56,433.69
478-453-10	3-62	1-261	CHELAPATI, CHUNDURI VENKATA TR	\$56,433.69
478-453-11	3-63	1-262	MORTEN, ROBERT C TR	\$56,433.69
478-453-12	3-64	1-263	ARANI, MITRA IGHANI TR	\$56,433.69
478-453-13	3-65	1-264	LEE, WEN-HWA TR	\$56,433.69
478-453-14	3-66	1-265	CASCIARO, SALVATORE	\$56,433.69
478-453-15	3-67	1-266	NOH, SANG KHILL TR NOH FAMILY TR	\$56,433.69
478-453-16	3-68	1-267	YOON, GUN SAINT	\$56,433.69
478-453-17	3-69	1-268	BALLIN, CHRISTOF A	\$56,433.69
478-453-18	3-70	1-269	LIN, JOHNNY C	\$56,433.69
478-453-19	3-71	1-270	ZOU, LI	\$56,433.69
478-453-20	3-72	1-271	RASOULI, MATTHEW M TR RASOULI FAMILY TR	\$56,433.69
478-453-21	3-73	1-272	SHIN, CHARLES K TR	\$56,433.69
478-453-22	3-74	1-273	KIM, STEVE	\$56,433.69
478-453-23	3-75	1-274	CHANG, HELEN WEI CHUN	\$56,433.69
478-453-24	3-76	1-275	YUEH, JEDIDIAH	\$56,433.69
478-453-25	3-77	1-276	ACKERMAN, FRANCIS JOSEPH JR	\$56,433.69
478-453-26	3-78	1-277	FREDRICK, SCOTT TR S & S FREDRICK LIVING TR	\$56,433.69
478-453-27	3-79	1-278	POLLACK, BRIAN	\$56,433.69
478-453-28	3-80	1-279	NGUYEN, DO THI	\$56,433.69
478-453-29	3-81	1-280	STEELE, KENNETH A	\$56,433.69
478-453-30	3-82	1-281	FOWLER, DONALD L	\$56,433.69
478-453-31	3-83	1-282	FESSENDEN, SCOTT C TR FESSENDEN FAMILY TR	\$56,433.69
478-453-32	3-84	1-283	TRAN, DENNIS S	\$56,433.69
478-462-01	3-85	1-194	MALIK, KAPIL D	\$60,294.96

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's	County of Orange Reassessment District No. 17-1R	AD No. 01-1		County of Orange Reassessment District No. 17-1R
Parcel	Reassessment	Assessment Number	Ourse	Reassessment
Number	Number		Owner	Amount
478-462-02	3-86	1-193	ADAMSKE, BRADLEY SCOTT	\$60,294.96
478-462-03	3-87	1-192	SANI, SONA	\$60,294.96
478-462-04	3-88	1-191	ALAGBAND, DAVID NAVID	\$60,294.96
478-462-05	3-89	1-190	BROWN, DAVID C TR	\$60,294.96
478-462-06	3-90	1-189	HILDEBRANDT, THOMAS A TR HILDEBRANDT FAMILY 1995	\$60,294.96
478-462-07	3-91	1-200	KHARRAZI, MEHRDAD	\$60,294.96
478-462-08	3-92	1-199	ANOSHIVANI, ARDE K	\$60,294.96
478-462-09	3-93	1-198	KIANG, ASSUMPTA L TR	\$60,294.96
478-462-10	3-94	1-197	DAHL, CHRISTIAN WENCK, CHREET F	\$60,294.96
478-462-11	3-95	1-196	WENCK, GILBERT F	\$60,294.96
478-462-12	3-96	1-195	SLACIK, CHARLES P TR	\$60,294.96
478-462-18 478-462-19	3-97 3-98	1-206 1-207	ZHANG, AIMIN	\$60,294.96 \$60,294.96
478-462-19			LADJAVARDI, FARZAD	
	3-99	1-208 1-209	HAMIDIAN, SONZA	\$60,294.96
478-462-21	3-100		PARK, JAMES	\$60,294.96
478-462-22	3-101	1-210	CONRAD, BARBARA K TR	\$60,294.96
478-462-23 478-462-24	3-102	1-211 1-212	MACKENZIE, MICHAEL TR	\$60,294.96
	3-103		DHIR, VIJAY KUMAR TR V K & K L DHIR LIVING TR	\$60,294.96
478-462-25	3-104	1-213	SERVATI, HAMID TR SERVATI FAMILY TR LI, JIAHUI	\$60,294.96
478-462-26	3-105 3-106	1-214	JAFARI, MEHDI TR JAFARI & TAHARI TR	\$60,294.96
478-462-27 478-462-28	3-106	1-215	HASENBAIG, DAVID W TR HASENBALG FAMILY	\$60,294.96
478-462-28 478-462-29	3-107	1-216 1-228	HUANG, FRANK TR F C HUANG & W SOO FAMILY TR	\$60,294.96 \$60,294.96
478-462-29	3-108	1-228	HASTINGS, DENNIS J JR TR D J HASTINGS JR REVOC TR	
478-462-31	3-109	1-227	SHI, YI	\$60,294.96 \$60,294.96
478-462-31	3-110	1-225	CHESHIRE, D WINSTON TR CHESHIRE-SREDANOVIC REVOC	\$60,294.96
478-462-33	3-111	1-223	JORDAN, LANCE	\$60,294.96
478-462-34	3-112	1-223	MAYER, DANIEL TR D MAYER REVOC TR	\$60,294.96
478-462-35	3-113	1-223	STEFANO, STEVE TR S STEFANO LIVING TR	\$60,294.96
478-462-36	3-115	1-221	SCHAUS, JOHN H	\$60,294.96
478-462-37	3-116	1-221	TAMIRY, JAMSHID TR	\$60,294.96
478-462-38	3-117	1-220	SABO, POONEH	\$60,294.96
478-462-39	3-117	1-218	VAN AKKEREN, MARCO TR VAN AKKEREN YAMATO LIVING TR	\$60,294.96
478-462-40	3-119	1-217	DUEHRING, WILLIAM K	\$60,294.96
489-131-01	3-120	2-251	LIU, DEHONG	\$26,168.74
489-131-02	3-121	2-251	MAO, YONGZHONG	\$26,168.74
489-131-02	3-121	2-249	MOTAMEDIAN, MOHSEN TR	\$26,168.74
489-131-04	3-123	2-248	LEE, TEENA	\$26,168.74
489-131-05	3-124	2-247	NGUYEN, ANH QUOC DUY	\$26,168.74
489-131-06	3-125	2-246	QIU, FEILI	\$26,168.74
489-131-07	3-126	2-245	BRADFORD, DAVID R TR	\$26,168.74
489-131-08	3-127	2-244	SATIN CALIFORNIA	\$26,168.74
489-131-09	3-128	2-243	XIE, WEI	\$26,168.74
489-131-10	3-129	2-242	WU, LING	\$26,168.74
489-131-11	3-130	2-261	COSTAS, ROBERT	\$26,168.74
489-131-12	3-131	2-260	BICK, ALAN	\$26,168.75
489-131-13	3-132	2-259	LINDER, DERRICK SCOTT TR LINDER FAMILY 2015 TR	\$26,168.75
489-131-14	3-133	2-258	PETERSON, JOHN STEPHEN TR	\$26,168.75
489-131-15	3-134	2-257	LEBRUN, RICHARD ROLAND	\$26,168.75
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County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's	County of Orange Reassessment District No. 17-1R	AD No. 01-1		County of Orange Reassessment District No. 17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
489-131-16	3-135	2-256	WANG, CHIE-NING TR	\$26,168.75
489-131-17	3-136	2-255	CAMMARATA, CURTIS A	\$26,168.75
489-131-18	3-137	2-254	HSU, EDWARD	\$26,168.75
489-131-19	3-138	2-253	CHINI, JOSEPH Y TR	\$26,168.75
489-131-20	3-139	2-252	WROTEN, KIPPY LYNN TR	\$26,168.75
477-252-01	4-1	1-382	KUGELMAN, LAWRENCE N	\$75,218.65
477-252-02	4-2	1-381	WALNUT OLD GROVE CAPITAL LLC	\$75,218.65
477-252-03	4-3	1-380	KAYE, MICHAEL S TR	\$75,218.65
477-252-04	4-4	1-379	SUHERMAN, SURYO	\$75,218.65
477-252-05	4-5	1-378	SUHERMAN, MELIA	\$75,218.65
477-252-06	4-6	1-377	THOMAS, TROY	\$75,218.65
477-252-07	4-7	1-376	GROVER, SANJAY TR S & N GROVER REVOC TR	\$75,218.65
477-252-08	4-8	1-375	SEEGER, WILLIAM C JR TR SEEGER FAMILY TR	\$75,218.65
477-252-09	4-9	1-374	PHAM, LEE	\$75,218.65
477-252-10	4-10	1-373	DICOSTANZO, DONALD J TR DICOSTANZO FAMILY TR	\$75,218.65
477-252-11	4-11	1-372	GOLDSBERRY, MICHAEL TR GOLDSBERRY FAMILY TR	\$75,218.65
477-252-12	4-12	1-299	LI, BEIBEI	\$75,218.65
477-252-13	4-13	1-300	KIM, ILHYUN	\$75,218.65
477-252-14	4-14	1-301	SMITH, MICHAEL R TR SMITH-PARMAN FAMILY TR	\$75,218.65
477-252-15	4-15	1-302	GHATAODE, RAVI	\$75,218.65
477-252-16	4-16	1-303	HA, JUSTIN JIAH TR JJ HA FAMILY TR	\$75,218.65
477-252-17	4-17	1-304	LIU, BONAPARTE H TR LIU FAMILY	\$75,218.65
477-252-18	4-18	1-305	WANG, TONY W	\$75,218.65
477-253-01	4-19	1-371	YEH, THOMAS Y	\$75,218.65
477-253-02	4-20	1-370	NAKHLA, TONY N TR	\$75,218.65
477-253-03	4-21	1-369	MAKHAIL, PAUL M	\$75,218.65
477-253-04	4-22	1-368	LI, PING TR JIA HAO TR	\$75,218.65
477-253-05	4-23	1-367	RUSKEY, CHAD EDWARD	\$75,218.65
477-253-06	4-24	1-366	SUHERMAN, ARIF	\$75,218.65
477-253-07	4-25	1-365	ARCHER, SANFORD M	\$75,218.65
477-253-08	4-26	1-364	RANGO, ROBERT A TR THE RANGO-HERMAN FAMILY TR	\$75,218.65
477-253-09	4-27	1-363	KIM, EDMUND	\$75,218.65
477-253-10	4-28	1-362	TRAN, MICHAEL T TR TRAN/JING FAMILY TR	\$75,218.65
477-253-11	4-29	1-361	SWANSON, CHRISTOPHER J TR THE SWANSON FAMILY TR	\$75,218.65
477-253-12	4-30	1-360	SHI, YI	\$75,218.65
477-253-13	4-31	1-359	SIEGEL, BRYAN LEWIS	\$75,218.65
477-253-14	4-32	1-358	PATTERSON, ROBERT M TR PATTERSON FAMILY TR	\$75,218.65
477-253-15	4-33	1-357	BHALLA, GUNINDER	\$75,218.65
477-253-16	4-34	1-356	ALTER, ROBERT A	\$75,218.65
477-253-17	4-35	1-355	WANG, SONGTAO	\$75,218.65
477-253-18	4-36	1-354	KRAEMER, KENNETH L TR KRAEMER FAMILY TR	\$75,218.65
477-253-19	4-37	1-353	HEIDARI, BABAK HEIDARI, SHAGHAIGH	\$75,218.65
477-253-20	4-38	1-352	SOSA, JAVIER SOSA, SILVIA	\$75,218.65
477-253-21	4-39	1-351	ZHANG, DONGMING LI, XING	\$75,218.65
477-253-22	4-40	1-350	KORRAA, HISHAM	\$75,218.65
477-253-23	4-41	1-349	XU, XIAOLONG	\$75,218.65
477-253-24	4-42	1-348	DUAN, SINAN TR DUAN FAMILY TR	\$75,218.65
477-253-25	4-43	1-347	SAUNDERS, MICHAEL M	\$75,218.65
477-253-26	4-44	1-346	CHAO, WILSON	\$75,218.65

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

	County of Orange Reassessment			County of Orange Reassessment District No.
Assessor's	District No. 17-1R	AD No. 01-1		17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
477-253-27	4-45	1-345	BERNSTEIN, ADAM JAY TR A & S BERNSTEIN REVOC TR	\$75,218.65
477-253-28	4-46	1-344	BOYLE, GEORGE TIMOTHY TR BOYLE FAMILY TR	\$75,218.65
489-101-01	4-47	2-164	LU, KEVIN TR K & G LU LIVING TR	\$50,592.16
489-101-02	4-48	2-165	HELLER, LAWRENCE H TR OCEAN VIEW TR	\$50,592.16
489-101-03	4-49	2-166	HHG INVESTMENTS LLC	\$50,592.16
489-101-04	4-50	2-167	KLINSMANN, JUERGEN TR JLK LIVING TR	\$50,592.16
489-101-05	4-51	2-168	CARPET, ANTHONY H	\$50,592.16
489-101-06	4-52	2-169	SUNRISE INTERNATIONAL LIMITED	\$50,592.16
489-101-07	4-53	2-170	MINICUCCI, ROBERT A	\$50,592.16
489-101-08	4-54	2-171	CHENG, BAO DING	\$50,592.16
489-101-09	4-55	2-172	150 MAIN STREET LLC	\$50,592.16
489-101-10	4-56	2-173	HECHT, DONALD TR D HECHT REVOC TR	\$50,592.16
489-101-11	4-57	2-174	PERLEY, HOWARD TR PERLEY FAMILY TR	\$50,592.16
489-101-12	4-58	2-175	BANIASSAD, AMIR M	\$50,592.16
489-101-13	4-59	2-176	SANDY COVE LLC	\$50,592.16
489-101-14	4-60	2-177	GRASSO, CHARLES EDGAR TR	\$50,592.16
489-101-16	4-61	2-179	LIU, JING TR	\$50,592.16
489-101-17	4-62	2-180	PARSADAYAN, WALODIA M TR	\$50,592.16
489-101-18	4-63	2-181	BEMOWSKI, JAMES B	\$50,592.16
489-101-19	4-64	2-182	CHENG, CLIFFORD H	\$50,592.16
489-101-20	4-65	2-183	PALMER, JAMES F TR	\$50,592.16
489-101-21	4-66	2-184	LEE, HERBERT HORCHANG TR	\$50,592.16
489-101-22	4-67	2-185	MERAGE, DAVID TR	\$50,592.16
489-101-23	4-68	2-186	MARKHAM, JAMES A TR	\$50,592.16
489-101-24	4-69	2-187	LEE, JAMES W TR LEE FAMILY TR	\$50,592.16
489-101-25	4-70	2-188	WRIGHT, JOHN W TR JEANPAUL TR	\$50,592.16
489-101-26	4-71	2-189	AL-BLEHED, MOHAMMED S O	\$50,592.16
489-101-27	4-72	2-190	BOSU, ROMIR TR YVONNE BOSU PRINCIPAL RESIDENCE	\$50,592.16
489-101-28	4-73	2-191	DURAN, JOSEPH JOHN TR DURAN FAMILY TR	\$50,592.16
489-101-29	4-74	2-192	CHENG, GEORGE TING-FU TR CHENG FAMILY TR	\$50,592.16
489-101-45	4-75	2-178	GROVER, JASWINDER	\$50,592.16
489-111-01	4-76	2-84	21 MOONSHELL COMPANY LLC	\$40,437.10
489-111-02	4-77	2-83	KISTING, SCOTT A TR	\$40,437.10
489-111-03	4-78	2-82	DARWISH, RIAD	\$40,437.10
489-111-04	4-79	2-81	SWERDLOW, STEVEN A TR	\$40,437.10
489-111-05	4-80	2-80	ALLEN-MILAN LLC	\$40,437.10
489-111-06	4-81	2-79	MORHAIME, MICHAEL TR	\$40,437.10
489-111-07	4-82	2-78	PLATT, STEELE TR	\$40,437.10
489-111-08	4-83	2-77	HASSEY, LEO PATRICK II	\$40,437.10
489-111-09	4-84	2-76	NEXT COMMERCE LIMITED	\$40,437.10
489-111-10	4-85	2-75	HILL, PETER J TR	\$40,437.10
489-111-11	4-86	2-74	ROCHE, THOMAS MICHAEL TR ROCHE 1997 FAMILY TR	\$40,437.10
489-111-12	4-87	2-73	ASNER, BARTLEY S TR B S ASNER QUALIFIED PERSONAL	\$40,437.10
489-111-13	4-88	2-72	SHARIFAT, HAMID TR	\$40,437.10
489-111-14	4-89	2-72	HALE, JAMES RICHARD TR	\$40,437.10
489-111-15	4-90	2-71	DHIMAN, DARSHAN	\$40,437.10
489-111-16	4-91	2-69	PATEL, NARENDRA B TR PATEL FAMILY TR	\$40,437.10
489-111-17	4-92	2-68	ROLLMAN, FREDRIC A TR LAKE VIEW TR	\$40,437.10
489-111-17	4-93	2-67	37 OCC LLC	\$40,437.10
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County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Limited Obligation Improvement Refunding Bonds Reassessment Roll

