County of Contra Costa, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

Robert Campbell
Auditor-Controller

Photo By Sally Rae Kimmel

County of Contra Costa, California

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2014

Robert R. Campbell, Auditor-Controller

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COUNTY OF CONTRA COSTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

June 30, 2014

Page

Introductory Section (Unaudited)

Letter to the Board of Supervisors and Citizens of Contra Costa County i

Public Officials xiii

Organizational Chart xiv

Certificate of Achievement xv

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis (Required Supplementary Information) 5

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 21

Statement of Activities 22

Fund Financial Statements:

Governmental Funds:

Balance Sheet 24

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 25

Statement of Revenues, Expenditures, and Changes in Fund Balances 26

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities 27

Proprietary Funds:

Statement of Net Position 28

Statement of Revenues, Expenses, and Changes in Net Position 29

Statement of Cash Flows 30

Fiduciary Funds:

Statement of Fiduciary Net Position 31

Statement of Changes in Fiduciary Net Position 32

Notes to the Basic Financial Statements:

Summary of Significant Accounting Policies 33

Fund Equity 44

Stewardship, Compliance and Accountability 45

Cash and Investments 46

Receivables 63

Interfund Transactions 65

Capital Assets 69

Payables 71

Leases 72

Long-Term Obligations 74

Conduit Debt 80

Net Position/Fund Balances 80

Permanent Fund 85

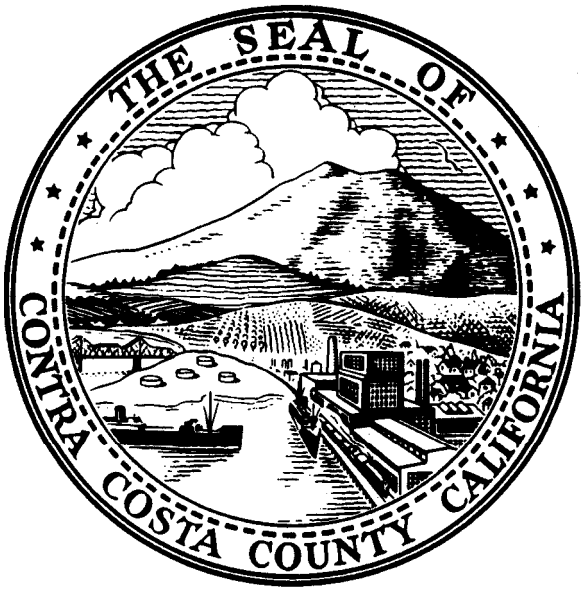
Employees' Retirement Plan 85

Other Postemployment Benefit (OPEB) 89
Patient Service Revenue and Receivables 94
Risk Management 95
Commitments and Contingencies 97
Subsequent Event 98
Required Supplementary Information (other than MD&A):
Schedule of Funding Progress - Employees' Retirement Plan 100
Schedule of Funding Progress - Other Postemployment Benefits 100
Budgetary Comparison Schedules:
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund 101
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - CCC Fire Protection District Special Revenue Fund 104
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Health and Sanitation Special Revenue Fund 105
Note to Required Supplementary Information 107
Combining and Individual Fund Statements and Budgetary Schedules:
Nonmajor Governmental Funds:
Combining Balance Sheet 110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 111
Nonmajor Special Revenue Funds:
Combining Balance Sheet 116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 118
Budgetary Comparison Schedules:
Road Special Revenue Fund 120
Library Special Revenue Fund 121
Low & Moderate Income Housing Assets Special Revenue Fund 122
Other Fire Protection Special Revenue Fund 123
Land Development Special Revenue Fund 124
Service Areas Special Revenue Fund 125
Flood Control Special Revenue Fund 126
Law Enforcement Special Revenue Fund 127
Courts and Criminal Justice Special Revenue Fund 128
Recorder/Clerk Modernization Special Revenue Fund 129
Child Development Special Revenue Fund 130
In-Home Supportive Services Public Authority Special Revenue Fund 131
County Local Revenue Fund 2011 Special Revenue Fund 132
Other Special Revenue Fund 133
Nonmajor Debt Service Funds:
Combining Balance Sheet 136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 138
Budgetary Comparison Schedules:
Recreation and Park Bonds Debt Service Fund 140
Family Law Center Debt Service Fund 141
Retirement Litigation Settlement Debt Service Fund 142
CCC Fire Protection District Pension Bond Debt Service Fund 143
County Pension Bond Debt Service Fund 144
Nonmajor Capital Projects Funds 145
Nonmajor Permanent Fund 147

Nonmajor Enterprise Funds:
Combining Statement of Net Position 150
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 151
Combining Statement of Cash Flows 152
Internal Service Funds:
Combining Balance Sheet 154
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 156
Combining Statement of Cash Flows 158
Fiduciary Funds:
Pension (And Other Employee Benefit) Trust Funds:
Combining Statement of Net Position 162
Combining Statement of Changes in Net Position 163
Private Purpose Trust Funds:
Combining Statement of Net Position 164
Combining Statement of Changes in Net Position 165
Agency Funds:
Statement of Changes in Fiduciary Assets and Liabilities 166

Statistical Section (Unaudited)

Financial Trends:
Net Position by Component 172
Changes in Net Position 173
Fund Balances of Governmental Funds 175
Changes in Fund Balances of Governmental Funds 176
Revenue Capacity:
Program Revenues by Function/Program 178
Government Funds – Tax Revenues by Source 179
Assessed Value of Taxable Property 180
Property Tax Rates, Direct and Overlapping Governments 181
Principal Property Taxpayers 182
Property Tax Levies and Collections 183
Debt Capacity:
Outstanding Debt by Type 184
Direct and Overlapping Bond Debt 186
Legal Debt Margin Information 188
Economic & Demographic Information:
Demographic and Economic Statistics 189
Principal Employers 190
Full-Time Equivalent County Employees by Function/Program 191
Operating Information:
Operating Indicators by Function 192
Capital Asset Statistics by Function/Program 206
Miscellaneous Statistics 207


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Introductory Section

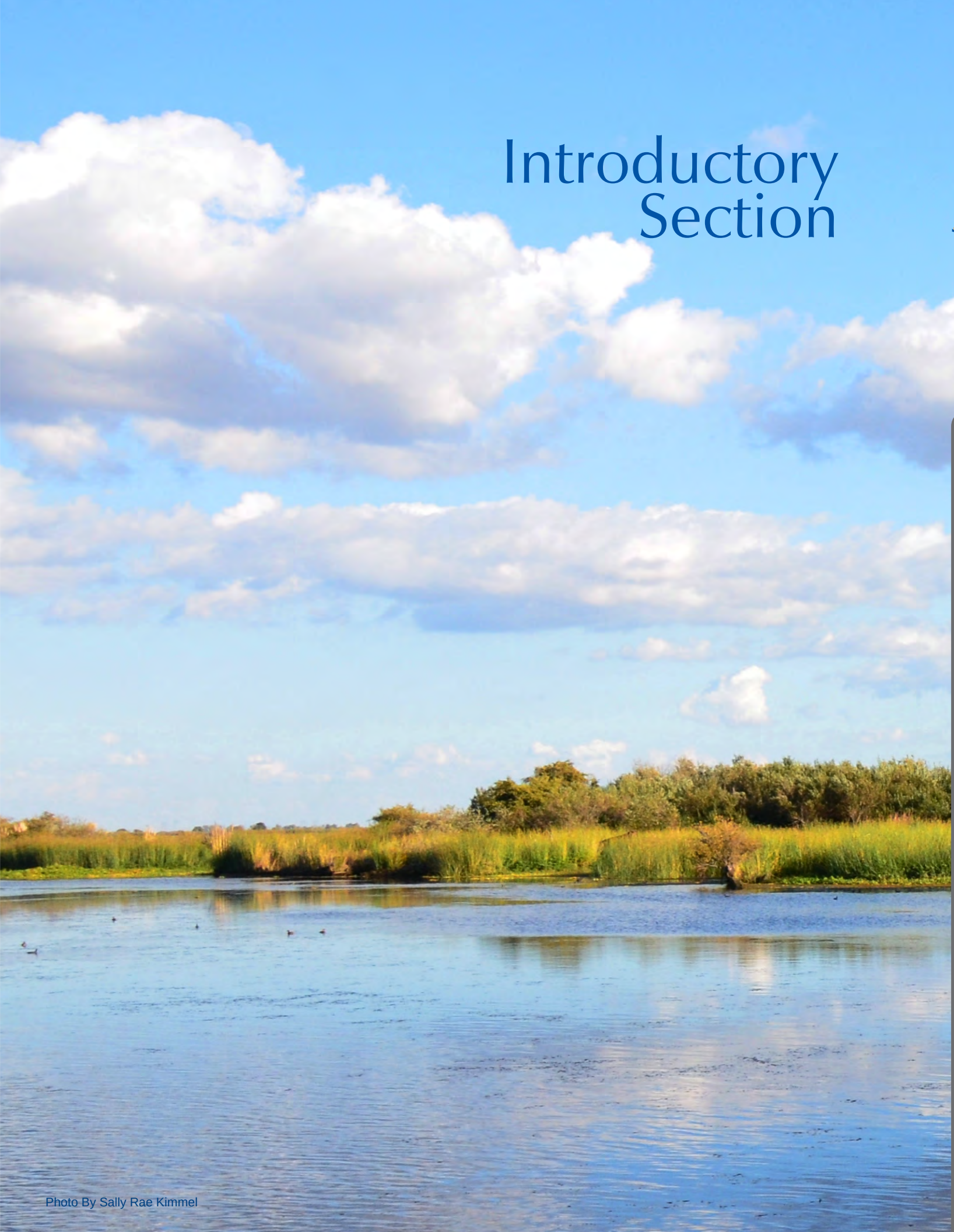


Photo By Sally Rae Kimmel

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December 12, 2014

Members of the Board of Supervisors and Citizens of Contra Costa County:

The Comprehensive Annual Financial Report (CAFR) of the County of Contra Costa (county) for fiscal year 2013-2014 is presented in compliance with California Government Code Sections 25250 and 25253. The Office of the County Auditor-Controller is responsible for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, prepared in this report. We believe the data, as presented, is accurate in all material respects, presented in a manner designed to fairly set forth the financial position and changes in financial position of the county and its various funds, and includes all disclosures necessary to enable the reader to gain maximum understanding of the county's financial affairs.

Management of Contra Costa County is responsible for establishing and maintaining a comprehensive system of internal controls to ensure that the assets of the county are protected from loss, theft, or misuse, and that accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that those objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

For over 60 years, the policy of the county has been to require an annual audit of the financial statements of the county by independent, licensed certified public accountants. The Board of Supervisors selected the firm of Macias Gini & O'Connell LLP, Certified Public Accountants, to perform the fiscal year 2013-2014 audit.

The independent auditor concluded that the county's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of the CAFR.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the year, covering all of its financial transactions. The accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which is located after the independent auditor's report. The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the county, the nature and scope of the services it provides, and the specifics of its legal operating environment.

- *The Financial Section* includes the independent auditors' report on the basic financial statements, MD&A, audited basic financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the county's financial activities of the past fiscal year.

- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

Profile of the Government

Contra Costa County was incorporated in 1850 as one of the original 27 counties of the state. It is one of nine counties in the San Francisco-Oakland Bay Area. The county covers about 733 square miles: the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial, and light industrial.

The county has a general law form of government. A five member Board of Supervisors (Board), each elected to four-year terms, serves as the legislative body. A County Administrative Officer is appointed by the Board and runs the day-to-day business.

The county provides the full-range of services contemplated by statute. These services include public protection, highways and streets, sanitation, health and social services, planning and zoning, and general administrative services.

The county reporting entity includes all the financial balances and activities of the primary government as well as all of its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county. For further information on component units, see Note 1.A in the "Notes to the Basic Financial Statements" in this report.

The reporting entity excludes certain separate legal entities that may have "Contra Costa" in their title, or that are required to keep their funds in the County Treasury, or receive their property tax apportionment from the county. Examples are school districts, the community college district, cities, successor agencies to city redevelopment agencies, the Bay Area Rapid Transit District, the Metropolitan Transportation Commission, and a variety of special purpose districts for cemeteries, mosquito abatement, recreation and parks, etc. Those entities are autonomous organizations that handle their own fiscal affairs and for which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying basic financial statements, except for their assets, principally cash and investments, which are held by the County Treasurer.

The annual budget serves as the foundation of the county's financial planning and control. The Board is required to adopt a recommended budget before the start of the fiscal year. The budget is prepared by fund, function (e.g. public protection), department (e.g. Sheriff), and object level (e.g. salary and benefits). Department heads, with the approval of the County Administrator, may make transfers within the department; however, transfers between departments require the approval of the Board. For further information on the budget, see the "Note to Required Supplementary Information" in the Required Supplementary Information (other than MD&A) section of this report.

Local Economy

As of January 1, 2014, the county's population was estimated at 1,087,008. This represents an increase of approximately 1.3% compared to the county's population as of January 1, 2010.

Between July 2013 and June 2014, the county's unemployment rate decreased from 7.3% to 6.0%, which was significantly below the statewide averages of 8.8% and 7.3%, respectively (not seasonally adjusted). The county's economy is very diverse: major industries include petroleum refining, manufacturing, electronic equipment, and utilities. The county consistently ranks as a leader in both per capita and household income.

The following charts present pertinent available data for the last five-years:

Population	
2010	1,073,055
# 2011	1,056,064
# 2012	1,066,602
# 2013	1,076,429
2014	1,087,008

Median Price of Existing Homes Sold*		
# 2010	June	281,000
# 2011	June	N/A
2012	June	315,000
2013	June	415,000
2014	June	461,000

Retail Sales (Thousands)	
2010	11,953,846
2011	12,799,857
2012	N/A
2013	N/A
2014	N/A

Retail Sales Per Capita	
2010	11,140
2011	12,118
2012	N/A
2013	N/A
2014	N/A

Revised
* Revised due to change in information availability date
Sources: California Department of Finance/Employment Development Department/DQ News
N/A = Not available

The county's goal for fiscal year 2013-14 was to adopt a General Fund budget that balanced annual expenses and revenues, preserved the fund balance, addressed revenue challenges and pension cost increases, and long-term rebalancing and structure of budget. The county met those goals in fiscal year 2013-14 and continues to be optimistic for the long term given the Board and employees' commitment to continued fiscal stability. Standard & Poor's (S&P) raised Contra Costa County's credit rating to "AAA" from "AA-", a reflection on the county's prudent management of finances as the Bay Area eases out of the recession. The rating agency also raised its long term ratings to "AA+" from "AA-" on the county's existing lease revenue bonds and pension obligation bonds. At the end of fiscal year 2012-13, the county was in contract with the majority of its labor unions. With their assistance, the county has implemented a long-term rebalancing plan to reduce its expenditures and restructure its service delivery to provide the most effective services within annual available resources.

Economic Challenges

Contra Costa County has long focused on its mission to provide public services that improve the quality of life to its residents and the economic viability of its businesses. The county continued to face several financial challenges at the end of fiscal year 2012-13 and start of fiscal year 2013-2014 such as pension liability, the slow economic recovery, and the realignment of public safety programs transferred to counties. Focusing on specific areas for improvement allowed the county to manage its resources, lower its expense growth, improve its revenues, and build reserves. Contra Costa County has managed the economic downturn during the last several years by working with its employees to make prudent fiscal choices, live within its means, and continue its practice of planning for the future.

The county started to see improvement in its financial status in the fiscal year; after three consecutive years of negative growth of assessed valuation, the assessed value increased by 0.86% in fiscal year 2012-13 and then in fiscal year 2013-14 by 3.45%. Additionally, during the last few years, the county reached agreement with the majority of its employee groups to reduce the county's cost for current employees and to eliminate retiree health care costs for future employees. That action substantially reduced the county's long-term liability relating to the provision of retiree health care. This action, in combination with pre-funding, virtually eliminated growth in the county's OPEB liability. The Board continues to make significant progress towards a solution for one of the biggest fiscal challenges the county has faced to date.

The fiscal year 2013-14 budget and message continued to provide for essential community services to its residents and minimize adverse impacts to the community. A $1.3 billion fiscal year 2013-14 general fund budget was adopted by the Board on May 14, 2013, that included virtually no program cuts. This was significant in that the fiscal year 2011-12 budget required the elimination of $34.7 million in programmatic expenditures and included the reduction of 107 funded, full-time equivalent positions. Those reductions followed previous actions taken to reduce county and special district budgets by over $34.4 million in fiscal year 2010-11, $65 million in fiscal year 2009-10, and $90.0 million in fiscal year 2008-09.

The goal of the fiscal year 2012-13 budget was to make cuts that would balance the budget and would promote future sustainability into fiscal year 2013-14 and beyond. The goal was reached and the majority of the county's immediate problems were resolved. Due to mandates on service levels, budget reform was enacted primarily in the area of employee compensation. The majority of county employees were impacted by reduced wages and increased pension costs. The county saved an annual average of 5% of wages and benefits, which structurally balanced the budget. There were no increases built into the fiscal year 2013-14 budget and any negotiated increases were absorbed by departments.

A major issue in fiscal year 2013-14 and beyond continues to be the impact of the 2008 equity market losses in the pension fund. Over the last two years, employees in the majority of the county's bargaining groups have been paying a greater percentage of pension costs. Although the county paid off a significant pension obligation bond in fiscal year 2013-14, projected relief was virtually eliminated by the retirement board's reduction of the Assumed Rate of Interest (AIR) from 7.75% to 7.25%.

The fiscal year 2013-14 adopted budget, assumed the following:

- 2% assessed valuation/property taxes;
- relatively flat compensation costs;
- increased pension costs;
- and no reliance on one-time revenues.

At mid-year, the Board formally reviewed the fiscal year 2013-14 budget pursuant to the county's budget, reserve, and debt fiscal policies. At the time of that review, departmental expenditures and revenues at mid-year were within acceptable parameters given the Board's approved budget. The overall county budget including the general fund budget was balanced.

There were several major contributors to achieving a balanced budget:

- expired contracts with the majority of unions, which did not include compensation increases;
- high number of vacancies due to several years of high numbers of retirements without the ability to quickly backfill the positions; and
- actual increase of 3.45% in assessed valuation ($4.87 billion increase in the local tax base) rather than the 2% growth in assessed valuation expected.

The end of fiscal year 2013-14 marked the eighth year of operations since the county's adoption and implementation of fiscal policies. Although fiscal and economic challenges still exist, the budget remained balanced due to diligent monitoring and adjustments.

Reserve Balance

Prior to the housing market collapse, the county had reversed the declining reserves trend experienced in the last decade and achieved a balanced General Fund budget for fiscal years 2005-06 and 2006-07. However, as is their purpose, reserves were spent in fiscal year 2007-08 and 2008-09. In fiscal year 2009-10 and fiscal year 2010-11, due to federal stimulus funding and negotiated compensation concessions, the budgets were balanced. The fiscal year 2012-2013 and 2013-14 budgets did not anticipate reserve spending for on-going program expenses and the fiscal year 2014-15 budget does the same.

In 2005, the Board adopted a General Fund Reserve Policy that established specific goals regarding the county's total and unreserved General Fund balance (5% unreserved as a percentage of General Fund revenue and a 10% total). The Governmental Accounting Standards Board (GASB) Statement 54 required a slight revision to the county's General Fund Reserve Policy by changing the term "unreserved" to "unassigned". The county continues to exceed the minimum unassigned General Fund goal of 5% of each year's projected revenue; however, the county has not achieved its informal goals of 10% and 20%, which are more prudent goals for a county the size of Contra Costa County. Five years of actual data now is available under the new GASB 54 format and presented in the schedule of Fund Balances of Governmental Funds on page 175 of the Statistical Section. Restricted and committed fund balance for the General Fund increased by $456 thousand and $240 thousand, respectively, non-spendable fund balance increased by $1.8 million, assigned fund balance grew by $20.4 million, and unassigned fund balance grew by $26.8 million. The total fund balance grew by $49.7 million in fiscal year 2013-14, which increased the total fund balance as a percentage of total revenue from 15.3% to 18.3% (a 3% increase).

Through prudent management and significant sacrifice from the county's majority of employees, the county's General Fund budget balanced at year end.

Relative Debt Burden

There are many measures of an entity's fiscal health in addition to reserve levels. Pursuant to the county's Debt Management Policy, the Debt Affordability Advisory Committee annually calculates certain debt factors and debt burden ratios, compares them to benchmarks maintained by Moody's Investors Service (Moody's) and Standard & Poor's (S&P), and reports the results. That analysis occurs each year after publication of counties' Comprehensive Annual Financial Reports (CAFR).

Measuring the county's reserves and debt performance using reserves and debt ratios provides a convenient way to compare the county's credit performance to other borrowers. Two of the most common reserves ratios applied to counties are the total and unassigned general fund balance as a percentage of total general fund revenues. Those ratios are important measures of the financial flexibility of the county, (i.e. the ability of the county to absorb the impact of unforeseen events and emergencies such as sudden drops in assessed valuation due to real estate market cycles, earthquakes, etc.).

Presently, the county's performance on the available general fund balance (which includes the assigned, unassigned, and committed balances) as a percentage of total general fund revenues ratio (17.11%) is split in that it is weaker than the 20.0% S&P mean but stronger than the 17% Moody's median for large AA/Aa rated counties. With respect to the total general fund balance as a percentage of total general fund revenues ratio, the county's 18.3% ratio is weaker than both the 25.0% S&P mean and the 19.1% Moody's median for large AA/Aa rated counties. It should be noted that the gaps, while significant, are not as wide when the county is compared to its California cohorts rather than compared to large counties nationwide. The county's 11.0% ratio of the unassigned general fund balance as a percentage of total general fund revenues is above the 9.4% median ratio for cohort California counties and the county's 18.3% total general fund balance as a percentage of total general fund revenues ratio is higher than the 16.62% median ratio for cohort California counties, although the cohort county medians reflect audited data from fiscal year 2012-13, as the audited data for fiscal year 2013-14 is not yet available. Rating agencies evaluate the county relative to a broader universe of counties and, thus, the comparisons to counties nationwide are critically important.

The four debt ratios tracked by the county are direct debt to assessed valuation, overall debt to assessed valuation, assessed valuation per capita and direct debt per capita. The county performed on each of these as follows:

1. On direct debt to assessed valuation and overall debt to assessed valuation, the county performed better that the California cohort benchmark but worse than the national median.

2. On assessed valuation per capita, the county performed better than both the California cohort benchmark and the national median.

3. On direct debt per capita, the county performed worse on both the California cohort benchmark and the national median.

Standard & Poor's (S&P) raised Contra Costa County's long-term credit rating to the highest-possible level of "AAA" from "AA", a reflection of the county's prudent management of finances as the Bay Area eases out of the recession. This achievement is due to the county's adherence to its financial management policies, the underlying strength of the county's wealth and assessed valuation demographics, and the county's demonstrated

track record in managing difficult economic cycles. S&P also raised its long term ratings to "AA+" from "AA-" on Contra Costa's existing lease revenue bonds and pension obligation bonds. In addition, the county's conservative fixed-rate debt portfolio shielded the county from the serious and expensive disruptions in the variable rate market that began in the Fall of 2007 when the global financial crisis was emerging.

The county will continue to work towards improving its comparative credit performance so that the gap between the county and its cohort counties will be further reduced. Important elements within the county's control that would reduce the gap include: increasing the unassigned general fund balance percentage more towards the California cohort median; continuing to prudently issue debt; structuring debt issues conservatively to achieve low borrowing costs and maximum federal and state reimbursements; monitoring the market for refunding opportunities to reduce debt service costs for capital projects and pension costs; and assessing alternative funding sources to reduce reliance on issuance of lease revenue bonds.

Long-term Financial Planning

The county is committed to prudent fiscal management and engages in targeted long-term financial planning when possible and appropriate. Per Budget Policy, the fiscal year 2013-14 budget process again included a strategic planning and financing process for facilities renewal and new construction projects (short and long-term capital budgets) and a comprehensive management program for the county's general government real estate assets relative to acquisition, use, disposition, and maintenance. This process includes funding decisions for maintaining the county's facility assets, allowing the Board to weigh competing funding decisions using credible information.

For fiscal year 2013-14, in addition to funding budget year projects, building lifecycle funding will begin. Per the Finance Committee, $750,000 was set-aside on a cost-per-foot basis for future projects.

- Martinez Wellness Center, a 10,000 square foot, single-story, outpatient health center which includes a mental health clinic was completed in February, 2014. Total project cost was $7 million.

- Crisis Residential Facility, also known as the "Hope House" is a 24-hour residential treatment facility. Such a program is a viable alternative to hospitalization and provides a transitional level of care for patients leaving hospitals but needing further assistance while re-entering the community. This is a 6,600 square foot, two-story facility that includes space for 16 residents. Construction was completed in June, 2014. Total project cost was $4 million.

- Concord Health Center – The expansion and remodel of the Concord Health Clinic on Willow Pass Road was completed in June, 2014. Total project cost was $2 million.

- Call Center – The county contracted with the State of California to provide health exchange services. This project provided a 38,000 square foot office space for approximately 200 new employees, as required under the contract. It included the location, leasing and remodel of the building at 2500 Bates Avenue. Total project cost was $1.5 million.

- 50 Douglas Drive – Remodel of office space for the Department of Child Support Services was completed in July, 2013. Total cost of the project was $900,000.

- The replacement of the Chiller units at the Martinez Detention Center was completed in August, 2013. The cost of the project, funded through the FLIP program, was $800,000.

County's long-term liability for Other Postemployment Benefits (OPEB).

The Board's actions, to date, have had a significant impact on the county's original 2006 OPEB liability of $2.57 billion and annual required contribution (ARC) of $216.3 million. The reductions reflect health plan changes, caps on county contributions, and labor concessions that are summarized below:

- Negotiated caps on county contributions for the majority of labor organizations.
- Compared to the county's original OPEB valuation from 2006, the county's Unfunded Actuarial Accrued Liability (UAAL) has declined by 69.1% (from $2.57 billion to $794.4 million).
- The normal cost has declined 78.0% (from $130.6 million to $28.7 million).
- The annual required contribution (ARC) has declined by 59.1% (from $216.3 million to $88.5 million).
- In December 2010, the county authorized adoption of the Public Agencies Retirement Services (PARS) Post-Retirement Health Care Plan Trust Agreement to manage its OPEB irrevocable trust account and in 2011 began transferring assets into that trust. The county continues to deposit $20 million into the trust on an annual basis.
- The county pre-funded 14% of its OPEB obligation. Total OPEB trust assets were $129.4 million as of the January 1, 2014, GASB 45 Actuarial Valuation.

Relevant Financial Policies

The Board has adopted a comprehensive set of financial management policies to provide for: (1) the annual adoption of a policy for the prudent investment of county funds; (2) establishing a Treasury Oversight Committee; (3) establishing and maintaining a General Fund reserve; (4) establishing formal fiscal policies regarding the adoption and maintenance of an annual balanced budget; and (5) establishing parameters for issuing and managing debt. Each of these financial management policies is described below.

Investment Policy. The county annually adopts an investment policy (the "Investment Policy") governing the county's investment of funds in the County Treasurer's Investment Pool, which as of June 30, 2014, held assets in the approximate amount of $2.4 billion. The Board approved the most recent update to the Investment Policy on June 17, 2014.

Treasury Oversight Committee. The Treasury Oversight Committee is composed of seven members: the County Superintendent of Schools; a representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the county; a representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the county that are required or authorized to deposit funds in the County Treasury; a representative appointed by the Board; and three members of the public nominated by the County Treasurer-Tax Collector.

The Treasury Oversight Committee is responsible for conducting a quarterly review of the county investment portfolio and annually updating the Investment Policy.

Reserve Policy. The Reserve Policy requires the county to maintain a General Fund balance equal to a minimum of 10% of General Fund revenues and an unassigned fund balance equal to a minimum of 5% of General Fund revenues. Reserves exceeding the minimum are applied only to one time uses, such as additional reserves or capital projects, up to an amount equal to 1% of General Fund revenues. The reserves can only be

used in emergencies and if accompanied by a Board-approved plan to restore reserves to the target levels. The county's audited financial report for fiscal year 2013-2014 confirms compliance with the reserve policy: the total General Fund balance was 18.3% of General Fund revenues and the unassigned portion was 11.0%.

Budget Policy. The objectives of the Budget Policy are to establish best practices for the county's budget process and requirement for preparation of multi-year budget projections. Among other things, the Budget Policy requires the adoption of structurally balanced budgets and requires mid-year updates on budget status by department, with corrective actions presented to the Board within 30 days for any cost centers over budget.

Debt Management Policy. The Debt Management Policy (Policy) formalized guidelines for the issuance and management of various types of debt instruments and other financial obligations. The Debt Management Policy provides that the county will undertake multi-year capital planning and sets forth guidelines for the term of debt issues, refunding savings targets, and other structural debt features.

The Debt Management Policy established a Debt Affordability Advisory Committee (DAAC) that evaluates the viability of any proposed debt-financing, monitors and evaluates the county's performance against various debt ratio benchmarks, and annually prepares a comprehensive debt capacity report for the County Administrator. The DAAC monitors specific statistical measures and compares them to those of other counties, rating agency standards, and the county's historical ratios.

Investment Pool Rating. The Contra Costa County Investment Pool (Pool) was rated by Standard & Poor's (S&P) on March 31, 2014. The Pool was assigned a fund credit quality rating of "AAAf" and a fund volatility rating of "S1+." The "AAAf" rating is S&P's highest fund credit quality rating with the "S1+" volatility rating reflecting extremely low sensitivity to changing market conditions. In order to maintain current and accurate ratings, S&P monitors the portfolio holdings on a regular basis. The Pool has maintained its AAAf and S1+ ratings since first rated in November 2007.

Workers' Compensation. The Board maintains a Workers' Compensation Internal Service Fund funding policy. The objective of the policy was to establish a targeted minimum confidence level of 80%. The objective again was exceeded and was in excess of 86% during fiscal year 2013-2014. In the last few years, the county transfers were lowered to approximately $17 million from $20 million annually to the Workers' Compensation Internal Service Fund and still meet the Board's funding objective.

Major Initiatives

<u>Agriculture</u>

The Canine Program continues to be a success. Two new US Department of Agriculture (USDA) trained dogs were brought into this program to replace two retired dogs. The two teams continue to work regionally in 12 Greater Bay Area counties and alerted on a total of 4,724 parcels at USPS, FedEx, and UPS. A total of 206 unmarked packages of Agricultural commodities were intercepted.

No new infestation sites of the A-rated pest, Japanese Dodder, were found in 2013. All 49 historically infested sites were monitored and found clean of this pest. Total county-wide eradication of this serious pest is near.

Assessor

Reduced the backlog of Proposition 58 (Reassessment Exclusion for Parent-Child Ownership Transfers) and eliminated the backlog of Proposition 60 (Transfer of Property Tax Base for Senior Citizens) applications.

Created separate Proposition 8 reduction in value notices and notices of value restoration to provide taxpayers with specific information tailored to each situation, which resulted in improving customer service.

Conservation and Development

The Department was awarded the Gold certificate for its facility at 30 Muir, the first county building to receive this distinction.

Library

Received the 2013 Best in Achievement Award from the National Association of Counties for "Veterans Connect", a series of events to help veterans adjust to civilian life by connecting them to the community through book discussion groups, workshops on how to access veteran benefits, and by inviting them to record their stories in the Veterans History Project with the Library of Congress.

Received over 15 grants for direct library service programming and innovation, including: Muslim Journeys (Bridging Cultures) reading and discussion series; early learning and play centers to support literacy outreach in 12 underserved areas; programming to address obesity and health issues for children; "Every Child One Book" community-wide reading for children; NASA "Summer of Inventions" to support scientific thinking and creativity for children; and a "Book-to-Action" program (a combination of book club and community service action projects).

Treasurer-Tax Collector

As part of the county's effort to support a cleaner and healthier environment by taking advantage of today's technology, the Treasurer-Tax Collector's Office continues to offer a free subscription service delivering Secured Property Tax bills and reminder notifications via e-mail. The service is intended to promote e-commerce and eliminate the need to mail and/or receive "paper" tax bills and subsequent payments. Instead, taxpayers may receive and/or send tax payments electronically, which reduces costs while increasing efficiency.

Department of Child Support Services

Current Child Support Collections: Achieved 65.8% of cases with current support collected, an increase of 2.8% over last year.

Arrears Collections: Achieved 67.6% of cases with arrearage collections, an increase of 1% over last year. DCSS is focused on engaging parents with delinquent accounts to make child support payments. The statewide average of cases paying on arrears is 65.1%; DCSS has consistently maintained participation above the statewide average.

Employment and Human Services (EHSD)

The Employment Human Services Department successfully staffed and opened one of three Covered California Call Centers and the only county operated call center. This added 204 FTE and $14.9 million in the fiscal year 2013-2014 budget, including startup costs and $14.4 million.

The Employment Human Services Department has undertaken a "paperless" conversion of significant portions of their information management. This project was described as "The Office of the Future" project. The project involved establishing the infrastructure for clients to access department services electronically, staff to process applications and manage cases electronically, convert previously created "hard copy" documents to an electronic form, and provide accommodations and assistance for clients. Much of this project has been completed, resulting in a $7.1 million reduction in expenses in the Administrative Services Bureau and a corresponding reduction in revenue.

Health Services

The Contra Costa Health Plan (CCHP) was successful in applying for and becoming one of the 11 Qualified Health Plans offered through the Covered California Exchange. CCHP also was able to certify all marketing and outreach staff through testing and examination as Certified Plan Based Enrollers. CCHP marketing and member services staff contacted all former Basic Health Care/Health Care Coverage Initiative (BHC/HCCI) patients by phone and set appointments for over 375 patients to meet with CCHP marketing staff. Staff was able to assist with application for Covered California products. Additionally CCHP did a preliminary Medi-Cal screening to all former BHC/HCCI patients contacted over the phone and referred those patients to Medi-Cal to apply. Through February 2014, more than 500 individuals have enrolled with CCHP under the Covered California Exchange.

District Attorney

The District Attorney's Office continues its strong involvement with the anti-gang initiative known as "Ceasefire" in the city of Richmond. The Office is attempting to stem gang violence at its source, before shootings erupt and innocent lives are taken. This includes holding "call-ins" where gang members are called into meetings and told of an impending crackdown if the violence continues. The initiative is in partnership with law enforcement, community members, clergy, and service providers. In other communities across the nation, studies show that Ceasefire drops homicide rates by a minimum of 20%.

In March 2012, the first Richmond call-ins were held; in the subsequent 12 months, there was a drop of more than 50% in the city's homicide rate and only 1 homicide between December 1, 2012 to March 1, 2013. The District Attorney's Office continues to work closely with the West County community to keep the momentum going in a positive direction. From July 1, 2013 to February 28, 2014, Richmond suffered four homicides; two in September 2013 and two in October 2013. The months of July 2013, August 2013, November 2013, December 2013, January 2014, and February 2014 passed with no homicides in the city of Richmond, which is a remarkable improvement.

Office of the County Administrator

The Department lead efforts that resulted in the county receiving a ratings upgrade to AAA from Standard and Poor's, a reflection on the County's prudent management of finances.

Provided staff support for the Community Corrections Partnership, including facilitation of the annual budget process resulting in the development and approval of a countywide AB109 budget for integration in the County Recommended Budget in excess of $20 million. In addition, the County Administrator facilitated a successful request for proposals process to allocate $4 million in funding to community-based organizations for various services to the AB109 population. This included funding for comprehensive reentry planning processes in the West, Central, and East regions of the County, which were ultimately presented to and approved by the Community Corrections Partnership and the Board with broad stakeholder and community support.

Migrated the County website onto a platform that allows for better usability and readability from mobile devices, including smart phones, iPads and other tablets, and improved translation tools for the web to make content more readily available to diverse populations.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the county in recognition of its Recommended Budget. This was the county's fourth time to receive the award. To receive the award, the county had to satisfy recognized guidelines for effective budget presentation. The guidelines are designed to assess how well an entity's budget serves as a policy document, financial plan, operational guide, and communications device.

Office of the Auditor-Controller

Contra Costa County received the State Controller's "Award for Achieving Excellence in Financial Reporting." This award serves to recognize that the county submitted an accurate and timely financial report for the fiscal year ended June 30, 2013. The county's reporting excellence helps the State Controller's Office publish accurate and useful local government financial data in the Counties Annual Report. Policymakers and other interested parties throughout California rely on the quality of this uniformly reported information.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Contra Costa County for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the thirty-second consecutive year the county has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Office of the Auditor-Controller. I would like to express my appreciation to all members of the Office who assisted and contributed to its preparation. I would also like to thank the members of the Board and the County Administrator for conducting the financial operations of the county in a responsible and progressive manner.

Respectfully submitted,

Robert R. Campbell
Auditor-Controller

COUNTY OF CONTRA COSTA

PUBLIC OFFICIALS

June 30, 2014

ELECTED OFFICIALS

Supervisor, District 1	John M. Gioia
Supervisor, District 2	Candace Andersen
Supervisor, District 3	Mary N. Piepho
Supervisor, District 4	Karen Mitchoff
Supervisor, District 5	Federal D. Glover
Assessor	Gus S. Kramer
Auditor-Controller	Robert R. Campbell
Clerk-Recorder	Joseph Canciamilla
District Attorney-Public Administrator	Mark A. Peterson
Sheriff-Coroner	David O. Livingston
Treasurer-Tax Collector	Russell V. Watts

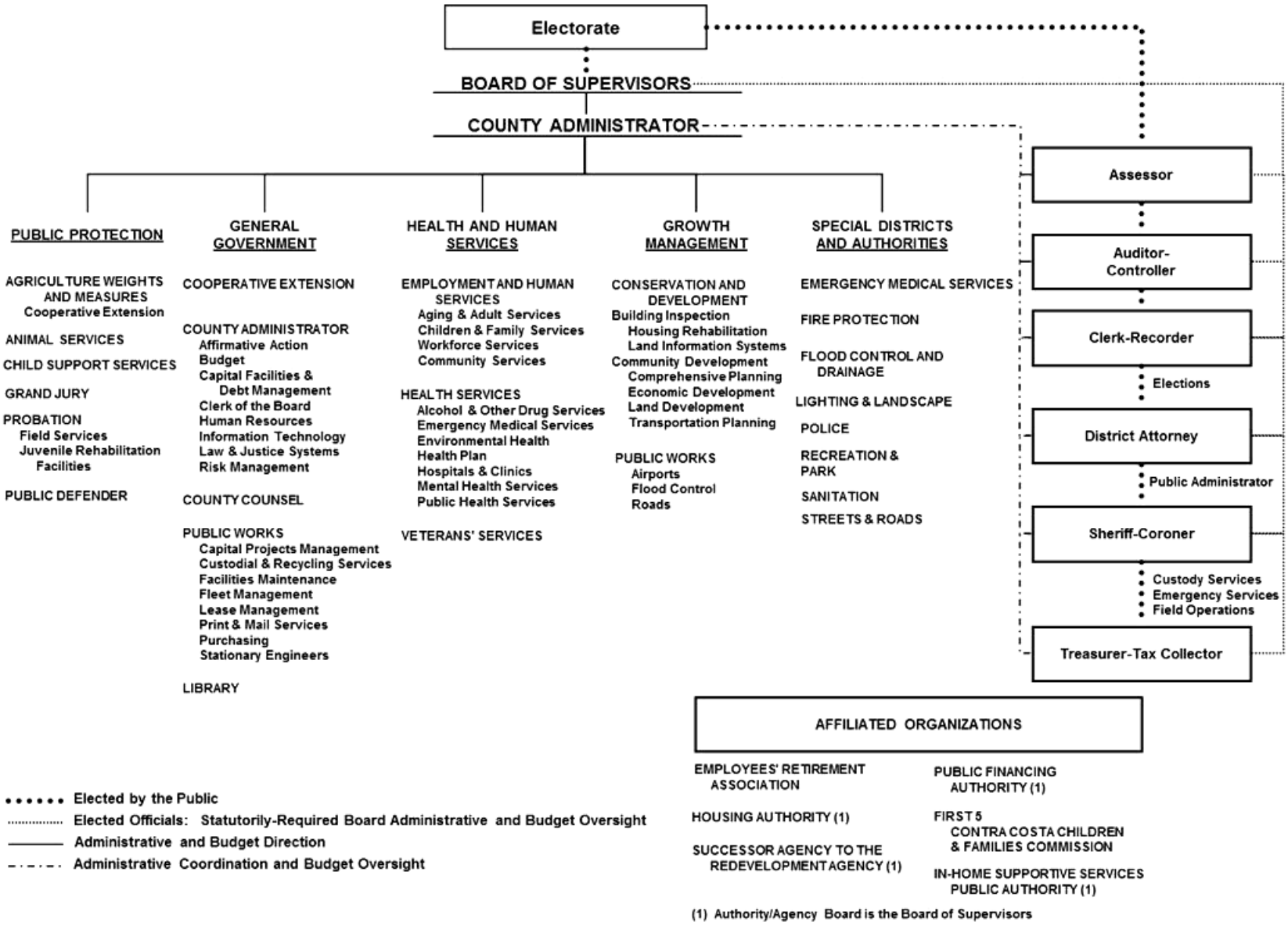
APPOINTED OFFICIALS

County Administrator	David Twa
County Counsel	Sharon Anderson
County Librarian	Jessica Hudson
County Probation Officer	Philip Kader
Director of Animal Services	Glenn Howell
Director of Child Support Services	Linda Dippel
Director of Conservation and Development	Catherine Kutsuris
Director of Cooperative Extension	Shelley Murdock
Director of Employment and Human Services	Kathy Gallagher
Director of Health Services	William Walker, MD
Director of Human Resources/Assistant County Administrator	Vacant
Director of Public Works	Julie Bueren
Agricultural Commissioner-Director of Weights and Measures	Chad A. Godoy
Chief Information Officer	Ed Woo
Public Defender	Robin Lipetzky
County Veterans' Services Officer	Nathan D. Johnson
Contra Costa County Fire Protection District	Chief Jeffrey A. Carman
Crockett-Carquinez Fire Protection District	Chief Jerry Littleton, Jr.

AFFILIATED ORGANIZATIONS

Administrator, Contra Costa County Employees' Retirement Association	Marilyn Leedom
Executive Director, First 5 Contra Costa Children and Families Commission	Sean Casey
Executive Director, Housing Authority of the County of Contra Costa	Joseph Villarreal
Executive Director, County of Contra Costa Public Financing Authority	David Twa
Executive Director, Successor Agency to the Contra Costa County Redevelopment Agency	David Twa
Executive Director, In-Home Supportive Services Public Authority	John Cottrell

Organizational Chart of Contra Costa County



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

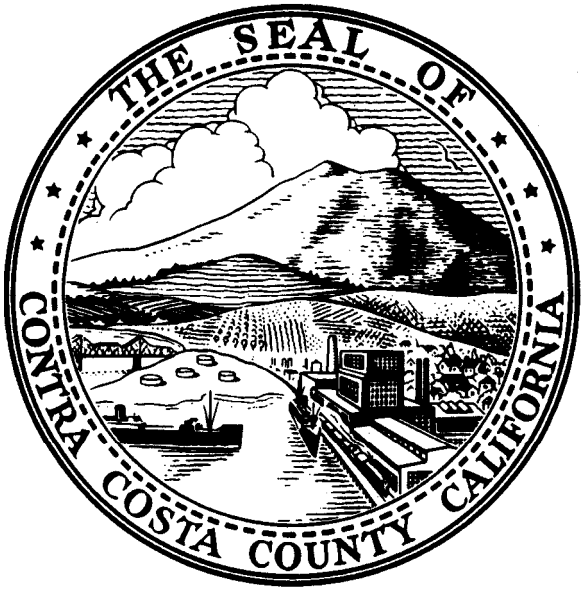
Presented to

County of Contra Costa
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Financial Section

Photo By Sally Rae Kimmel

Financial Section

MGO Certified Public Accountants.

Walnut Creek
2121 N. California Blvd., Suite 750
Walnut Creek, CA 94596
925.274.0190

Sacramento

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors of
the County of Contra Costa
Martinez, California

Report on the Financial Statements

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 Contra Costa, California (County), as of and for the year ended June 30, 2014, 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 Contra Costa County Employees' Retirement Association – fiduciary fund, First 5 Contra Costa Children and Families Commission – discretely presented component unit, and Housing Authority of the County of Contra Costa – discretely presented component unit, which collectively represent the following percentages of assets and deferred outflows of resources, net positions/fund balances, and revenues/additions of the following opinion units as of and for the year ended June 30, 2014:

Opinion Unit	Assets and Deferred Outflows of Resources	Net Positions/ Fund Balances	Revenues/ Additions
Aggregate discretely presented component units	100%	100%	100%
Aggregate remaining fund information	73%	78%	21%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Implementation of New Accounting Pronouncements

As discussed in Note 1(B) to the financial statements, effective July 1, 2013, the County adopted the provisions of the following Governmental Accounting Standards Board (GASB) statements.

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities;*
- GASB Statement No. 66, *Technical Corrections 2012, An Amendment of GASB Statements No. 10 and No. 62*;
- GASB Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*

Our opinions are 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, the schedules of funding progress, and the budgetary comparison schedules of the General Fund and major special revenue funds, 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 GASB, 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 and other auditors 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 fund statements and budgetary schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and budgetary 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

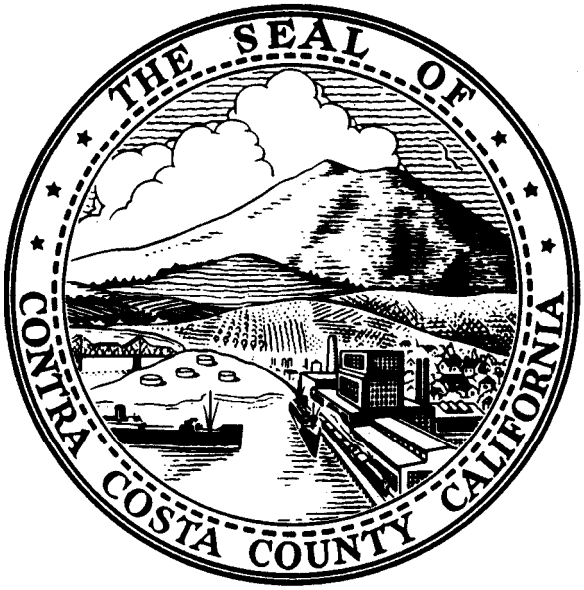
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 12, 2014


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

This section of the County of Contra Costa's Comprehensive Annual Financial Report presents a discussion and analysis of the financial activities of the county for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our Letter to the Board of Supervisors and Citizens of the County.

Financial Highlights

- The government-wide assets and deferred outflows of resources of the county exceeded its liabilities at the close of fiscal year 2013-2014 by $852,278,000 (net position), a 16.9% increase from the prior year. Of this amount, $735,501,000 represented the county's net investment in capital assets, a decrease of 0.5%. Of the remaining net position, $317,075,000 was restricted for specific purposes (restricted net position), a decrease of 17.2%, and net position available to meet the county's ongoing obligations to its citizens and creditors was in deficit by $200,298,000, a decrease in the net deficit of 49.1%. The significant decrease in the deficit balance of unrestricted net position was due to a positive current year change in net position with fewer constraints attached to ending net position.

- As of June 30, 2014, the county's governmental funds reported, in the fund financial statements, ending fund balance of $673,775,000, an increase of 16.2% from the prior year. Of this total amount, $262,842,000 (39.0%), is available to meet the county's current and future needs.

- Available (committed, assigned, and unassigned) fund balance in the county's chief operating fund, the General Fund, was $222,004,000 at year end or 19.0% of its total expenditures for the year.

- As of June 30, 2014, the county's enterprise funds reported, in the fund financial statements, ending net position of $100,336,000, an increase of 9.1% from the prior year, as restated. Of this total amount, $57,815,000 (57.6%) is available to meet the county's current and future needs.

- Net position of the internal service funds was a surplus of $1,074,000, a decrease of $10,477,000 from the prior year.

- The county's total debt decreased by $83,219,000 (9.9%) during fiscal year 2013-2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are comprised of three parts as follows: (1) **government-wide** financial statements; (2) **fund** financial statements; and (3) **notes** to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the county's assets, deferred outflows of resources, and liabilities, with the net of assets and deferred outflows of resources less liabilities being 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** presents information showing how the county's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the county that principally are supported by taxes and intergovernmental revenues (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 general government, public protection, health and sanitation, public assistance, education, public ways and facilities, and recreation and culture. The business-type activities of the county include the County Hospital, Health Maintenance Organization (HMO) Medi-Cal Plan, Health Maintenance Organization (HMO) Commercial Plan, Airport, Sheriff Law Enforcement Training Center, Child Care Enterprise, and Major Risk Medical Insurance.

Fund Financial Statements

The fund financial statements report groupings of related accounts and are used to maintain control over resources that have been segregated for specific activities and objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories as follows: (1) **governmental** funds; (2) **proprietary** funds; and (3) **fiduciary** funds.

Governmental funds 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 fund financial statements focus on near-term inflows and outflows of resources that are available for spending as well as on balances of resources that are available for spending at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since 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 county's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains twenty six (26) individual governmental funds (e.g. general fund, special revenue funds, debt service funds, capital projects fund, and permanent fund) for reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues,

expenditures, and changes in fund balances for the General Fund, Contra Costa County Fire Protection District Special Revenue Fund, and Health and Sanitation Special Revenue Fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation. Individual fund data for each of those nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The county adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds used by the county are of two different types as follows: (1) enterprise funds; and (2) internal service funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. Information is presented separately in the enterprise funds sections of the proprietary fund statement of net position and in the proprietary fund statement of revenues, expenses, and changes in net position for the County Hospital Enterprise Fund and HMO Medi-Cal Plan, which are considered to be major funds. Data from the other enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of those nonmajor enterprise funds is provided in the form of combining statements and schedules elsewhere in this report.

- **Internal service funds** are used to accumulate and allocate costs internally among the county's various functions. The county uses internal service funds to account for its administrative costs and payment of claims for its various insurance programs to protect county assets and employees. During fiscal year 2008–2009, an internal service fund for fleet services was established to account for the rental of motor vehicles to other departments and related costs. The internal service funds are allocated between the governmental functions and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds are used to account for resources held for the benefit of entities legally separate from the county and individuals, which are not part of the reporting entity. The Contra Costa County Employees' Retirement Association (CCCERA) pension plan, the Contra Costa County Other Postemployment Benefit (OPEB) irrevocable trust fund, the county's investment trust fund, the Successor Agency to the Contra Costa County Redevelopment Agency and other private-purpose trust funds, and agency funds are reported under fiduciary funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the county's major governmental funds budget and actual comparisons, and schedules of funding progress for the employees' retirement plan and other postemployment benefits.

Combining Statements and Schedules

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information (other than MD&A).

Component Units

The blended component units, as described in Note 1.A in the "Notes to the Basic Financial Statements," are included in all three parts of the county's basic financial statements. The county and its blended component units constitute the primary government. In addition to the blended component units, the government-wide financial statements and the notes to the basic financial statements also include the discretely presented component units described in Note 1.A in the "Notes to the Basic Financial Statements."

GOVERNMENT-WIDE FINANCIAL ANALYSIS

COUNTY'S NET POSITION
June 30, 2014 and 2013
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2014	2013#	2014	2013#	2014	2013#	Percent Change
Assets:							
Current and other assets	$ 1,334,533	1,254,196	241,912	200,307	1,576,445	1,454,503	8.4 %
Capital assets	828,876	829,062	188,371	197,371	1,017,247	1,026,433	(0.9)
Total assets	2,163,409	2,083,258	430,283	397,678	2,593,692	2,480,936	4.5 %
Deferred Outflows of Resources:							
Loss on refunding of debt	4,489	4,784	6,858	8,417	11,347	13,201	(14.0) %
Total deferred outflows of resources	4,489	4,784	6,858	8,417	11,347	13,201	(14.0) %
Liabilities:							
Current and other liabilities	101,382	88,122	160,792	129,930	262,174	218,052	20.2 %
Long-term liabilities	1,316,791	1,365,512	173,796	181,677	1,490,587	1,547,189	(3.7)
Total liabilities	1,418,173	1,453,634	334,588	311,607	1,752,761	1,765,241	(0.7) %
Net Position:							
Net investments in capital assets	692,980	684,743	42,521	54,497	735,501	739,240	(0.5) %
Restricted	317,075	382,997			317,075	382,997	(17.2)
Unrestricted	(260,330)	(433,332)	60,032	39,991	(200,298)	(393,341)	49.1
Total net position	$ 749,725	634,408	102,553	94,488	852,278	728,896	16.9 %

The county made a restatement of governmental and business-type activities. See Note 2 of the notes to the basic financial statements.

Analysis of Government-wide Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The county's total assets and deferred outflows of resources exceeded total liabilities by $852,278,000 at June 30, 2014. The largest portion of the county's total net position, $735,501,000 (86.3%), reflects its net investment in capital assets (e.g., land, infrastructure, buildings, machinery, software, and equipment, less any related debt used to acquire those assets). The county uses capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate those liabilities. An additional portion of the county's total net position, $317,075,000 (37.2%), represents resources that are subject to external restrictions on usage. The major restriction on net position, $288,456,000, is for legally segregated taxes, grants, and fees.

The remaining balance of total net position, $(200,298,000) (-23.5%), is unrestricted. Unrestricted net position of governmental activities is $(260,330,000). It continues to be negative primarily due to the inclusion of the OPEB liability of $492,327,000 in the primary government.

Unrestricted net position of business-type activities is $60,032,000, which increased from the prior year primarily due to an increase in revenues, mainly charges for services, exceeding an increase in expenses.

The 2014 balances reflect prior year restatements. The balances in the 2013 columns have also been restated to reflect those restatements.

COUNTY'S CHANGE IN NET POSITION
For the Fiscal Years Ended June 30, 2014 and 2013
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2014	2013#	2014	2013#	2014	2013#	Percent Change
Revenues:							
Program revenues:							
Charges for services	$ 327,690	310,647	908,761	802,332	1,236,451	1,112,979	11.1 %
Operating grants and contributions	721,594	693,133	26,783	63,210	748,377	756,343	(1.1)
Capital grants and contributions	15,738	14,444	5,749	5,750	21,487	20,194	6.4
General revenues:							
Taxes	462,627	434,156			462,627	434,156	6.6
Grants/contributions not restricted	15,524	14,346			15,524	14,346	8.2
Investment earnings	34,950	34,950			34,950	34,950	
Other	28,823	23,021	284	304	29,107	23,325	24.8
Total revenues	1,606,946	1,524,697	941,577	871,596	2,548,523	2,396,293	6.4
Expenses:							
General government	177,482	153,960			177,482	153,960	15.3
Public protection	536,087	522,648			536,087	522,648	2.6
Health and sanitation	231,673	222,567			231,673	222,567	4.1
Public assistance	438,255	429,816			438,255	429,816	2.0
Education	23,188	23,508			23,188	23,508	(1.4)
Public ways and facilities	37,067	30,453			37,067	30,453	21.7
Recreation and culture	1,138	1,036			1,138	1,036	9.8
Interest on debt	40,797	42,850			40,797	42,850	(4.8)
County Hospital			486,797	482,522	486,797	482,522	0.9
Airport			4,394	4,746	4,394	4,746	(7.4)
Sheriff Law Enforcement Training Center			1,456	1,382	1,456	1,382	5.4
Child Care Enterprise				35		35	(100.0)
HMO Medi-Cal Plan			343,805	290,289	343,805	290,289	18.4
HMO Commercial			102,258	120,423	102,258	120,423	(15.1)
Major Risk Medical Insurance			744	1,208	744	1,208	(38.4)
Total expenses	1,485,687	1,426,838	939,454	900,605	2,425,141	2,327,443	4.2
Change in net position before transfers	121,259	97,859	2,123	(29,009)	123,382	68,850	79.2
Transfers	(5,942)	(15,124)	5,942	15,124			
Change in net position	115,317	82,735	8,065	(13,885)	123,382	68,850	79.2
Net Position, Beginning of Year	634,408	733,651	94,488	109,028	728,896	842,679	(13.5)
Adjustments to beginning net position		(181,978)		(655)		(182,633)	(100.0)
Net Position, Beginning of Year, as Restated	634,408	551,673	94,488	108,373	728,896	660,046	10.4
Net Position, End of Year	$ 749,725	634,408	102,553	94,488	852,278	728,896	16.9 %

The county made a restatement of governmental and business-type activities. See Note 2 of the notes to the basic financial statements.

Analysis of the Changes in Government-wide Net Position

The county's net position increased by $123,382,000 during fiscal year 2013-2014. Governmental activities increased the county's net position by $115,317,000 and business-type activities increased the county's net position by $8,065,000. The changes are explained below in the governmental activities and business-type activities discussions.

Governmental Activities

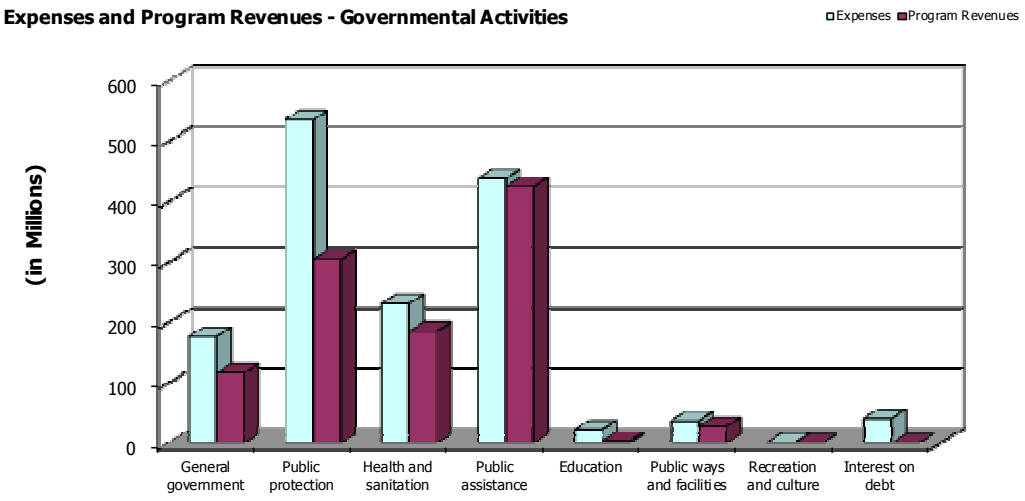
Current year governmental activities increased the county's net position by $115,317,000. The increase in net position primarily is due to an overall current year increase in revenues, most notably charges for services, operating grants and contributions, and tax revenues. There was a smaller increase in expenses, most notably in general government and public protection.