	County of Orange Reassessment			County of Orange Reassessment District No.
Assessor's	District No. 17-1R	AD No. 01-1		17-1R
Parcel	Reassessment	Assessment		Reassessment
Number	Number	Number	Owner	Amount
489-111-19	4-94	2-66	BLUMETTI, SANTINO TR BLUMETTI LIVING TR	\$40,437.10
489-111-20	4-95	2-65	DESTINY RMS LLC	\$40,437.10
489-111-21	4-96	2-64	SR 43 OFFSHORE LLC	\$40,437.10
489-111-22	4-97	2-63	GANCAR, MICHAEL K TR	\$40,437.10
489-111-23	4-98	2-62	SUDEEP INC	\$40,437.10
489-111-24	4-99	2-61	PATEL, SONAL DILIP TR S D	\$40,437.10
489-111-25	4-100	2-60	DAVIS, CRAIG A TR C & C DAVIS FAMILY TR	\$40,437.10
489-111-26	4-101	2-59	CONLEY, J DAVID TR CONLEY FAMILY TR	\$40,437.10
489-111-27	4-102	2-58	8SCC LLC	\$40,437.10
489-111-28	4-103	2-57	LIZARDE, CHRISTOPHER	\$40,437.10
489-111-29	4-104	2-56	SULAHIAN, KRIKOR D TR	\$40,437.10
489-111-30	4-105	2-55	PALM LOTUS LLC	\$40,437.10
489-151-06	4-106	2-269	21 SPINNAKER LLC	\$52,303.23
489-151-07	4-107	2-270	FATERI, FARDAD TR FATERI FAMILY TR	\$52,303.23
489-151-08	4-108	2-271	SPINNAKER INVESTORS LLC	\$52,303.23
489-151-09	4-109	2-275	LEE, HYO S	\$52,303.23
489-151-10	4-110	2-274	CASCO, FRANKLIN JR TR LEE IRREVOCABLE TR	\$52,303.23
489-151-11	4-111	2-273	IRVINE COMMUNITY DEVELOPMENT COMPANY LLC	\$52,303.23
489-151-12	4-112	2-272	SHAYGAN, FARZAD TR SHAYGAN FAMILY TR	\$52,303.23
489-151-13	4-113	2-277	ANTIGUA INVESTMENTS LLC	\$52,303.23
489-151-14	4-114	2-278	34 SOUTH SUR LLC	\$52,303.23
489-151-15	4-115	2-279	36 SOUTH SUR LLC	\$52,303.23
489-151-16	4-116	2-276	BLUMENTHAL, GARTH L TR THE GARTH L BLUMENTHAL TR	\$52,303.23
489-151-17	4-117	2-288	HAIGH, THOMAS M TR HAIGH FAMILY TR	\$52,303.23
489-151-18	4-118	2-287	SILVER ROCK REALTY LLC	\$52,303.23
489-151-19	4-119	2-286	HAN, HUILIN TR HAN FAMILY TR	\$52,303.23
489-151-20	4-120	2-285	KHANNA, KARAN TR KHANNA LIVING TR	\$52,303.23
489-151-21	4-121	2-284	ZHAO, ZHIXING	\$52,303.23
489-151-22	4-122	2-283	NGUYEN, QUAN TR	\$52,303.23
489-151-23	4-123	2-282	CHANG, DAVID CHIH-JEN	\$52,303.23
489-151-24	4-124	2-281	BARTHOLOMEW, ROBERT F TR	\$52,303.23
489-151-25	4-125	2-280	MC INTYRE, ANDREW M	\$52,303.23
489-151-26	4-126	2-295	SMITH, SEAN K TR	\$52,303.23
489-151-27	4-127	2-294	DAVIDOFF, ANDREW TR	\$52,303.23
489-151-28	4-128	2-293	TAHBAZ, VAHID	\$52,303.23
489-151-29	4-129	2-292	ATTALLA, MEDHAT	\$52,303.23
489-151-30	4-130	2-291	TCHONG, STEPHANIE	\$52,303.23
489-151-31	4-131	2-290	NORDEN, WILLIAM B TR LAGARA TR	\$52,303.23
489-151-32	4-132	2-289	NORDEN, WILLIAM B TR LAGARA TR	\$52,303.23
489-181-01	4-133	2-163	KHONSARI, FERAIDOUN	\$55,266.76
489-181-02	4-134	2-162	CHEN, WILLIAM TAI TR CHEN FAMILY TR	\$55,266.76
489-181-03	4-135	2-161	SOUTH SUR INVESTMENTS LLC	\$55,266.76
489-181-04	4-136	2-160	SHREE RAM LEX LP	\$55,266.76
489-181-05	4-137	2-159	ANTIGUA INVESTMENTS LLC	\$55,266.76
489-181-06	4-138	2-158	DUBROW, TERRY J TR WEYBRIDGE TR	\$55,266.76
489-181-07	4-139	2-157	AL-KHATIB, AHMAD TR AL-KHATIB FAMILY TR	\$55,266.76
489-181-08	4-140	2-156	Z S LLC	\$55,266.76
489-181-09	4-141	2-155	CRYSTAL COVE INVESTMENT LLC	\$55,266.76
489-181-10	4-142	2-154	AAF HOLDINGS GRP LLC	\$55,266.76
.0, 101 10	12	_ 101		\$25,200.70

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds Reassessment Roll

Assessor's Parcel	County of Orange Reassessment District No. 17-1R Reassessment	AD No. 01-1 Assessment		County of Orange Reassessment District No. 17-1R Reassessment
Number	Number	Number	Owner	Amount
489-181-11	4-143	2-153	HOAGLUND, WESLEY	\$55,266.76
489-181-12	4-144	2-152	CHOPRA, RAKESH TR CHOPRA FAMILY TR	\$55,266.76
489-181-13	4-145	2-151	MEES, DIETER L TR MEES FAMILY TR	\$55,266.76
489-181-14	4-146	2-150	ROSENTHAL, RICHARD M TR MARINER TR	\$55,266.76
489-181-15	4-147	2-149	DHIMAN, DARSHAN KUMAR	\$55,266.76
489-181-37	4-148	2-136	MIRZA, KAYHAN	\$55,266.76
489-181-68	4-149	2-349	BOWER, SCOTT L TR BOWER LIVING TR	\$110,533.50
489-181-40	4-150	2-139	KRADJIAN, RAFFI	\$55,266.76
489-181-41	4-151	2-140	MG RESIDENTIAL ESTATES LLC	\$55,266.76
489-181-42	4-152	2-141	MG CUSTOM ESTATES LLC	\$55,266.76
489-181-43	4-153	2-142	SCHAFFER, GARY L	\$55,266.76
489-181-44	4-154	2-143	26940 ALISO VIEJO PARKWAY LLC	\$55,266.75
489-181-45	4-155	2-144	10 MSUMMER LLC	\$55,266.76
489-181-46	4-156	2-145	8 MIDSUMMER LLC	\$55,266.76
489-181-47	4-157	2-146	AMINI, MICHAEL TR	\$55,266.76
489-181-48	4-158	2-147	SJC HOLDINGS LLC	\$55,266.76
489-181-49	4-159	2-148	ROSHAN, PAYMON TR ROSHAN FAMILY TR	\$55,266.76
Grand Total	703 Parcels			\$32,055,000.00

EXHIBIT F

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Estimated Debt Service Schedule for Refunding Bonds

EXHIBIT F

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Debt Service Schedule Limited Obligation Refunding Bonds, Series 2018

YEAR ENDING SEPTEMBER 2	PRINCIPAL	INTEREST RATE	INTEREST	TOTAL	REMAINING PRINCIPAL
2018	\$2,005,000	2.00%	\$843,988.20	\$2,848,988,20	\$30,050,000.00
2019	\$1,455,000	3.00%	\$1,393,087.50	\$2,848,087.50	\$28,595,000.00
2020	\$1,505,000	3.00%	\$1,349,437.50	\$2,854,437.50	\$27,090,000.00
2021	\$1,570,000	4.25%	\$1,304,287.50	\$2,874,287.50	\$25,520,000.00
2022	\$1,635,000	4.25%	\$1,237,562.50	\$2,872,562.50	\$23,885,000.00
2023	\$1,690,000	4.25%	\$1,168,075.00	\$2,858,075.00	\$22,195,000.00
2024	\$1,800,000	4.25%	\$1,096,250.00	\$2,896,250.00	\$20,395,000.00
2025	\$1,880,000	5.00%	\$1,019,750.00	\$2,899,750.00	\$18,515,000.00
2026	\$1,965,000	5.00%	\$925,750.00	\$2,890,750.00	\$16,550,000.00
2027	\$2,065,000	5.00%	\$827,500.00	\$2,892,500.00	\$14,485,000.00
2028	\$2,125,000	5.00%	\$724,250.00	\$2,849,250.00	\$12,360,000.00
2029	\$2,240,000	5.00%	\$618,000.00	\$2,858,000.00	\$10,120,000.00
2030	\$2,350,000	5.00%	\$506,000.00	\$2,856,000.00	\$7,770,000.00
2031	\$2,470,000	5.00%	\$388,500.00	\$2,858,500.00	\$5,300,000.00
2032	\$2,580,000	5.00%	\$265,000.00	\$2,845,000.00	\$2,720,000.00
2033	\$2,720,000	5.00%	\$136,000.00	\$2,856,000.00	\$0.00
	\$32,055,000		\$13,803,438.20	\$45,858,438.20	

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Auditor's Record of Reassessments

REASSESSMENT DISTRICT AUDITOR'S REPORT

The proposed Auditor's Report for the County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) showing the schedule of all principal installments and interest on each unpaid reassessment, is voluminous and will not be bound in this Report, but by this reference is incorporated as if attached to this Report. The proposed Auditor's Report for the Refunding District is on file in the office of the District Engineer for the County of Orange. A representative sample of the Reassessment District Auditor's Reports for the County of Orange Reassessment District No. 17-1R is included in this Exhibit.

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Refunding Bonds, Series 2018

Sample Auditor's Report

Reassessment Number: 1-1

Assessor's Parcel Number: 934-330-61

Tract Map: 16195 Lot: 6, Unit 85

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	<u>INTEREST</u>	TOTAL	PRINCIPAL
2017				\$23,928.57
2018	\$1,496.70	\$630.02	\$2,126.73	\$22,431.87
2019	\$1,086.14	\$1,039.92	\$2,126.05	\$21,345.73
2020	\$1,123.46	\$1,007.33	\$2,130.79	\$20,222.27
2021	\$1,171.98	\$973.63	\$2,145.61	\$19,050.29
2022	\$1,220.50	\$923.82	\$2,144.32	\$17,829.79
2023	\$1,261.56	\$871.95	\$2,133.51	\$16,568.23
2024	\$1,343.67	\$818.33	\$2,162.01	\$15,224.56
2025	\$1,403.39	\$761.23	\$2,164.62	\$13,821.17
2026	\$1,466.84	\$691.06	\$2,157.90	\$12,354.32
2027	\$1,541.49	\$617.72	\$2,159.21	\$10,812.83
2028	\$1,586.28	\$540.64	\$2,126.92	\$9,226.55
2029	\$1,672.13	\$461.33	\$2,133.45	\$7,554.43
2030	\$1,754.24	\$377.72	\$2,131.96	\$5,800.19
2031	\$1,843.82	\$290.01	\$2,133.83	\$3,956.37
2032	\$1,925.93	\$197.82	\$2,123.75	\$2,030.44
2033	\$2,030.44	\$101.52	\$2,131.96	\$0.00

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Refunding Bonds, Series 2018

Sample Auditor's Report

Reassessment Number: 2-10

Assessor's Parcel Number: 477-102-19

Tract Map: 16455 Lot: 13

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL
2017				\$50,027.25
2018	\$3,129.14	\$1,317.19	\$4,446.33	\$46,898.11
2019	\$2,270.77	\$2,174.15	\$4,444.92	\$44,627.33
2020	\$2,348.81	\$2,106.03	\$4,454.83	\$42,278.53
2021	\$2,450.25	\$2,035.56	\$4,485.81	\$39,828.28
2022	\$2,551.69	\$1,931.43	\$4,483.12	\$37,276.58
2023	\$2,637.53	\$1,822.98	\$4,460.51	\$34,639.05
2024	\$2,809.20	\$1,710.88	\$4,520.09	\$31,829.85
2025	\$2,934.06	\$1,591.49	\$4,525.55	\$28,895.79
2026	\$3,066.71	\$1,444.79	\$4,511.50	\$25,829.07
2027	\$3,222.78	\$1,291.45	\$4,514.24	\$22,606.29
2028	\$3,316.42	\$1,130.31	\$4,446.74	\$19,289.87
2029	\$3,495.90	\$964.49	\$4,460.39	\$15,793.97
2030	\$3,667.57	\$789.70	\$4,457.27	\$12,126.40
2031	\$3,854.85	\$606.32	\$4,461.17	\$8,271.55
2032	\$4,026.53	\$413.58	\$4,440.10	\$4,245.02
2033	\$4,245.02	\$212.25	\$4,457.27	\$0.00