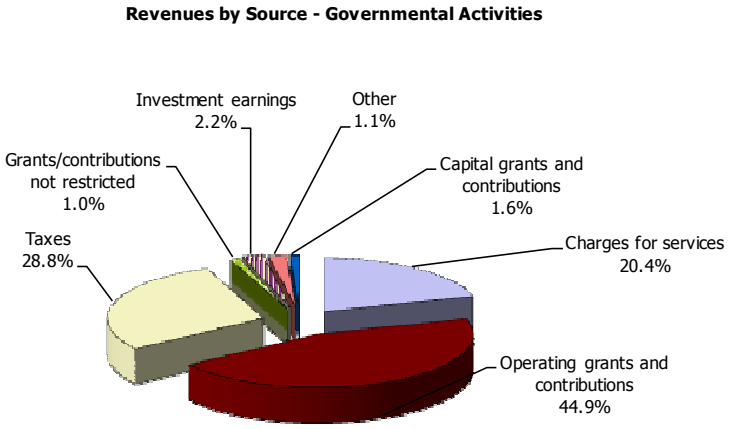
Charges for services increased by $17,043,000 (5.5%). There were one-time property tax administration fees refunds issued in fiscal year 2012-2013 resulting in an increase in fiscal year 2013-2014. Additionally, Mental Health charges for services notably increased.

The operating grants and contributions reported in governmental activities increased by $28,461,000 (4.1%). The increase in operating grants and contributions primarily relates to an increase in the California AB109 Public Safety Realignment funding.

Overall, tax revenue increased by $28,471,000 (6.6%). Property taxes increased by $26,370,000 (6.6%). A continued slight improvement of the housing market allowed a rise in assessed valuations of real property resulting in an increase in property taxes.

Expenses for governmental activities increased by $60,353,000 (4.2%) mainly in the areas of general government and public protection. General government expenses increased by $25,026,000 (16.4%) and public protection expenses increased by $13,439,000 (2.6%). General government expenses included two transfers to Doctors Medical Center, while public protection included an increase to county and community programs based on an increase in AB109 revenue. Additionally, overall governmental activities expenses included an increase in compensated absences due to a policy change.

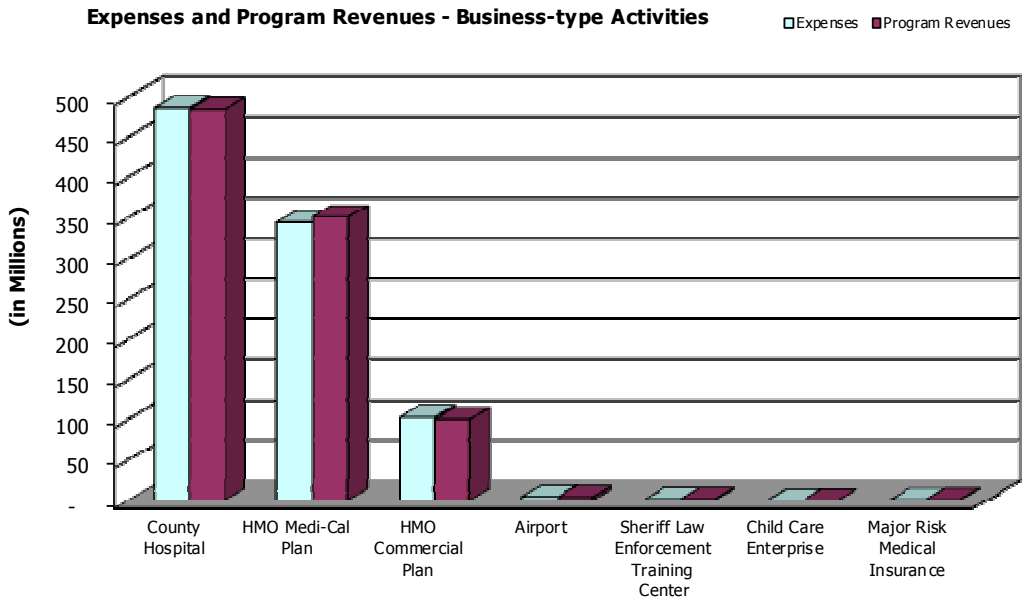


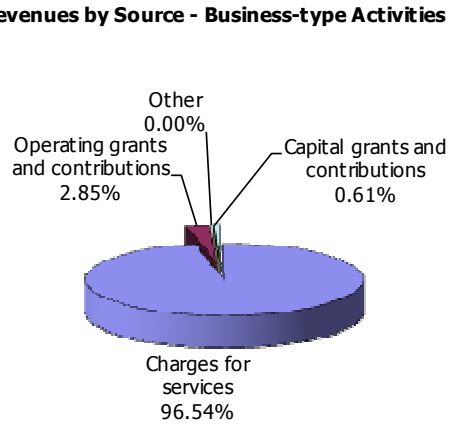


Business-type Activities

Overall, business-type activities increased the county's net position by $8,065,000. While program revenues increased by $63,307,000, expenditures only increased by $38,895,000. The HMO Medi-Cal Plan had a significant increase in program revenues of $58,525,000 and expenses of $53,516,000. The HMO Commercial Plan had a significant decrease in program revenues of $17,784,000 and expenses of $18,165,000. A contributing factor to the variances was the elimination of the Small Business and Individual Plan programs from the HMO Commercial Plan enrollment on December 31, 2013. The affected individuals transitioned to either the HMO Medi-Cal Plan or the Covered California Exchange Plan depending on their income.

Expenses exceeded program revenues for the County Hospital, HMO Commercial Plan, Airport, and Sheriff Law Enforcement Training Center.





FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

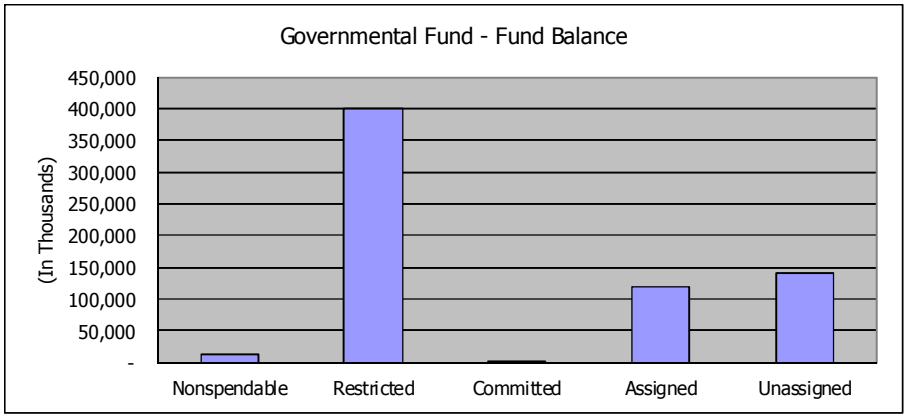
The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an analysis of the activities of the county's funds for fiscal year 2013-2014 as reported in the fund-basis financial statements.

Governmental Funds

The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful to assess the county's financing requirements. In particular, unrestricted (committed, assigned, and unassigned) fund balance may serve as a

useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the county include the general, special revenue, debt service, capital projects, and permanent funds.

As of June 30, 2014, the county's governmental funds reported combined ending fund balances of $673,775,000, an increase of $93,920,000 in comparison with the prior year. Approximately $262,842,000 (39.0%) of those fund balances is available to meet the county's current and future needs. The remainder of the fund balances, $410,933,000 (61.0%), is either nonspendable or restricted for specific spending.



General Fund

The General Fund is the primary operating fund of the county. At June 30, 2014, the unrestricted fund balance was $222,004,000, an increase of $47,397,000 (27.1%) in comparison with the prior year, while total general fund balance was $237,204,000, an increase of $49,696,000 (26.5%) in comparison with the prior year. As a measure of the General Fund's liquidity, both unrestricted fund balance and total fund balance can be compared to total fund expenditures. Unrestricted fund balance represents 19.0% of total General Fund expenditures, while total fund balance represents 20.3%. For the prior year, those figures were 15.8% and 16.9%, respectively.

General Fund revenues increased by $70,779,000 (5.8%), while expenditures increased by $57,036,000 (5.1%) in comparison with the prior year. Revenues exceeded expenditures by $131,706,000 (11.3%), in comparison with $117,963,000 in the prior year.

<u>Revenues</u>

Taxes increased by $20,515,000 (7.0%). The increase was due to an increase of property taxes, sales and use taxes, and taxes in lieu of sales and use tax.

Charges for services revenue increased by $10,999,000 (5.6%). The majority of the increase was the fiscal year 2012-2013 refund of property tax administration fees resulting from the Supreme Court of California's ruling on case S185457 that did not recur in fiscal year 2013-2014.

Other revenue increased by $31,908,000 (15.2%) primarily due to an increase in state realignment funds (AB 109).

Expenditures

General Government expenditures increased by $14,905,000 (11.2%). There were two intergovernmental transfers totaling $11,000,000 to Doctors Medical Center in fiscal year 2013-2014.

Public Protection expenditures increased by $14,874,000 (4.5%). The most significant increases were for Jail $5,032,000 (8.5%); Probation-programs, facilities, and care of court wards $3,943,000 (6.4%); and, District Attorney $2,747,000 (9.3%).

Health and Sanitation expenditures increased by $19,945,000 (8.7%). The most significant increase was in Mental Health $18,393,000 (12.2%).

CCC Fire Protection District Special Revenue Fund

The CCC Fire Protection District Special Revenue Fund provides fire and emergency medical services to nine cities and certain unincorporated areas in the county. The District's fund balance increased by $4,846,000 (18.9%) during fiscal year 2013-2014.

Revenues decreased by $1,505,000 (1.6%), while expenditures decreased by $2,667,000 (2.9%). An increase in tax revenues of $5,072,000 was more than offset by decreases in other revenue sources, mainly intergovernmental.

Health and Sanitation Special Revenue Fund

The Health and Sanitation Special Revenue Fund accounts for a variety of health and sanitation services. The fund is financed by state grants, the county's share of the tobacco tax, and user fees. The Health and Sanitation Special Revenue fund balance decreased by $6,070,000 (10.1%).

Revenues, primarily intergovernmental, decreased by $7,982,000 (18.4%). Expenditures, primarily expenditure transfers, increased by $8,581,000 (26.1%) due to a current year reclassification.

Nonmajor Funds

The composition of funds included in the nonmajor governmental funds changed in the current fiscal year due to the reclassification of the Other Special Revenue Fund from major to nonmajor. The fund balance for the nonmajor special revenue funds increased by $32,774,000 (11.7%) during fiscal year 2013-2014. Revenues, primarily intergovernmental revenues, increased by $47,566,000 (14.2%). Expenditures, mainly public assistance and public protection, increased by $24,221,000 (7.5%).

Debt service funds had an increase in fund balance of $12,629,000 (54.8%) mainly due to an increase in transfers into the County Pension Bond Debt Service Fund. The capital projects fund had no change in fund balance.

Proprietary Funds

As mentioned earlier, the county's proprietary fund financial statements provide the same type of information

found in the government-wide financial statements but in more detail. In fiscal year 2013-2014, the composition of nonmajor enterprise funds changed with the reclassification of the HMO Commercial Plan from major to nonmajor.

Net position at June 30, 2014, was $58,095,000 for the County Hospital Enterprise Fund, $14,052,000 for the HMO Medi-Cal Plan, and $28,189,000 for the nonmajor enterprise funds. As a result of operations during the year, net position of the County Hospital Enterprise Fund increased by $1,572,000, net position of HMO Medi-Cal Plan increased by $5,869,000, and net position of the nonmajor enterprise funds increased by $956,000.

Net position of the internal service funds was $1,074,000. As a result of operations during the year, the net position of the Workers' Compensation Insurance Fire Protection Internal Service Fund decreased by $1,703,000, increasing the deficit net position balance to $12,488,000. The Workers' Compensation County General Internal Service Fund decreased by $9,967,000, increasing the deficit net position balance to $14,300,000. The remaining internal service funds had an overall increase of $1,193,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The county's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved during the fiscal year. Total budgeted revenues were increased by $36,097,000 (2.9%) in the final budget. Actual revenues were less than final budgeted revenues by $27,238,000 (2.1%). Total budgeted expenditures increased by $58,278,000 (4.7%) in the final budget. Actual expenditures were less than final budgeted expenditures by $126,359,000 (9.8%). Significant factors impacting those changes were as follows:

Original Budget vs. Final Budget

Revenue Variances

- Fines, forfeitures, and penalties revenue budget increased for the Facilities Life Cycle Improvement Program (FLIP) due to the correction of a revenue account coding error in the original budget.

- Other revenue budget increased primarily due to increased California AB109 Public Safety Realignment funds and Medi-Cal revenue from the adopted budget level.

Expenditure Variances

- The Final Budget for General Government-Building Maintenance included an increase to appropriations for building services administration because of a change in expenditure estimates due to increased activities.

- The Final Budget for General Government-County-State-WCCHCD IGT was increased due to the approval of two intergovernmental transfer agreements between the county and Doctors Medical Center.

- The Final Budget for Health and Sanitation-Mental Health services and supplies increase reflects increased costs above the adopted budget level based on updated estimates.

Final Budget vs. Actual Amounts

Revenue Variances

- Tax revenue (property) was higher than expected by approximately $23,246,000.
- Intergovernmental revenue was lower than expected, by approximately $41,266,000, which was primarily due to Employment and Human Services Department-Administration and Workforces Services, California Health Benefit Marketplace, and Housing and Urban Development block grants.
- Other revenue was higher than expected by approximately $51,406,000, which was primarily due to a reclassification of funds in the Sheriff-Contract Services and Health Services-Mental Health areas from Transfers In.

Expenditure Variances

- General Government-Employee Benefits expenditures from Medicare Part D were less than budgeted.
- General Government-Facilities Life Cycle Improvement Program (FLIP) expenditures for deferred maintenance projects were less than budgeted. Most of the planned projects have been re-budgeted for fiscal year 2014-2015.
- General Government-Plant Acquisition expenditures were less than budgeted because the budget included appropriations for Sheriff's Facilities improvements and other capital projects that were not completed during the year. A grant match for WCDF Jail Construction has been re-budgeted for fiscal year 2014-2015.
- Public Protection–Sheriff salaries and employee benefits expenditures, mainly in the areas of central administration, general lab, investigations, and contract services, were less than anticipated.
- Public Assistance–Community Development expenditures for professional services were less than budgeted for home projects.
- Public Assistance-Cal Health Benefit Marketplace operations expenditures, most notably salaries and benefits and occupancy costs, were less than budgeted. As previously noted, intergovernmental revenue was also less than budgeted.
- Public Assistance-Employment and Human Services Department-Administration expenditures for information technology systems' professional services were less than anticipated. As previously noted, intergovernmental revenue was also less than budgeted.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets

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

COUNTY'S CHANGES IN CAPITAL ASSETS
(Net of Depreciation)
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2014	2013	2014	2013	2014	2013	Percent Change
Infrastructure	$ 400,492	395,661			400,492	395,661	1.2 %
Land	67,566	67,594	15,516	15,516	83,082	83,110	0.0
Structures and improvements	245,333	260,696	150,350	153,834	395,683	414,530	(4.5)
Equipment	40,586	41,174	11,640	15,719	52,226	56,893	(8.2)
Intangibles	9,050	1,871	1,593	3,604	10,643	5,475	94.4
Construction in progress	65,849	62,066	9,272	8,698	75,121	70,764	6.2
Total	$ 828,876	829,062	188,371	197,371	1,017,247	1,026,433	(0.9) %

The county's investment in capital assets for its governmental and business-type activities as of June 30, 2014, was $1,017,247,000 (net of accumulated depreciation). The investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, software, park facilities, roads, highways, drainage systems, and bridges. The county's total investment in net capital assets for fiscal year 2013-2014 decreased by 0.9% (a less than 0.1% decrease for governmental activities and a 4.6% decrease in business-type activities). Retirement of capital assets and depreciation expense exceeded the county's capital acquisitions.

The major activity of capital assets for governmental activities was:

Road infrastructure and construction in progress	$12,760,000
Drainage infrastructure and construction in progress	$12,772,000

The major activity of capital assets for business-type activities was:

Building and building construction in progress	$7,250,000

Construction included the completion of numerous construction projects such as Marsh Creek widening, Bailey Road pedestrian and bicycle improvement, and Lindsey Basin to name a few.

Specific changes in governmental and business-type activities are presented in Note 7, in the "Notes to the Basic Financial Statements."

Long-Term Debt

Long-term debt for the governmental and business-type activities is presented below to illustrate changes from the prior year:

COUNTY'S OUTSTANDING DEBT
Capital Lease Obligations, Pension Obligation Bonds, Retirement Litigation Settlement,
Notes Payable, Other Bonds Payable, Lease Revenue Bonds, Tax Allocation Bonds and Special Assessment Debt
(In Thousands)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2014	2013	2014	2013	2014	2013	Percent Change
Capital lease obligations	$ 3,778	3,801		104	3,778	3,905	(3.3) %
Pension obligation bonds	358,445	416,295			358,445	416,295	(13.9)
Retirement litigation settlement	17,892	19,122			17,892	19,122	(6.4)
Notes payable	1,276	1,409	1,327	1,456	2,603	2,865	(9.1)
Other bonds payable	1,285	1,705			1,285	1,705	(24.6)
Lease revenue bonds	126,090	137,252	148,132	157,687	274,222	294,939	(7.0)
Tax allocation bonds	92,445	94,390			92,445	94,390	(2.1)
Special assessment debt	6,892	7,560			6,892	7,560	(8.8)
Total	$ 608,103	681,534	149,459	159,247	757,562	840,781	(9.9) %

At June 30, 2014, the county had total long-term debt outstanding of $757,562,000. The county's legal debt limit was $7,506,491,000. During the year, the county's liabilities for long-term debt decreased by $83,219,000 (9.9%). Specific changes in governmental and business-type activities are presented in Note 10 in the "Notes to the Basic Financial Statements."

Refer also to the information on the Debt Management Policy in the Letter of Transmittal (page ix).

Over the recent years of recession, the county experienced significant reductions in assessed valuation and property tax revenues compared to earlier periods of robust growth. In response, the county drastically cut expenditures growth, reduced the workforce, and lowered its OPEB liabilities. As a result of these long-term actions, Standard and Poor's Ratings Service (S&P) upgraded the county's long-term credit rating two notches from AA to AAA, the highest possible credit rating. Only six California counties have a AAA rating from S&P. In addition, S&P upgraded the County's pension obligation bonds and lease revenue bonds two notches from AA- to AA+. In their credit report announcing the county's upgrade, S&P cited very strong management, budget flexibility, financial policies, and the county's location within the very strong Bay Area economy as key factors supporting the rating levels.

The outlook on the county's credit ratings continued to be "stable" by both S&P and Moody's Investors Service (Moody's) during fiscal year 2013-2014. The county's underlying long-term ratings are as follows:

Type of Issue	S&P	Moody's
Issuer rating/implied general obligation bond rating	AAA	Aa2
Pension obligation bonds	AA+	A1
Lease revenue bonds	AA+	A1

At the time of issuance of most of its lease revenue bond series and pension obligation bond series, the county purchased municipal bond insurance policies that resulted in those series being rated in the highest possible rating categories of AAA (S&P) and Aaa (Moody's). Municipal bond insurers have been downgraded since early 2008. When the insured rating falls below the county's underlying rating, the affected series of bonds carries only the county's underlying ratings. All of the county's lease revenue bond issues now carry only the county's underlying ratings of AA+ (S&P) and A1 (Moody's). The county's pension obligation bond series carry insured ratings of AA- (S&P) and A2 (Moody's). These series have underlying ratings of AA+ (S&P) and A1 (Moody's). The pension obligation bonds were downgraded by Moody's from Aa3 to A1 on February 20, 2013.

KNOWN FACTS, DECISIONS AND CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON FINANCIAL POSITION OR RESULTS OF OPERATIONS NEXT YEAR

- Continuing to fund OPEB obligation at $20 million per year.
- Increase of countywide assessed valuation of 9.09%.
- Labor agreements were negotiated for the majority of Bargaining Units during the fiscal year, which will increase salary costs by approximately 4.0%.
- General fund budget structurally balanced due to increased local revenue, relatively flat employee compensation, and increased Criminal Justice Realignment funding.
- All of the facts, decisions, and conditions listed above were considered in preparing the county's budget for fiscal year 2014-2015.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, 625 Court Street, Room 103, Martinez, CA 94553-1282.

COUNTY OF CONTRA COSTA
STATEMENT OF NET POSITION
JUNE 30, 2014
(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission	Housing Authority of the County of Contra Costa*
Assets:					
Cash and investments	$ 636,360	106,556	742,916	33,102	6,877
Receivables (net)	217,112	143,691	360,803	1,871	273
Inventories	2,596	3,729	6,325		
Internal balances	25,264	(25,264)			
Notes receivable	100,269		100,269	321	670
Prepaid items and deposits	10,213	5,118	15,331	69	263
Land held for resale	9,021		9,021		
Prepaid pension asset (net)	308,287		308,287	1,818	
Prepaid OPEB asset				111	
Other noncurrent assets					322
Restricted assets:					
Restricted cash and investments	25,411	8,082	33,493		5,304
Notes receivable					
Capital assets:					
Nondepreciable	133,415	24,788	158,203	246	3,775
Depreciable, net	695,461	163,583	859,044	497	37,592
Total assets	2,163,409	430,283	2,593,692	38,035	55,076
Deferred Outflows of Resources:					
Loss on refunding of debt	4,489	6,858	11,347		
Liabilities:					
Accounts payable and accrued liabilities	61,748	107,634	169,382	273	951
Accrued interest payable	7,553	631	8,184		49
Due to other agencies				433	
Welfare program advances	14,739		14,739		
Unearned revenue	17,342	52,527	69,869	881	246
Noncurrent liabilities:					
Due within one year	90,267	14,614	104,881	15	750
Due in more than one year	1,226,524	159,182	1,385,706	138	20,022
Total liabilities	1,418,173	334,588	1,752,761	1,740	22,018
Net Position:					
Net investment in capital assets	692,980	42,521	735,501	743	24,926
Restricted for:					
Legally segregated taxes, grants and fees	288,456		288,456		
Tenant deposits					4,596
Debt service	26,794		26,794		
Permanent fund:					
Expendable portion	96		96		
Nonexpendable portion	1,729		1,729		
Total restricted net position	317,075		317,075		4,596
Unrestricted	(260,330)	60,032	(200,298)	35,552	3,536
Total net position	$ 749,725	102,553	852,278	36,295	33,058

* Housing Authority of the County of Contra Costa reported as of March 31, 2014.
See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Program Activities:				
Primary government:				
Governmental activities:				
General government	$ 177,482	110,444	6,283	
Public protection	536,087	122,238	182,559	
Health and sanitation	231,673	84,029	101,623	
Public assistance	438,255	2,539	423,051	
Education	23,188	794	2,760	
Public ways and facilities	37,067	7,559	5,110	15,738
Recreation and culture	1,138	87	208	
Interest on debt	40,797			
Total governmental activities	1,485,687	327,690	721,594	15,738
Business-type activities:				
County Hospital	486,797	473,664	5,289	5,749
HMO Medi-Cal Plan	343,805	350,655		
HMO Commercial Plan	102,258	78,423	21,224	
Airport	4,394	3,842	70	
Sheriff Law Enforcement Training Center	1,456	1,174	200	
Child Care Enterprise				
Major Risk Medical Insurance	744	1,003		
Total business-type activities	939,454	908,761	26,783	5,749
Total primary government	$ 2,425,141	1,236,451	748,377	21,487
Component units:				
First 5 Contra Costa Children and Families Commission	$ 13,808		10,248	
Housing Authority of the County of Contra Costa	100,832	5,591	84,201	755
GENERAL REVENUES:				
Taxes:				
Property				
Sales				
Other				
Grants/contributions not restricted				
Investment earnings				
Other				
TRANSFERS (Note 6)				
Total general revenues and transfers				
Change in net position				
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED				
Restatement of beginning net position (Note 2)				
NET POSITION, BEGINNING OF YEAR, AS RESTATED				
NET POSITION, END OF YEAR				

* Housing Authority of the County of Contra Costa reported as of March 31, 2014.
See accompanying notes to the basic financial statements.

Net (Expenses) Revenues and Changes in Net Position			Component Units	
Governmental Activities	Business-type Activities	Total	First 5 Contra Costa Children and Families Commission	Housing Authority of the County of Contra Costa*
(60,755)		(60,755)		
(231,290)		(231,290)		
(46,021)		(46,021)		
(12,665)		(12,665)		
(19,634)		(19,634)		
(8,660)		(8,660)		
(843)		(843)		
(40,797)		(40,797)		
(420,665)		(420,665)		
	(2,095)	(2,095)		
	6,850	6,850		
	(2,611)	(2,611)		
	(482)	(482)		
	(82)	(82)		
	259	259		
	1,839	1,839		
(420,665)	1,839	(418,826)		
			(3,560)	
				(10,285)
$ 423,121		423,121		
15,813		15,813		
23,693		23,693		
15,524		15,524		
34,950		34,950	103	35
28,823	284	29,107	485	4,339
(5,942)	5,942			
535,982	6,226	542,208	588	4,374
115,317	8,065	123,382	(2,972)	(5,911)
638,759	101,837	740,596	39,267	38,969
(4,351)	(7,349)	(11,700)		
634,408	94,488	728,896	39,267	38,969
$ 749,725	102,553	852,278	36,295	33,058

COUNTY OF CONTRA COSTA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014
(In Thousands)

		General	CCC Fire Protection District Special Revenue	Health & Sanitation Special Revenue	Nonmajor	Total
Assets:						
Cash and investments	$	8,601	31,508	84,544	356,389	481,042
Accounts receivable and accrued revenue (net)		178,823	1,135	4,112	31,116	215,186
Inventories		1,584	666			2,250
Due from other funds		113,056	48	168	9,054	122,326
Notes receivable		81,808			18,461	100,269
Prepaid items and deposits		6,362	1,614		821	8,797
Land held for resale					9,021	9,021
Restricted cash and investments		3,619			21,792	25,411
Total assets	$	393,853	34,971	88,824	446,654	964,302
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	$	39,779	4,294	320	16,971	61,364
Due to other funds		9,409	118	34,510	52,506	96,543
Welfare program advances		14,739				14,739
Unearned revenue		10,914			6,428	17,342
Total liabilities		74,841	4,412	34,830	75,905	189,988
Deferred Inflows of Resources:						
Unavailable revenue		81,808	59		18,672	100,539
Fund Balances:						
Nonspendable		7,946	1,614		2,550	12,110
Restricted		7,254	10,623	53,953	326,993	398,823
Committed		1,575			342	1,917
Assigned		78,136	18,263	41	22,968	119,408
Unassigned		142,293			(776)	141,517
Total fund balances		237,204	30,500	53,994	352,077	673,775
Total liabilities, deferred inflows of resources, and fund balances	$	393,853	34,971	88,824	446,654	964,302

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2014
(In Thousands)

Fund balances - total governmental funds (page 24)		$ 673,775
Amounts reported for governmental activities in the statement of net position are different because:		
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds.		308,287
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (net of internal service fund capital assets of $7,211)		821,665
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is deferred in the governmental funds.		2,605
Notes receivable are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds.		97,934
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The assets and liabilities of these funds, except for the medical liability insurance fund, are included as governmental activities in the statement of net position.		(1,143)
Interest on long-term debt is recognized as it accrues, regardless of when it is due.		(7,553)
Insurance costs on bond issuance are not recognized as current expenditures and are amortized over the life of the bonds.		1,384
Loss on refunding of debt is recognized as a deferred outflow of resources		4,489
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Lease revenue bonds	$ (126,090)	
Notes payable	(1,276)	
Tax allocation bonds	(92,445)	
Special assessment bonds	(6,892)	
Other bonds payable	(1,285)	
Pension obligation bonds	(358,445)	
Retirement litigation settlement	(17,892)	
Capital lease obligations	(3,778)	
Compensated absences (net of internal service fund balance of $72)	(42,901)	
Net OPEB obligation	(492,327)	
Other noncurrent liabilities	(3,984)	
Premiums and discounts	(4,403)	(1,151,718)
Net position of governmental activities (page 21)		$ 749,725

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	General	CCC Fire Protection District Special Revenue	Health & Sanitation Special Revenue	Nonmajor	Total
Revenues:					
Taxes	$ 314,670	85,274	4,724	73,485	478,153
Licenses, permits and franchise fees	11,678			15,793	27,471
Fines, forfeitures and penalties	29,357		2,237	5,683	37,277
Use of money and property	3,408	2	198	30,439	34,047
Intergovernmental	488,683	3,342	28,085	217,830	737,940
Charges for services	207,361	6,119	92	48,757	262,329
Other revenue	242,236	123		46,424	288,783
Total revenues	1,297,393	94,860	35,336	438,411	1,866,000
Expenditures:					
Current:					
General government	147,491			3,279	150,770
Public protection	349,074	90,033		155,259	594,366
Health and sanitation	250,374		41,446		291,820
Public assistance	382,491			130,709	513,200
Education				22,941	22,941
Public ways and facilities	36,127			43,636	79,763
Recreation and culture				1,104	1,104
Debt service:					
Principal	85			73,275	73,360
Interest	45			40,729	40,774
Total expenditures	1,165,687	90,033	41,446	470,932	1,768,098
Excess (deficiency) of revenues over (under) expenditures	131,706	4,827	(6,110)	(32,521)	97,902
Other Financing Sources (Uses):					
Transfers in	62	19	111	89,080	89,272
Transfers out	(83,869)		(71)	(11,128)	(95,068)
Capital lease financing	1,797			17	1,814
Total other financing sources (uses)	(82,010)	19	40	77,969	(3,982)
Net change in fund balances	49,696	4,846	(6,070)	45,448	93,920
Fund Balances at Beginning of Year	187,508	25,654	60,064	306,629	579,855
Fund Balances at End of Year	$ 237,204	30,500	53,994	352,077	673,775

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

Net change in fund balances - total governmental funds (page 26)		$ 93,920
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues that have not met revenue recognition criteria in the fund financial statements are recognized as revenue in the government-wide financial statements.		5,246
Governmental funds report capital asset acquisitions as either capital outlay or other current program expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	$ 43,909	
Capital assets transferred from business-type activities	6	
Less loss on disposal/retirement of capital assets	(3,212)	
Less current year depreciation	(41,469)	(766)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal payments	73,408	
Capital lease payments	1,837	
Issuance of capital lease	(1,814)	
Issuance of noncurrent liabilities	(3,891)	
Expenditures made on other noncurrent liabilities	176	69,716
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 governmental funds.		
Change in long-term compensated absences	(9,018)	
Change in pension asset	(30,200)	
Amortization of insurance cost of bond issuance	(176)	
Amortization of premiums - lease revenue bonds	383	
Amortization of premiums and discounts - tax allocation bonds	64	
Amortization of premiums - special assessments	1	
Change in accrued interest payable	517	
Change in OPEB obligation	(3,930)	
Amortization of deferred loss on refunding	(295)	(42,654)
Internal service funds are used by management to charge the costs of self insurance and fleet services to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities, except for the medical liability insurance fund.		(10,145)
Change in net position of governmental activities (page 23)		$ 115,317

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014
(In Thousands)

	Enterprise Funds				
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Assets:					
Current assets:					
Cash and investments	$ 46,458	48,979	4,489	99,926	161,948
Accounts receivable and accrued revenue (net)	86,098	55,483	2,110	143,691	1,926
Inventories	3,691		38	3,729	346
Due from other funds	19,865	258	41,843	61,966	1,269
Prepaid items and deposits	4,981		137	5,118	32
Total current assets	161,093	104,720	48,617	314,430	165,521
Noncurrent assets:					
Restricted cash and investments	8,082			8,082	
Capital assets:					
Nondepreciable	14,949		9,839	24,788	1,386
Depreciable, net	155,864		7,719	163,583	5,825
Total noncurrent assets	178,895		17,558	196,453	7,211
Total assets	339,988	104,720	66,175	510,883	172,732
Deferred Outflows of Resources:					
Loss on refunding of debt	6,858			6,858	
Total deferred outflows of resources	6,858			6,858	
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	28,853	65,081	13,700	107,634	384
Accrued interest payable	631			631	
Due to other funds	38,990	24,354	23,868	87,212	1,806
Unearned revenue	51,622	619	286	52,527	
Current portion of long-term liabilities	12,160	61	13	12,234	40,181
Total current liabilities	132,256	90,115	37,867	260,238	42,371
Noncurrent liabilities:					
Compensated absences	13,456	553	119	14,128	65
Claims payable					129,222
Bonds and notes payable, net	141,486			141,486	
Landfill post closure	699			699	
Other noncurrent liabilities	854			854	
Total noncurrent liabilities	156,495	553	119	157,167	129,287
Total liabilities	288,751	90,668	37,986	417,405	171,658
Net Position:					
Net investment in capital assets	24,963		17,558	42,521	7,211
Unrestricted	33,132	14,052	10,631	57,815	(6,137)
Total net position	$ 58,095	14,052	28,189	100,336	1,074

Reconciliation of enterprise funds net position to business-type net position:		
Net position of enterprise funds	$	100,336
Adjustment to reflect the consolidation of Medical Liability ISF activities related to enterprise funds.		2,217
Net position of business-type activities (page 21)	$	102,553

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	Enterprise Funds				
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Operating Revenues:					
Use of money and property	$		3,827	3,827	
Charges for services	471,863	350,655	80,615	903,133	44,785
Other revenue			284	284	10,508
Total operating revenues	471,863	350,655	84,726	907,244	55,293
Operating Expenses:					
Salaries and employee benefits	294,596	16,596	2,607	313,799	1,775
Services and supplies	161,808	282,527	103,402	547,737	19,638
Benefit and claim expense					42,792
Other charges	1,994	44,176	886	47,056	631
Expense transfers			247	247	
Depreciation	13,532		1,407	14,939	1,683
Total operating expenses	471,930	343,299	108,549	923,778	66,519
Operating income (loss)	(67)	7,356	(23,823)	(16,534)	(11,226)
Nonoperating Revenues (Expenses):					
State and federal grants	5,289		21,494	26,783	
Investment income					901
Interest expense	(12,295)	(506)	(303)	(13,104)	
Loss on disposal of capital assets	(445)			(445)	
Total nonoperating revenues (expenses)	(7,451)	(506)	21,191	13,234	901
Income (loss) before capital contributions and transfers	(7,518)	6,850	(2,632)	(3,300)	(10,325)
Capital contributions	5,749			5,749	
Transfers in	26,672		3,801	30,473	56
Transfers out	(23,331)	(981)	(213)	(24,525)	(208)
Change in net position	1,572	5,869	956	8,397	(10,477)
Total Net Position at Beginning of Year	63,872	8,183	27,233	99,288	11,551
Adjustments to beginning net position (Note 2)	(7,349)			(7,349)	
Total Net Position at Beginning of the Year, as Restated	56,523	8,183	27,233	91,939	11,551
Total Net Position at End of Year	$ 58,095	14,052	28,189	100,336	1,074

Reconciliation of enterprise funds change in net postion to statement of activities:		
Change in net position of enterprise funds.	$	8,397
Adjustment to reflect the Medical Liability ISF activities related to enterprise funds.		(332)
Capital assets reassigned from enterprise funds to governmental activities are reported as a loss on disposal of capital assets (nonoperating expense) by enterprise funds. In the statement of activities, the reassignment of the capital asset between governmental and business-type activities would be reported as a transfer.		
Decrease in loss on disposal of capital assets		6
Transfer out		(6)
Change in net position of business-type activities (page 23)	$	8,065

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Enterprise Funds				
	County Hospital	HMO Medi-Cal Plan	Nonmajor	Total	Internal Service
Cash Flows from Operating Activities:					
Cash received from customers/other funds	$ 493,189	347,976	114,857	956,022	54,837
Cash payment to suppliers for goods and services	(169,968)	(321,745)	(135,069)	(626,782)	(54,127)
Cash payment to employees for services	(289,044)	(16,161)	(2,568)	(307,773)	(1,881)
Net Cash Provided by (Used for) Operating Activities	34,177	10,070	(22,780)	21,467	(1,171)
Cash Flows from Noncapital Financing Activities:					
State and federal grants	5,289		21,494	26,783	
Transfers in	26,672		3,801	30,473	56
Transfers out	(23,331)	(981)	(213)	(24,525)	(208)
Net Cash Provided by (Used for) Noncapital Financing Activities	8,630	(981)	25,082	32,731	(152)
Cash Flows from Capital and Related Financing Activities:					
Capital contributions	5,749			5,749	
Acquisition and construction of capital assets	(5,703)		(397)	(6,100)	(2,263)
Interest paid	(11,589)	(506)	(302)	(12,397)	
Lease purchase obligation principal reduction			(104)	(104)	
Principal paid on debt	(11,576)			(11,576)	
Net Cash Used for Capital and Related Financing Activities	(23,119)	(506)	(803)	(24,428)	(2,263)
Cash Flows from Investing Activities:					
Interest received on investments					901
Net Increase (Decrease) in Cash and Cash Equivalents	19,688	8,583	1,499	29,770	(2,685)
Cash and Cash Equivalents at Beginning of Year	34,852	40,396	2,990	78,238	164,633
Cash and Cash Equivalents at End of Year	$ 54,540	48,979	4,489	108,008	161,948
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	$ (67)	7,356	(23,823)	(16,534)	(11,226)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and amortization	13,532		1,407	14,939	1,683
Prior year adjustment included in operating activities	(8,228)			(8,228)	
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue, net	(5,283)	(3,318)	31,971	23,370	(41)
Inventories	(357)	640	(16)	267	(62)
Due from other funds	2,918		(1,861)	1,057	(427)
Prepaid items and deposits	(1,186)		(88)	(1,274)	12
Increase (decrease) in:					
Accounts payable and accrued liabilities	(2,497)	1,328	1,212	43	(117)
Claims payable					8,537
Due to other funds	845	3,630	(31,781)	(27,306)	459
Unearned revenue	30,386	(1)	160	30,545	
Compensated absences	4,114	118	39	4,271	11
Accrued salaries		317		317	
Net Cash Provided by (Used for) Operating Activities	$ 34,177	10,070	(22,780)	21,467	(1,171)
Noncash investing, capital, and financing activities:					
Change in accrued interest	33		1	34	
Change in landfill post closure liability	10			10	

COUNTY OF CONTRA COSTA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2014

(In Thousands)

	Pension* and Other Employee Benefit Trust Funds	Investment Trust	Private-Purpose Trust Funds	Agency
Assets:				
Cash and investments	$ 742,389	1,418,662	28,598	$ 197,958
Cash collateral - securities lending	262,984			
Investments pension trust:				
Stocks	2,523,486			
Bonds	1,868,682			
Real assets	318,617			
Real estate	828,562			
Alternative investments	442,061			
Receivables	611,435	5,886	79	52,360
Notes receivable, net			24	
Due from other governments				6,791
Due from other agencies	8,068			
Taxes receivable				173,759
Prepaid items and deposits	842			
Capital assets, net	603			
Restricted cash and investments			5,902	
Total assets	7,607,729	1,424,548	34,603	$ 430,868
Deferred Outflows of Resources:				
Loss on refunding of debt			3,130	
Total deferred outflows of resources			3,130	
Liabilities:				
Warrants outstanding		60,130		$ 30,484
Accounts payable and accrued liabilities	735,441	799	241	58,216
Employee benefits payable	1,954			
Due to other governments			784	58,312
Security lending	262,984			
Unapportioned taxes				127,603
Tax loss guarantees				90,649
Accrued interest payable			2,328	
Unearned revenue			4	
Noncurrent liabilities:				
Due within one year			2,109	
Due in more than one year			91,820	
Due to other agencies and districts				65,604
Total liabilities	1,000,379	60,929	97,286	$ 430,868
Net Position:				
Held in trust for:				
Employees' pension benefits/ other postemployment benefits	6,607,350			
Participation in individually directed investment accounts		1,363,619	21,045	
Unrestricted deficit			(80,598)	
Total net position	$ 6,607,350	1,363,619	(59,553)	

* Pension Trust Fund reported as of December 31, 2013.

See accompanying notes to the basic financial statements.

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Pension* and Other Employee Benefit Trust Funds	Investment Trust	Private-Purpose Trust Funds
Additions:			
Employer contributions	$ 311,662		
Plan member contributions	85,260		
Contributions to investment accounts		3,796,878	
Other revenue			20,440
Net investment income (loss)	939,236	1,965	
Investment expense	(38,158)		
Property tax distribution (RPTTF on ROPS II)			11,287
Use of money and property			140
Investment income			25
Total additions	1,298,000	3,798,843	31,892
Deductions:			
Benefits paid	439,968		
Refunds of contributions	3,844		
Distribution from investment accounts		3,655,396	
Administrative and other expenses	6,776		1,615
Prepayment discount	8,257		
Interest expense			3,576
Other	985		29,858
Project expenditures			4,334
Financial assistance payments			1,978
Total deductions	459,830	3,655,396	41,361
Change in net position	838,170	143,447	(9,469)
Net Position Held In Trust at Beginning of Year, as Previously Reported	5,769,180	1,220,172	(48,495)
Adjustments to beginning net position (Note 2)			(1,589)
Net Position at Beginning of Year	5,769,180	1,220,172	(50,084)
Net Position at End of Year	$ 6,607,350	1,363,619	(59,553)

*Pension Trust Fund reported as of December 31, 2013.

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Contra Costa (county) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The following is a summary of the more significant policies:

A. Definition of Reporting Entity

The county is a political subdivision created by the state of California. As such, it can exercise powers specified by the constitution and statutes of the state. The county is governed by a five member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the county. The county provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the county (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and relationship with the county are such that exclusion would cause the county's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (i) the county's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the county.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the county's operations and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in separate columns in the government-wide financial statements.

For financial reporting purposes, the county's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the county's Board.

<u>Blended Component Units</u>

Successor Agency to the Contra Costa County Redevelopment Agency

Pursuant to the provisions of California Assembly Bills 1X 26 and 1484, the Successor Agency to the Contra Costa County Redevelopment Agency (Successor Agency to the RDA) was created with the transfer of all of the assets, liabilities, and obligations of the former redevelopment agency. The Successor Agency to the RDA accounts for the payments due for enforceable obligations, performance of obligations, and disposal of all assets of the former redevelopment agency. The Successor Agency to the RDA activities are included as a Private-Purpose Trust fund.

County of Contra Costa Public Financing Authority

The County of Contra Costa Public Financing Authority (PFA) is a joint powers authority consisting of the county, the former Redevelopment Agency (RDA), and subsequently the Successor Agency to the RDA. The PFA was established to provide for the financing of public improvements, obligations, working capital and liability or other insurance programs of the county and the RDA. The members of the county Board of Supervisors also serve as the Directors of the PFA. The activities of the PFA are included in a debt service fund, which is reported as part of the nonmajor governmental funds, and in the County Hospital Enterprise Fund.

Contra Costa County Employees' Retirement Association

The Contra Costa County Employees' Retirement Association (CCCERA) was established to provide retirement benefits to employees of the county and other member agencies. The CCCERA provides a majority of its services for the benefit of the county and, therefore, is reported as a pension trust fund in the basic financial statements. The fiscal year of the CCCERA ends on December 31st and its financial activities are reported as of that date.

In-Home Supportive Services Public Authority

The Contra Costa County Board of Supervisors, pursuant to Welfare and Institutions Code Section 12301.6, established the In-Home Supportive Services Public Authority (IHSS). IHSS provides screening, training and referral of in-home supportive service providers and assists eligible individuals, who are unable to care for themselves at home, in finding qualified persons to assist them. Its board members are the same as the county Board of Supervisors. The activities of the IHSS are included in a special revenue fund which is reported as part of the nonmajor governmental funds.

Special Districts and Service Areas

The county has 39 agencies referred to as county special districts and service areas. Each is established by the county for the purpose of providing specific services in a defined geographic area. Their board members are the same as the county Board of Supervisors. The 39 agencies and the special revenue fund in which each is included are: Contra Costa County Fire Protection District; Other Fire Protection – Crockett-Carquinez Fire Protection District; Flood Control - Flood Control District, Storm Drainage District, Storm Drain District Nos. Z-16 and Z-19; Health and Sanitation - Sanitation District No. 6; Service Areas - Service Areas D-2, EM-1, L-100, LIB-2, LIB-10, LIB-12, LIB-13, M-1, M-16, M-17, M-20, M-23, M-28, M-29, M-30, M-31, R-4, R-7A, R-9, R-10, RD-4, R-8, Public Transit-Service Area T1, CFD 2006-1, CFD 2008-1, CFD 2010-1, and Discovery Bay West Parking District; Law Enforcement - Service Areas Crockett Cogeneration (formerly P-1), P-2 (zones A and B), P-5 and P-6; Other Special Revenue - Contra Costa County Water Agency. These special revenue funds are reported as nonmajor governmental funds, with the exception of the Contra Costa County Fire Protection District and Health and Sanitation, which are reported as major governmental funds.

Discretely Presented Component Units

First 5 Contra Costa Children and Families Commission

The First 5 Contra Costa Children and Families Commission (Commission) was established to implement the provisions of Proposition 10, adopted by the voters in 1998. Proposition 10 added Division 108 (commencing with Section 130100) to the California Health and Safety Code. It provides for a state tax on the sale of tobacco products and also provides that this revenue be spent for early childhood development programs by the Commission. The county Board of Supervisors originally appointed all nine members (and nine alternate members) of the Commission. One member of the Board of Supervisors serves on the Commission. However, the Commission hires its own employees, including an Executive Director and functions independent of the county. The Commission provides most of its services directly to the citizens of the county. The financial activity of the Commission is reported in separate columns on the government-wide financial statements.

Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa (Housing Authority) was established to provide housing for the county's low and moderate income residents. While its board members are the same as the county Board of Supervisors, it does not meet the criteria for blending: i) there is no financial burden or benefit relationship with the county nor does management of the county have operational responsibility over it; ii) the Housing Authority does not provide services entirely or almost entirely to the county; and iii) the Housing Authority's total debt outstanding is not expected to be repaid with resources of the county. The fiscal year of the Housing Authority ends on March 31st and its financial activities are reported as of that date. The Housing Authority has two discretely presented component units that have been blended with the Housing Authority in this report. The discretely presented component units have fiscal year ends of December 31. Their financial statements have been adjusted to March 31 for inclusion in the Housing Authority statements.

Separately Issued Financial Statements

Complete audited financial statements are issued separately for each of the individual component units listed below and may be obtained at the unit's administrative offices as follows:

County of Contra Costa Public Financing Authority
651 Pine Street, 6th Floor, Martinez, CA 94553

Contra Costa County Employees' Retirement Association
1355 Willow Way, Suite 221, Concord, CA 94520

First 5 Contra Costa Children and Families Commission
1485 Civic Court, Suite 1200, Concord, CA 94520

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

B. Accounting Pronouncements

Pronouncements Implemented During the Year

The county adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was established to improve financial reporting for governmental activities, business type activities, proprietary funds, and fiduciary funds. It addresses issues related to deferred outflows of resources and deferred inflows of resources. The county re-categorized two types of transactions while implementing GASB Statement No. 65. The difference between the reacquisition price and the net carrying amount of old debt was previously reported with long term liabilities and is now reported as a deferred outflow of resources. When an asset is recorded in governmental fund financial statements but the revenue is not available, it was reported as deferred revenue, a liability, and now is reported as a deferred inflow of resources until such time as the revenue becomes available. Additionally, costs of issuance of debt, historically reported as assets and amortized over the life of the debt in enterprise funds in the fund level financial statements and governmental and business-type activities in the government wide financial statements, has been removed except for the prepaid insurance portion which continues to be reported as an asset and amortized. A restatement of beginning net position was needed to implement this guidance and is disclosed in Note 2–Fund Equity.

GASB Statement No. 66, *Technical Corrections 2012, An Amendment of GASB Statements No. 10 and No. 62,* was established to improve accounting and financial reporting for governmental financial reporting entities by resolving conflicting guidance. The requirements of this statement resolve the conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. Implementation of this guidance did not result in any restatements by the county.

GASB Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*, was established to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. It requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. The county does not have liabilities guaranteed by another, nor is it guaranteeing the liabilities of another.

Pronouncements to be Implemented in the Next Fiscal Year

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, was established to improve accounting and financial reporting by state and local governments for pensions and will be implemented in the June 30, 2015, fiscal year. The statement will replace the requirements of GASB Statement No. 27, *Accounting for Pensions by Statement and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources,

deferred inflows of resources, and expense/expenditures. The statement also addresses note disclosures and required supplementary information for pensions.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, is to be applied simultaneously with the provisions of GASB Statement 68. Statement 71 addresses an issue relating to amounts associated with contributions, if any, made by the local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

C. Basis of Presentation

Government-wide Financial Statements

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, mandates the presentation of two basic government-wide financial statements, the *Statement of Net Position* and the *Statement of Activities*. The statement of net position and statement of activities display information about the primary government (the county) and its component units. The statement of net position and statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for charges for services (exchange transactions) between activities and functions. The statement of net position and statement of activities also distinguish between the *governmental* and *business-type activities* of the county and between the county and its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees charged to external parties.

For presentation in the statement of net position and statement of activities, all of the internal service fund account balances are allocated to governmental activities except for the medical liability insurance fund which is allocated to business-type activities.

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 and deferred outflows of resources, and liabilities and deferred inflows of resources, is its net position. Net position represents the resources that the county has available for uses in providing services after its debts are settled.

The statement of activities presents a comparison between direct and allocated indirect expenses and program revenues for each function of the governmental activities and each segment of the business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, including fines and forfeitures, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, management has discretion as to which resources to apply. Generally, restricted resources are depleted before unrestricted. However, when prudent, unrestricted resources may be used first.

Fund Financial Statements

The fund financial statements provide information about the county's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The county reports the following as major governmental funds:

- The *General Fund* is used to account for and report all financial resources not accounted for and reported in another fund. In addition to general administration, the General Fund includes such activities as public protection, health and sanitation, public assistance, education, and public ways and facilities.

- The *Contra Costa County Fire Protection District (CCCFPD) Special Revenue Fund* accounts for the financial aspect of the fire and emergency medical service activities provided by CCCFPD to nine cities and certain unincorporated areas in the county. As requested by interested parties, the CCCFPD's financial activities have been separated from those of the county's other fire protection districts and are reported as a major fund. The fund is principally financed by property taxes and services such as fire prevention plan review and inspections.

- The *Health and Sanitation Special Revenue Fund* is used to account for a variety of health and sanitation services. The fund is financed by state grants, the county's share of the tobacco tax, and user fees.

The county reports the following as major enterprise funds:

- The *County Hospital (the Hospital)* accounts for hospital operations involved in providing health services to county residents. Revenues are principally fees for patient services, payments from federal and state programs such as Medicare, Medi-Cal and Short-Doyle, realignment revenues, and subsidies from the General Fund.

- The *HMO Medi-Cal Plan's* revenues and expenditures are capitation payments and costs related to Medi-Cal eligibles enrolled in the Medi-Cal Plan.

The county reports the following additional funds:

- *Internal Service Funds* account for the county's fleet services and self-insurance programs – employee dental insurance, long-term disability insurance, workers' compensation insurance,

automotive liability insurance, general liability insurance, state unemployment insurance, medical liability insurance, and special district property insurance, on a cost-reimbursement basis.

- The *Pension Trust Fund* accumulates contributions from the county, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula), and administrative expenses. This fund includes all assets of the CCCERA.

- *OPEB Irrevocable Trust* accounts for assets held in trust to pay post-employment health benefits. The trust, which consists of assets contributed by the county (and other participating employers), is administered by the financial officials typically responsible for safeguarding the county's assets. The Trustee shall separately account for all contributions, distributions, payments, expenses, gains and losses attributable to the county and each other employer that participates in the trust.

- The *Investment Trust Fund* accounts for the assets of legally separate entities who make directed investments through the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass-through funds for tax collections for cities. This fund represents the assets, primarily cash and investments, and the related obligation of the county to disburse these monies on demand.

- The *Private-Purpose Trust Funds* account for assets held in trust for the benefit of individuals, private organizations, and other governments. Included in these funds are assets, liabilities, and activities of the Successor Agency to the Contra Costa County Redevelopment Agency.

- *Agency Funds* account for assets pending transfer or distribution to individuals, private organizations or other governmental entities held by the county in an agency capacity. Included in these funds are the Unapportioned Taxes Fund and the Tax Losses Reserve Fund, which provide controls necessary for the county to manage property taxes under the Teeter Plan (see section M of this note).

D. Basis of Accounting

The government-wide financial statements, and proprietary and fiduciary, excluding agency, fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the county is giving (or receiving) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Agency funds are unlike all other types of funds, reporting only assets and liabilities. So agency funds cannot be said to have a measurement of focus. Since they do not report equity, they cannot present an operating statement reporting changes in equity. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes are accrued when their receipt occurs within sixty days after the end of the accounting period. All other revenues are accrued if they are both measurable and available within sixty days, except for certain reimbursements related to health care from the state of California and certain state and federal grants which are accrued when their receipt is expected within one year after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are generally recorded when payment is due. However, where resources have been provided during the current year for payment of interest due early in the following year, the expenditure and related liability are accrued. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, their equity in the County Treasurer's internal pool, and cash restricted for repayment of debt or as reserves to be cash equivalents. The County Treasurer's internal pool includes certain investments with longer maturities, however each fund's equity in the pooled funds are considered readily available for immediate use and therefore included with cash equivalents.

F. Investments

Investment transactions are recorded on the trade date. Investments in non-participating, interest-earning investment contracts (certificates of deposit and guaranteed investment contracts) are stated at cost. Other investments are stated at fair value. Fair value is defined as the amount that the county could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

The Pension Trust Fund reports its investments at fair value. Both realized and unrealized gains and losses on investments are included in its statement of changes in net position. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by real estate investment funds, generally using periodic independent appraisals, and alternative investment managers. All investment purchases and sales are recorded on the trade date.

The public school, cemetery, pest control, recreation and park, and resource conservation districts within the county are required by legal provisions to maintain their cash and investments with the County

Treasurer. The County Treasurer maintains individual directed investment accounts for those districts, and the cash and investments held are included in the Investment Trust Fund.

G. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market. Governmental fund inventories are maintained using the weighted average method. Proprietary fund inventories are maintained using the first-in, first-out method. The costs of governmental fund inventories and proprietary fund inventories are recorded as expenditures/expenses at the time individual items are consumed rather than when purchased. Reported inventories of governmental funds are equally offset as nonspendable fund balance to indicate that a portion of fund balance is not in spendable form in that it is not convertible to cash.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The county utilizes the consumption method to account for these prepayments.

H. Notes Receivable

Generally loans are either deferred or collected on a residual receipts basis with all remaining principal and interest due on the earlier of the due date of the note or sale or transfer of property. Any repayment of principal or interest is treated as program revenue, the use of which is restricted by federal regulations. As such, notes receivable are recorded with an offset to deferred inflows of resources in the fund financial statements because the amounts are unavailable. The notes receivable balances in the General Fund consist of loans made with funds provided to the county under the U.S. Department of Housing and Urban Development programs. The loans are made to carry out activities for affordable housing and economic development.

I. Prepaid Pension Asset

A prepaid pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL).

On March 1, 1994, the county made a payment of $333,724,000 to CCCERA from the proceeds of the issuance of pension obligation bonds to reduce the county's UAAL as calculated at that time. On May 1, 2003, the county made another payment of $319,095,000 to CCCERA from the proceeds of an additional issuance of pension obligation bonds to reduce the county's UAAL as recalculated, due primarily to the effect of the enhanced pension granted in 2002.

In 2005, the Contra Costa County Fire Protection District (CCCFPD) issued Series 2005 Pension Obligation Bonds in the principal amount of $129,900,000 to fund CCCFPD's UAAL obligation as of December 31, 2004, to the Contra Costa County Employees' Retirement Association and to prepay CCCFPD's portion of the outstanding Paulson Settlement.

J. Restricted Assets

The county's restricted assets represent cash and investments of the General Fund, County Hospital Enterprise Fund, Successor Agency to the Contra Costa County Redevelopment Agency, certain nonmajor

governmental funds, and discretely presented component unit – Housing Authority, which are restricted for debt repayments in accordance with restrictions and limitations of the various bond indentures and capital lease funds not yet spent on capital assets. All of the noted cash and investments are included in Note 4 – Cash and Investments.

K. Capital Assets

Capital assets (including infrastructure and intangibles) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain improvements including roads, bridges, water/sewer, lighting systems, drainage systems, and flood control. The capitalization threshold for infrastructure is $25,000. The capitalization threshold for buildings is $100,000. The capitalization threshold for equipment and vehicles is $5,000. Many different types of assets may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The capitalization threshold for intangible assets acquired after June 30, 2009, excluding internally developed intangibles, is $100,000. The capitalization threshold for internally developed intangible assets acquired after June 30, 2009, and for all retroactively reported intangible assets, is $1,000,000. Capital assets used in operations are depreciated or amortized (assets under capital leases and intangible assets) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the activities within the government-wide financial statements, proprietary funds, and the Pension Trust Fund.

The estimated useful lives are as follows:

Infrastructure	25-50 years
Structures	25-40 years
Improvements	10-20 years
Equipment, including vehicles	3-20 years
Intangible assets	3-50 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Interest is capitalized on construction in progress in the proprietary funds. Accordingly, interest capitalized is the total interest cost from the date of the borrowing, net of any allowable interest carried on temporary investments of the proceeds of those borrowings, until the specified asset is ready for its intended use.

L. Bond Discounts, Issuance Costs, and Deferred Amounts on Refundings

In governmental fund financial statements, bond discounts, issuance costs, and deferred amounts on refundings are recognized in the period incurred. In the government-wide and proprietary fund financial statements, bond discounts, insurance costs, and deferred amounts on refundings are amortized over the term of the issuance using the straight-line method, which approximates the effective interest method. Issuance costs other than insurance have been removed from the government-wide and proprietary fund

financial statements with the implementation of GASB Statement No. 65. See note 2 for financial statement effect.