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Refunding Bonds, Series 2018

Sample Auditor's Report

Reassessment Number: 3-100

Assessor's Parcel Number: 478-462-21

Tract Map: 16461 Lot: 49

				REMAINING
				NON-DELINQUENT
YEAR	PRINCIPAL	<u>INTEREST</u>	TOTAL	PRINCIPAL
2017				\$60,294.96
2018	\$3,771.37	\$1,587.53	\$5,358.90	\$56,523.59
2019	\$2,736.83	\$2,620.38	\$5,357.21	\$53,786.75
2020	\$2,830.88	\$2,538.27	\$5,369.15	\$50,955.87
2021	\$2,953.15	\$2,453.34	\$5,406.49	\$48,002.73
2022	\$3,075.41	\$2,327.84	\$5,403.25	\$44,927.32
2023	\$3,178.86	\$2,197.13	\$5,375.99	\$41,748.45
2024	\$3,385.77	\$2,062.03	\$5,447.80	\$38,362.68
2025	\$3,536.25	\$1,918.13	\$5,454.38	\$34,826.43
2026	\$3,696.13	\$1,741.32	\$5,437.46	\$31,130.29
2027	\$3,884.23	\$1,556.51	\$5,440.75	\$27,246.06
2028	\$3,997.09	\$1,362.30	\$5,359.40	\$23,248.97
2029	\$4,213.41	\$1,162.45	\$5,375.85	\$19,035.56
2030	\$4,420.31	\$951.78	\$5,372.09	\$14,615.25
2031	\$4,646.03	\$730.76	\$5,376.79	\$9,969.22
2032	\$4,852.94	\$498.46	\$5,351.40	\$5,116.28
2033	\$5,116.28	\$255.81	\$5,372.09	\$0.00

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Refunding Bonds, Series 2018

Sample Auditor's Report

Reassessment Number: 4-20

Assessor's Parcel Number: 477-253-02

Tract Map: 15811 Lot: 72

YEAR	PRINCIPAL	INTEREST	TOTAL	REMAINING NON-DELINQUENT PRINCIPAL
	FRINCIPAL	INTEREST	TOTAL	
2017				\$75,218.65
2018	\$4,704.83	\$1,980.46	\$6,685.29	\$70,513.82
2019	\$3,414.23	\$3,268.95	\$6,683.18	\$67,099.59
2020	\$3,531.56	\$3,166.52	\$6,698.08	\$63,568.03
2021	\$3,684.08	\$3,060.58	\$6,744.66	\$59,883.95
2022	\$3,836.61	\$2,904.00	\$6,740.61	\$56,047.34
2023	\$3,965.67	\$2,740.95	\$6,706.61	\$52,081.67
2024	\$4,223.79	\$2,572.41	\$6,796.19	\$47,857.88
2025	\$4,411.51	\$2,392.89	\$6,804.41	\$43,446.37
2026	\$4,610.97	\$2,172.32	\$6,783.29	\$38,835.40
2027	\$4,845.63	\$1,941.77	\$6,787.39	\$33,989.77
2028	\$4,986.42	\$1,699.49	\$6,685.91	\$29,003.35
2029	\$5,256.27	\$1,450.17	\$6,706.44	\$23,747.08
2030	\$5,514.39	\$1,187.35	\$6,701.75	\$18,232.69
2031	\$5,795.98	\$911.63	\$6,707.61	\$12,436.71
2032	\$6,054.10	\$621.84	\$6,675.93	\$6,382.62
2033	\$6,382.62	\$319.13	\$6,701.75	\$0.00

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Refunding Bonds, Series 2018

Sample Auditor's Report

Reassessment Number: 3-52

Assessor's Parcel Number: 477-261-83

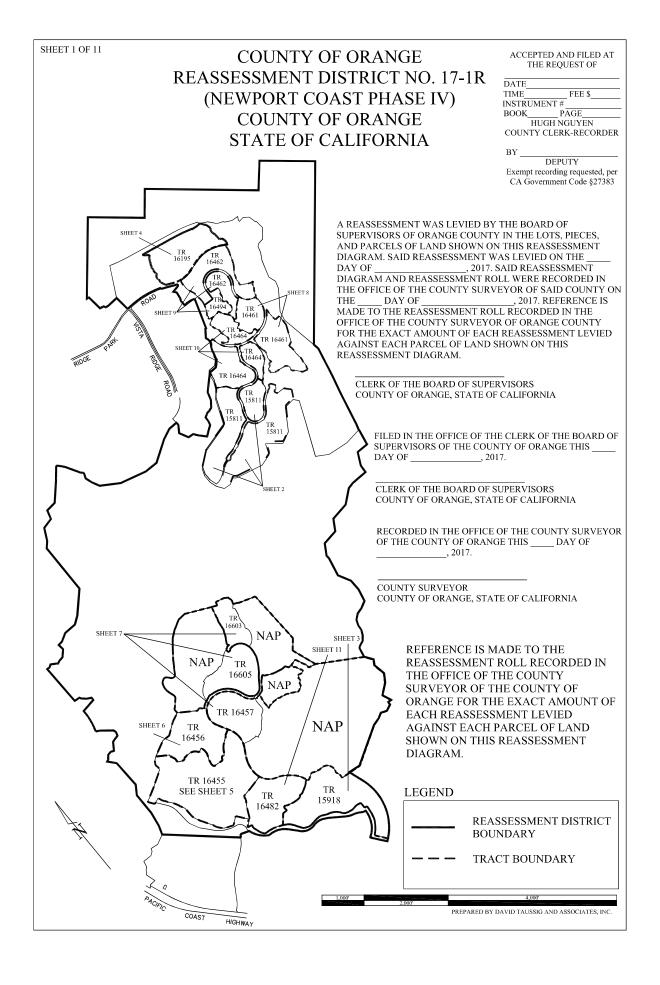
Tract Map: 16456 Lot: 23 & 24

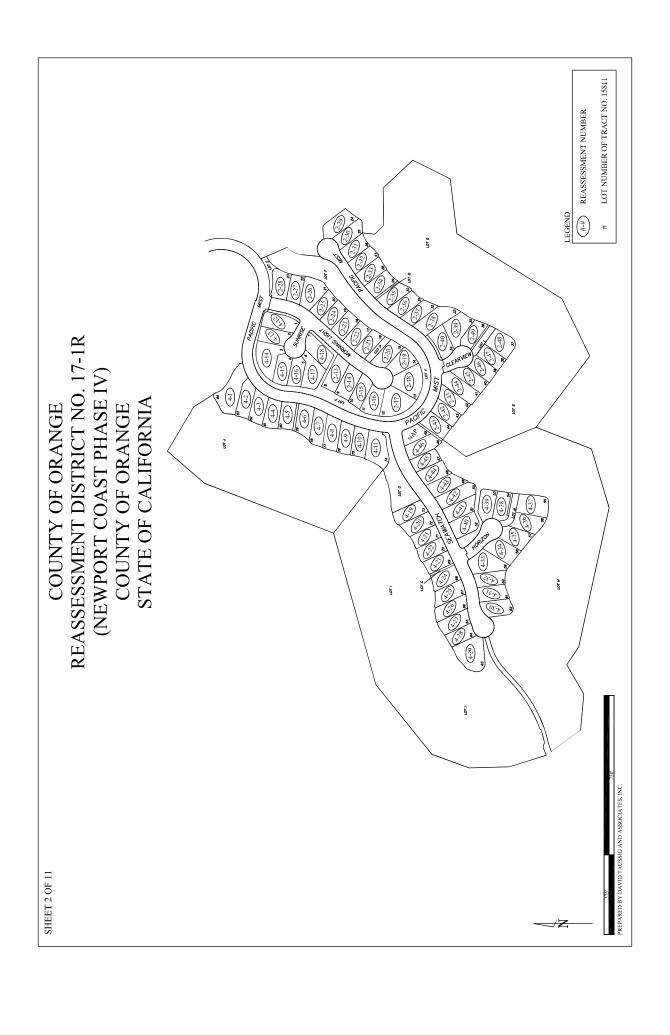
YEAR	PRINCIPAL	INTEREST	TOTAL	REMAINING NON-DELINQUENT PRINCIPAL
	FRINCIPAL	INTEREST	IUIAL	
2017				\$104,751.70
2018	\$6,552.09	\$2,758.05	\$9,310.13	\$98,199.61
2019	\$4,754.76	\$4,552.43	\$9,307.19	\$93,444.86
2020	\$4,918.15	\$4,409.79	\$9,327.94	\$88,526.71
2021	\$5,130.56	\$4,262.25	\$9,392.81	\$83,396.14
2022	\$5,342.97	\$4,044.20	\$9,387.17	\$78,053.17
2023	\$5,522.71	\$3,817.12	\$9,339.83	\$72,530.46
2024	\$5,882.17	\$3,582.41	\$9,464.58	\$66,648.29
2025	\$6,143.60	\$3,332.41	\$9,476.02	\$60,504.69
2026	\$6,421.37	\$3,025.23	\$9,446.61	\$54,083.31
2027	\$6,748.16	\$2,704.17	\$9,452.33	\$47,335.15
2028	\$6,944.23	\$2,366.76	\$9,310.99	\$40,390.92
2029	\$7,320.04	\$2,019.55	\$9,339.58	\$33,070.88
2030	\$7,679.50	\$1,653.54	\$9,333.05	\$25,391.38
2031	\$8,071.65	\$1,269.57	\$9,341.22	\$17,319.73
2032	\$8,431.11	\$865.99	\$9,297.10	\$8,888.62
2033	\$8,888.62	\$444.43	\$9,333.05	\$0.00

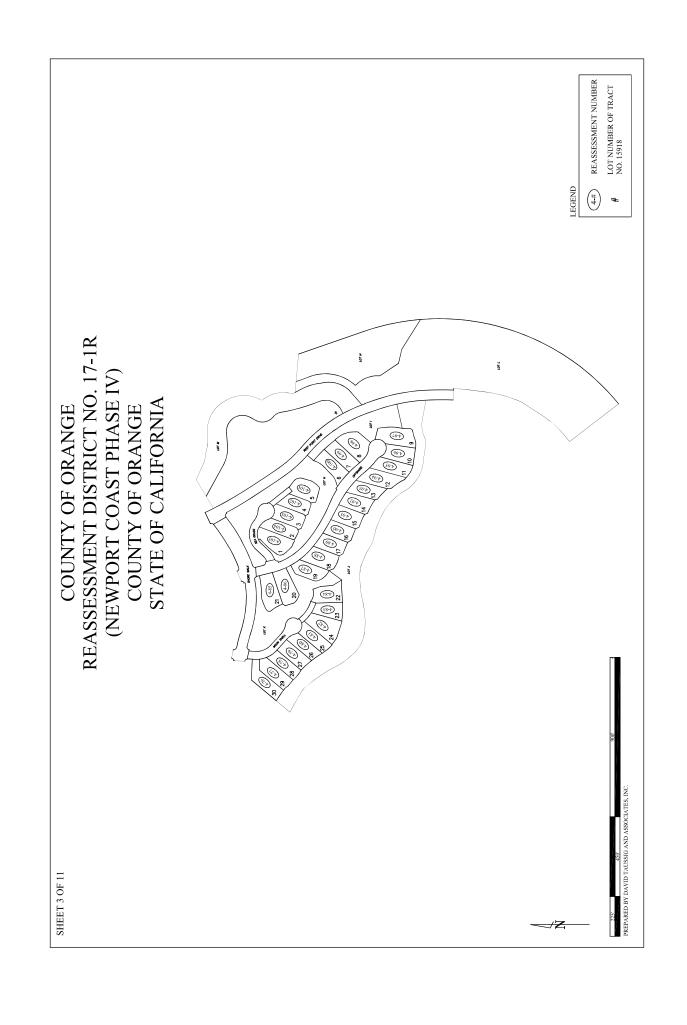
EXHIBIT H

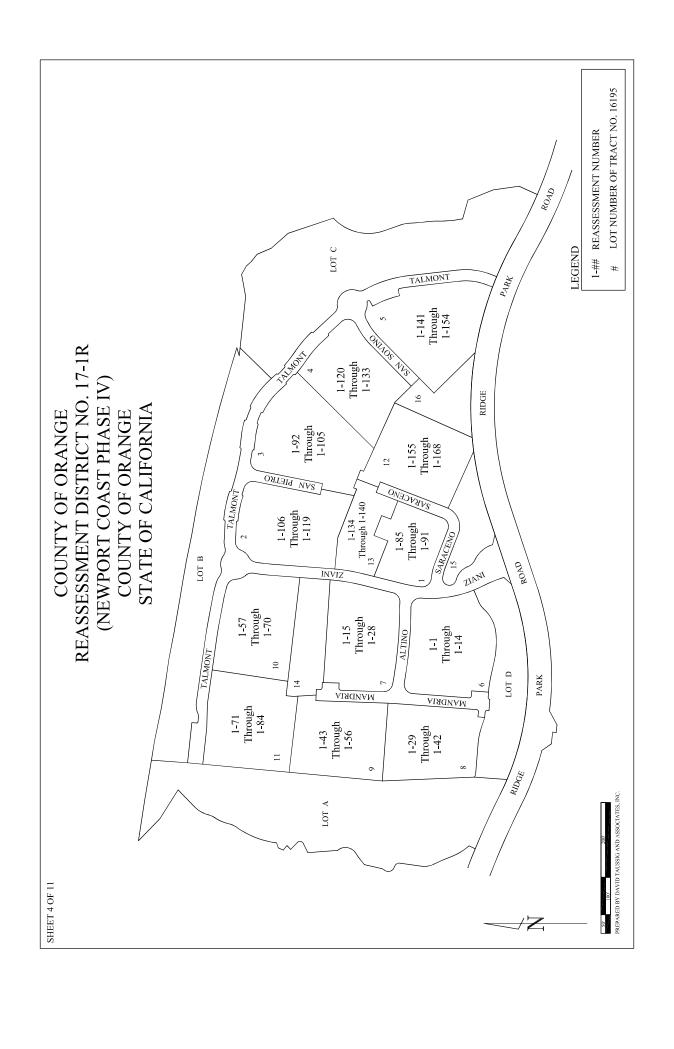
County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