M. Property Tax Levy, Collection, and Maximum Rates

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property situated in the county. The levy is based on the assessed values as of the preceding January 1st, which is also the lien date. State code requires tax rates to be set no later than the first workday in September unless the Board of Supervisors elects to extend the deadline to October 3rd. Property taxes on the secured roll are due in two installments: November 1st and February 1st and become delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales or construction completion and the preceding assessment date. The additional supplemental property taxes are prorated from the first day of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (January 1st), and become delinquent if unpaid by August 31st.

Supplementary taxes that have been collected but unapportioned at year-end and unsecured taxes collected in advance are reported as unapportioned taxes in the Unapportioned Taxes Agency Fund. Secured property taxes are recorded as revenue in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by the California Revenue and Taxation Code Section 4701 et al (The Teeter Plan). This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1st of each year.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in the Tax Losses Reserve Agency Fund (TLRF). This reserve is used to offset the impact of accumulated delinquency remaining at year-end. The county's management believes that any ownership rights to the TLRF the county may have are effective only upon transfer or to the extent of losses related to the sale of tax defaulted property. The county has the authority to transfer any amounts in the fund that exceed a legally defined threshold, which was $20,611,000 at June 30, 2014. The year-end balance in the TLRF was $90,649,000. Amounts in the TLRF are considered to be held in a custodial capacity for the administration of the county's Teeter Plan.

N. Interfund Transactions

Interfund transactions are reflected as either loan, services provided, reimbursements or transfers. Loans are reported as receivables and payables (as appropriate), are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances to other funds, as reported in the fund financial statements, is offset by nonspendable fund balance in applicable governmental funds to indicate that it is not available for appropriation and is not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

O. Compensated Absences and Sick Leave

Under terms of union contracts and various Board resolutions, county employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, compensatory time, and other paid time off hours. Employees are not reimbursed for accumulated sick leave except management employees who are eligible for a payoff of unused sick leave accruals at resignation. Management employees must have a balance of at least 70.0% of their sick leave accruals and have been employed three years or more to be eligible for this benefit. The maximum amount payable under this Sick Leave Incentive Plan is 50.0% of accrued sick leave; however, the amount of sick leave payable is considered de minimis. Accordingly, no accrual for sick leave has been made in the accompanying basic financial statements.

Compensated absences as of June 30, 2014, were valued at $59,467,000, which includes $37,793,000 attributable to the General Fund, $5,108,000 attributable to the Special Revenue Funds, $15,698,000 recorded in Enterprise Funds, $72,000 recorded in Internal Service Funds, $153,000 recorded in the First 5 Contra Costa Children and Families Commission Component Unit, $367,000 recorded in the Housing Authority Component Unit (as of March 31, 2014), and $276,000 recorded in the Pension Trust Fund (as of December 31, 2013). Amounts attributable to the General Fund, Special Revenue Funds, and Component Units are expected to be claimed in future periods and paid with future resources from those funds. Accordingly, this liability is reflected in the government-wide statement of net position. In the proprietary funds and the Pension Trust Fund, compensated absences are recorded as an expense and liability as the benefits accrue to employees. The amounts reported for compensated absences include estimated employer liability for taxes and workers' compensation premiums.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. FUND EQUITY

A restatement of beginning net position was necessary with the implementation of GASB Statement No. 65. Except for insurance, all of the costs of debt issuance being amortized are being removed from the statement of net position. Additionally, the deferred losses on debt refundings have been recomputed due to removal of the non-insurance costs of issuance, and have been reclassified to deferred outflows of resources.

The County Hospital Enterprise Fund, a business-type activity, recorded a restatement of beginning net position to correct revenue that was recognized in error in fiscal year 2012-2013. Without this correction, the County Hospital Enterprise Fund would be showing negative revenue in fiscal year 2013-2014.

The adjustment to the beginning net position is presented below (in thousands):

Government-wide Financial Statements – Restatement of Net Position

	Governmental Activities	Business-type Activities
Net position, at beginning of year, as previously reported	$ 638,759	101,837
Removal of non-insurance costs of issuance	(4,545)	(1,534)
Adjustment to deferred loss on refunding	194	879
Hospital revenue recognition adjustment		(6,694)
Net position, at beginning of year, as restated	$ 634,408	94,488

Fund basis Financial Statements – Restatement of Net Position

	County Hospital Enterprise Fund	Successor Agency to the Contra Costa County Redevelopment Agency
Net position, beginning of year, as previously stated	$ 63,872	(72,509)
Removal of non-insurance costs of issuance	(1,534)	(1,589)
Adjustment to deferred loss on refunding	879	
Hospital revenue recognition adjustment	(6,694)	
Net position, at beginning of year, as restated	$ 56,523	(74,098)

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all governmental funds except the Public Financing Authority Debt Service Fund, the Assessment Districts Debt Service Fund, and the Assessment Districts Capital Projects Fund. All annual appropriations lapse at fiscal year-end. GAAP serves as the budgetary basis of accounting.

Schedules of revenues, expenditures, and changes in fund balance - budget and actual are included in the required supplementary section of this report for the General Fund and all major special revenue funds.

Encumbrance accounting is used in governmental funds. Encumbrances outstanding at year-end are reported with restricted, committed, and assigned, as appropriate, fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Deficit Net Position/Fund Balance

At June 30, 2014, governmental activities in the government-wide statement of net position had a deficiency in unrestricted net position of $260,330,000. This deficit is primarily due to a total OPEB obligation of $492,327,000.

The Courts and Criminal Justice fund, which is reported as part of the nonmajor special revenue funds, had a deficit fund balance of $113,000 at June 30, 2014. The deficit is due to expenses for construction exceeding fines, forfeitures, and penalties revenues collected. Management has implemented internal controls to monitor fund balance to prevent future deficits.

Two internal service funds had deficit net positions at June 30, 2014. The Workers' Compensation Insurance County General Fund shows a deficit of $14,300,000, a deficit increase of $9,967,000 from a $4,333,000 deficit at June 30, 2013. The Workers' Compensation Insurance Fire Protection Fund shows a deficit of $12,488,000, a deficit increase of $1,703,000 from a $10,785,000 deficit at June 30, 2013. These deficit net positions are attributed to an adjustment of insurance reserves for self-insurance funds per actuarial report dated June 30, 2014. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims and the cost of insurance.

4. CASH AND INVESTMENTS

	Primary Government		Component Units		
	Governmental Activities	Business-Type Activities	First 5 Contra Costa Children and Families Commission	Housing Authority*	Fiduciary Funds
Cash and Investments	$ 636,360	106,556	33,102	6,877	8,631,999
Restricted Cash held by fiscal agent	25,411	8,082		5,304	5,902
	$ 661,771	114,638	33,102	12,181	8,637,901

*As of March 31, 2014

The cash and investment balances of substantially all funds, except the Pension, Other Postemployment Benefit, and Investment Trust Funds, are maintained in the county's internal pool and invested by the County Treasurer. Income from pooled investments is allocated to the funds based on average daily balances. As permitted by the California Government Code, legally separate entities that are not part of the county reporting entity also have individual investment accounts in the County Treasury. These investment accounts are separate from the pool and are reported in the Investment Trust Fund. Specific investments are acquired for those separate entities at their direction and the income from and changes in the value of these investments affect only the entity for which they were acquired. The CCCERA Board directs the investment activity of the Pension Trust Fund. The Public Agencies Retirement Services (PARS) directs the investment activity of the Other Postemployment Benefit Trust Fund.

A. Summary of Cash and Investments

Cash and investments at June 30, 2014 (December 31, 2013, for the Pension Trust Fund and March 31, 2014, for the Housing Authority) are reported as follows (in thousands):

		Deposits and Certificates of Deposits	Investments	Total
From the Statement of Net Position				
Primary Government	Cash and investments	$ 216,555	526,361	742,916
	Restricted cash and investments		33,493	33,493
First 5 Contra Costa Children and Families Commission	Cash and investments	1	33,101	33,102
Housing Authority	Cash and investments	3,347	3,530	6,877
	Restricted cash and investments		5,304	5,304
From the Statement of Fiduciary Net Position				
Pension Trust Fund	Cash and investments	3,583	6,571,182	6,574,765
	Cash collateral-securities lending		262,984	262,984
Other Employee Benefit Trust Fund	Cash and investments		149,032	149,032
Investment Trust Fund	Cash and investments	3	1,418,659	1,418,662
Private-Purpose Trust Funds	Cash and investments	15,929	12,669	28,598
	Restricted cash and investments	4	5,898	5,902
Agency Funds	Cash and investments	15	197,943	197,958
Total		$ 239,437	9,220,156	9,459,593

B. Deposits and Investments (excluding the Pension Trust Fund)

Deposits

Deposits include bank deposits at a carrying amount of $239,647,000. The balance reported by various financial institutions was $303,465,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, $3,352,000 was covered by federal depository insurance and $300,113,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

According to the California Government Code Section 53601, bank obligations such as certificates of deposit are considered investments. However, in accordance with accounting principles generally accepted in the United States of America, the county has classified certificates of deposit in the amount of $4,817,000 as deposits. Of the certificates of deposit balance, $503,000 was insured and $4,314,000 was collateralized by the pledging financial institutions as required by California Government Code Section 53652.

Under the California Government Code, a financial institution is required to secure deposits in excess of $250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral must be held at the pledging bank's trust department or at another bank, acting as the pledging bank's agent, in the public agency's name. The county may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by

the Federal Deposit Insurance Corporation. The county, however, has not waived the collateralization requirements.

The county follows the practice of pooling cash of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated on a quarterly basis to the various funds based on the year-to-date average daily cash balances. Interest income from cash with fiscal agent is credited directly to the related fund.

Authorized Investments

Under provisions of the county's investment policy, the county may invest in the following:

Bonds and notes issued by local agencies with a maximum maturity of five years. Obligations issued by Agencies or Instrumentalities of the U.S. Government.

State or Municipal Depository Funds, such as the Local Agency Investment Fund (LAIF) or pooled cash investment funds managed by county treasurers.

U.S. Treasury bills, notes, bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

Registered state warrants, treasury notes, or bonds issued by the state of California.

Bonds, notes, warrants, or other evidence of debt issued by a local agency within the state of California, County Treasurer, other local agencies or Joint Powers Agencies.

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments.

Banker's acceptances with a term not to exceed 270 days, limited to 40% of surplus funds; no more than 30% of surplus funds can be invested in Bankers Acceptances of any single commercial bank.

Prime commercial paper not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp., limited to 15% of surplus funds; provided that if the average total maturity of all commercial paper does not exceed 31 days up to 30% of surplus funds can be invested in commercial paper.

Negotiable certificates of deposit issued by federally or state chartered banks or associations, limited to not more than 30% of surplus funds.

Repurchase/reverse repurchase agreements of any securities authorized by the California Government Code Sections 5922 and 53601 et seq. Securities purchased under these agreements shall be no less than 102% of market value. Securities purchased under reverse repurchase agreements shall be for temporary and unanticipated cash flow needs only.

Medium-term notes (not to exceed two years) of U.S. corporations rated "AAA" or better by Moody's or Standard & Poor's limited to not more than 30% of surplus funds.

Shares of beneficial interest issued by diversified management companies investing in the securities and obligations authorized by this Section (Money Market Mutual Funds); funds must carry the highest rating of at least two national rating agencies and are limited to not more than 20% of surplus funds.

Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable-backed bond with a maximum maturity of five years, securities in this category must be rated AA or better by a national rating service and are limited to not more than 30% of surplus funds.

Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest.

Monies held by a trustee or fiscal agent and pledged to the payment of security bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements.

Insured demand and savings deposits, provided that deposits in excess of the insured amounts must be 100% collateralized by federal securities (Housing Authority).

Insured money market accounts (Housing Authority).

Insured SUPERNOW accounts, provided the deposit in excess of insured amount must be 100% collateralized by federal securities (Housing Authority).

Sweep accounts that are 100% collateralized by federal securities (Housing Authority).

Funds held under the terms of a trust indenture or other contract or agreement including HUD/PHA annual contributions contract, may be invested according to the provisions of those indentures or contracts.

Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.

Risk Disclosures

Interest Rate Risk. As a means of limiting its exposure to losses arising from rising interest rates, the county's investment policy provides that final maturities of securities cannot exceed five years, unless the county Board of Supervisors (Board) has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

At June 30, 2014, the county (March 31, 2014, for the Housing Authority) excluding CCCERA investments (as of December 31, 2013, which are shown on page 54), had the following investments and maturities (in thousands):

		Investment Maturities				
Investment Type:		Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	Fair Value Total
U.S. Treasury notes & bonds	$	2,039	36,140	731		38,910
U.S. agencies - (FHLB, FNMA, FFCB, FHLMC)		71,353	171,367	55,787		298,507
Corporate notes		39,859	49,817	22,144		111,820
Municipal bonds		2,944	5,032	1,137		9,113
Asset backed securities		6,341	1,100			7,441
Commercial paper		764,244				764,244
Negotiable certificates of deposit		479,812	6,806	3,287		489,905
Guaranteed investment contracts					10,809	10,809
Mutual funds		237,609			154,407	392,016
Money market accounts		565				565
LAIF		262,632				262,632
Local obligation bond					28	28
Total	$	1,867,398	270,262	83,086	165,244	2,385,990

Mutual funds consist of the 2007A, 2009, and 2010 lease revenue bonds; the East Bay Regional Communications System Authority Contra Costa Bond with a weighted average maturity of twelve years; and, the OPEB Irrevocable Trust. The weighted average maturity of LAIF is 232 days and mutual funds are one day.

As of June 30, 2014, the portfolio contained $102,629,000 of callable U.S. Agencies, representing 12.20% of investment cost at June 30, 2014.

Credit Risk. State law limits investments in commercial paper with an A1 and all other investments with an investment grade rating issued by nationally recognized statistical rating organizations (NSROs). The county's policy is to limit its investments in these investment types to the top rating issued by NSROs including raters Standard and Poor's, Fitch Ratings, and Moody's Investors Service.

The following schedule lists the types of investments and the range of credit ratings as rated by Standard and Poor's:

Investment Type:		Fair Value (in thousands)	Quality Rating Range
U.S. Treasury notes, strips, bills	$	38,910	
Federal Home Loan Bank (FHLB)		58,012	AAA to AA+
Federal National Mortgage Association (FNMA)		120,053	AAA to AA+
Federal Farm Credit Bank (FFCB)		60,891	AAA to AA+
Federal Home Loan Mortgage-Corp (FHLMC)		49,551	AAA to AA+
Freddie Mac		8,000	AAA to A-1+
Fannie Mae		2,000	AAA to AA+
Corporate notes		111,820	AAA to A-
Municipal bonds		9,113	AA to A
Asset-backed securities		7,441	AAA to NOT RATED
Commercial paper		764,244	A-1 to A-1+
Negotiable certificates of deposit		489,905	A-1 to A-1+
Guaranteed investment contracts		10,809	NOT RATED
Mutual funds		392,016	AA to A
Money market accounts		565	AAAm
LAIF		262,632	NOT RATED
Local obligation bond		28	NOT RATED
Total	$	2,385,990	

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. There are no county investments in which the securities are held by the investment's counterparty not in the name of the county.

Concentration of Credit Risk. The Treasurer's investment policies and guidelines permit the county to be invested in any one issuer's investments up to 10% of the county's total assets of the investments held by the county. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 5% or more of the county pool.

Other Financial Instruments

In accordance with California statutes, the county may invest in a wide variety of investment instruments, including asset-backed securities, such as: collateralized mortgage obligations and principal-only strips and forward contracts.

The county's investments with the Local Agency Investment Fund (LAIF), a state of California investment pool, at June 30, 2014, included a portion of the pool, at June 30, 2014, which included a portion of the pool funds invested in structured notes and asset-backed securities, as follows:

> Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
>
> Asset-Backed Securities the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets (such as principal) and

interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

The county's investment pool is invested in the State of California Local Agency Investment Fund (LAIF), which is part of the State of California Pooled Money Investment Account (PMIA). As of June 30, 2014, the county (excluding the Housing Authority) had $259,102,000 invested in LAIF, which had invested .17% of the pool investments funds in structured notes and asset-backed securities. The Housing Authority (March 31, 2014) had $3,530,000 invested in LAIF. The value of the pool shares in LAIF is determined on an amortized cost basis, which approximates fair value. PMIA is not SEC-registered, but is required to invest according to the California Government Code. The Local Investment Advisory Board, which consisted of five members designated by state statues, has oversight responsibility for LAIF.

As of June 30, 2014, the county had no derivative instruments in mutual funds.

At June 30, 2014, (March 31, 2014, for the Housing Authority) the amount of assets restricted by legal and contractual requirements was as follows (in thousands):

	Governmental Activities		Business-type Activities	Fidicuary Activities	Discrete Component Unit
	General Fund	Nonmajor Governmental Funds	County Hospital	RDA Successor Agency	Housing Authority
Pension obligation bond	$	3			
Nonexpendable portion of permanent fund		1,729			
Public Financing Authority:					
2002B Lease revenue bonds		1,532			
2007A & 2007B Lease revenue bonds		7,729			
2001 Reassessment bond		401			
2010A & 2010B Lease revenue bonds		1,066			
Pleasant Hill BART bond reserve 1987-1 reserve account		526			
San Ramon bond reserve 1989-1 reserve account		44			
Kensington reserve fund AD 91-1 reserve account		268			
San Pablo bond reserve AD 91-3 reserve account		29			
Pleasant Hill BART RFD 98 reserve account		563			
2013 Special Tax Refunding bonds		207			
Kensington construction/improvement bond AD 91-1		26			
County Hospital Enterprise Fund:					
2007A Lease revenue bonds			3,348		
2010A & 2010B Lease revenue bonds			3,118		
2012A Lease revenue bond			1,616		
Capital lease funds that have not been spent, operating revenues required by lender, and funds held on behalf of its clients					5,304
East Bay Regional Communication System	2,376				
Restricted program money	1,243				
Low & Moderate Income Housing Assets		7,669			
RDA Successor Agency				5,902	
Total restricted assets	$ 3,619	21,792	8,082	5,902	5,304

County management believes that the county is in compliance with all terms of its debt agreements and all state statute requirements.

C. Pension Trust Fund Deposits and Investment Risk Disclosures

Deposits

At December 31, 2013, the carrying amount of CCCERA's cash deposits was $3,583,000 and the bank balance was $3,423,000. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Effective December 31, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA) fully granted all funds in non-interest bearing transaction deposit accounts held at FDIC insured depository institutions.

Under the California Government Code, a financial institution is required to secure deposits in excess of $250,000 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure governmental deposits by pledging first deed mortgage notes having an institution's trust department or agent in CCCERA's name.

Investment Stewardship

Except as otherwise expressly restricted by the California Constitution and by law, the CCCERA Board invests the assets of CCCERA through the purchase, holding, or sale of any form or type of instruments, or financial transaction, when prudent, in the informed opinion of the CCCERA Board. In addition, the CCCERA Board has established an investment policy, which places limits on the compositional mix of cash, fixed income, equity securities, real assets, alternative investments and real estate investments. CCCERA currently employs external investment managers to manage its assets subject to the guidelines of the investment policy.

As permitted by the Government Code, CCCERA directs the County Treasurer to make specific investments on behalf of CCCERA. Investments made by the County Treasurer are subject to regulatory oversight by the county's Treasury Oversight Committee, as required by the California Government Code Section 27134.

Investment Risk

Investments are subject to certain types of risks, including interest rate risk, credit risk (including custodial credit risk and concentrations of credit risk), and foreign currency risk. The following describes those risks:

Interest Rate Risk. The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

Holding of Fixed Income Futures are allowed, on an unleveraged basis, such that the market notional value of all long contracts shall be covered by cash, cash receivables, or cash equivalents with one-year or less in duration.

The following schedule is a list of fixed income and short-term investments and the related maturity schedule for CCCERA as of December 31, 2013 (in thousands):

	Investment Maturities				
Investment type	Less than 1 year	1-5 years	6-10 years	More than 10 years	Fair Value Total
Collateralized mortgage-backed securities (CMBS)	$ 11,294	132,616	71,085	150,318	365,313
Collateralized mortgage-obligations		660	11,191	40,319	52,170
Commercial paper	58,593				58,593
Corporate bonds	32,503	221,224	339,660	29,980	623,367
Private placements		40,467	191,653	52,259	284,379
Short-term investment-fund instruments				495,939	495,939
U.S. Treasury notes & bonds	97,238	95,401	23,877	15,343	231,859
U.S. agencies - (GNMA, FNMA, FHLMC)	25,322	46,618	100,070	138,213	310,223
Total	$ 224,950	536,986	737,536	922,371	2,421,843

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, CCCERA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, CCCERA has no custodial credit risk because all securities held by CCCERA's custodial bank are in CCCERA's name. The fair value of investments on loan at December 31, 2013, is $259,000,000, which was collateralized by cash in the amount of $263,000,000.

Concentration of Credit Risk. The CCERA Board's investment policies and guidelines permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-diversified portfolio. The investment portfolio contained no concentration of investments in any one entity (other than those issued or guaranteed by the U.S. Government) that represented 5% or more of plan net position.

Credit Risk. CCCERA's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions and defraying reasonable expenses of administering the defined benefit plan. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless under the circumstances it is clearly prudent not to do so. Nationally recognized statistical rating organizations provide ratings of debt securities quality based on a variety of factors, for example, the financial condition of the issuers, which provide investors with some idea of the issuer's ability to meet its obligations.

Fixed maturity investments may consist of rated or non-rated securities. Ratings can range from AAA (highest quality) to D (default). Debt securities with ratings of BBB or higher are considered investment grade issues, and debt securities with ratings of BB or lower are non-investment grade issues. Debt securities in the non-investment grade category are more speculative and often referred to as "high-yield." This is due to the fact that lower rated debt securities generally carry a higher interest rate to

compensate the buyer for taking on additional risk. To control credit risk, credit quality guidelines have been established.

The following is a schedule of the credit risk ratings of CCCERA's fixed income and short-term investments as of December 31, 2013, as rated by Standard and Poor's:

Quality Rating		Fair Value (in thousands)
AAA	$	344,349
AA+		161,381
AA		72,484
AA-		78,821
A+		33,202
A		67,153
A-		65,019
BAA+		7,554
BAA-		6,586
BBB+		60,008
BBB		64,525
BBB-		64,664
BB+		25,915
BB		29,928
BB-		47,362
B+		57,194
B		63,727
B-		61,467
CCC+		42,779
CCC		14,504
CCC-		6,621
CC		1,419
D		9,439
NR		1,035,742
Total	$	2,421,843

The following is a schedule of credit quality ratings, by type, of CCCERA's fixed income and short-term investments as of December 31, 2013, as rated by Standard and Poor's:

Investment Type	Quality Rating Range
Asset-backed securities*	AAA TO CCC
Convertible bonds	NOT RATED
CMBS	AAA TO CCC
CMO*	AAA TO D
Corporate bonds*	AAA TO CCC-
Municipals	AAA TO BBB+
Private placements	AAA TO BBB+
Real estate investment trust*	A- TO B+
Short-term	AA TO A+
U.S. & foreign agencies*	AAA TO CCC+
Mutual funds	NOT RATED

* Investment type contained one or more investments that were not rated.

Foreign Currency Risk. The risk that changes in exchange rates will adversely affect the fair value of an investment. CCCERA's external investment managers may invest in international securities and must follow CCCERA's investment guidelines pertaining to these types of investments. CCCERA's exposure to foreign currency risk is as follows:

Currency		(in thousands)
Australian dollar	$	40,891
Brazilian real		15,852
British pound sterling		174,726
Canadian dollar		34,566
Chilean peso		2,306
Columbian peso		1,680
Danish krone		6,547
Euro		213,258
Hong Kong dollar		47,007
Indian rupee		10,055
Israeli shekel		6,346
Japanese yen		151,693
Kenyan shilling		483
Malaysian ringgit		302
Mexican peso		20,375
New Zealand dollar		11,104
Nigerian Naira		582
Norwegian krone		18,590
Peruvian Nuevo Sol		4,831
Philippine peso		4,054
Polish zloty		5,570
Russian Federation rouble		2,350
Singapore dollar		6,679
South African rand		5,113
South Korean won		20,041
Swedish krona		26,070
Swiss franc		28,052
Taiwan new dollar		8,323
Thai baht		1,002
United Arab Emirates Dirham		2,067
Yuan Renminbi-China		11,210
Total	$	881,725

The following schedule is a list of investments for CCCERA as of December 31, 2013:

Type of Investment		Fair Value (in thousands)
Deposit	$	3,583
Short term investments held by fiscal agent		852,758
Total short term investments		856,341
U.S. government and agency instruments		834,633
Private placement bonds		284,379
Domestic corporate bonds		472,292
International bonds		277,378
Total bonds		1,868,682
Domestic stocks		948,807
Global stocks		856,481
International stocks		718,198
Total stocks		2,523,486
Real assets		318,617
Real estate		828,562
Alternative investments		442,061
Total investments	$	6,837,749

Securities Lending by the Employees' Retirement Association (Pension Trust Fund)

CCCERA's investment policy permits the use of a securities lending program with its principal custodian bank. CCCERA lends domestic bonds and equities and international equities to various brokers for collateral that will be returned for the same securities plus a fee in the future. The custodian bank provides loss indemnification to CCCERA if the borrower fails to return the securities.

The custodian bank manages the securities lending program and receives cash and/or securities as collateral. The collateral cash can be invested and is automatically rolled into a Short-Term Investment Fund (STIF). The collateral securities cannot be pledged or sold by CCCERA without borrower default. Securities on loan must be collateralized at 102.0% and 105.0% of the fair value of domestic securities and non-domestic securities, respectively, plus accrued interest (in the case of debt securities).

There are no restrictions on the amount of securities that can be loaned at one time. CCCERA has the right to terminate any loan in whole or in part by providing the custodian bank with written notice (a "Recall Notice"). Because the loans are terminable at will, the term to maturity of the security loans is generally not matched with the term to maturity of the cash collateral. There were no losses associated with securities lending transactions during the year.

At year-end, additional funds of $51,000 are held as collateral for CCCERA's securities on loan. This is known as the "calculated mark" and settled on the first business day of January 2014. CCCERA had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The fair value of investments on loan at December 31, 2013, is $259,000,000, which was collateralized by cash in the amount of $263,000,000, and has been reported as an asset and liability in the CCCERA Statement of Fiduciary Net Position.

Derivative Financial Instruments

As of December 31, 2013, the derivative instruments held by CCCERA are considered investments and not hedges for accounting purposes. The term hedging, as it is used elsewhere in the notes to these financial statements, denotes an economic activity and not an accounting method. The gains and losses from this activity are recognized as incurred in the Statement of Changes in Fiduciary Net Position.

CCCERA currently employs external investment managers to manage its assets as permitted by the California Government Code and CCCERA's investment policy and specific managers hold investments in swaps, options, futures, forward settlement contracts, rights, and warrants and enter into forward foreign currency exchange security contracts within fixed income financial instruments. The fair value of options, futures, rights, and warrants is determined based upon quoted market prices. The fair value of derivative investments that are not exchange traded, such as swaps, and TBA's (To Be Announced) is determined by an external pricing service using various proprietary methods, based upon the type of derivative instrument. Futures contracts are marked to market at the end of each trading day, and the settlement of gains or losses occur on the following business day through variation margins. The fair value of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the specified contract exchange rate and the exchange rate at the end of the reporting period.

Forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign securities. Due to the level of risk associated with certain derivative investment securities, it is conceivable that changes in the values of investment securities will occur in the near term, and such changes could affect the amounts reported in the financial statements.

CCCERA could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. CCCERA's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. CCCERA anticipates that the counterparties will be able to satisfy their obligations under the contracts.

The following is a summary of derivative instruments at December 31, 2013, with the net appreciation/(depreciation) that has occurred during the year:

	Fair Value as of December 31, 2013 (Dollars in Thousands)			
Investment Derivatives by Type	Net Appreciation/ (Depreciation) in Fair Value Amount	Classification	Fair Value	Notional Amount
Credit Default Swaps Bought	$ 10	Debt Securities	$ (92)	20,050
Credit Default Swaps Written	218	Debt Securities	104	16,600
Fixed Income Futures - Long	(2,921)	Debt Securities		124,400
Fixed Income Futures - Short	1,451	Debt Securities		(101,200)
Fixed Income Options - Bought	97	Debt Securities	221	13,800
Fixed Income Options - Written	71	Debt Securities	(463)	(110,700)
Futures Options Bought	(94)	Debt Securities		
Futures Options Written	59	Debt Securities	(141)	(491)
Foreign Exchange Forwards	(1,487)	Contracts	5,245	522,857
Index Futures - Long	102,119	Various		84,532
Pay Fixed Interest Rate Swaps	3,103	Debt Securities	998	121,586
Receive Fixed Interest Rate Swaps	(2,060)	Debt Securities	(872)	109,583
Rights	3	Equities		
Warrants	220	Equities	873	174
Total	$ 100,789		$ 5,873	

CCCERA's derivative instruments that are not exchange traded, including the swaps disclosed above, are valued using methods employed for debt securities. CCCERA's investment policy does not require collateral to be held for derivative investments.

Futures contracts are instruments that derive their value from underlying indices or reference rates and are marked to market daily. Settlement of gains or losses occur the following business day. As a result, those instruments and other similar instruments do not have a fair value at December 31, 2013, or any other trading day. Daily settlement of gains and losses enhances internal controls as it limits counterparty credit risk. Futures variation margin accounts are also settled daily and recognized in the financial statements under net appreciation/(depreciation) in fair value as they are incurred.

Foreign currency contracts are obligations to buy or sell a currency at a contractual exchange rate and quantity on a specific date in the future. The fair value of the foreign currency forwards is the unrealized gain or loss calculated as the difference between the contractual exchange rate and the closing exchange rate as of December 31, 2013.

Counterparty Credit Risk

Counterparty credit ratings of CCCERA's non-exchange traded investment derivative instruments (approximately $13.2 million) and subject to loss as of December 31, 2013, ranged from AA- to A- per Standard And Poor's rating with similar rating from Moody's and Fitch. No instruments that were non-exchange traded lacked ratings. In a case where a wholly owned broker-dealer does not engage the rating companies for a standalone rating, the subsidiary is assigned the parent company rating as the broker-dealer is an integral part of their business model(s). With the exception of forward trade commitments, CCCERA has a policy of requiring collateral posting provisions in non-exchange traded derivative instruments where it is market practice. As of December 31, 2013, CCCERA doesn't hold any collateral related to its non-exchange traded derivative instruments. The approximate $13.2 million represents the maximum loss that would be recognized at December 31, 2013, should the counterparties fail to perform. While no netting arrangements are used by CCCERA, the amount represents a net position of exposure for similar instruments.

Derivative Instruments Subject to Credit Risk

As of December 31, 2013, the following is a table of investment providers that are subject to credit risk, percentage of net exposure, and ratings:

Investment Provider Exposure to Credit Risk at December 31, 2013

Counterparty	Percentage of Net Exposure		S & P
Deutsche Bank AG London	67	%	A
Credit Suisse FOB CME	9		A
CitiBank N.A.	8		A
Canadian Imperial Bank of Commerce	5		A+
Bank of New York	3		A+
HSBC Bank USA	2		AA-
Goldman Sachs Capital Markets LP	2		A-
JP Morgan Chase Bank N.A.	1		A+
Royal Bank of Canada	1		AA-
Royal Bank of Canada (UK)	1		AA-
UBS AG London	1		A
16 others	Less than 1		Not rated to AA-

Custodial Credit Risk

The custodial credit risk for exchange traded derivative instruments is made in accordance with custodial credit risk disclosure requirements outlined in Generally Accepted Accounting Principles (GAAP). As of December 31, 2013, all of CCCERA's investments are held in CCCERA's name and are not subject to custodial credit risk.

Interest Rate Risk

As of December 31, 2013, CCCERA is exposed to interest rate risk on its swaps. Since CCCERA's investment managers can buy and sell the swaps on a daily basis, the investment managers actively manage the portfolio to minimize interest rate risk and it is unlikely that the swaps will be held to maturity. The total fair value subject to interest rate risk as of December 31, 2013, and maturities are as follows (Dollars in Thousands):

Investment Derivatives by Type		Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Credit Default Swaps Bought	$	(92)	(92)			
Credit Default Swaps Written		104		201		(97)
Fixed Income Options Bought		221	5	216		
Fixed Income Options Written		(463)	(243)	(220)		
Pay Fixed Interest Rate Swaps		999		160	342	497
Receive Fixed Interest Rate Swaps		(872)		(405)	(325)	(142)
	$	(103)	(330)	(48)	17	258

The interest rate swaps are highly sensitive to interest rate changes. As of December 31, 2013, they had a fair value of approximately $54,000 and an approximate notional value of $194,000,000.

Foreign Currency Risk in International Investment Securities

CCCERA is exposed to foreign currency risk on its various investments denominated in foreign currencies. As of December 31, 2013, the following currencies were either in a receivable position (purchased) or payable position (sold) with net exposure, denominated in United States Dollars:

Fair Value in United States Dollars as of December 31, 2013 (Dollars in Thousands)

Currency Name		Net Receivable (Purchased)	Net Payable (Sold)	Swaps	Exposure
Australian dollar	$	(255)	376	10	131
Brazilian real		3,030	(310)	86	2,806
British pound sterling		164	218	(84)	298
Canadian dollar		(211)	74	(110)	(247)
Chilean peso			(1)		(1)
Columbian peso		1			1
Czech Koruna		1	(4)		(3)
Danish krone		76	(29)		47
Euro currency		3,876	(393)	(9)	3,474
Indian rupee		305			305
Indonesian rupiah			8		8
Japanese yen		(4,780)	1,380	66	(3,334)
Kazakhstan ringgit		9			9
Malaysian ringgit		(3)			(3)
Mexican peso		37	56		93
New Russian ruble		249	(10)		239
New Taiwan dollar		(68)	1		(67)
New Zealand dollar		1	7	(14)	(6)
Norwegian krone		21	(283)	(1)	(263)
Peruvian Nuevo Sol			28		28
Philippine Peso		(7)	157		150
Polish zloty		1	(142)		(141)
Singapore dollar		35	20		55
South African rand		(20)	3		(17)
South Korean won		668	(36)		632
Swedish krona		229	(4)	4	229
Swiss franc		756	5	(2)	759
Turkish Lira		(32)	48		16
Yuan Renminbi-China		3	(10)		(7)
Total	$	4,086	1,159	(54)	5,191

Contingent Features

As of December 31, 2013, CCCERA held no investments with contingent features.

D. Other Postemployment Benefit Trust Fund

Investment Stewardship

The county has established investment policies for the investments of Contra Costa County Post-Retirement Health Benefits Plan Trust (OPEB Trust). The OPEB Trust is administered by Public Agency Retirement Services (PARS), under the direction of the Post Retirement Health Benefits Trust Agreement Advisory Body, a body designated by the county Board of Supervisors. The OPEB trust is reported in the Contra Costa County OPEB Irrevocable Trust fund, and does not issue separate financial statements.

The investment policy of the OPEB Trust authorizes investments in five segments and defines allocations, targets, and limits for each segment as follows:

		Allocation Ranges		Maximum % of Plan	Maximum % in Single
	Target Mix	Minimum	Maximum	Portfolio	Issuer
Total Domestic Equity:					
Large Cap	17%	13%	32%	no limit	no limit
Mid Cap	6%	2%	10%	no limit	no limit
Small Cap	8%	4%	12%	no limit	no limit
Global Equity	7%	4%	12%	10%	5%
International Equity (Developed)	9%	4%	16%	no limit	no limit
Internatinal Equity (Emerging)	0%	0%	3%	no limit	no limit
Fixed Income	38%	30%	50%	no limit	no limit
High Yield	0%	0%	4%	no limit	no limit
Real Estate	4%	0%	8%	no limit	no limit
Cash (Money Market)	1%	0%	5%	no limit	no limit
Alternatives	10%	5%	20%	5%	no limit

Investments in the Global Fixed Income segment are restricted to obligations of the U.S. Treasury; obligations of U.S. Agency securities (including-mortgage backed securities); certificates of deposit; individual corporate bonds (minimum quality rating of Baa2/BBB at the time of purchase); instruments pursuant to SEC Rule 144(a) or Regulation S; commercial paper (minimum quality rating of P-1/A-1); lower risk planned amortization class collateralized mortgage obligations (CMO) and sequential CMOs (CMOs are limited to 10% of fixed income portfolio); high-yield securities held in high-yield mutual funds; asset-backed securities (e.g. automobiles, credit cards or student loans). Investments in the Real Estate segment are restricted to an individual Real Estate Investment Trust (REIT) securities and comingled funds that invest in REIT.

At June 30, 2014, the OPEB Trust Fund held $149,032,000 in mutual funds in the following segments (in thousands):

	Market Value at June 30, 2014	Portfolio Allocation
Total Domestic Equity:		
Large Cap	$ 27,306	18%
Mid Cap	6,476	4%
Small Cap	7,941	5%
Global Equity	12,854	9%
International Equity (Developed)	17,121	11%
Fixed Income	53,367	36%
Real Estate	2,863	2%
Cash (Money Market)	6,743	5%
Alternatives	14,361	10%
	$ 149,032	

Investment Risk

Investments are subject to certain types of risks, including interest rate risk and credit risk (including custodial credit risk concentrations or credit risk). The following describes those risks:

Interest Rate Risk. The fair value of fixed maturity investments fluctuates in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those investments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments may have call provisions that could result in shorter maturity periods.

The OPEB Trust does not have a general policy to manage interest rate risk. However, to help manage interest rate risk, the Core Plus Fixed Income portfolios that have holdings in Collateralized Mortgage Obligations (CMOs) greater than 15 years or less than negative 15 years in duration (based on a 100 basis point move in rates) are limited to no more than 2% of the fixed income portfolio at cost.

At June 30, 2014, the OPEB Trust did hold fixed income investments subject to interest rate risk and the weighted average maturity for the fixed income investments portion was 5.49 years.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the OPEB Trust would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the OPEB Trust, and held by the counterparty. At June 30, 2014, the OPEB Trust's investments were not exposed to custodial credit risk because none of the investments were in the name of the county or the OPEB Trust as the portfolio only included mutual funds and money market funds. The OPEB Trust has no general policy on custodial credit risk for deposits.

Concentration of Credit Risk. The investment policies of the OPEB Trust permit investments in numerous specified asset classes to take advantage of professional investment management advice and a well-

diversified portfolio. At June 30, 2014, the investment portfolio contained no concentration of investments in any one entity that represented 5% or more of the portfolio.

Credit Risk. The OPEB Trust's general investment policy is to apply the prudent-person rule. Investments are made as a prudent person would be expected to act, with discretion and for the exclusive purposes of providing benefits, minimizing contributions, and defraying reasonable expenses of administering the Plan. Investments should be diversified so as to minimize the risk of loss and to maximize the rate of return unless, under the circumstances, it is clearly prudent not to do so. At June 30, 2014, the mutual funds held by the OPEB Trust are not rated by a nationally recognized rating organization.

5. RECEIVABLES

Receivables at year-end of the county's major individual funds, nonmajor, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Health & Sanitation Special Revenue	Nonmajor Governmental Funds	Internal Service	Total Governmental Activities
Taxes receivable	$ 2,133	980		346		3,459
Accounts receivable	176,613	155	4,112	30,770	1,926	213,576
Advances receivable	81					81
Gross receivables	178,827	1,135	4,112	31,116	1,926	217,116
Less: Allowance for uncollectibles	(4)					(4)
Total receivables (net)	$ 178,823	1,135	4,112	31,116	1,926	217,112

Business-type Activities	County Hospital	HMO Medi-Cal Plan	Nonmajor Enterprise Funds	Total Business-type Activities
Accounts receivable	$ 289,704	55,483	2,110	347,297
Gross receivables	289,704	55,483	2,110	347,297
Less: Allowance for uncollectibles	(203,606)			(203,606)
Total receivables (net)	$ 86,098	55,483	2,110	143,691

Governmental funds report unavailable revenues as a deferred inflow of resources in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds report a liability for unearned revenue in connection with resources that have been received, but not yet earned.

At June 30, 2014, the various components of unavailable revenue and unearned revenue reported were as follows (in thousands):

	Unavailable	Unearned
Governmental Activities:		
General:		
Notes receivable (Community Development Block Grant-CDBG loans)	$ 81,808	
Advances not yet earned		4,201
Other receivables and advances		6,713
CCC Fire Protection District Special Revenue:		
Resources received that do not yet meet the criteria for revenue recognition	59	
Nonmajor Governmental:		
Notes receivable	16,126	
Advances not yet earned		194
Other receivables and advances		6,234
Resources received that do not yet meet the criteria for revenue recognition	2,546	
Total Governmental Activities	$ 100,539	17,342
Business-type Activities:		
County Hospital:		
Reserves for supplemental payments received and settlement liabilities		$ 51,622
HMO Medi-Cal Plan:		
Resources received that do not yet meet the criteria for revenue recognition		619
Nonmajor Enterprise:		
Resources received that do not yet meet the criteria for revenue recognition		286
Total Business-type Activities		$ 52,527

6. INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2014, is as follows (in thousands):

Due To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	CCC Fire Protection District Special Revenue Fund	$ 118
	Health & Sanitation Special Revenue Fund	34,336
	Nonmajor Governmental Funds	49,433
	County Hospital Enterprise Fund	4,481
	HMO Medi-Cal Enterprise Fund	2,210
	Nonmajor Enterprise Funds	20,791
	Internal Service Funds	1,687
		113,056
CCC Fire Protection District Special Revenue Fund	General Fund	8
	Internal Service Funds	40
		48
Health & Sanitation Special Revenue Fund	General Fund	111
	Nonmajor Governmental Funds	57
		168
Nonmajor Governmental Funds	General Fund	6,094
	Nonmajor Governmental Funds	2,885
	County Hospital Enterprise Fund	59
	HMO Medi-Cal Enterprise Fund	3
	Nonmajor Enterprise Funds	1
	Internal Service Funds	12
		9,054
County Hospital Enterprise Fund	General Fund	1,230
	Health & Sanitation Special Revenue Fund	174
	HMO Medi-Cal Enterprise Fund	15,638
	Nonmajor Enterprise Funds	2,797
	Internal Service Funds	26
		19,865
HMO Medi-Cal Enterprise Fund	General Fund	2
	Nonmajor Enterprise Funds	256
		258
Nonmajor Enterprise Funds	General Fund	895
	County Hospital Enterprise Fund	34,439
	HMO Medi-Cal Enterprise Fund	6,503
	Nonmajor Enterprise Funds	1
	Internal Service Funds	5
		41,843
Internal Service Funds	General Fund	1,069
	Nonmajor Governmental Funds	131
	County Hospital Enterprise Fund	11
	Nonmajor Enterprise Funds	22
	Internal Service Funds	36
		1,269
Total		$ 185,561

The due to/from other funds account balances primarily resulted from interfund cash transactions recorded after the cash cut-off on June 30, 2014.

B. Interfund Transfers

Fund Financial Statements

Transfers were made during the year from the General Fund to subsidize the operations of the County Hospital, HMO Commercial Plan, and Sheriff Law Enforcement Training Center. Other transfers primarily consisted of payments from the various operating funds (principally the General Fund) to debt service funds in accordance with long-term debt covenants. In addition, special revenue funds made transfers to other funds to reimburse eligible costs incurred.

Interfund transfers to/from other funds for the year ended June 30, 2014, were as follows (in thousands):

Transfer From	Transfer To	Amount	Purpose
General Fund	Health & Sanitation Special Revenue Fund	$ 111	Transfer of funds to Special District funds to cover expended amounts greater than what had been appropriated by the district.
	Nonmajor Governmental Funds	51,317	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	1,874	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	78	Transfer funds for the Sheriff's Patrol usage of helicopter.
	Nonmajor Governmental Funds	11	Transfer funds to Public Ways-Special Revenue Fund to cover expended amounts greater than what had been appropriated by the district.
	Nonmajor Governmental Funds	5	Transfer funds to Public Ways-Special Revenue Fund for EBMUD easement correction.
	County Hospital Enterprise Fund	26,672	Provide subsidy to cover portion of the County Hospital's operation.
	Nonmajor Enterprise Fund	3,736	Provide subsidy to cover a portion of the HMO's operation.
	Nonmajor Enterprise Funds	65	Provide subsidy to cover a portion of Law Enforcement Training Center Operation.
Total		$ 83,869	
Health & Sanitation Special Revenue Fund	Nonmajor Governmental Funds	$ 69	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond Fund.
	Nonmajor Governmental Funds	2	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 71	
Nonmajor Governmental Funds	CCC Fire Protection District Special Revenue Fund	$ 13	Transfer funds from the Contra Costa County Fire Protection District pension obligation bond to the Fire Pension Obligation Bond Stabilization fund.
	Nonmajor Governmental Funds	6,566	Transfer SLESA Realignment funds to Supplemental Law Enforcement Services fund.

(continued)

Transfer From	Transfer To	Amount	Purpose
	Nonmajor Governmental Funds	3,784	Transfer a portion of Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	500	Transfer funds from the Assessment Districts to PFA.
	Nonmajor Governmental Funds	138	Transfer a portion of Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Nonmajor Governmental Funds	125	Transfer subsidy to the courthouse construction fund.
	Nonmajor Governmental Funds	2	Transfer funds from Flood Control to Land Development.
Total		$ 11,128	
County Hospital Enterprise Fund	Nonmajor Governmental Funds	$ 17,954	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	4,677	Transfer funds from the County Hospital Enterprise fund to PFA.
	Nonmajor Governmental Funds	700	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 23,331	
HMO Medi-Cal Plan	Nonmajor Governmental Funds	$ 946	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	35	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 981	
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	$ 206	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	7	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
Total		$ 213	
Internal Service Funds	General Fund	$ 40	Claim expense reimbursement to the General Fund for the Community Warning System.
	General Fund	20	Claim expense reimbursement to EHSD.
	General Fund	2	Claim expense reimbursement to Public Works for legal expense.
	CCC Fire Protection District Special Revenue Fund	6	Claim expense reimbursement to CCC Fire Protection District for damaged radio.
	Nonmajor Governmental Funds	81	Transfer a portion of the Salaries and Benefits Expense to the Pension Obligation Bond fund.
	Nonmajor Governmental Funds	3	Transfer a portion of the Salaries and Benefits Expense for the Retirement Litigation Settlement.
	Internal Service Funds	56	Transfer portion of Public Liability Internal Service Fund allocation to Automotive Liability Internal Service fund.
Total		$ 208	

(concluded)

Government-wide Financial Statements

Capital assets reassigned between governmental activities and business-type activities are not "interfund" in the fund financial statements because it involves only one fund. In the government-wide financial statements, the reassignment of capital assets between governmental and business-type activities would be reported as a transfer.

Government-wide interfund transfers to/from other funds for the year ended June 30, 2014, were as follows (in thousands):

Transfer From	Transfer To	Amount	Purpose
Business-type Activities	Governmental Activities	$ 6	Transfer of equipment from the County Hospital to the General Fund.
Total		$ 6	

The county pays a subsidy to the County Hospital, Health Maintenance Organization, and Sheriff Law Enforcement Training Center Enterprise Funds to provide resources for operating costs which are in excess of operating revenues. Subsidies for the past three years are as follows (in thousands):

Year End June 30	Total Subsidy
2012	$ 41,728
2013	34,433
2014	30,473

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 was as follows (in thousands):

	Balance July 1, 2013	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2014
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 67,594		(28)		67,566
Construction in progress	62,066	20,476	(497)	(16,196)	65,849
Total capital assets, not being depreciated	129,660	20,476	(525)	(16,196)	133,415
Capital assets, being depreciated:					
Infrastructure	551,723	6,762	(1,600)	10,657	567,542
Structures and improvements	673,592	105	(772)	4,323	677,248
Equipment	150,181	9,903	(5,705)	(613)	153,766
Intangibles	3,913	9,025	(3,058)	1,773	11,653
Total capital assets, being depreciated	1,379,409	25,795	(11,135)	16,140	1,410,209
Less accumulated depreciation for:					
Infrastructure	(156,062)	(11,475)	487		(167,050)
Structures and improvements	(412,896)	(19,579)	560		(431,915)
Equipment	(109,007)	(9,690)	5,455	62	(113,180)
Intangibles	(2,042)	(2,408)	1,847		(2,603)
Total accumulated depreciation	(680,007)	(43,152)	8,349	62	(714,748)
Total capital assets, being depreciated, net	699,402	(17,357)	(2,786)	16,202	695,461
Governmental activities capital assets, net	$ 829,062	3,119	(3,311)	6	828,876

	Balance July 1, 2013	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2014
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 15,516				15,516
Construction in progress	8,698	4,496		(3,922)	9,272
Total capital assets, not being depreciated	24,214	4,496		(3,922)	24,788
Capital assets, being depreciated:					
Structures and improvements	273,380	943		3,896	278,219
Equipment	51,395	497	(2,296)	82	49,678
Intangibles	8,028	331	(163)		8,196
Total capital assets, being depreciated	332,803	1,771	(2,459)	3,978	336,093
Less accumulated depreciation for:					
Structures and improvements	(119,546)	(8,323)			(127,869)
Equipment	(35,676)	(4,414)	2,114	(62)	(38,038)
Intangibles	(4,424)	(2,202)	23		(6,603)
Total accumulated depreciation	(159,646)	(14,939)	2,137	(62)	(172,510)
Total capital assets, being depreciated, net	173,157	(13,168)	(322)	3,916	163,583
Business-type activities capital assets, net	$ 197,371	(8,672)	(322)	(6)	188,371

	Balance July 1, 2013	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2014
Component Unit:					
First 5 Contra Costa Children and Families Commission					
Capital assets, not being depreciated:					
Land	$ 246				246
Total capital assets, not being depreciated	246				246
Capital assets, being depreciated:					
Structures and improvements	667				667
Equipment	125				125
Total capital assets, being depreciated	792				792
Less accumulated depreciation for:					
Structures and improvements	(156)	(26)			(182)
Equipment	(109)	(4)			(113)
Total accumulated depreciation	(265)	(30)			(295)
Total capital assets, being depreciated, net	527	(30)			497
Component unit capital assets, net	$ 773	(30)			743

	Balance April 1, 2013	Additions	Retirements	Transfers & Adjustments	Balance March 31, 2014
Component Unit:					
Housing Authority of the County of Contra Costa					
Capital assets, not being depreciated:					
Land	$ 2,977				2,977
Construction in progress	817	745		(764)	798
Total capital assets, not being depreciated	3,794	745		(764)	3,775
Capital assets, being depreciated:					
Structures and improvements	129,350			763	130,113
Equipment	2,898	38	(12)		2,924
Total capital assets, being depreciated	132,248	38	(12)	763	133,037
Less accumulated depreciation for:					
Structures and improvements	(89,940)	(3,262)			(93,202)
Equipment	(2,081)	(168)	6		(2,243)
Total accumulated depreciation	(92,021)	(3,430)	6		(95,445)
Total capital assets, being depreciated, net	40,227	(3,392)	(6)	763	37,592
Component unit capital assets, net	$ 44,021	(2,647)	(6)	(1)	41,367

The Pension Trust Fund had net capital assets of $603,000. This consisted of servers, equipment, furniture, and leasehold improvements.

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government	$	19,728
Public protection		10,320
Health and sanitation		459
Public assistance		1,916
Education		397
Public ways and facilities		8,505
Recreation and culture		144
Capital assets held by the county's internal service funds are charged to the various functions based on their usage of the assets.		1,683
Total depreciation expense - governmental functions	$	43,152

Depreciation expense was charged to the business-type functions as follows (in thousands):

County Hospital	$	13,532
HMO Medi-Cal Plan		82
Nonmajor Enterprise Funds		1,325
Total depreciation expense - business-type functions	$	14,939

8. PAYABLES

Accounts payable and accrued liabilities as of June 30, 2014, were as follows (in thousands):

Governmental Activities	General	CCC Fire Protection District Special Revenue	Health & Sanitation Special Revenue	Nonmajor Governmental Funds	Internal Service	Total Governmental Activities
Accounts payable	$ 9,665	366	256	12,891	271	23,449
Accrued payroll	30,114	3,928	64	4,080	113	38,299
Total accounts payable and accrued liabilities	$ 39,779	4,294	320	16,971	384	61,748

Business-type Activities	County Hospital	HMO Medi-Cal Plan	Nonmajor Enterprise Funds	Total Business-type Activities
Accounts payable	$ 8,540	63,941	13,514	85,995
Accrued payroll	20,313	1,140	186	21,639
Total accounts payable and accrued liabilities	$ 28,853	65,081	13,700	107,634

9. LEASES

A. Operating Leases

Total rental expense for the year ended June 30, 2014, (March 31, 2014 for the Housing Authority), for all operating leases and month-to-month lease arrangements amounted to: $12,272,000 for the General Fund; $58,000 for the CCC Fire Protection District Special Revenue Fund; $372,000 for the nonmajor governmental funds; $4,739,000 for the County Hospital Enterprise Fund; $184,000 for the HMO Medi-Cal Plan Fund; and $81,000 for nonmajor enterprise funds.

At June 30, 2014, the future minimum rental payments required under non-cancelable operating leases for buildings and equipment, other than month-to-month lease arrangements, are as follows (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2015	$	7,869	185
2016		5,807	187
2017		4,539	129
2018		4,271	
2019		3,603	
2020-2024		17,206	
2025-2029		12,368	
Thereafter		811	
	$	56,474	501

B. Capital Leases

The county has capital lease purchase agreements for various county buildings, improvements, and equipment. The assets acquired under those lease purchase agreements are included in the county's capital assets. The costs of these assets for both governmental and business-type activities were $1,400,000 for buildings and improvements, and $3,131,000 for equipment. The obligations related to those lease purchase agreements are included in the county's long-term obligations (see Note 10). The net book value for both governmental and business-type activities was $1,120,000 for buildings and improvements, and $2,418,000 for equipment.

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2014 (in thousands):

Fiscal Year Ending June 30		Governmental Activities
2015	$	1,522
2016		1,067
2017		656
2018		482
2019		202
2020-2024		141
Total		4,070
Less: Amount representing interest		(292)
Present value of future minimum lease payments	$	3,778

C. Leases of County-Owned Property

The county has non-cancelable operating leases of property to others for various operations including recreational, commercial, airport, and governmental purposes. Rental income for the year ended June 30, 2014, amounted to $1,844,000 for the General Fund, $563,000 for nonmajor governmental funds, $55,000 for the County Hospital Enterprise Fund, and $3,817,000 for nonmajor enterprise funds.

The leased assets included both land and buildings for both governmental and business-type activities. The net book value of the leased buildings was $599,000; including cost of $1,165,000 and accumulated depreciation of $566,000. The land leases were primarily associated with business-type activities at the Airport. The cost of the land associated with these leases is indeterminate, as the leased land is a small percentage of Airport land asset.