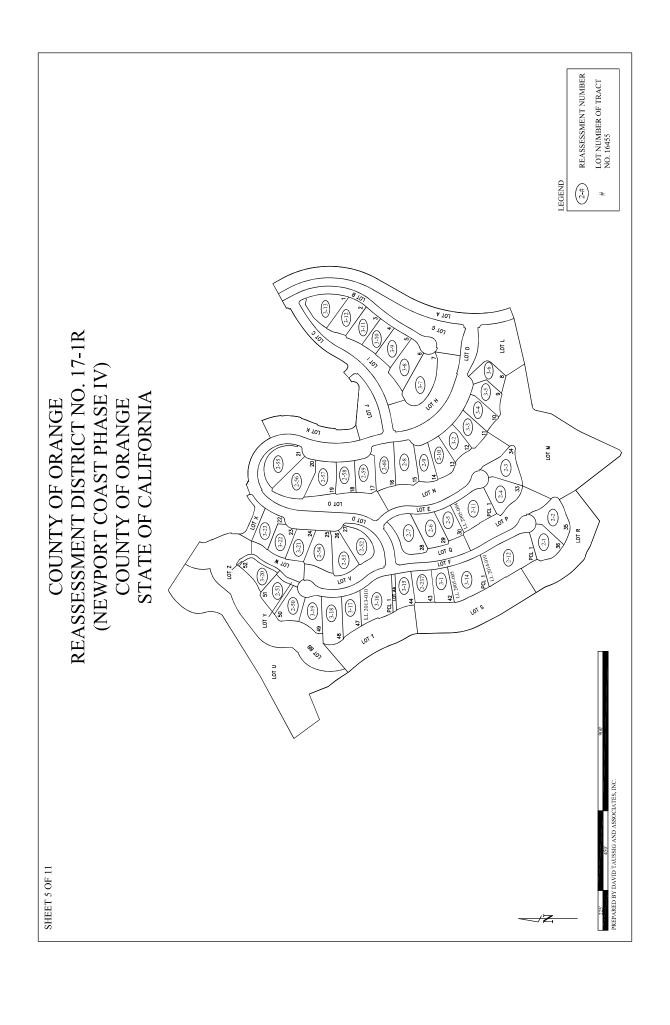
Reassessment Diagram







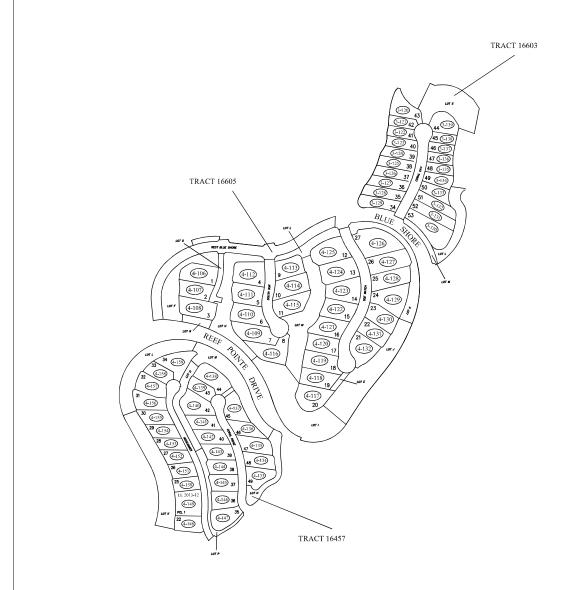




REASSESSMENT NUMBER LOT NUMBER OF TRACT NO. 16456 (A) LEGEND REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV) COUNTY OF ORANGE STATE OF CALIFORNIA COUNTY OF ORANGE (A) (3.3) 14 (3.3) 12 (3.3) 12 (3.3) 11 85. (5.8) 81 81 (5.5) 88 (5.5) (3.26) (3 PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC. SHEET 6 OF 11

SHEET 7 OF 11

COUNTY OF ORANGE REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV) COUNTY OF ORANGE STATE OF CALIFORNIA





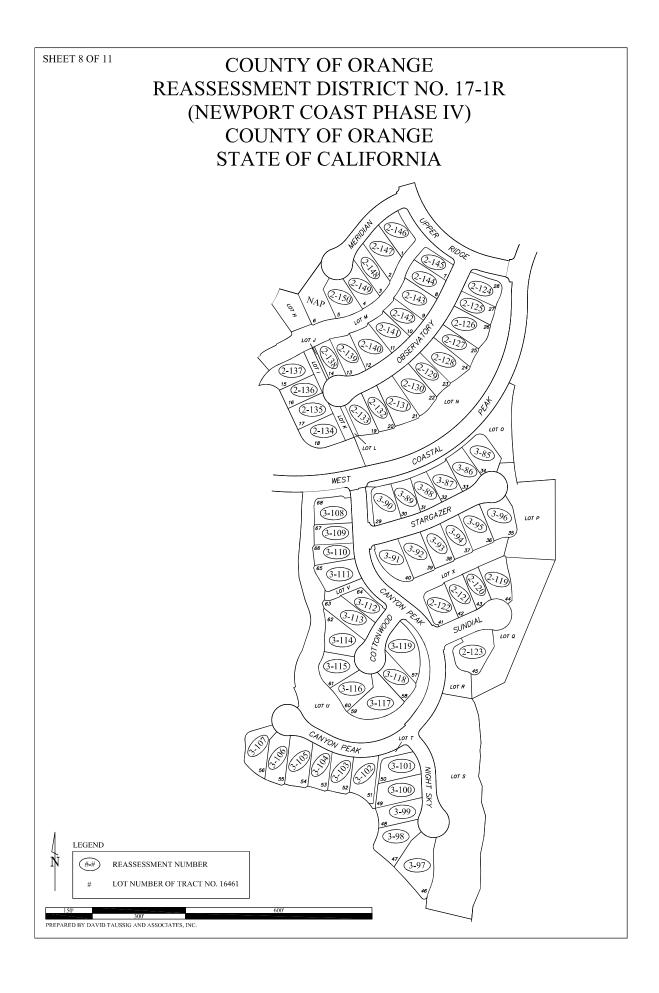
LEGEND

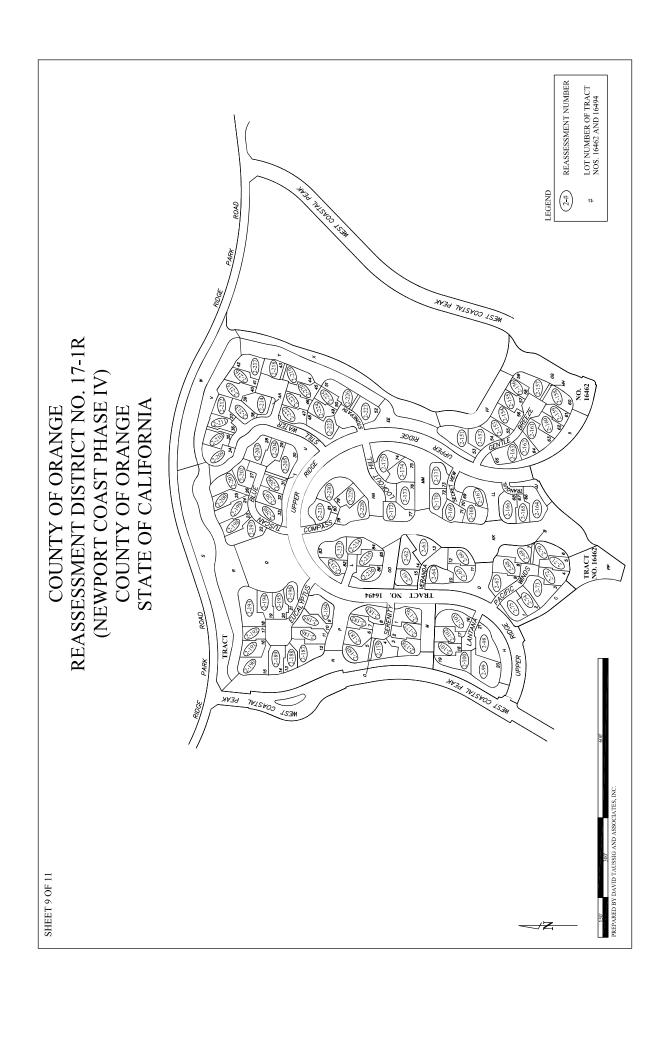


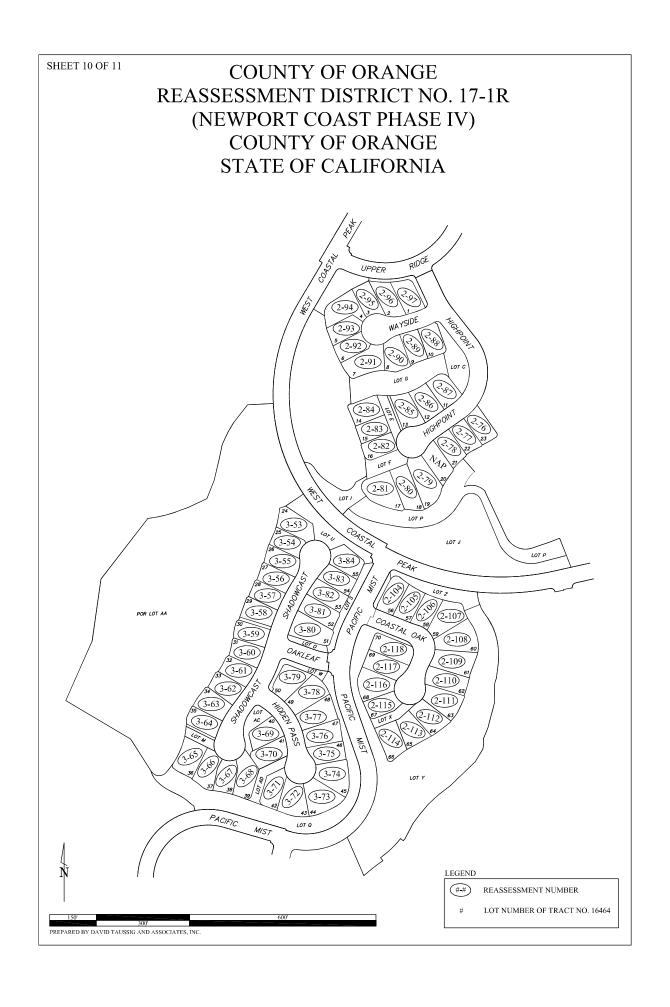
REASSESSMENT NUMBER

LOT NUMBER OF TRACT NO. 16457, 16603 OR 16605

PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC







REASSESSMENT NUMBER LOT NUMBER OF TRACT NO. 16482 LEGEND (4) ## REASSESSMENT DISTRICT NO. 17-1R (NEWPORT COAST PHASE IV) COUNTY OF ORANGE STATE OF CALIFORNIA COUNTY OF ORANGE 81 (6-6) († | | | | (4-56) (4-57) PREPARED BY DAVID TAUSSIG AND ASSOCIATES, INC. SHEET 11 OF 11

EXHIBIT I

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Rules for Determination of Reassessments

EXHIBIT I

Rules for Determination of Reassessments

Reassessment amounts were determined separately for the parcels within the four separate subareas of the original assessment district which were the subject of the first four conversion transactions (the "Subject Conversions") in a three-step process.

In the first step, an inventory was made of the existing balances in the respective funds and accounts pertaining to those existing assessments and those limited obligation improvement bonds of each of the Subject Conversions which are included in this reassessment and refunding program.

In the second step, the unpaid amount of the original assessment for each parcel for which there remains an unpaid assessment amount was established. The proceeds of such 2017-18 installments, when received, will be utilized for the economic benefit of the affected property owners by paying the principal and accrued interest to become payable during 2018 on the original bonds.

In the third step, the amount of the reassessment for each reassessment parcel, as set forth in Exhibit E, was calculated by reducing the amount of the existing unpaid assessment on each parcel, as set forth in Exhibit A, by the pro rata share of the existing fund balances pertaining to that particular set of assessments and bonds of the applicable Subject Conversion. This third step resulted in different levels of reduction for the parcels in each of the Subject Conversions.

EXHIBIT J

County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)

Annual Administrative Cost Add-On

EXHIBIT J

In addition to or as a part of the reassessment lien levied against each parcel of land within the Reassessment District, each parcel of land shall also be subject to an annual assessment to pay costs incurred by the County and not otherwise reimbursed which result from the administration and collection of assessments or from the administration or registration of any bonds and/or reserve or other related funds. The maximum total amount of such annual administrative cost add-on for the Reassessment District shall not exceed \$200,000, subject to an increase annually by the positive change, if any, in the Consumer Price Index for the Los Angeles area. Each parcel's share of the administrative cost add-on shall be computed based on the parcel's proportionate share of its annual reassessment, exclusive of the administrative cost add-on.



APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary is not to be considered a full statement of the terms of such document and accordingly is qualified by reference thereto and is subject to the full text of the Indenture. Capitalized terms not otherwise defined in this summary or in this Official Statement have the respective meanings set forth in the Indenture.

Definitions.

- "Act" means, collectively, the Improvement Bond Act of 1915, as amended, being Division 10 of the California Streets and Highways Code, and the Refunding Act of 1984 for 1915 Improvement Act Bonds, as amended, being Division 11.5 of the California Streets and Highways Code.
- "**Auditor**" means the Auditor-Controller of the County, or such other official of the County who is responsible for preparing property tax bills.
- "Authorized Representative" means, with respect to the County, its County Executive Officer, Chief Financial Officer, Public Finance Director, or any other Person designated as an Authorized Representative of the County in a Written Certificate of the County filed with the Trustee.
- "Beneficial Owner" means, whenever used with respect to a Book-Entry Bond, the person whose name is recorded as the beneficial owner of such Book-Entry Bond or a portion of such Book-Entry Bond by a Participant on the records of such Participant or such person's subrogee.
- "Board of Supervisors" means the Board of Supervisors of the County, as the legislative body of the County.
 - "Bond Counsel" means a firm of nationally recognized bond counsel selected by the County.
- "Bond Year" means each twelve-month period beginning on September 3 in each year and extending to the next succeeding September 2, both dates inclusive; except that the first Bond Year will begin on the Closing Date and end on September 2, 2018.
- "**Bonds**" means the County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds issued under the Indenture.
- "Book-Entry Bonds" means the Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of the Indenture.
- "Business Day" means any day other than 1)(a) a Saturday, Sunday or legal holiday, (b) a day on which banking institutions in the State of California or in any state where the Office of the Trustee is located are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.
- "Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Book-Entry Bonds.

- "Clerk" means the Clerk of the Board of Supervisors or any assistant or deputy thereof.
- "Closing Date" means the date upon which the Bonds are delivered to the Original Purchaser, being January 31, 2018.
 - "Code" means the Internal Revenue Code of 1986.
- "Continuing Costs Fund" means the fund by that name established and held by the County pursuant to the Indenture.
- "Continuing Costs of the Bonds" means the continuing costs of the Bonds, including the fees, costs and indemnifications due the Trustee or the County.
- "Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the County relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to fees and expenses of bond and disclosure counsel printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee, fees, charges and disbursements of attorneys, municipal advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.
- "Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.
 - "County" means the County of Orange, State of California, and any successor thereto.
- **"County's Teeter Plan"** means the alternative method of distribution of tax and special assessment levies and collections established by the County pursuant to the provisions of Chapter 3, Part 8, Division 1 of the California Revenue and Taxation Code (Sections 4701 and following).
- "DTC" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for Book-Entry Bonds, including any such successor appointed pursuant to the Indenture.
 - "Dated Date" means the dated date of the Bonds, being January 31, 2018.
- **"Defeasance Securities"** means, subject to "Defeasance Securities" below, Permitted Investments of the type described in paragraph (2) of the definition thereof; provided, however, that the Permitted Investments under paragraph (2) will be noncallable prior to maturity.
- "Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the County designated in a Written Certificate of the County delivered to the Trustee.
- "Insurance Policy" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.
- "Insurer" means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

"Insured Bonds" means the Bonds maturing on September 2 of the years 2031 through 2033, inclusive.

"Interest Payment Dates" means March 2 and September 2 of each year, commencing March 2, 2018, so long as any Bonds remain Outstanding.

"Moody's" means Moody's Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation will no longer perform the functions of a securities rating agency for any reason, then the term "Moody's" will be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Office" means the corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the County by the Trustee in writing except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term will mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency and operations business will be conducted, initially in St. Paul, Minnesota.

"Original Purchaser" means Piper Jaffray & Co., as the original purchaser of the Bonds.

"Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Bonds with respect to which all liability of the County will have been discharged in accordance with the Indenture, including Bonds (or portions of Bonds) disqualified under the Indenture; and
- (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds will have been authenticated and delivered by the Trustee pursuant to the Indenture.

"Owner" means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

"Participant" means any entity which is recognized as a participant by DTC in the book- entry system of maintaining records with respect to Book-Entry Bonds.

"**Permitted Investments**" means any of the following to the extent then permitted by the general laws of the State of California:

- (1) Cash.
- (2) United States Treasury bills, notes, bonds or certificates of indebtedness, for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- (3) Obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.

- (4) Eligible commercial paper will be of "prime quality" and of the highest of ranking or of the highest letter and number rating as provided by a Rating Agency, expect that split ratings (i.e., A2/P1) will not be allowed. The commercial paper will not exceed 270 days' maturity and the entity that issues the commercial paper will meet all of the following conditions in either paragraph (a) or paragraph (b):
- (a) Has total assets in excess of five hundred million dollars (\$500,000,000), is organized and operating within the United States as a general corporation, and has debt other than commercial paper, if any, that is rated "A" or higher by a Rating Agency.
- (b) Is organized in the United States as a special purpose corporation, trust, or limited liability company, has program-wide credit enhancements including, but not limited to overcollateralization, letters of credit or a surety bond, has commercial paper that is rated "A-1" or higher, or the equivalent, by a Rating Agency.
- (5) Negotiable certificates of deposit issued by a U.S. national or state-charted bank, savings bank, saving and loan association, or credit union in this state or state or federal association (as defined by Section 5102 of the California Financial Code) or by a state-licensed branch of a foreign bank. Issuing banks must have a short-term rating of not less than A1/P1 and a long-term rating of not less than a "A" from a Rating Agency.
- (6) Investments in repurchase agreements which comply with the requirements of California Government Code Section 53601(j) pursuant to which the seller will repurchase the securities on or before a specified date and for a specified amount and will deliver the underlying securities to the Trustee by book entry, physical delivery, or by third party custodial agreement. The terms of a repurchase agreement will not exceed one year. The term "securities," for the purpose of repurchase agreements, means securities of the same issuer, description, issue date and maturity.

To participate in repurchase agreements, a master repurchase agreement must be completed and signed by all parties involved. Repurchase agreements are required to be collateralized by securities or cash authorized under California Government Code Section 53601(j)(2) as described below:

- (a) To anticipate market changes and provide a level of security for all repurchase agreement transactions, the market value of securities that underlie a repurchase agreement will be valued at 102% or greater of the funds borrowed against those securities and the value will be adjusted no less frequently than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements will be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day.
- (b) Collateral will be limited to U.S. Treasury securities listed in paragraph (2) above and U.S. Government Agency securities listed in paragraph (3) above. Collateral will be held by an independent third party with whom the Trustee has a current custodial agreement. A clearly marked evidence of ownership (safekeeping/custody receipt) must be supplied to the Trustee and retained. The Trustee retains the right to substitute or grant substitutions of collateral.
- (7) Bankers acceptances, also known as time drafts (bills of exchange) that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances will not exceed 180 days maturity. Issuing banks must be rated by each Rating Agency and have a short-term rating of at least A1/P1 and a long-term rating of not less than "A" from a Rating Agency.
- (8) Shares of beneficial interest issued by diversified management companies that are mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of

1940 (15 U.S.C. Sec. 80a-1, et. seq.), which only invest in direct obligations in U.S. Treasury bills, notes and bonds, U.S. Government Agency securities and repurchase agreements with a weighted average maturity of 60 days or less. At a minimum, approved mutual funds will have met either of the following criteria:

- (a) Attained the highest ranking or the highest letter or numerical rating provided by each Rating Agency.
- (b) Retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000
 - (9) Municipal debt instruments issued by a local or state agency, including:
- (a) Bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.
- (b) Registered state warrants or treasury notes or bonds, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state or a department, board, agency or authority of the state.
- (c) Bonds, notes, warrants or other evidences of indebtedness of any local agency within a state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Issuing municipalities must have a short-term rating of not less than A1/P1 and a long-term rating of not less than an "A" from a Rating Agency. Municipal debt issued by the County is exempt from this credit requirement.

(10) Medium-term notes consisting of corporate and depository institution debt securities with a maximum remaining maturity of not more than 397 days for any short-term pools such as money market funds and five years for any longer-term pools such as an extended fund. Medium-terms notes must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment will be rated not less than "A" or its equivalent form each Rating Agency.

(11) The Orange County Investment Pool.

The value of the above investments in (1) through (11) above, which will be determined as of the end of each month, means that the value of any investments will be calculated as follows:

- (1) for the purpose of determining the amount in any fund, all Permitted Investments credited to such fund will be valued at fair market value. The Trustee will determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers will include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation and Merrill Lynch;
- (2) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest; and;

(3) as to any investment not specified above: the value thereof established by prior agreement between the County and the Trustee.

The value of an investment in the Orange County Investment Pool will be computed in the manner required by State law.

"Person" means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Prepayment Account" means the account within the Redemption Fund by that name established and held by the Trustee pursuant to the Indenture.

"Prior Bonds" means, collectively, the County's (i) outstanding \$4,135,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Fixed Rate Series 2003 B, (ii) outstanding \$11,605,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group One, (iii) outstanding \$7,485,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Two and (iv) outstanding \$9,165,000 aggregate principal amount of Newport Coast Phase IV Assessment District No. 01-1 Limited Obligation Improvement Bonds, Group Three.

"Prior Trustee" means U.S. Bank National Association, as Trustee for the Prior Bonds.

"Qualified Reserve Fund Credit Instrument" means the Reserve Policy and an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company, deposited with the Trustee pursuant to the Indenture, provided that all of the following requirements are met: (i) at the time of delivery of such letter of credit or surety bond, the long-term credit rating of such bank is within the two highest rating categories of Moody's or S&P, or the claims paying ability of such insurance company is rated within the highest rating category of A.M. Best & Company and S&P; (ii) such letter of credit or surety bond has a term which ends no earlier than the last Interest Payment Date of the Bonds; (iii) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the Indenture; and (iv) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder amounts necessary to carry out the purposes specified in the Indenture, including the replenishment of the Redemption Fund.

"Rating Agency" means Moody's or S&P, or both, as the context requires.

"Reassessment Consultant" means David Taussig & Associates, Inc. or any other consultant or firm of financial consultants appointed by the County and who or each of whom (a) is judged by the County to have experience with respect to the administration of assessment districts, (b) is in fact independent and not under the domination of the County, (c) does not have any substantial interest, direct or indirect, with the County, and (d) is not connected with the County as an officer or employee of the County, but who may be regularly retained to make reports to the County.

"Reassessment District" means the area designated by the County as "Reassessment District No. 17-1R (Newport Coast Phase IV)," pursuant to the Act.

"Reassessments" means the reassessments levied within the Reassessment District by the Board of Supervisors under the proceedings taken pursuant to the Resolution of Intention.

- "Record Date" means: (a) the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day, and (b) any date established by the Trustee pursuant to the Indenture as a Record Date for the payment of defaulted interest on the Bonds, if any.
- "Redemption Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.
- "Redemption Price" means the aggregate amount of principal of and premium (if any) on the Bonds upon the redemption thereof pursuant thereto.
- "Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to the Indenture.
- "Representation Letter" means the Letter of Representation from the County to DTC, or any successor securities depository for the Book-Entry Bonds, in which the County makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.
- "Reserve Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.
- "Reserve Policy" means the debt service reserve insurance policy issued by the Insurer and deposited into the Reserve Fund.
- "Reserve Requirement" means an amount equal to the least of (i) ten percent (10%) of the original issue price of the Bonds (or, if the Bonds are issued with net premium and such premium is less than 2% of the par amount of the Bonds, then 10% of the initial stated principal amount of the Bonds); (ii) one hundred twenty-five percent (125%) of average annual debt service on the Outstanding Bonds as of the Closing Date; and (iii) maximum annual debt service on the Outstanding Bonds.
- "Resolution of Intention" means Resolution No. 17-154, adopted by the Board of Supervisors on December 12, 2017.
- "**Resolution of Issuance**" means Resolution No. 17-156, adopted by the Board of Supervisors on December 12, 2017, authorizing the issuance of the Bonds.
- "S&P" means S&P Global Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such entity will no longer perform the functions of a securities rating agency for any reason, then the term "S&P" will be deemed to refer to any other nationally recognized securities rating agency selected by the County.
- "Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099 Attention: Call Notification Department, Fax (212) 855-7232 and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the County may designate in a Written Certificate of the County delivered to the Trustee.
- "Supplemental Indenture" means any agreement amendatory of or supplemental to the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"Treasurer-Tax Collector" means the Treasurer-Tax Collector of the County, or an authorized delegate thereof.

"**Trustee**" means U.S. Bank National Association, a national banking association, or any successor thereto as Trustee under the Indenture, appointed as provided in the Indenture.

"Written Certificate" and "Written Request" of the County mean, respectively, a written certificate or written request signed in the name of the County by its Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined will be read and construed as a single instrument.

THE INDENTURE

Transfer and Exchange of Bonds

Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds will be surrendered for transfer, the County will execute and the Trustee will authenticate and will deliver a new Bond or Bonds for a like aggregate principal amount, in any authorized denomination. The Trustee will require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations. The Trustee will require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee will not be obligated to make any transfer or exchange of Bonds pursuant to the Indenture during the period established by the Trustee for the selection of Bonds for redemption, or with respect to any Bonds selected for redemption.

Registration Books

The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which will be open to inspection during regular business hours and upon reasonable notice by the County; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided in the Indenture.

Execution of Bonds

The Bonds will be executed in the name and on behalf of the County with the manual or facsimile signature of the Treasurer-Tax Collector or Assistant Treasurer attested by the manual or facsimile signature of the Clerk of the Board of Supervisors. The County's seal or a facsimile thereof, may be reproduced, imprinted or impressed on the Bonds. The Bonds will then be delivered to the Trustee for authentication by it. In case any of the officers who will have signed or attested any of the Bonds will cease to be such officer or officers of the County before the Bonds so signed or attested will have been authenticated or delivered by the Trustee, or issued by the County, such Bonds may nevertheless be

authenticated, delivered and issued and, upon such authentication, delivery and issue, will be as binding upon the County as though those who signed and attested the same had continued to be such officers of the County, and also any Bonds may be signed and attested on behalf of the County by such Persons as at the actual date of execution of such Bonds will be the proper officers of the County although at the nominal date of such Bonds any such Person will not have been such officer of the County.

Temporary Bonds

The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, will be of such authorized denominations as may be determined by the County, will be in fully registered form without coupons and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond will be executed by the County and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the County issues temporary Bonds it will execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee will authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds will be entitled to the same benefits under the Indenture as definitive Bonds authenticated and delivered under the Indenture.

Bonds Mutilated, Lost, Destroyed or Stolen

If any Bond will become mutilated, the County, at the expense of the Owner of said Bond, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be canceled by it and delivered to, or upon the order of, the County. If any Bond will be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee will be given, the County, at the expense of the Owner, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond will have matured or will be about to mature, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The County may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under the Indenture and of the expenses which may be incurred by the County and the Trustee. Any Bond issued under the provisions of the Indenture in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the County whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and will be entitled to the benefits of the Indenture with all other Bonds secured by the Indenture.

Limited Obligation

All obligations of the County under the Indenture and the Bonds will not be general obligations of the County, but will be limited obligations, payable solely from the Reassessments and the other assets pledged therefor under the Indenture. Neither the faith and credit of the County nor of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

No Acceleration

The principal of the Bonds will not be subject to acceleration under the Indenture.

Refunding of Bonds

The Bonds may be refunded by the County under Divisions 11 or 11.5 of the California Streets and Highways Code upon the conditions set forth in proceedings therefor, all as determined by the Board of Supervisors.

Costs of Issuance Fund

There is established under the Indenture a separate fund to be known as the "Costs of Issuance Fund", which will be held by the Trustee in trust. The moneys in the Costs of Issuance Fund will be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the County stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund; in each case together with a statement or invoice for each amount requested under the Indenture.

Pledge

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, all of the Reassessments (including prepayments thereof), together with interest and any penalties thereon, and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture (other than the Continuing Costs Fund) are pledged by the County to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act; provided that said pledge will exclude any and all payments of Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, which such amounts will be retained by the County and utilized in accordance with the provisions of the County's Teeter Plan. Said pledge will constitute a first lien on such assets.

Redemption Fund

- (a) The Trustee will establish, maintain and hold in trust a special fund designated the "Redemption Fund." Except as otherwise provided in the Indenture, the Trustee will deposit in the Redemption Fund all Reassessments (other than prepayments thereof), together with interest and any penalties thereon, and any other amounts required to be deposited therein by the Indenture or the Act; provided, that it is expressly understood the County will not transfer to the Trustee any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan.
- (b) On or before each Interest Payment Date, the Trustee will withdraw from the Redemption Fund for payment to the Owners of the Bonds the principal, if any, of and interest then due and payable on the Bonds. Five Business Days prior to each Interest Payment Date, the Trustee will determine if the amounts then on deposit in the Redemption Fund are sufficient to pay the principal, if any, of and interest due on the Bonds on such Interest Payment Date. In the event that amounts in the Redemption Fund are insufficient for such purpose, the Trustee, on or before such Interest Payment Date, will withdraw from the Reserve Fund to the extent of any funds therein the amount of such insufficiency, and will transfer any amounts so withdrawn to the Redemption Fund. Amounts so withdrawn from the Reserve Fund and deposited in the Redemption Fund will be applied to the payment of the Bonds. If, after the foregoing

transfer, there are insufficient funds in the Redemption Fund to pay the principal, if any, of and interest on the Bonds, the Trustee will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal of the Bonds unless the Board of Supervisors directs otherwise.