The following is a schedule of future minimum rental receipts on non-cancelable lease agreements, not including month-to-month lease agreements, as of June 30, 2014 (in thousands):

Fiscal Year Ending June 30		Governmental Activities	Business-type Activities
2015	$	186	2,553
2016		163	2,495
2017		157	2,453
2018		92	2,338
2019			2,292
2020-2024			10,264
2025-2029			9,811
2030-2034			9,212
2035-2039			7,360
2040-2044			4,228
2045-2049			1,877
2050-2054			62
	$	598	54,945

10. LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities transactions for the year ended June 30, 2014 (in thousands):

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014	Amounts Due Within One Year
Governmental activities					
Compensated absences	$ 33,944	36,620	(27,591)	42,973	4,297
Claims payable	156,518	49,468	(40,985)	165,001	37,794
Net OPEB obligation (Note 15)	488,397	80,575	(76,645)	492,327	
Retirement litigation settlement debt service	19,122		(1,230)	17,892	1,329
Capital leases	3,801	1,814	(1,837)	3,778	1,406
Pension bonds payable	416,295		(57,850)	358,445	28,720
Notes payable	1,409		(133)	1,276	130
Other bonds payable	1,705		(420)	1,285	400
Lease revenue bonds	137,252		(11,162)	126,090	11,717
Add: unamortized premium	3,282		(383)	2,899	383
Lease revenue bonds, net	140,534		(11,545)	128,989	12,100
Tax allocation bonds	94,390		(1,945)	92,445	2,045
Add: unamortized premium	1,602		(66)	1,536	67
Less: unamortized discounts	(53)		2	(51)	(3)
Tax allocation bonds, net	95,939		(2,009)	93,930	2,109
Special assessments	7,560		(668)	6,892	798
Add: unamortized premium	20		(1)	19	1
Special assessments, net	7,580		(669)	6,911	799
Other noncurrent liabilities	269	3,891	(176)	3,984	1,183
Total governmental activities	$ 1,365,513	172,368	(221,090)	1,316,791	90,267
The deferred loss on refunding was reclassified from the governmental activities long-term obligations to deferred outflows of resources due to GASB 65 implementation.	$ (4,591)				
Business-type activities					
Compensated absences	$ 11,433	16,107	(11,842)	15,698	1,569
Medical liability claims payable	4,340	1,862	(1,807)	4,395	2,380
Capital leases	104		(104)		
Notes payable	1,456		(129)	1,327	134
Other noncurrent liabilities	2,746		(1,892)	854	
Landfill post closure and closure liability [1]	689	10		699	
Lease revenue bonds payable	157,687		(9,555)	148,132	10,000
Add: unamortized premium	4,192		(573)	3,619	573
Less: unamortized discounts	(970)		42	(928)	(42)
Lease revenue bonds, net	160,909		(10,086)	150,823	10,531
Total business-type activities	$ 181,677	17,979	(25,860)	173,796	14,614
The deferred loss on refunding was reclassified from the business-type activities long-term obligations to deferred outflows of resources due to GASB 65 implementation.	$ (7,538)				
Component units					
First 5 Children and Families Commission					
Compensated absences	$ 127	26		153	15
	127	26		153	15
Housing Authority					
Compensated absences	382		(15)	367	307
Notes payable	15,243		(234)	15,009	443
Other noncurrent liabilities (incl. Net OPEB)	6,329		(933)	5,396	
	21,954		(1,182)	20,772	750
Total component units - Long-term obligations - net	$ 22,081	26	(1,182)	20,925	765

Individual issues of bonds and notes outstanding at June 30, 2014, are as follows (in thousands):

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2014
Governmental activities					
Pension obligation bonds [4],[5]:					
2003 Issue	2022	3.98-5.14	$ 0-44,925	$ 322,710	$ 258,500
2005 CCCFPD Issue	2023	4.11-5.06	1,620-10,900	129,900	99,945
					358,445
Lease revenue bonds [8]:					
1999 Lease revenue	2028	4.00-5.25	1,095-3,350	66,560	11,349
2001A Lease revenue	2015	3.15-4.15	335-900	13,905	545
2002A Lease revenue	2016	2.75-5.00	155-760	12,650	1,125
2002B Lease revenue	2019	2.00-4.60	930-2,090	25,440	6,520
2003A Lease revenue	2017	2.00-5.00	365-1,240	18,500	2,310
2007A Lease revenue	2027	4.00-5.00	0-13,294	95,544	57,037
2007B Lease revenue	2018	5.00	1,170-4,525	40,337	16,225
2009A Lease revenue	2024	4.48	1,119-2,057	23,121	17,025
2010B Lease revenue	2025	2.50-5.00	921-1,509	16,808	13,954
					126,090
Tax allocation bonds [3]:					
1999 Tax allocation bond	2029	4.00-5.125	478-3,250	44,615	8,615
2003A Tax allocation bond	2034	3.00-5.85	375-5,055	43,345	6,065
2007A Tax allocation bond	2038	4.00-5.00	285-6,600	87,705	63,315
2007B Tax allocation bond	2038	4.00-5.00	380-1090	16,665	14,450
					92,445
Special assessment debt with government commitment [6]:					
Pleasant Hill BART 93-5	2015	5.44-6.93	55-140	1,530	140
Pleasant Hill BART CFD 92-1	2016	8.00	7-14	171	27
Pleasant Hill BART CFD 98-1	2017	4.20-5.10	135-3,075	4,785	1,280
2013 Special Tax Refunding Bonds	2032	4.10-6.10	110-495	7,220	5,445
					6,892
Other bonds payable [2]:					
CCC PFA revenue bonds 2001	2017	4.00-5.69	360-570	6,575	1,285
Notes payable [7]:					
State Energy Commission	2024	3.95	68-122	1,332	1,065
PG and E - 1275 Hall Avenue	2023		2-9	94	77
PG and E - 4800 Imhoff Avenue	2019		3-17	168	134
					1,276
Total governmental activities					$ 586,433

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2014
Business-type activities					
Notes payable [7]:					
State Energy Commission	2025	3.95%	$ 83-149	$ 1,628	$ 1,302
PG and E - Pittsburg Health Center	2015		21-71	71	25
					1,327
Lease revenue bonds [8]:					
Hospital Enterprise					
1999 Los Medanos	2028	3.00-5.25	150-505	8,125	1,395
2001A Los Medanos	2015	3.15-4.15	10-265	4,125	160
2007A Lease revenue	2028	4.00-5.00	0-3,691	26,521	64,148
2007B Lease revenue	2018	5.00	2,485-9,615	69,928	28,415
2009A Lease revenue	2024	4.48	94-173	1,940	1,429
2010A Lease revenue	2040	3.00-7.00	475-1,900	40,620	39,745
2010B Lease revenue	2025	2.50-5.00	34-56	627	521
2012 Lease revenue	2027	2.68	784-1,105	13,102	12,319
					148,132
Total business-type activities					$ 149,459

NOTES:

(1) State environmental laws require the monitoring by the county of closed landfills for at least thirty years after closure. The liability is recognition of the estimated cost of performing the required post closure monitoring.

(2) Debt service payments are made from restricted property taxes and other revenues recorded in the debt service funds.

(3) The tax allocation bonds are secured by property tax revenues. Dissolution of the Redevelopment Agency on February 1, 2012, caused the shift of allocation of the property tax distribution from the Contra Costa County Redevelopment Agency to the Successor Agency to the Contra Costa County Redevelopment Agency (Successor Agency) in the Private-Purpose Trust funds. The total principal and interest remaining to be paid on the bonds is $164,902,000. For the current year, the principal and interest paid were $7,593,000 and property tax revenues were $11,287,000 through the Successor Agency. The tax allocation bonds required 67% of current year's property tax revenues.

Beginning February 1, 2012, Contra Costa County Redevelopment Agency was dissolved as a result of California Assembly Bill 1X 26 signed by the Governor of the State of California. On the date of dissolution all assets and liabilities were transferred to and became the assets and liabilities of the Successor Agency to the Contra Costa County Redevelopment Agency. However, because the tax allocation bonds are debt of the County of Contra Costa Public Financing Authority, they continue to be shown as a liability to the county.

(4) In 2001, the county restructured the 1994 pension obligation bonds with a new issue in the amount of $107,005,000. In April 2003, the county issued $322,710,000 in taxable pension obligation bonds (2003 Series A).

(5) In July 2005, the CCC Fire Protection District issued $129,900,000 in taxable pension obligation bonds (2005 Series). Debt service payments are made from county and CCC Fire Protection District revenues.

(6) Debt service payments are made from special assessment levies on properties in each assessment district. The county administers the assessment and repayment of those bonds. Since early redemption is allowed, there may be differences between the earnings on money received from property owners wishing to pay off their debt early and the interest obligation that accumulates on their debt between the time they submit funds to the county and the next available redemption date, as stated in the bonds' official statements. The county has historically funded this difference and to that extent may be obligated in some manner for this debt.

Annual principal and interest payments on the special assessment debt are expected to require 75% of revenues. The total principal and interest remaining to be paid on the debt is $8,878,000. For the current year, principal and interest paid were $954,000 and revenues were $1,487,000. The special assessment debt required 64% of current year's revenues.

(7) Debt service payments are made from operating revenues.

(8) Debt service payments are made from lease payments by the General Fund, Special Revenue Funds, and County Hospital Enterprise Fund to the Public Financing Authority.

There are a number of limitations and restrictions contained in the various bond indentures. County management believes that the county is in compliance with all significant limitations and restrictions.

General, special revenue, and internal service funds have been used to liquidate compensated absences claims payable, and other postemployment benefits (OPEB) liabilities within the governmental activities in prior years.

Following is a schedule of debt payment requirements to maturity for governmental activities for long-term obligations, excluding compensated absences, net OPEB obligation, claims payable, and other noncurrent liabilities that have indefinite maturities, outstanding at June 30, 2014 (in thousands):

Fiscal Year Ending		Capital Lease Obligations		Pension Obligation Bonds		Other Bonds Payable	
June 30		Principal	Interest	Principal	Interest	Principal	Interest
2015	$	1,406	116	28,720	18,622	400	60
2016		989	78	32,265	17,184	430	37
2017		606	50	36,090	15,553	455	13
2018		452	30	40,240	13,691		
2019		189	13	44,805	11,514		
2020-2024		136	5	176,325	19,160		
Total	$	3,778	292	358,445	95,724	1,285	110

Fiscal Year Ending		Lease Revenue Bonds		Retirement Litigation Settlement	
June 30		Principal	Interest	Principal	Interest
2015	$	11,717	5,637	1,328	1,431
2016		12,231	5,117	1,435	1,325
2017		10,778	4,541	1,550	1,210
2018		10,736	4,061	1,673	1,087
2019		11,061	3,632	1,808	952
2020-2024		47,324	11,457	10,098	2,348
2025-2029		22,243	2,181		
Total	$	126,090	36,626	17,892	8,353

Fiscal Year Ending		Tax Allocation Bonds		Special Assessment Debt		Notes Payable	
June 30		Principal	Interest	Principal	Interest	Principal	Interest
2015	$	2,045	5,538	798	233	130	41
2016		2,135	5,421	679	200	133	38
2017		2,165	5,301	710	170	137	34
2018		2,295	4,857	255	152	141	30
2019		2,410	4,413	260	146	121	26
2020-2024		14,530	19,995	1,410	632	614	65
2025-2029		19,095	15,551	1,640	384		
2030-2034		27,715	9,430	1,140	69		
2035-2039		20,055	1,951				
Total	$	92,445	72,457	6,892	1,986	1,276	234

As of June 30, 2014, annual debt service requirements of business-type activities to maturity, except for compensated absences, medical liability claims payable, landfill post closure liability, and other noncurrent liabilities that have indefinite maturities, are as follows (in thousands):

Fiscal Year Ending June 30	Notes Payable		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2015	$ 134	50	10,001	7,571
2016	113	46	10,481	7,090
2017	117	42	10,601	6,598
2018	122	37	11,124	6,072
2019	127	32	11,599	5,581
2020-2024	714	80	55,974	19,235
2025-2029			16,497	9,858
2030-2034			8,825	6,422
2035-2039			10,650	3,124
2040-2044			2,380	167
Total	$ 1,327	287	148,132	71,718

Defeased Obligations

The county has defeased certain obligations by placing a portion of the proceeds of new debt issuances in irrevocable trusts to provide for all future debt service payments on the refunded obligations. Accordingly, the trust account assets and the liability of the defeased debt are not included on the financial statements of the county. On June 30, 2014, $19,160,000 in outstanding obligations is considered to be defeased.

Legal Debt Limit

As of June 30, 2014, the county's debt limit (5% of valuation subject to taxation) was $7.506 billion. The total amount of debt applicable to the debt limit was $337 million, net of assets in the debt service funds and other deductions allowed by law. The resulting legal debt margin was $7.170 billion.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years.

The county engages consultants to perform calculations of excess investment earnings on tax-exempt bonds. As of June 30, 2014, the county does not expect to incur a liability.

11. CONDUIT DEBT

From time to time Multifamily/Single Family Housing Revenue Bonds have been issued in the county's name to provide mortgage loans secured by first trust deeds on newly constructed and existing housing and to provide funds to builders for construction/remodeling of housing projects.

The bonds do not constitute an indebtedness of the county. They are payable solely from payments made on and secured by a pledge of the acquired mortgage loans or housing units and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. The county is not obligated in any manner for repayment of the indebtedness. Accordingly, no liability has been recorded in the basic financial statements.

As of June 30, 2014, the county had participated in the issuance of 33 series of Multifamily or Single Family Housing Revenue Bonds. The aggregate principal amount remaining payable for the bonds issued was $384,878,000.

Not included in the above amount are two defeased issues totaling $33,785,000.

12. NET POSITION/FUND BALANCES

The government-wide financial statements and proprietary and fiduciary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – This category represents net position of the county, not restricted for any project or other purpose.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. As of June 30, 2014, fund balances for governmental funds are made up of the following:

- *Nonspendable fund balance* – This category consists of amounts that are (1) not spendable in form (i.e. amounts representing inventory, prepaid expenses, and advances to other funds), or (2) not spendable because of a legal requirement to maintain intact (i.e. amount representing the nonexpendable portion of the permanent fund).

- *Restricted fund balance* – This category consists of amounts that are constrained for a specific purpose through restrictions of external parties (i.e. creditors, grantors, contributors, or laws or regulations of other governments), or by constitutional provision or enabling legislation.

- *Committed fund balance* – This category consists of amounts that are constrained for specific purposes imposed by formal action of the county's highest level of decision-making authority, the county's Board of Supervisors. Commitments may be changed or lifted only by the county taking the same formal action that originally imposed the constraint.

- *Assigned fund balance* – This category consists of amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Authorization to assign fund balance rests with the Board of Supervisors through the budget process, as governed by the state of California's County Budget Act.

- *Unassigned fund balance* – This category represents the residual classification for the county's General Fund. It includes all amounts that are not reported as constrained in other classifications. Other governmental funds will only have an unassigned fund balance if they have a negative residual balance.

The most binding action the Board of Supervisors can take is the passing of a county ordinance. Most ordinances also have a third-party restriction. As such, most fund balance constrained by an ordinance is deemed to be restricted. Only fund balance constrained by an ordinance without a third-party restriction is deemed to be committed.

The county has not established a policy for its use of fund balance amounts. In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the following order: (1) restricted, (2) committed, (3) assigned, (4) unassigned.

Fund balances for all of the major and nonmajor governmental funds as of June 30, 2014, were distributed as follows (in thousands):

	General Fund	CCC Fire Protection District Special Revenue	Health & Sanitation Special Revenue	Nonmajor Governmental Funds	Total
Nonspendable:					
Nonspendable in form:					
Inventories	$ 1,584				1,584
Prepaid items and deposits	6,362	1,614		821	8,797
Legally nonspendable:					
Permanent fund				1,729	1,729
Total nonspendable	7,946	1,614		2,550	12,110
Restricted for:					
Board Mitigation Programs	478				478
Law and Justice	508				508
Vehicle Theft	852				852
Probation	425				425
Environmental Health Programs	739				739
Keller Canyon Mitigation Fund	379				379
AIDS (HOPWA) grant	254				254
East Bay Regional Communication Systems (EBRCS) Investment	2,376				2,376
Lease Purchases	1,084				1,084
Cash for Keys	159				159
Fire Protection		10,623		636	11,259
Road				72,435	72,435
Library Services				7,408	7,408
Low & Moderate Income Housing Assets				16,836	16,836
Health and Sanitation			53,953		53,953
Land Development				15,101	15,101
Service Areas - Public Protection				7,052	7,052
Service Areas - Education				139	139
Service Areas - Recreation and Parks				3,332	3,332
Service Areas - Public Ways				11,288	11,288
Flood control				57,446	57,446
Law enforcement				19,769	19,769
Recorder/Clerk Modernization				8,812	8,812
Child Development				305	305
In-Home Support Services				195	195
County Local Revenue Fund 2011				30,406	30,406
Other special revenue				39,328	39,328
Capital Projects				744	744
Recreation and Park Bonds				78	78
Public Financing Authority				12,174	12,174
Family Law Center				2,745	2,745
CCC Fire Protection District Pension Bond				9,623	9,623
County Pension Bond				8,138	8,138
Assessment Districts				2,907	2,907
Library programs (spendable perm funds)				96	96
Total restricted	7,254	10,623	53,953	326,993	398,823
Committed to:					
Transient Occupancy Tax Programs	1,575				1,575
Service Areas - Public Protection				18	18
Crockett Cogeneration				324	324
Total committed	1,575			342	1,917

(continued)

	General Fund	CCC Fire Protection District Special Revenue	Health & Sanitation Special Revenue	Nonmajor Governmental Funds	Total
Assigned to:					
Equipment Replacement	$ 3,052				3,052
Litigation and Audit	5,000				5,000
General Fund Capital Reserve	12,974				12,974
Board of Supervisors	12				12
County Administrator	4,508				4,508
Auditor-Controller	134				134
Assessor	6				6
Purchasing	16				16
Management Information System	1,101				1,101
County Counsel	20				20
Human Resources	2,163				2,163
Child Care	119				119
Elections	870				870
Telecommunications	12				12
General County Building Occupancy	53				53
Building Maintenance	295				295
Facilities Lifecycle improvements	14,067				14,067
Capital Facilities	15,001				15,001
Retiree Health Care	9,871				9,871
Information Technology	73				73
Print and Mail	163				163
Trial Court Programs	800				800
Law and Justice	2,899				2,899
District Attorney	276				276
Public Defender	84				84
Sheriff	2,553				2,553
Sheriff Contract Services	5				5
Sheriff Detention	403				403
Health Services-Detention Inmates	3				3
Probation Programs	22				22
Probation Facilities	12				12
Agriculture-Weights/Measures	130				130
Emergency Services	20				20
Animal Services	92				92
Public Health	29				29
Environmental Health	14				14
Health Services-California Child Services	2				2
Mental Health	100				100
Employment and Human Services	283				283
Children and Family Services	376				376
Aging and Adult Services	67				67
Workforce Services	3				3
Cal Health Benefit Marketplace	2				2
Veterans Service Office	24				24
Community Services	198				198
Public Works	229				229
Fire Protection		18,263		4	18,267
Road				1,920	1,920
Library Services				6,796	6,796
Health and Sanitation			41		41
Low & Moderate Income Housing Assets				205	205
Land Development				539	539
Service Areas - Public Protection				92	92
Service Areas - Recreation and Parks				578	578
Service Areas - Public Ways				403	403
Flood control				1,647	1,647
Law enforcement				9,154	9,154
Courts and criminal justice				568	568
Child Development				3	3
Other special revenue				1,059	1,059
Total assigned	78,136	18,263	41	22,968	119,408
Unassigned	142,293			(776)	141,517
Total	$ 237,204	30,500	53,994	352,077	673,775

(concluded)

General Fund Reserve Requirements

In December 2005, as amended in June 2012, the county's Board of Supervisors adopted a General Fund Reserve Policy. The establishment and maintenance of the reserve was considered to be a key element in enhancing the management of the county's finances and maintaining the county's credit quality. It balanced the need to maintain a reserve for severe circumstances with the need to address revenue shortfalls, unanticipated expenses, and emergency situations. The computed reserves are classified as unassigned fund balance in the governmental funds balance sheet.

The General Fund Reserve Policy includes the following:

- The county shall strive to achieve a minimum unassigned General Fund balance of 5% of budgeted General Fund revenues and a minimum total General Fund balance of 10% of budgeted General Fund revenues.
- Until such time as the county has an unreserved General Fund balance equal to at least 5% of budgeted General Fund revenues, no less than $2 million of year-end fund balance in any fiscal year shall be added to the appropriation for Contingency Reserve.
- In the event the county realizes reserves above the minimum levels defined by this policy, the first use shall be to annually deposit the funds into an account designated for capital projects and other one-time uses, up to an amount equal to 1% of General Fund revenues per year.
- Reserves may be drawn below the minimum level in order to address an unforeseen emergency, to fund a non-recurring expense, or to fund a one-time capital cost; but only following the adoption, by a four-fifths vote, of a resolution of the Board of Supervisors specifying the circumstances that justify the invasion of the minimum reserve level.
- Should reserves fall below the established minimum levels, a request to utilize reserve funds must be accompanied by recommendations for restoring, within three years, minimum reserve levels.

Encumbrances

The county uses encumbrances to control expenditure commitments and enhance cash management. Encumbrances reflect the outstanding contractual obligations for which goods and services have not been received. They are set up to reserve portions of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures or liabilities, but as a constraint imposed on fund balance. As of June 30, 2014, the county's General Fund has a total of $24,117,000 in encumbrances, which were reported as part of assigned fund balance on the governmental fund balance sheet. Additionally, total encumbrances are $200,000 in the Contra Costa County Fire Protection District Special Revenue Fund, $11,000 in the Health and Sanitation Special Revenue Fund, and $1,934,000 in the nonmajor governmental funds, which are reported as part of restricted, committed, and assigned fund balance, as appropriate, on the governmental fund balance sheet. The County Hospital Enterprise Fund reports $931,000, the Health Maintenance Organization Medi-Cal Plan Enterprise Fund reports $51,000, the nonmajor enterprise funds report $77,000, and the internal service funds report $342,000 in

encumbrances at June 30, 2014, which are reported as part of unrestricted net position on the proprietary fund statement of net position.

13. PERMANENT FUND

The Permanent Fund accounts for the financial activities and balances of donor-restricted endowments for the county's libraries. Interest income may be used for the establishment and furnishing of children's areas within libraries, literacy programs and the acquisition of books that meet the criteria of the endowments. In accordance with the terms of the endowments and the California Government Code Section 25355, only the interest income may be used; any unused income may be used in a subsequent year. The amount available for spending, $96,000 at June 30, 2014, is shown on the Statement of Net Position as Net Position Restricted for Permanent Fund–expendable portion.

14. EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The CCCERA is a cost-sharing multiple-employer defined benefit pension plan (the plan) governed by the Board of Retirement (Board) under the County Employees' Retirement Law of 1937 (1937 Act) and the Public Employees' Pension Reform Act of 2013 (PEPRA). The plan covers substantially all of the employees of the county, its special districts, the Housing Authority and four other member agencies. The plan issues stand-alone financial statements which can be directly obtained from its office, as indicated in Note 1A.

The plan provides for retirement, disability, death and survivor benefits, in accordance with the 1937 Act. Annual cost-of-living adjustments (COLA) to retirement benefits can be granted by the Retirement Board as provided by state statutes.

In October 2009, the Retirement Board depooled CCCERA's assets, Actuarial Accrued Liability (AAL), and Normal Cost both by tier and employer for determining employer contribution rates. This Board action yielded 12 separate cost groups by employer, with the exception of smaller employers (those with less than 50 active members) who continue to be pooled with the applicable county tier. The depooling action affected employer rates effective July 1, 2011. The Board instructed The Segal Company (CCCERA's actuary) to calculate the new rates based on separate experience of each employer from December 31, 2002, which is the earliest date for which reliable data was available. The December 31, 2009, valuation was the first to incorporate the new "depooled" employer contribution rates.

The plan is currently divided into eleven benefit sections in accordance with the 1937 Act and PEPRA. These levels are known as General Tier I Enhanced, Tier II, Tier III Enhanced, Tier IV, Tier V (2% and 3% maximum COLAS), Tier V (2% and 3%/4% maximum COLAS); Safety Tier A Enhanced, Safety Tier C Enhanced, Safety Tier D, Safety Tier E, and Contra Costa County Fire Protection District Safety Tier A Enhanced, Safety Tier D, Tier 1 Enhanced, and Tier IV. On October 1, 2002, the Contra Costa County Board of Supervisors adopted Resolution No. 2002/608, which provides enhanced benefit changes commonly known as 3% at 50 for Safety members and 2% at 55 for general members, effective July 1, 2002, and January 1, 2003, respectively. Effective January 1, 2005, the enhanced benefits were applied to the bargaining units represented by the California Nurses Association and the nonrepresented

employees within similar classifications as employees in bargaining units represented by the California Nurses Association, as well as the supervisors and managers of those employees. In addition, each special district that is a participant of CCCERA, and whose staff are not county employees covered by Resolution No. 2002/608, may elect to participate in the enhanced benefits. As of December 31, 2012, nine (9) general member agencies and four (4) safety member agencies have adopted enhanced benefits for their employees. A fifth safety member agency adopted enhanced benefits for its general member in 2003, but not for safety members. Under PEPRA, which became effective January 1, 2013, Districts that have not adopted enhanced benefits will no longer be allowed to do so.

Effective January 1, 2007, Contra Costa County and the Deputy Sheriff's Association agreed to adopt a new Safety Tier C for sworn employees hired by the County after December 31, 2006. A Deputy Sheriff hired on or after January 1, 2007, through December 31, 2012, had a 3% at 50 benefit formula with a 2% maximum cost-of-living-adjustment (COLA) and a 36 month final average salary period. Due to PEPRA, a Deputy Sheriff hired on or after January 1, 2013, will have a 2.7% at 57 benefit formula with a 36 month final average salary period with compensation limited as noted below. The 2% maximum annual COLA is unchanged.

Legislation was signed by the Governor in 2002 which allowed Contra Costa County, effective October 1, 2002, to provide Tier III to all new employees, to move those previously in Tier II to Tier III as of that date, and to apply all future service as Tier III. Tier III was originally created October 1, 1998, and made available to all members with five or more years of Tier II service who elected to transfer to Tier III coverage.

Tier I includes members not mandated to be in Tier II or Tier III and reciprocal members who were placed in Tier I membership. As of December 31, 2012, there are no active Tier II member accounts. All members who moved to Tier III with five or more years of service prior to October 1, 2002, or were moved to Tier III effective October 1, 2002, January 1, 2005, or February 1, 2006, continue to have Tier II benefits for service prior to that date unless the service is converted to Tier III.

Safety includes members in active law enforcement, active fire suppression work or certain other "Safety" classifications as defined in sections of the 1937 Act made operative by the Board of Supervisors.

In March 2010, the Retirement Board agreed to adopt a change to terminal pay elements for members with membership dates on or after January 1, 2011.

Effective January 1, 2012, new hires and employees within the Labor Coalition are now responsible for the payment of 100% of the employees' basic retirement benefit contributions, determined annually by the Retirement Board, without the County paying any part of the employee's contributions.

On September 12, 2012, the Governor of California signed into law Assembly Bill (AB) 197, with an effective date of January 1, 2013. The measure changed how county retirement boards were permitted to calculate their current members' retirement allowances. In November 2012, members and their representative bargaining units filed a lawsuit challenging the validity of the new law. By operation of a court-imposed Stay Order, CCCERA was prohibited from implementing the new law during the course of the litigation. On May 12, 2014, the Contra Costa County Superior Court entered a Judgment in the litigation and a Writ directing CCCERA to proceed to comply with AB 197 for all retirements effective on or after July 12, 2014. The matter was appealed. The Court of Appeal was requested to issue a "stay"

of the implementation of AB 197 past July 11, 2014 during the pendency of the appeal. On June 30, 2014, the Court of Appeal issued an order denying the request for an additional "stay." CCCERA was therefore required to implement the AB 197 changes in calculating benefits for all retirements with an effective date of July 12, 2014 or later. Retirements with an effective date of July 11, 2014 or before were calculated under the pre-AB 197 rules.

In September 2012, the California Public Employees' Pension Reform Act of 2013 (PEPRA) was signed into law by Governor Jerry Brown, establishing new tiers for General and Safety employees entering membership on or after January 1, 2013. The benefit formula for General members is 2.5% at age 67 and the Safety formula is 2.7% at age 57. Benefits under the new PEPRA tiers are based on a three-year final average compensation period. Additionally, PEPRA limits the amount of compensation CCCERA can use to calculate a retirement benefit. The 2014 compensation limits are $115,064 for members covered by Social Security and $138,077 for members not covered by Social Security and will be adjusted in future years for changes in the Consumer Price Index. County General members are covered by Social Security, while County Safety members and Contra Costa County Fire Protection District General and Safety members are not covered by Social Security.

In November 2012, the county Board of Supervisors approved two memoranda of understanding (deputy district attorneys and public defenders) that stipulated new members who become members after December 31, 2012 within these bargaining units will earn retirement benefits that will be subject to a maximum annual COLA of 2%. As a result, CCCERA created a second Tier V for general members subject to this COLA provision. Other bargaining units have since agreed to this COLA provision for those who become members after a certain date. Members in bargaining units subject to this COLA provision will be place in General Tier IV or V (2% Max COLA) or Safety Tier E.

In September 2013, the Retirement Board determined that pensionable compensation of PEPRA members will only include base pay.

Service retirement benefits are based on age, length of service and final average salary in accordance with the California Government Code Section 31462, 31462.1, and 7522.32. For the Tiers I, III and Safety Tier A sections, the retirement benefit is based on a one-year final average salary. For Tiers II, IV, V and Safety Tiers C, D, and E, the benefit is based on a three-year final average salary.

B. Funding Policy

Pursuant to provisions of the County Employees' Retirement Law of 1937, the Retirement Board recommends the annual contribution rates for adoption by the Board of Supervisors. New contribution rates, based on the actuarial study as of December 31, 2011, became effective July 1, 2013. The contribution requirements are determined as a percentage of payroll.

The employer rates were calculated on the alternate funding method permitted by the California Government Code Section 31453.5. The "entry age normal funding" method is used to calculate the rate required to provide all the benefits promised to a new member.

In March 2009, the Retirement Board decided to leave the unfunded liability (UAAL) derived from periods on or before the December 31, 2007 valuation date to be amortized on a level percent closed basis over 15 years on a declining basis, with 9 years remaining as of December 31, 2013.

Subsequent UAAL's, starting with December 31, 2008, will be amortized in multiple layers (each year's experience will constitute a new layer) with each year's gains/losses, assumption changes, and plan changes amortized over a separate 18 year period on a declining basis.

Active plan members are required to contribute an actuarially determined percentage of their annual covered salary. The required percentage rates vary according to the benefit section and entry age of the employee. The rates in effect during fiscal year 2013-2014 (based on covered payroll as of January 1, 2012) ranged from 7.12% to 20.83% (for members with membership dates before January 1, 2011), 6.85% to 20.19% (for members with membership dates on or after January 1, 2011 and before January 1, 2013) and 8.25% to 15.75% (for members with membership dates on or after January 1, 2013) of the employees' annual covered salary. These rates do not include any employer subvention of member contributions or any member subvention of employer contributions.

The county employer rates of contribution, calculated as a percentage of the county's covered payroll as determined in an actuary report as of December 31, 2011, for fiscal year 2013-2014 were:

	Members with Membership dates before January 1, 2011	Members with Membership dates on or after January 1, 2011 and before January 1, 2013	Members with Membership dates on or after January 1, 2013
General Members, Tier I Enhanced	29.65%	29.92%	N/A
General Members, Tier II	N/A	N/A	N/A
General Members, Tier III Enhanced	28.77%	27.59%	N/A
General PEPRA Tier IV (2% Max COLA)	N/A	N/A	23.60%
General PEPRA Tier IV (3% Max COLA)	N/A	N/A	24.68%
General PEPRA Tier V (2% Max COLA)	N/A	N/A	22.94%
General PEPRA Tier V (3%/4% Max COLA)	66.41%	N/A	23.82%
Safety Members, Tier A Enhanced	59.75%	70.47%	N/A
Safety Members, Tier C Enhanced	52.03%	56.98%	N/A
Safety Members, PEPRA Tier D	N/A	N/A	53.38%
Safety Members, PEPRA Tier E	N/A	N/A	50.57%
CCC Fire Protection District - Tier I Enhanced	30.75%	29.08%	N/A
CCC Fire Protection District - Safety Tier A Enhanced	55.92%	54.35%	N/A
CCC Fiire Protection District - Safety PEPRA Tier D	N/A	N/A	43.47%
CCC Fire Protection District - PEPRA Tier IV (3% Max COLA)	N/A	N/A	25.92%

The county's annual pension cost and prepaid pension asset for the year ended June 30, 2014, were as follows (in thousands):

Annual required contribution (county fiscal year basis)	$	189,447
Interest on beginning pension asset		(27,550)
Adjustment to the annual required contribution		57,750
Annual pension cost		219,647
Contributions made (including Retirement Litigation Settlement)		189,447
Increase (Decrease) in pension asset		(30,200)
Net pension asset, beginning of year		338,487
Net pension asset, end of year	$	308,287

The following table shows the county's annual pension cost (APC) and the percentage contributed for the fiscal year 2013-2014 and each of the two preceding fiscal years (in thousands):

Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2012	$ 177,406	88.10 %	$ 363,877
2013	206,077	87.68	338,487
2014	219,647	86.25	308,287

The county has made its annual required contribution (ARC) for each of the past three years. The difference between the ARC and the APC is due to the interest and amortization of the Net Pension Asset.