Prepayment Account

The Trustee will establish and maintain a special account within the Redemption Fund designated the "Prepayment Account". The Trustee will deposit in the Prepayment Account the proceeds of the prepayment of any Reassessment upon receipt thereof. Additionally, the Trustee will deposit in the Prepayment Account amounts received from the County in connection with the County's exercise of its rights to optionally redeem Bonds pursuant to the Indenture.

Continuing Costs Fund

The County will establish and maintain a separate fund designated the "Continuing Costs Fund." The County will deposit in the Continuing Costs Fund amounts collected for Continuing Costs of the Bonds. The moneys in the Continuing Costs Fund will be used and withdrawn by the County from time to time to pay the Continuing Costs of the Bonds.

Reserve Fund

(a) The Trustee will establish, maintain and hold in trust a special fund designated the "Reserve Fund."

The County will cause the Reserve Fund to be administered in accordance with Part 16 of the Act; provided that proceeds from redemption or sale of properties, with respect to which payment of delinquent Reassessments and interest thereon was made from the Reserve Fund, will be credited to the Reserve Fund.

- (b) Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Redemption Fund in the event of any deficiency at any time in the Redemption Fund of the amount then required for payment of the principal of, and interest on the Bonds or, in accordance with the provisions of the Indenture, for the purpose of redeeming Bonds from the Redemption Fund.
- (c) Transfers will be made from the Reserve Fund to the Redemption Fund in the event of a deficiency in the Redemption Fund, in accordance with the Indenture.
- (d) Whenever, after the issuance of the Bonds, a Reassessment is prepaid, in whole or in part, as provided in the Act, the Trustee, pursuant to a Written Request of the County, will transfer from the Reserve Fund (but only to the extent of moneys on deposit therein and from no other source whatsoever) to the Prepayment Account an amount, specified in such Written Request, equal to the remainder of (i) the product of the ratio of the original amount of the Reassessment, or portion thereof, so prepaid to the original amount of all unpaid Reassessments, times the initial Reserve Requirement minus (ii) any credit supplied in connection with a previous partial prepayment of the same Reassessment; provided that in no event will moneys be transferred in an amount that causes the Reserve Fund to drop below the Reserve Requirement; provided however, that such transfer will be reduced proportionately in the event the Reserve Fund is funded, in whole or in part, with a Qualified Reserve Fund Credit Instrument.
- (e) On or about July 1, 2032, the Reassessment Consultant will calculate each parcel's pro rata portion of the Reserve Fund and monitor each parcel's payment status, and provide to the County a

report specifying the allocation of moneys which will become available in the Reserve Fund at the end of the fiscal year due to a reduction, if any, in the amount of the Reserve Requirement as a result of the debt service payment to be paid on September 2 following such fiscal year. Those parcels which would otherwise be in their final year of reassessment will be afforded a credit against the reassessment that would otherwise have been levied in such year, such credit to be based on such parcel's pro rata portion of the reduction and such credit not in excess of such parcel's pro rata portion of the Reserve Fund. The County will then direct the Trustee, pursuant to a Written Request of the County, to transfer from the Reserve Fund (but only to the extent of moneys on deposit therein and from no other source whatsoever) to the Redemption Fund, the amount specified in such Written Request for such transfer, such transfer to occur on or about September 1 of the next succeeding fiscal year (e.g., a report filed during July 2032 will specify the amount to be transferred on September 1, 2033 for payment of debt service of the Bonds on September 2, 2033). The Trustee will create a separate sub-account in the Redemption Fund for the moneys transferred from the Reserve Fund (or separate subaccounts therein) if directed to do so by the County pursuant to the Written Request of the County, if the County and the Reassessment Consultant have determined a separate sub-account in the Redemption Fund would be useful for purposes of accounting for the transfer of moneys from the Reserve Fund and the allocation of such moneys to parcels within the Reassessment District. Notwithstanding any provision of the Indenture, the amount to be transferred from the Reserve Fund may be utilized for redemption of Bonds pursuant to the Indenture provided that in no event will moneys be transferred to accomplish such redemption in an amount that causes the Reserve Fund to drop below the Reserve Requirement subsequent to such redemption. If at any time prior to the date of transfer identified in the Reassessment Consultant's report described above the balance in the Reserve Fund is sufficient to retire all Outstanding Bonds, whether by advance retirement or otherwise, collection of the principal and interest on the Reassessments will be discontinued and the Reserve Fund will be liquidated by the Trustee and transferred to the Redemption Fund for the retirement of such Outstanding Bonds, pursuant to a Written Request of the County. In the event that the balance in the Reserve Fund at the time of its liquidation exceeds the amount necessary to retire all of such Outstanding Bonds, the excess will, after the payment of amounts due to the Trustee, be transferred to the County to be used in accordance with the Act.

- (f) So long as no Event of Default will have occurred and be continuing to the actual knowledge of the Trustee, any amount in the Reserve Fund in excess of the Reserve Requirement on September 3 of each year, except as otherwise provided in the Indenture for purposes of arbitrage rebate to the Federal government, will be withdrawn from the Reserve Fund by the Trustee and will be deposited in the Redemption Fund.
- (g) On each September 3, the Trustee will transfer from the Redemption Fund Reassessment payments and amounts collected from foreclosures to the Reserve Fund an amount which, together with amounts then on deposit therein, is sufficient to cause the aggregate amount in the Reserve Fund to equal the Reserve Requirement.
- (h) The Reserve Requirement may be satisfied by crediting to the Reserve Fund moneys, a Qualified Reserve Fund Credit Instrument, or any combination thereof, which in the aggregate make funds available in the Reserve Fund in an amount equal to the Reserve Requirement. Upon deposit of such Qualified Reserve Fund Credit Instrument, the Trustee will transfer any excess amounts then on deposit in the Reserve Fund in excess of the applicable Reserve Requirement into a segregated account of the Redemption Fund, which monies will be applied upon written direction of the County to the redemption of Bonds on the earliest succeeding date on which such redemption is permitted hereby, and pending such application will be, as determined in writing by the County, held either not invested in investment property (as defined in section 148(b) of the Code), or invested in such property to produce a yield that is not in excess of the yield on the Bonds; *provided*, *however*, that the County may by written direction to the Trustee cause an alternative use of such amounts if the County will first have obtained a

written opinion of nationally recognized bond counsel substantially to the effect that such alternative use will not adversely affect the exclusion pursuant to section 103 of the Code of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In any case where the Reserve Fund is funded with a combination of cash and a Qualified Reserve Fund Credit Instrument, the Trustee will deplete all cash balances before drawing on the Qualified Reserve Fund Credit Instrument. With regard to replenishment, any available moneys provided by the County will be used first to reinstate the Qualified Reserve Fund Credit Instrument and second, to replenish the cash in the Reserve Fund. If the Qualified Reserve Fund Credit Instrument is drawn upon, the County will make payment of interest on amounts advanced under the Qualified Reserve Fund Credit Instrument after making any payments pursuant to this paragraph. If a Qualified Reserve Fund Credit Instrument provider is downgraded for any reason, there will be no obligation to replace or secure the Qualified Reserve Fund Credit Instrument.

Investment of Moneys

Except as otherwise provided in the Indenture, all moneys in any of the funds or accounts established pursuant to the Indenture will be invested by the Trustee solely in Permitted Investments, as directed in writing by the County two Business Days prior to the making of such investment. All Permitted Investments will be acquired subject to any restrictive instructions given to the Trustee pursuant to the Indenture and such additional limitations or requirements consistent with the foregoing as may be established by the Written Request of the County. Moneys in all funds and accounts will be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested will mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds, and provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent timely written direction from the County, the Trustee will invest any funds held by it in Permitted Investments described in clause (8) of the definition thereof, provided however, that any such investment will be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee will have received a Written Request of the County specifying a specific money market fund and, if no such Written Request of the County is so received, the Trustee will hold such moneys uninvested.

Subject to the provisions of the Indenture, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture will be deposited in the Redemption Fund; provided, however, that all interest or gain from the investment of amounts in the Reserve Fund will be retained therein and, provided further, that before any such deposit will be made, such interest, profits and other income will be available for the payment of any rebate that may be owed under the Code, as specified in a Written Request of the County delivered to the Trustee.

Permitted Investments acquired as an investment of moneys in any fund established under the Indenture will be credited to such fund. Except as otherwise provided in the following sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Indenture will be acquired, disposed of, and valued at fair market value.

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the County, the Trustee will sell or present for redemption any Permitted Investments so purchased whenever it will be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investments is credited, and the Trustee will not be liable or responsible for any loss resulting from any investment made or sold pursuant to the Indenture. For purposes of investment, the Trustee may commingle moneys in any of the

funds and accounts established under the Indenture. The County acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the County the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, the County specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the County periodic cash transaction statements which include detail for all investment transactions made by the Trustee under the Indenture. Ratings of Permitted Investments will be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Trustee may rely on the investment directions of the County as to both the suitability and legality of the directed investments.

Collection and Application of Reassessments

- (a) The County will comply with all requirements of the Act, the Resolution of Issuance and the Indenture to assure the timely collection of the Reassessments, and interest thereon, including, without limitation, the enforcement of delinquent Reassessments. Any funds received by the County in and for the Reassessment District, including, but not limited to, collections of Reassessments (including prepayments thereof), and interest thereon, upon the secured tax rolls, collections of delinquent Reassessments and interest and penalties thereon, through foreclosure proceedings or otherwise (other than amounts collected on account of Continuing Costs of the Bonds and such other said amounts as are payable to the County) will as soon as practicable be transmitted directly to the Trustee to be deposited into the funds and accounts specified in the Indenture; provided that any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, will be retained by the County to be utilized in accordance with the County's Teeter Plan.
- (b) The Reassessments and interest thereon, will be payable and be collected in the same manner at the same time and in the same installments as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the general taxes on real property.

The County will, before the final date on which the Auditor will accept the transmission of the Reassessments for inclusion on the next tax roll, prepare or cause to be prepared, and will transmit to the Auditor, such data as the Auditor requires to include the installments of such Reassessments, together with interest thereon, and the Continuing Costs of the Bonds on the next secured tax roll of the County. The County is authorized to employ consultants to assist in computing the installments of the Reassessments under the Indenture and in reconciling Reassessments billed to amounts received.

Upon receipt of any Reassessments, or interest or penalties thereon, or prepayments of Reassessments, the County will, as soon as practicable, transfer the same to the Trustee, together with a Written Certificate of the County that identifies which portion, if any, of the amounts so transferred that constitute Reassessments, or interest or penalties thereon, or prepayments of Reassessments; provided, that amounts received on account of Continuing Costs of the Bonds will be retained by the County for deposit in the Continuing Costs Fund and amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, will be retained by the County to be utilized in accordance with the County's Teeter Plan. All sums transferred to the Trustee from the collection of the Reassessments and of the interest and penalties thereon will be placed in the Redemption Fund, and any prepayments of Reassessments will be placed in the Prepayment Account.

(c) Any Reassessment may be prepaid at any time by paying, in whole or in part, the unpaid amount thereof less, if available, the amount transferred to the Redemption Fund from the Reserve Fund pursuant to the Indenture, if any, together with the redemption premium, if any, set forth in the Indenture and interest on such prepaid Reassessment (if not collected in a Reassessment installment) to the earliest redemption date for which notice of redemption may be given in accordance with the Indenture.

Foreclosure

With respect to a delinquency in the payment of an installment of any Reassessment not advanced by the County pursuant to the County's Teeter Plan, the County covenants that it will, not later than the first day of November following a delinquency in the payment of Reassessments, or interest thereon, or amounts to pay the Continuing Costs of the Bonds, undertake and diligently prosecute foreclosure proceedings in the manner prescribed in Section 8830 et seq. of the Act to collect such delinquent amounts; provided, however, that if the amount collected from any source is greater than 92.5% of the installment of the Reassessment and interest thereon, and amounts to pay the Continuing Costs of the Bonds, to be collected, the County will not be required to undertake such foreclosure proceedings, unless it is determined that any single property owner is delinquent in excess of \$25,000 in the payment of such amounts in which case it will diligently institute, prosecute and pursue such foreclosure proceedings against such property owner as set forth in the Indenture. Upon the redemption or sale of the real property responsible for such delinquencies, the County will deposit in the Reserve Fund, from the net proceeds of such redemption or sale, the amount of any delinquency advanced therefrom pursuant to the Indenture; provided, however, that if and to the extent that any such deposit would cause the amount on deposit in the Reserve Fund to exceed the Reserve Requirement, such excess will be deposited in the Redemption Fund. The balance, if any, of such redemption or sale will be disbursed as set forth in the judgment of foreclosure or as required by law.

No Advances from Available Funds

The County will not be obligated to advance available funds of the County to cure any deficiency which may occur in the Redemption Fund; provided, however, that said determination will not prevent the County, in its sole discretion, from so advancing funds.

Punctual Payment

The County will punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Reassessments and other assets pledged for such payment as provided in the Indenture and received by the County or the Trustee.

Extension of Payment of Bonds.

The County will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest will be extended, such Bonds or claims for interest will not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which will not have been so extended. Nothing in this paragraph will be deemed to limit the right of the County to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance will not be deemed to constitute an extension of maturity of the Bonds.

Against Encumbrances.

Except as provided in the Indenture, and except as provided by the County's Teeter Plan regarding any Reassessment with respect to the which the County has advanced the amount of a delinquent installment pursuant to said Teeter Plan, the County will not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Reassessments and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding. The County will not issue any additional bonds, notes or other evidences of indebtedness payable from the Reassessments. Notwithstanding the foregoing or any other provisions of the Indenture, the County will retain all police, taxation and regulatory powers with respect to the real property encumbered by the Reassessments or any of them.

Events of Default.

The following events will be Events of Default:

- (a) Failure to pay any installment of principal of any Bonds when and as the same will become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.
- (b) Failure to pay any installment of interest on any Bonds when and as the same will become due and payable.
- (c) Failure by the County to observe and perform any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such failure will have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, will have been given to the County (with a copy to the Trustee) by the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the County the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an Event of Default if corrective action is instituted by the County within such 60 day period and the County will thereafter diligently and in good faith cure such failure in a reasonable period of time.
- (d) The County will commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

No Acceleration; Foreclosure

The principal of the Bonds will not be subject to acceleration under the Indenture. If any Event of Default will occur under (a) or (b) of "Events of Default" above then, and in each and every such case during the continuance of such Event of Default, if the County has not otherwise done so, the Trustee may or, at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, to the extent that the Trustee has been indemnified to the satisfaction of the Trustee from any liability or expense related thereto, will commence foreclosure against any parcels of real property in the Reassessment District with delinquent Reassessments, or delinquent payments of interest thereon, or delinquent payments of amounts for the Continuing Costs of the Bonds, as provided in Section 8830 et. seq. of the Act.

Other Remedies

In addition to the rights under the Indenture, the Trustee will have the right, for the equal benefit and protection of all Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the County and its officers, agents or employees to perform each and every term, provision and covenant contained in the Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the County and the fulfillment of all duties imposed upon it by the Act;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bond Owners' or the Trustee's rights; or
- (c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the County and its members and employees to account as if it and they were the trustees of an express trust.
- (d) Nothing in the Indenture will be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bond Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Bond Owner in any such proceeding without the approval of the Bond Owners so affected.

Application of Reassessments and Other Funds After Default

If an Event of Default will occur and be continuing, all Reassessments, including any penalties, costs, fees and other charges accruing under the Act, but expressly excluding amounts received on account of Continuing Costs of the Bonds, which will be retained by the County in the Continuing Costs Fund, and further expressly excluding any amounts received by the County representing Reassessments on delinquent parcels, including interest and penalties thereon, so long as the County has paid the Reassessments for such delinquent parcels pursuant to the County's Teeter Plan, which such amounts will be retained by the County to be utilized in accordance with the County's Teeter Plan, and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture will be applied by the Trustee as follows and in the following order:

- (a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under the Indenture;
- (b) To the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

First: to the payment of the Persons entitled thereto of all installments of interest then due in order of the maturity of such installments, and, if the amount available will not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Bonds representing the parcels on which such Reassessments are levied which will have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the

respective Bonds representing the parcels on which such Reassessments are levied on the date of maturity or redemption, and, if the amount available will not be sufficient to pay in full all the Bonds representing the parcels on which such Reassessments are levied, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without discrimination or preference.

(c) Any remaining funds will be transferred by the Trustee to the Redemption Fund.

Trustee to Represent Bond Owners

The Trustee is irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, will be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owners under the provisions of the Bonds, the Indenture, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, will, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it will deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee and such Owners under the Bonds, the Indenture, the Act or any other law. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee will be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of the Indenture.

Bond Owners' Direction of Proceedings

Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding will have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction will not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee will have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction (the Trustee having no duty to make such determination).

Limitation on Bond Owners' Right to Sue.

No Owner of any Bonds will have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Act or any other applicable law with respect to such Bonds, unless (a) such Owner will have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, will have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners will have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee will have refused or omitted

to comply with such request for a period of 60 days after such written request will have been received by, and said tender of indemnity will have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Owners of Bonds will have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, the Indenture, the Act or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right will be instituted, had and maintained in the manner provided in the Indenture and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Absolute Obligation of County

Nothing in the Indenture or in the Bonds will affect or impair the obligation of the County, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as provided in the Indenture, but only out of the Reassessments and other assets pledged in the Indenture therefor and received by the County or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Termination of Proceedings

In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default will have been discontinued or abandoned for any reason or will have been determined adversely to the Trustee or Bond Owners, then in every such case the County, the Trustee and the Bond Owners, subject to any determination in such proceedings, will be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the County, the Trustee and the Bond Owners will continue as though no such proceedings had been taken.

Remedies Not Exclusive

No remedy conferred in the Indenture upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, will be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise.

No Waiver of Default

No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default will impair any such right or power or will be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Duties and Liabilities of Trustee.

(a) <u>Duties of Trustee Generally</u>. The Trustee will prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture and no implied duties or obligations will be read into

the Indenture against the Trustee. The Trustee will, during the existence of any Event of Default which has not been cured or waived; exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

- (b) Removal of Trustee. The County may upon 30 days' prior written notice remove the Trustee at any time unless an Event of Default will have occurred and then be continuing, and will remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee will cease to be eligible in accordance with paragraph (e) below, or will become incapable of acting, or will be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property will be appointed, or any public officer will take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon will appoint a successor Trustee by an instrument in writing.
- (c) <u>Resignation of Trustee</u>. The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the County, and to the Bond Owners notice of such resignation at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the County will promptly appoint a successor Trustee by an instrument in writing. The Trustee will not be relieved of its duties until such successor Trustee has accepted appointment.
- Appointment of Successor Trustee. Any removal or resignation of the Trustee and appointment of a successor Trustee will become effective upon acceptance of appointment by the successor Trustee; provided, however, that under any circumstances the successor Trustee will be qualified as provided in paragraph (e) below. If no qualified successor Trustee will have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the retiring Trustee being removed or resigning or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture will signify its acceptance of such appointment by executing and delivering to the County and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee under the Indenture, and after payment by the County of all unpaid fees and expenses of the predecessor Trustee, such successor Trustee, without any further act, deed or conveyance, will become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee in the Indenture; but, nevertheless at the Written Request of the County or the request of the successor Trustee, such predecessor Trustee will execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and will pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Indenture. Upon request of the successor Trustee, the County will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this paragraph, the County will mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts under the Indenture to each rating agency which then maintains a rating on the Bonds and to the Bond Owners at the addresses shown on the Registration

Books. If the County fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee will cause such notice to be mailed at the expense of the County.

(e) Any Trustee appointed under the provisions of the Indenture in succession to the Trustee will be a national banking association, trust company or bank having the powers of a trust company, having (or if such bank, national banking association or trust company is a member of a bank holding company system, its parent bank holding company has) a combined capital and surplus of at least seventy-five million dollars (\$75,000,000), and subject to supervision or examination by federal or state agency. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank, national banking association or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Merger or Consolidation

Any bank, national banking association or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it will be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company will be eligible under the Indenture will be the successor to such Trustee, without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding.

Liability of Trustee.

(a) The recitals of facts in the Indenture and in the Bonds will be taken as statements of the County, and the Trustee will not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Indenture or of the Bonds or will incur any responsibility in respect thereof, other than as expressly stated in the Indenture in connection with the respective duties or obligations in the Indenture or in the Bonds assigned to or imposed upon it. The Trustee will, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee makes no representations as to the validity or sufficiency of the Indenture or of any Bonds, or in respect of the security afforded by the Indenture and the Trustee will incur no responsibility in respect thereof. The Trustee will be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) for the use or application by the County or others of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of the Indenture; or (iii) interest on any moneys received by it that, as a result of the absence of instructions from the County, or as a result of inadequate or incomplete instructions from the County, regarding the disposition of such moneys, have not been deposited by the Trustee in a fund or account established under the Indenture. The Trustee will not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct. The Trustee will not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee will represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

- (b) The Trustee will not be liable for any error of judgment made in good faith by a responsible officer, unless it will be proved that the Trustee was negligent in ascertaining the pertinent facts.
- (c) The Trustee will not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.
- (d) No personal recourse may be taken, directly or indirectly, against any officer, director, agent or employee of the Trustee with respect to the obligations of the Trustee under the Indenture or any certificate or other writing delivered in connection therewith.
- (e) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Bond Owners, each representing less than a majority of the aggregate principal amount of Bonds then outstanding, the Trustee will follow the direction of the group of Bond Owners holding the largest aggregate principal amount of the Bonds, if any, will be taken. The Trustee will not be liable with respect to any such action taken or omitted to be taken by it in good faith.
- (f) Except for information provided by the Trustee concerning the Trustee, the Trustee will have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee will have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.
- The Trustee will have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and delivered using Electronic Means "Electronic Means" will mean the following communications methods: email, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Indenture.); provided, however, that the County will provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate will be amended by the County, whenever a person is to be added or deleted from the listing. If the County elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions will be deemed controlling. The County understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee will conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The County will be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the County and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the County. The Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) that the security procedures (if

any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. The Trustee may execute any of the trusts or powers thereof and perform the duties required of it under the Indenture by or through attorneys, agents, affiliates, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty under the Indenture, and the Trustee will not be answerable for the acts or omissions of any such attorney, agent, or receiver selected by it with reasonable care.

- (h) The permissive right of the Trustee to do things enumerated in the Indenture will not be construed as a duty and it will not be answerable for other than its negligence or willful misconduct.
- (i) The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Indenture of Trust at the request, order or direction of any of the Owners pursuant to the provisions of the Indenture of Trust unless such Owners will have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.
- (j) No provision in the Indenture of Trust will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers.
- (k) The Trustee will not be deemed to have knowledge of any default or Event of Default unless and until it will have actual knowledge thereof by receipt of written notice thereof at its corporate trust office.

Right to Rely on Documents

The Trustee will be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the County, with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith; provided, however, the Trustee will in no event delay any payment with respect to the Bonds in anticipation of any such opinion.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee will deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be specifically prescribed in the Indenture) may be deemed to be conclusively proved and established by a Written Certificate of the County, and such Written Certificate will be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Preservation and Inspection of Documents

All documents received by the Trustee under the provisions of the Indenture will be retained in its possession and will be subject during business hours and upon 24 hours' notice to the inspection of the County, the Owners and their agents and representatives duly authorized in writing.

Compensation and Indemnification

The County will pay to the Trustee from time to time all reasonable compensation for all services rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture. The County further agrees, to the extent permitted by law, to indemnify and save the Trustee and its officers, directors, agents and employees harmless against any liabilities, losses, costs, suits, judgments, claims, damages and expenses which it may incur in the exercise and performance of its powers and duties under the Indenture and under any related documents, including legal fees and expenses and including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. Without limiting the generality of the foregoing, in performing its duties under any other related agreements, the Trustee will be entitled to all of the rights, protection and immunities accorded to it as Trustee under the Indenture. The Trustee's immunities and protection from liability and its right to payment of compensation and indemnification in connection with performance of its duties and functions under the Indenture will survive the Trustee's resignation or removal and the final payment of the Bonds. In no event will the Trustee be liable for incidental, indirect, special or consequential damages. The Trustee will not be required to give any bond or surety with respect to the execution of its trusts, powers, rights or duties under the Indenture. The Trustee's immunities and protection from liability and its right to indemnification in connection with the performance of its duties and functions under the Indenture will extend to the Trustee's officers, directors, employees and agents. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law. Upon an Event of Default, and only upon an Event of Default, the Trustee will have a first lien with right of payment prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the trust estate for the foregoing fees, charges and expenses incurred by it.

Amendments Permitted.

The Indenture and the rights and obligations of the County, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the County and the Trustee may enter into with the consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which will have been filed with the Trustee. No such modification or amendment will (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or reduce the interest rate borne thereby, or extend the time of payment, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment without the consent of the Owners of all of the Bonds then Outstanding, or (iii) permit the creation of any lien on the Reassessments and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture or deprive the Owners of the Bonds of the lien created by the Indenture on such Reassessments and other assets (except as expressly provided in the Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It will not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it will be sufficient if such consent will approve the substance thereof. Promptly after the execution by the County and the Trustee of any Supplemental Indenture pursuant to this paragraph (a), the Trustee will mail a notice (the form of which will be furnished to the Trustee by the County), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such Supplemental Indenture.

- (b) The Indenture and the rights and obligations of the County, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the County and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:
 - (i) to add to the covenants and agreements of the County in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the County;
 - (ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in the Indenture;
 - (iii) to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Agreement Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;
 - (iv) to modify, amend or supplement the Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and
 - (v) in any other respect whatsoever as the County may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners under the Indenture, in the opinion of Bond Counsel filed with the County and the Trustee.
- (c) The Trustee may in its discretion, but will not be obligated to, enter into any such Supplemental Indenture authorized by paragraphs (a) or (b) above which adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.
- (d) In executing or accepting the additional trusts created by, any Supplemental Indenture permitted by the Indenture or the modification thereby of the trusts created by the Indenture, the Trustee will be provided and will be fully protected in relying upon, any opinion of Bond Counsel stating that the execution of such Supplemental Indenture is authorized or permitted by the Indenture and complies with the terms thereof.

Effect of Supplemental Indenture

Upon the execution of any Supplemental Indenture, the Indenture will be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the County, the Trustee and all Owners of Bonds Outstanding will thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture will be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Endorsement of Bonds; Preparation of New Bonds

Bonds delivered after the execution of any Supplemental Indenture pursuant to the Indenture may, and if the County so determines will, bear a notation by endorsement or otherwise in form approved

by the County and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Office of the Trustee a suitable notation will be made on such Bonds. If the Supplemental Indenture will so provide, new Bonds so modified as to conform, in the opinion of the County and the Trustee, to any modification or amendment contained in such Supplemental Indenture, will be prepared and executed by the County and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding will be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same interest rate and maturity.

Discharge of Indenture.

- (a) If the County will pay or cause to be paid or there will otherwise be paid (i) to the Owners of any Outstanding Bonds the principal thereof and the premium, if any, and interest thereon at the times and in the manner stipulated in the Indenture and therein, and (ii) all other amounts due under the Indenture, then such Owners will cease to be entitled to the pledge of and lien on the Reassessments as provided in the Indenture, and all agreements and covenants of the County and the Trustee to such Owners under the Indenture will thereupon cease, terminate and become void and will be discharged and satisfied.
- (b) Any Outstanding Bond will be deemed to have been paid within the meaning and with the effect expressed in the Indenture when the whole amount of the principal thereof and the premium, if any, and interest thereon will have been paid or when (i) in case said Bond or portion thereof has been selected for redemption in accordance with the Indenture prior to its stated maturity date, the County will have given to the Trustee irrevocable instructions to give, in accordance with the provisions of the Indenture, notice of redemption of such Bond, or portion thereof, (ii) there will be on deposit with the Trustee, moneys or Defeasance Securities, which Defeasance Securities will not contain provisions permitting the redemption thereof other than at the option of the holder, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which will be sufficient to pay when due the principal of and premium, if any, and interest on such Bond due and to become due on said Bond or portion thereof on or prior to the redemption date or its stated maturity date, as the case may be, and (iii) in the event said Bond does not mature and is not to be redeemed within the next succeeding 60 days, the County will have given the Trustee irrevocable instructions to give notice, as soon as practicable in the same manner as a notice of redemption given pursuant to the Indenture, to the Owner of said Bond, or portion thereof, stating that the deposit of moneys or Defeasance Securities required by clause (ii) of this paragraph has been made with the Trustee and that said Bond, or portion thereof, is deemed to have been paid in accordance with this Section and stating such maturity date or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on such Bond, or portion thereof. Neither the moneys nor the Defeasance Securities deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal of and premium, if any, and interest on such Bond, or portions thereof. If payment of less than all of the Bonds is to be provided for in the manner and with the effect expressed in this Section, the Trustee will select such Bonds, or portions thereof, in the manner specified in the Indenture for selection for redemption of less than all of the Bonds in the principal amounts designated to the Trustee by the County.
- (c) The Trustee will receive (i) an opinion of Bond Counsel to the effect that the conditions precedent to a defeasance pursuant to the Indenture have been satisfied, and (ii) an accountants report concerning the matters described in paragraph (b) above (which can be the report delivered pursuant to paragraph (e) below).

- (d) After the payment of all the principal of and premium, if any, and interest on all Outstanding Bonds and all other amounts due under the Indenture as provided in this Section, the Trustee will execute and deliver to the County all such instruments as may be necessary or desirable, and provided to the Trustee by or on behalf of the County, to evidence the discharge and satisfaction of the Indenture, and, upon Written Request, the Trustee will pay over or deliver to the County all moneys or securities held by it pursuant thereto which are not required for the payment of the principal of and premium, if any, and interest on such Bonds and all other amounts due under the Indenture.
- (e) Prior to any defeasance becoming effective under the Indenture, the County will cause to be delivered (i) an executed copy of a report, addressed to the Trustee and the County, in form and in substance acceptable to the County, of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, satisfy the requirements of paragraph (b), above (a "Verification"), (ii) a copy of the escrow deposit agreement entered into in connection with such defeasance, which escrow deposit agreement will provide that no substitution of Defeasance Securities will be permitted except with other Defeasance Securities and upon delivery of a new Verification and no reinvestment of Defeasance Securities will be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) a copy of an opinion of Bond Counsel, dated the date of such defeasance and addressed to the Trustee and the County, in form and in substance acceptable to the County, to the effect that such Bonds have been paid within the meaning and with the effect expressed in the Indenture of Trust, and that all agreements and covenants of the County and the Trustee to the Owners of such Bonds under the Indenture of Trust have ceased, terminated and become void and have been discharged and satisfied, except for the County's obligations under the Indenture, which will survive.

Payment of Bonds After Discharge of Indenture

Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal of, premium, if any, or interest on, any Bonds and remaining unclaimed for two years after the date of deposit of such moneys will be repaid to the County (without liability for interest) free from the trusts created by the Indenture, and all liability of the Trustee with respect to such moneys will thereupon cease; provided, however, that before the repayment of such moneys to the County as aforesaid, the Trustee may (at the cost of the County) first mail, by first class mail postage prepaid, to the Owners of Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the County of the moneys held for the payment thereof.

Limited Obligation

All obligations of the County under the Indenture and the Bonds will not be general obligations of the County, but will be limited obligations, payable solely from the Reassessments and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the County or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds. The Bonds are "Limited Obligation Improvement Bonds" and are payable solely from and secured solely by the Reassessments and the other assets pledged under the Indenture. Notwithstanding any other provision of the Indenture, the County is not obligated to advance available funds from the County treasury to cure any deficiency in the Redemption Fund.

Limitation of Rights to Parties and Bond Owners

Nothing in the Indenture or in the Bonds expressed or implied is intended or will be construed to give to any Person other than the Trustee, the County, and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or in the Indenture contained; and all such covenants, conditions and provisions are and will be held to be for the sole and exclusive benefit of the Trustee, the County, and the Owners of the Bonds.

Waiver of Notice; Requirement of Mailed Notice.

Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice will not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in the Indenture any notice will be required to be given by mail, such requirement will be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Disqualified Bonds

In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the County, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the County or any other obligor on the Bonds, will be disregarded and deemed not to be Outstanding for the purpose of any such determination, unless all of the Bonds are so owned or held, in which case all of the Bonds will be deemed Outstanding. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee will establish to the satisfaction of the Trustee the pledgee's right to vote on such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the County or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel will be full protection to the Trustee. Upon request of the Trustee, the County will specify in a certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such certificate.

Money Held for Particular Bonds

The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) will, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto but without any liability for interest thereon.

Funds and Accounts

Any fund or account required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts will at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of the Indenture and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds

and accounts as it deems necessary or appropriate, or as directed by the Written Request of the County which Written Request will include detailed directions as to administration of said fund(s) or account(s) acceptable to the Trustee and upon which Written Request the Trustee can conclusively rely and be fully protected in acting upon, without liability.

Payment on Non-Business Days

In the event any payment is required to be made under the Indenture on a day which is not a Business Day, such payment will be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Governing Laws

The Indenture will be governed by and construed in accordance with the laws of the State of California.

PROVISIONS OF THE INDENTURE RELATING TO THE INSURANCE POLICY

So long as the Insurance Policy is in effect or amounts are owed to the Insurer, the below provisions will govern, notwithstanding anything to the contrary set forth in the Indenture.

Insurer Consents

The prior written consent of the Insurer shall be a condition precedent to the deposit of any Qualified Reserve Fund Credit Instrument (other than the Reserve Policy) provided in lieu of a cash deposit into the Reserve Fund. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

Insurer as Sole Holder of Insured Bonds.

The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Bond, the Trustee and each Owner appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the County under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Owner delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Owner in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Owners shall expressly include mandamus.

Covenant Default Period.

No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

Insurer as Third Party Beneficiary.

The Insurer shall be included as a third party beneficiary to the Indenture.

Selection of Bonds for Redemption.

Upon the occurrence of an optional or mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer.

Insurer Consent to Amendments.

Any amendment, supplement, modification to, or waiver of, the Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

Insurer's Right to Direct Actions

The rights granted to the Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurence Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.

Defeasance Securities.

So long as the Insurance Policy is in effect, only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish defeasance, the County shall cause to be delivered to the Insurer (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Indenture and (iv) a

certificate of discharge of the Trustee with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the County, Trustee and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Insured Bonds shall be deemed "Outstanding" under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

Amounts Paid by Insurer.

Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the County in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

Action to Preserve Pledge.

The County covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Insurer, whether by virtue of maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the County on any Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on

and principal of any Insured Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the County agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The County hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Reassessments and payable from such Reassessments on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Interest Payment Date shall promptly be remitted to the Insurer.

Subrogation of Rights.

The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the County to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

Reimbursement of Insurer.

The County shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

Application of Funds Upon Default.

After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the County or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund to the Reserve Requirement.

Payment on the Insured Bonds.

The Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the County (as such terms are defined in the Insurance Policy), whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.



APPENDIX D

FORM OF BOND COUNSEL OPINION

[Closing Date]

County of Orange Santa Ana, California

Re: \$28,425,000 Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds

Ladies and Gentlemen:

We have acted as Bond Counsel to the County of Orange, California (the "County"), in connection with the issuance of its \$28,425,000 Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds (the "Bonds"). The Bonds are being issued under the provisions of the Refunding Act of 1984 for 1915 Improvement Bonds, Division 11.5 of the Streets and Highways Code of the State of California (the "Act"), and pursuant to an Indenture of Trust, dated as of January 1, 2018 (the "Indenture"), by and between the County and U.S. Bank National Association, as trustee (the "Trustee").

The Bonds are limited obligations of the County secured under the Indenture by a pledge of Reassessments and certain other moneys held under the Indenture.

In our capacity as Bond Counsel, we have reviewed the Indenture, certifications of the County, the Trustee and others, opinions of counsel to the County and the Trustee, and such other documents, opinions and instruments as we deemed necessary to render the opinions set forth herein. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Based upon the foregoing, we are of the opinion that:

- 1. The Bonds constitute valid and binding limited obligations of the County as provided in the Indenture, and are entitled to the benefits of the Indenture.
- 2. The Indenture has been duly and validly authorized, executed and delivered by the County and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of the County, enforceable against the County in accordance with its terms. The Indenture creates a valid pledge, to secure the payment of principal of and interest on the Bonds, of the Reassessments and certain other amounts held by the Trustee in certain funds and accounts established pursuant to the Indenture, subject to the provisions of the Indenture permitting the application thereof for other purposes and on the terms and conditions set forth therein.

3. Under existing law, and assuming compliance with the covenants mentioned below after the date hereof, interest on the Bonds is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 as amended to the date hereof (the "Code") from the gross income of the owners thereof for federal income tax purposes and will not be included in computing the alternative minimum taxable income of individuals or, except as hereinafter described, corporations. For taxable years that began before January 1, 2018, interest on the Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of computing the alternative minimum tax on such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust. The alternative minimum tax on corporations has been repealed for taxable years beginning on or after January 1, 2018. We are further of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California under present state law.

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to fail to be excluded from the gross income of the owners thereof retroactive to the date of issuance of the Bonds. Pursuant to the Indenture, and in the Tax Exemption Certificate being delivered by the County in connection with the issuance of the Bonds, the County is making representations relevant to the determination of, and are undertaking certain covenants regarding or affecting, the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. In reaching our opinions described in the immediately preceding paragraph, we have assumed the accuracy of and have relied upon such representations and the present and future compliance by the County with such covenants. Further, except as stated in the preceding paragraph, we express no opinion as to any federal, state or local tax consequences of the receipt of interest on, or the ownership or disposition of, the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof predicated or permitted upon the advice or approval of other counsel. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Bonds and the Indenture may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. The enforceability of the Bonds and the Indenture is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of

whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in California.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds.

Respectfully submitted,



APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the County of Orange, California (the "County") in connection with the issuance of \$28,425,000 County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds (the "Bonds"). The Bonds are being issued under the provisions of the Refunding Act of 1984 for 1915 Improvement Bonds, Division 11.5 (commencing with Section 9500) of the California Streets and Highways Code (the "Refunding Law") and the Improvement Bond Act of 1915, Division 10 of the California Streets and Highways Code and an Indenture of Trust, dated as of January 1, 2018 (the "Indenture"), by and between the County and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not defined herein shall have the meaning set forth in the Indenture. The County covenants and agrees as follows:

Section 1. <u>Purpose of this Disclosure Certificate</u>. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as the foregoing capitalized terms are hereinafter defined).

Section 2. <u>Definitions</u>. The following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean David Taussig & Associates, Inc. or any successor Dissemination Agent designated in writing by the County, which has filed with the County a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the Official Statement for the Bonds dated January 17, 2018.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Reassessment District" shall mean the County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV)."

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. <u>Provision of Annual Reports.</u>

(a) The County shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, not later than each May 1, commencing with the report due on May 1, 2018, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the County may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report. The Official Statement shall constitute the first Annual Report due on May 1, 2018.

An Annual Report shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months. The County's fiscal year is currently effective from July 1 to the immediately succeeding June 30 of the following year. The County will promptly notify the MSRB of a change in the fiscal year dates.

- (b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the County shall provide the Annual Report to the Dissemination Agent (if the Dissemination Agent is not the County). If by fifteen (15) Business Days prior to the date specified in (a) for the Annual Report, the Dissemination Agent (if other than the County) has not received a copy of the Annual Report, the Dissemination Agent shall notify the County of such failure to receive the report. If the Dissemination Agent is other than the County, the County shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the County and shall have no duty or obligation to review such Annual Report.
- (c) If the County fails to provide an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice of such failure to file to the MSRB, in the form required by the MSRB.
- Section 4. <u>Content of Annual Report</u>. The County's Annual Report shall contain or include by reference:
- (a) <u>Financial Statements</u>. The audited financial statements of the County for the most recent fiscal year of the County then ended. If the County prepares audited financial statements and if the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the

County in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the County shall be audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited financial statements, if prepared by the County, shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the County may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. If the County shall modify the basis upon which its financial statements are prepared, the County shall provide a notice of such modification to the MSRB, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

- (b) <u>Financial and Operating Data</u>. The following information relating to the Reassessment District:
 - 1. The principal amount of Bonds Outstanding as of the preceding September 30.
 - 2. The balance in the Reserve Fund, as of the preceding September 30.
 - 3. Information of the type set forth in Tables 2 and 4 as of the preceding September 30.
 - 4. A statement as to whether the County's Teeter Plan remains in effect with respect to the Reassessment District as of the September 30 next preceding the Annual Report Date.
 - 5. The identity of any property owner representing more than 5% of the reassessment levy on the parcels delinquent in payment of reassessments, as shown on the reassessment roll of the Orange County Assessor last equalized prior to the preceding September 30.
 - 6. A land ownership summary listing property owners responsible for more than 5% of the reassessment levy on the area constituting the parcels, as shown on the reassessment roll of the Orange County Assessor last equalized prior to the preceding September 30, stating the percentage of such reassessment levy for which each such owner is responsible, as shown on such roll, and stating the percentage of the prior year's reassessment levy on the parcels for which each such owner was responsible, as shown on the reassessment roll of the Orange County Assessor last equalized prior to such roll.

The County has not undertaken in this Disclosure Certificate to provide all information an investor may want to have in making decisions to hold, sell or buy Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

- (a) The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:
 - 1. Principal and interest payment delinquencies;
 - 2. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 3. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 4. Substitution of credit or liquidity providers, or their failure to perform;
 - 5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) (the Bonds are being issued as taxable obligations under the Code);
 - 6. Tender offers:
 - 7. Defeasances:
 - 8. Rating changes; or
 - 9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (b) The County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:
 - 1. Unless described in paragraph 5(a)(5), notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds (the Bonds are being issued as taxable obligations under the Code);
 - 2. Modifications to rights of Bond holders;

- 3. Optional, unscheduled or contingent Bond calls;
- 4. Release, substitution, or sale of property securing repayment of the Bonds;
- 5. Non-payment related defaults;
- 6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
- 7. Appointment of a successor or additional trustee or the change of name of a trustee.
- (c) Whenever the County obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the County shall determine if such event would be material under applicable federal securities laws.
- (d) If the County learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the County shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds pursuant to the Indenture.
- Section 6. <u>Format for Filings with MSRB</u>. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.
- Section 7. <u>Termination of Reporting Obligation</u>. The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance or payment in full of all of the Bonds. If such termination occurs prior to the final maturity date of the Bonds, the County shall give notice of such termination in a filing with the MSRB.
- Section 8. <u>Dissemination Agent</u>. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the County.

- Section 9. <u>Amendment; Waiver</u>. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:
- (a) If the amendment or waiver relates to the provisions of Sections 3, 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.
- Section 10. <u>Additional Information</u>. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.
- Section 11. <u>Default</u>. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Lease, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.
- Section 12. <u>Duties, Immunities and Liabilities of Dissemination Agent.</u> A Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees to indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. <u>Beneficiaries</u>. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, if any, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: January 31, 2018	COUNTY OF ORANGE, CALIFORNIA			
	By:Public Finance Director			
Accepted and Agreed:				
DAVID TAUSSIG & ASSOCIATES, INC., as Dissemination Agent	,			
By:				
Name:				
Title:				



APPENDIX F

BOOK-ENTRY SYSTEM

The information in this Appendix F concerning DTC and its book-entry system has been obtained from sources that the County believes to be reliable, but the County take no responsibility for the accuracy thereof.

General

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.org. The information on such website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their

holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.



APPENDIX G SPECIMEN MUNICIPAL BOND INSURANCE POLICY





MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: \$ in aggregate principal amount of Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which from been recovered such Owner pursuant

Page 2 of 2 Policy No. -N

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subgregation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.



A subsidiary of Assured Guaranty Municipal Holdings Inc. 1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500NY (5/90)