CCCERA's funded status based on the most recent actuarial valuation performed by The Segal Company as of December 31, 2013, is as follows:

SCHEDULE OF FUNDED STATUS
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/13	$ 5,907,416	$ 7,731,097	$ 1,823,681	76.4 %	$ 679,429	268.4%

*Excludes Accounts Payable. Restated to exclude non-valuation reserves.

15. OTHER POSTEMPLOYMENT BENEFIT (OPEB)

A. Plan Description

The county is the plan sponsor and administers a single-employer defined benefit healthcare plan. Currently, the plan provides postemployment medical and dental insurance benefits to eligible retired employees and their dependents. Health benefit provisions for active employees are established and may be amended through negotiations between the county and the respective bargaining units. See Note 18 Commitments and Contingencies – B. Health Insurance. The county does not issue a separate audit report on its Other Postemployment Benefit Plan.

The county contracts with Kaiser Permanente, Health Net, Contra Costa Health Plans, and the California Public Employees' Retirement System (CalPERS) to provide medical benefits and Delta Dental and PMI Deltacare for dental benefits.

The Contra Costa County Board of Supervisors has adopted changes to the subsidy the county currently pays toward eligible retirees' monthly medical and dental premiums for both safety and non-safety employees. This subsidy varies by bargaining unit and date of hire.

- Currently, eligible retirees from all bargaining units not specifically listed below may receive county subsidies towards medical and dental premiums in the same amounts as active employees, with no future increases in this subsidy amount. Employees hired on or after dates described in the table below and represented by the following bargaining groups, who are eligible for access to county health plans as retirees, must pay the entire cost of premiums to maintain coverage at retirement.

Bargaining Unit Name	Hire Date on or after which eligible retirees must pay entire cost of premiums
IFPTE, Unrepresented	January 1, 2009
AFSCME, Western Council of Engineers, SEIU, and PEU	January 1, 2010
Deputy District Attorneys Association	December 14, 2010
Probation Peace Officers Association of CCC	January 1, 2011
CCC Public Defenders Association	March 1, 2011
Physicians and Dentists' Organization of Contra Costa	November 1, 2013

- Currently, for eligible retirees from the Deputy Sheriffs' Association, the county will contribute toward the cost of monthly medical premiums an amount equal to the actual dollar monthly premium amount paid by the county as of November 30, 2013, for premium increases in 2014 and later, the county and retiree will split the increase evenly.

- Currently, for eligible Fire Management retirees represented by United Chief Officers Association, the District will subsidize an amount equal to 80% of the CalPERS Kaiser Bay Area premium.

- Currently, for eligible retirees from the District Attorney Investigators' Association, the county will pay a subsidy toward the cost of monthly medial premiums equal to the actual dollar monthly premium amount paid by the county in 2013, for premium increases 2014 and later, the county subsidy will increase by 75% of the actual premium increase in Bay Area Kaiser rates.

- Currently, for eligible retirees from the Physicians and Dentists Organization of Contra Costa, the California Nurses Association, and the UPFF, Local 1230, the county/district subsidizes a percentage of monthly premiums that varies depending on the medical and dental plan elected.

B. Eligibility

Currently, eligible county retirees may participate in the plans upon retirement from the county (drawing a pension from CCCERA). Currently, eligible members in deferred retirement status may participate in county health plans as retirees, so long as they begin receiving a pension from CCCERA within 24 months of separation from the County.

		Component Units	
	Primary Government	First 5 Contra Costa Children and Families Commission	Housing Authority
Active plan members	8,089	13	66
Retirees and beneficiaries receiving benefits	6,206	1	76

C. County Funding Policy

The contribution requirements for active employees and the county are established and may be amended through negotiations between the county and the respective bargaining units. For the fiscal year ended June 30, 2014, the funding was based on the "pay-go" basis plus a contribution of $19,373,000 to the Contra Costa County Other Postemployment Benefits Irrevocable Trust Fund. For fiscal year ended June 30, 2014, the county paid $57,272,000 as the "pay-go" cost (approximately 81.63% of total premiums).

Plan members receiving benefits contributed $12,887,000, or approximately 18.37% of the total premiums, through their required contribution. The contributions for fiscal year ended June 30, 2014, were as follows (in thousands):

		Active Employees	Retirees	Total
Total blended premiums at $11,305 per plan member	$		70,159	70,159
Employer pre-funding contributions			19,373	19,373
Less: member contributions			(12,887)	(12,887)
Total Employer Contributions	$	0	76,645	76,645

D. Annual OPEB Cost and Net OPEB Obligation

The county's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The county charges current costs of these benefits to the employee's department. The county has determined that the future liability is an obligation of the general government. The county records the accrued liability and expense in the general government classification of the Government-wide Statement of Net Position and Statement of Activities. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the county's net OPEB obligation (dollar amounts in thousands):

			Component Units	
		Primary Government	First 5 Contra Costa Children and Families Commission	Housing Authority
Annual required contribution	$	88,538	23	412
Interest on net OPEB obligation		27,839	(8)	97
Adjustment to annual required contribution		(35,802)	10	(89)
Annual OPEB cost (expense)		80,575	25	420
Contributions made		(76,645)	(23)	(292)
Increase in net OPEB obligation		3,930	2	128
Net OPEB obligation (asset), beginning of year		488,397	(113)	2,148
Net OPEB obligation (asset), end of year	$	492,327	(111)	2,276

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014, and the preceding fiscal years, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/14	$ 80,575	95.1 %	$ 492,327
06/30/13	93,780	82.0	488,397 #
06/30/12	94,630	74.7	471,538

#In Fiscal Year 2012-2013 the net OPEB obligation was revised.

Refer to the Required Supplemental Information for the schedule of funding progress.

E. Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $923,848,000 of which $129,426,000 is funded. The covered payroll (annual payroll of active employees covered by the plan) was $613,841,000, and the ratio of the unfunded accrued actuarial liability (UAAL) to the covered payroll was 129.42%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5.70% discount rate. This rate was derived based on the fund's investment policy for a partially funded plan. A 6.25% annual return is assumed on the Trust's assets, and a 3.50% discount rate is assumed for liabilities expected to be funded directly by the county. This resulted in a blended discount rate of 5.70%. Overall health costs of the medical benefits will increase according to the health cost inflation trend derived by using the "Getzen" model developed by the Society of Actuaries. Under the Patient Protection and Affordable Care Act of 2010, a Federal excise tax will apply for high cost health benefits beginning in 2018. A margin to reflect the impact of the excise tax in

future years is reflected in the assumed trend. The UAAL is being amortized as a level dollar amount over 30 years on a closed basis. The remaining amortization period is twenty-four years.

The county began pre-funding benefits at a rate of $20 million–per year in fiscal year ended June 30, 2009. The Board has budgeted $19,440,000 to pre-fund the OPEB liability in fiscal year ending June 30, 2015. Until January 1, 2015, CCCERA personnel are employees of the county. Their OPEB obligation is included with the county's data.

The department of Child Support Services received authorization from the state to fund an additional $150,000 in fiscal year 2013-2014.

G. Financial Information

Financial data for the Contra Costa County other postemployment benefit (OPEB) Irrevocable Trust Fund for the year ended June 30, 2014, is as follows (in thousands):

Assets		
Cash and investments	$	149,032
Liabilities		
Net postion	$	149,032
Additions		
Employer and plan member contributions	$	89,532
Net investment income		15,060
Total additions		104,592
Deductions		(70,159)
Net postiion, beginning of year		114,599
Net position, end of year	$	149,032

H. First 5 Contra Costa Children and Families Commission

First 5 Contra Costa Children and Families Commission is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by First 5 Contra Costa Children and Families Commission. First 5 Contra Costa Children and Families Commission's annual OPEB cost and net OPEB obligation for the fiscal year ended June 30, 2014, and the preceding years, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
06/30/14	$ 25	93.0 %	$ (111)
06/30/13	59	937.0	(113)
06/30/12	78	0.0	381
06/30/11	93	0.0	303
06/30/10	90	0.0	210
06/30/09	89	0.0	120
06/30/08	31	0.0	31

First 5 Contra Costa Children and Families Commission issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by submitting a request in writing to the following address:

First 5 Contra Costa Children and Families Commission
1485 Civic Court, Suite 1200, Concord, CA 94520

I. Housing Authority of the County of Contra Costa

The Housing Authority of the County of Contra Costa is a discretely presented component unit. Its personnel are covered by a separate OPEB plan administered by the Housing Authority. Housing Authority's annual OPEB cost and net OPEB obligation for the fiscal year ended March 31, 2014, and the preceding fiscal years, were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
03/31/14	$ 420	69.5 %	$ 2,276
03/31/13	413	67.2	2,148
03/31/12	433	58.2	2,013
03/31/11	414	60.0	1,832
# 03/31/10	953	23.0	1,665
03/31/09	863	24.6	931
03/31/08	1,305	79.0	281

Revised by Housing Authority report, fiscal year ended March 31, 2010

The Housing Authority issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by submitting a request in writing to the following address:

Housing Authority of the County of Contra Costa
3133 Estudillo Street, Martinez, CA 94553

16. PATIENT SERVICE REVENUE AND RECEIVABLES

The County Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. Charges for services are reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, or investigations.

Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The County Hospital's Medicare and Medi-Cal cost reports have been audited by the fiscal intermediary through June 30, 2011, and June 30, 2009, respectively. However, certain cost reports for the prior year are still under review by fiscal

intermediaries and have not been settled due to certain unresolved issues. As of June 30, 2014, the county reported $51,622,000 as unearned revenue, which primarily represents reserves for supplemental payments received and settlement liabilities related to cost reports. The county believes it has adequately provided for any liabilities that may arise from the fiscal intermediaries' audits.

Net receivables from patients and third-party payers at June 30, 2014, are summarized as follows (in thousands):

Medicare	$	5,384
Medi-Cal		18,499
Private insurance		3,489
Total Net Patient Receivables	$	27,372

The net receivables from patients and third-party payers exclude non-patient receivables of approximately $58,726,000.

17. RISK MANAGEMENT

Internal Service Funds:

The county is exposed to various risk of loss related to liabilities and damages to the public at-large, as well as damage to, loss of, and destruction of assets and has obligations to provide its employees with negotiated and mandated benefits.

The county self-insures its employee dental, state unemployment, management long-term disability, workers' compensation, automotive liability, public liability, and medical liability exposures. The county reports the activities of these exposures through its internal service funds.

With respect to the workers' compensation, automotive liability, public liability and medical liability exposures, the county purchases insurance for the following:

- Workers' Compensation in excess of $750,000 per incident, with excess coverage provided by CSAC-EIA (California State Association of Counties Excess Insurance Pooling Fund).
- General and auto liability in excess of $1 million per incident, to a limit of $50 million.
- Medical malpractice in excess of $1 million per incident, to a limit of $21.5 million.

The county is self-insured for most insurable risk, except for insurance coverage provided by commercial insurance and reinsurance companies that are subject to the following:

- Airports liability and property damage coverage to a limit of $100 million with no deductible.
- Property insurance - all risk in excess of $50,000 per incident, to a limit of $600 million from loss by fire, lightning, and other perils.
- Property insurance - flood damage in excess of 2% per unit, $100,000 minimum and $500,000 maximum deductible per incident, to a limit of $400 million shared aggregate.

- Property insurance - earthquake in excess of 5% per unit, $100,000 minimum, to a limit of $472.5 million shared aggregate.
- Property insurance - terrorism to a limit of $200 million with a $500,000 deductible.
- Crime bond coverage in excess of $100,000 per incident, to a limit of $20 million for fidelity coverage, computer, and funds transfer fraud.
- Watercraft liability to a limit of $50 million.
- Sheriff's helicopters to a limit of $50 million per incident.
- Boiler and machinery to a limit of $100 million with a $5,000 deductible.

During the past four years, there have been no instances of the amount of claim settlements exceeding insurance coverage and there has not been a significant reduction in coverage in fiscal year 2013-14.

Internal service funds are used to account for the county's self-insurance activities. The county's policy is to provide in each fiscal year, by charges to affected operating funds, amounts sufficient to cover the estimated expenditures for self-insured claims and the cost of insurance. Charges to operating funds are recorded as expenditures/expenses of such funds and revenues of the internal service funds. Accrual and payment of claims are recorded in the internal service funds.

The county has accrued a liability of $169,396,000 at June 30, 2014, for all self-insured claims in the internal service funds. The self-insurance reserve is based on actuarially determined amounts for workers' compensation, public and automobile liability, and medical liability and based on management's estimates for all other reserves. The actuarially determined claims liabilities, including incurred but not reported claims are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that modify past experience. It also includes incremental claim adjustment expenses. In addition, estimated recoveries on settled and unsettled claims were evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims.

Health Plans:

The county administers 2 health plans: HMO Medi-Cal and HMO Commercial Plans (Plans); which are reported as enterprise funds. The Plans have fee-for-service arrangements in which providers, including the County Hospital, bill for individual services provided to enrollees. These arrangements result in claim submission by providers subsequent to services being rendered. Claims expenses are presented as part of services and supplies expense in the statement of revenues, expenses, and changes in net position. Estimated liabilities for incurred but not reported claims are presented as part of accounts payable and accrued liabilities in the statement of net position. The provision for claims incurred but not reported claims is developed in-house using principles and assumptions that consider among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, product mix, seasonality, membership, and other relevant factor.

Changes in claims liabilities:

Changes to the liability amount for fiscal years 2012-2013 and 2013-2014 are as follows (in thousands):

	Internal Service Funds	HMO Medi-Cal Plan Enterprise Fund	HMO Commercial Plan Enterprise Fund
Liability at June 30, 2012	$ 146,622	20,659	6,187
FY 2012-2013 claims and changes in estimates	62,055	191,965	120,898
FY 2012-2013 claim payments	(47,819)	(191,068)	(121,685)
Liability at June 30, 2013	160,858	21,556	5,400
FY 2013-2014 claims and changes in estimates	51,330	276,984	100,355
FY 2013-2014 claim payments	(42,792)	(276,831)	(100,712)
Liability at June 30, 2014	$ 169,396	21,709	5,043

In the opinion of the county, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

18. COMMITMENTS AND CONTINGENCIES

A. Grants

The county participates in a number of federal and state grant programs which are subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs through June 30, 2014, have not yet been conducted. Accordingly, the county's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The county believes that such disallowances, if any, would not have a material effect on the basic financial statements.

B. Health Insurance

Health care benefits for active and retired employees are jointly financed by the beneficiaries and by the county. Most employees have a choice of participation in five medical plans: Kaiser Permanente, a private health maintenance organization (HMO); Health Net (HMO); Health Net, a preferred provider organization (PPO); and the Contra Costa Health Plans (CCHP) A and B, operated by the county Health Services Department. Employees represented by either the Deputy Sheriffs' Association (DSA), District Attorney Investigators' Association (DAIA), or United Professional Fire Fighters' IAFF Local 1230, United Chief Officers Association, and Unrepresented Fire Managers are eligible to participate in medical plans administered by the California Public Employees' Retirement System (CalPERS).

For non-CalPERS administered medical plans, the county subvents 62.3%-73.7% of Kaiser Permanente, 58.8%-80.0% of Health Net (HMO), 44.3%-55.2% of Health Net (PPO) and 83.2%-98.0% of CCHP A and 77.8%-90.0% of CCHP B premiums for plan members depending on the employees' union representation. The county subvention for CalPERS administered plans is a flat rate depending on the employees' union representation and the number of dependents covered under the plans. All permanent employees have a choice of two dental plans as follows: a county self-funded plan administered by Delta

Dental and a PMI Delta Care Plan. The county's self-funded plan is an indemnity program and the PMI Delta Care plan is a prepaid program.

The county's contribution to health and dental plans during fiscal year 2013-2014 for active employees was $92,247,000. The county's liability for health care benefits is limited to its annual contribution.

C. Special Assessment Debt

The county is considered to be "obligated in some manner," as defined by GASB Statement No. 6, *Accounting and Financial Reporting for Special Assessments*, for its special assessment debt. The county is obligated to foreclose on properties for which owners have failed to pay assessment installments as they fall due and the county may honor deficiencies to the extent that lien foreclosure proceeds are insufficient. The county's obligation to advance monies to pay debt service in the event of delinquent assessment installments is limited to the amount of remaining original bond proceeds and installments received. Special assessment debt is included in the county's statement of net position and special assessment transactions are included in the Assessment Districts Debt Service Fund. Debt service payments are made from special assessments of the related special assessment district.

D. Construction Commitments

The county had entered into commitments for construction of certain projects. At June 30, 2014, there were outstanding commitments of $6,503,000 for the Discovery Bay Cape Seal, San Pablo Avenue Creek Bridge, and San Pablo Dam Road Workability Projects, and $5,307,000 for the Team Solar Inc.

E. Pending Legal Matters

Numerous lawsuits are pending or threatened against the county. The county has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2014.

19. SUBSEQUENT EVENT

In August 2014, California Senate Bill No. 673 was passed. As a result, the county's retirement system (CCCERA) will become a district for the purposes of the County Employees Retirement Law of 1937 effective January 1, 2015. CCCERA staff members currently are considered employees of the county. Effective January 1, 2015, CCCERA staff members will become employees of the retirement system, thus relieving the county of future obligations relating to them. With the passing of Senate Bill No. 673 and the implementation of GASB Statements Nos. 67 (CCCERA) and 68 (the county) in fiscal year 2014-2015, CCCERA will no longer be considered a blended component unit of the county.

REQUIRED SUPPLEMENTARY INFORMATION (Other than MD&A)

COUNTY OF CONTRA COSTA
SCHEDULE OF FUNDING PROGRESS
EMPLOYEES' RETIREMENT PLAN
CURRENT YEAR AND TWO YEARS AGO
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets*	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Dec. 31, 2013	$ 5,907,416	$ 7,731,097	$ 1,823,681	76.4%	$ 679,429	268.4%
Dec. 31, 2012	5,482,257	7,761,316	2,279,059	70.6	652,312	349.4
Dec. 31, 2011	5,426,719	6,915,312	1,488,593	78.5	666,394	223.4

*Excludes Accounts Payable. Restated to exclude non-valuation reserves.

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
CURRENT AND TWO YEARS AGO
(In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued (Asset)/Liability	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
Primary Government						
Jan. 1, 2014	$ 129,426	$ 923,848	$ 794,422	14.01%	$ 613,841	129.42%
Jan. 1, 2012	65,491	1,033,801	968,310	6.33	595,245	162.67
Jan. 1, 2010	61,720	1,077,734	1,016,014	5.73	599,734	169.41
First 5 Contra Costa Children and Families Commission						
June 30, 2013	561	553	(8)	101.00	1,138	0.69
July 1, 2011	0	537	537	0.00	1,121	47.90
July 1, 2008	0	359	359	0.00	1,183	30.40
Housing Authority						
Apr. 1, 2012	0	5,105	5,105	0.00	5,057	100.95
July 1, 2010	0	8,237	8,237	0.00	5,134	160.44
Apr. 1, 2008	0	16,457	16,457	0.00	5,279	311.74

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 291,424	291,424	314,670	23,246
Licenses, permits and franchise fees	11,289	11,394	11,678	284
Fines, forfeitures and penalties	21,044	26,247	29,357	3,110
Use of money and property	2,140	2,101	3,408	1,307
Intergovernmental	527,472	529,949	488,683	(41,266)
Charges for services	216,523	218,210	207,361	(10,849)
Other revenue	164,166	190,830	242,236	51,406
Total revenues	1,234,058	1,270,155	1,297,393	27,238
Expenditures:				
Current:				
General government:				
Administrator	13,109	13,711	8,078	5,633
ARRA EECBG Projects		7	7	
Assessment Litigation Services		981	981	
Assessor	16,128	15,147	14,171	976
Auditor-Controller	8,434	8,434	7,053	1,381
Board Mitigation Programs	2,295	2,295	279	2,016
Board of Supervisors	5,775	5,920	5,491	429
Building Maintenance	38,481	42,904	42,743	161
Building Occupancy Cost	11,636	12,901	12,748	153
Central Service/Microfilm	768	355	43	312
Clerk of the Board	1,001	1,001	776	225
County Counsel	6,121	6,121	4,488	1,633
County-State-WCCHCD IGT		15,000	11,000	4,000
Crockett-Rodeo Revenues	576	576	510	66
Economic Development	29	429	23	406
Elections	9,978	10,367	6,785	3,582
Employee Benefits	11,100	11,300	2,882	8,418
Facility Life Cycle Improvement Program	14,090	14,090	48	14,042
Fleet Services	322			
General Services Administration				
General Services Outside Agency Service	1,276	1,276	788	488
Human Resources	10,343	10,343	8,909	1,434
Information Technology	4,640	4,440	4,255	185
Insurance	9,101	9,101	8,222	879
Keller Canyon Mitigation	1,618	1,618	1,189	429
Management Information Systems	1,508	1,508	320	1,188
Personnel Merit Board	87	87	52	35
Plant Acquisition	9,957	10,981	1,054	9,927
Purchasing	794	794	682	112
Telecommunications	4,114	4,394	4,381	13
Treasurer-Tax Collector	4,917	4,717	4,559	158
UAAL Pension Bond Debt Service Transfer	(5,026)	(5,026)	(5,026)	
Total general government	183,172	205,772	147,491	58,281

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection:				
Agriculture	5,658	5,658	5,252	406
Animal Services	10,899	10,899	10,259	640
Child Support Services		123	123	
Conflict Defense Services	5,400	5,400	3,654	1,746
Coroner	2,715	2,726	2,726	
Criminal Grand Jury	85	56	47	9
District Attorney	32,965	32,904	32,426	478
Emergency Services	9,597	9,639	6,877	2,762
Flood Control	760	760	523	237
Grand Jury	145	175	175	
Jail	67,154	67,255	64,108	3,147
Jail - Health Services	21,640	21,376	21,299	77
Law and Justice Systems	4,117	4,117	1,046	3,071
Local Agency Information	194	223	194	29
Probation - Programs	30,622	31,701	29,575	2,126
Probation - Facilities	26,264	26,264	25,731	533
Probation - Care of Court Wards	8,864	10,030	10,030	
Public Administrator	300	315	315	
Public Defender	18,892	19,460	18,903	557
Recorder	3,765	3,765	3,325	440
Sheriff	129,019	129,541	122,029	7,512
Trial Court Programs	17,676	17,676	17,538	138
Vehicle Theft Programs	1,637	1,637	817	820
UAAL Pension Bond Debt Service Transfer	(27,898)	(27,898)	(27,898)	
Total public protection	370,470	373,802	349,074	24,728
Health and sanitation:				
Children's Services	9,023	8,769	8,676	93
Conservator/Guardianship	3,203	2,866	2,855	11
Environmental Health	19,827	17,962	17,440	522
Health Services Homeless Program	3,531	4,494	4,492	2
Mental Health	150,658	172,357	169,471	2,886
Public Health	42,515	42,023	41,654	369
Solid Waste Management	374	374	130	244
Substance Abuse	14,762	13,613	13,356	257
UAAL Pension Bond Debt Service Transfer	(7,700)	(7,700)	(7,700)	
Total health and sanitation	236,193	254,758	250,374	4,384

(continued)

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance:				
Ann Adler Child & Family	46	86	56	30
Cal Health Benefit Marketplace	51	14,905	9,033	5,872
Community Development	13,746	13,746	7,792	5,954
Community Services	41,280	30,780	30,175	605
Housing Rehabilitation	372	372	299	73
EHSD - Administration	12,715	13,478	4,442	9,036
EHSD - Children and Family	94,296	93,651	88,410	5,241
EHSD - Aging & Adult	118,196	49,155	48,672	483
EHSD - Workforce Services	121,117	198,803	192,455	6,348
EHSD - WFRC Investment Board	9,101	9,301	8,886	415
Services Integration	125	125	32	93
Veterans Services	858	944	883	61
Zero Tolerance Domestic Violence Initiative	1,833	1,988	1,982	6
UAAL Pension Bond Debt Service Transfer	(10,626)	(10,626)	(10,626)	
Total public assistance	403,110	416,708	382,491	34,217
Public ways and facilities:				
Public Works	36,526	36,709	32,719	3,990
Road Construction	6,108	6,108	5,349	759
UAAL Pension Bond Debt Service Transfer	(1,941)	(1,941)	(1,941)	
Total public ways and facilities	40,693	40,876	36,127	4,749
Debt service:				
Principal	85	85	85	
Interest	45	45	45	
Total debt service	130	130	130	
Total expenditures	1,233,768	1,292,046	1,165,687	126,359
Excess (deficiency) of revenues over (under) expenditures	290	(21,891)	131,706	153,597
Other Financing Sources (Uses):				
Transfers in	48,569	52,880	62	(52,818)
Transfers out	(84,028)	(84,028)	(83,869)	159
Capital lease financing			1,797	1,797
Total other financing sources (uses)	(35,459)	(31,148)	(82,010)	(50,862)
Net change in fund balances	(35,169)	(53,039)	49,696	102,735
Fund Balance at Beginning of Year	187,508	187,508	187,508	
Fund Balance at End of Year	$ 152,339	134,469	237,204	102,735

(concluded)

See note to requried supplementary information

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CCC FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 78,228	78,228	85,274	7,046
Use of money and property	16	16	2	(14)
Intergovernmental	3,644	3,644	3,342	(302)
Charges for services	5,155	5,155	6,119	964
Other revenue			123	123
Total revenues	87,043	87,043	94,860	7,817
Expenditures:				
Current:				
Public protection				
Salaries and benefits	70,463	71,419	68,162	3,257
Services and supplies	8,016	8,126	7,106	1,020
Other charges	2,531	2,544	2,349	195
Capital assets	4,068	4,143	311	3,832
Expenditure transfers	12,109	12,109	12,105	4
Total expenditures	97,187	98,341	90,033	8,308
Excess (deficiency) of revenues over (under) expenditures	(10,144)	(11,298)	4,827	16,125
Other Financing Sources (Uses):				
Transfers in	2,616	2,616	19	(2,597)
Transfers out	(5,603)	(5,603)		5,603
Total other financing sources (uses)	(2,987)	(2,987)	19	3,006
Net change in fund balance	(13,131)	(14,285)	4,846	19,131
Fund Balance at Beginning of the Year	25,654	25,654	25,654	
Fund Balance at End of Year	$ 12,523	11,369	30,500	19,131

See note to required supplementary information

COUNTY OF CONTRA COSTA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

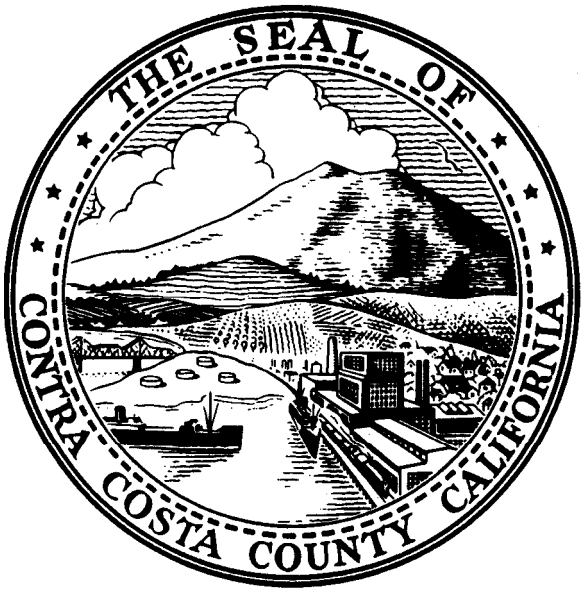
HEALTH AND SANITATION SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Taxes	$ 4,715	4,724	4,724	
Fines, forfeitures and penalties	2,143	2,143	2,237	94
Use of money and property	273	273	198	(75)
Intergovernmental	29,616	29,616	28,085	(1,531)
Charges for services	242	242	92	(150)
Total revenues	36,989	36,998	35,336	(1,662)
Expenditures:				
Current:				
Health and sanitation				
Salaries and benefits	892	1,030	897	133
Services and supplies	8,236	8,233	4,217	4,016
Other charges	2,578	2,607	2,239	368
Capital assets	200	200		200
Expenditure transfers	29,936	34,093	34,093	
Total health and sanitation	41,842	46,163	41,446	4,717
Total expenditures	41,842	46,163	41,446	4,717
Excess (deficiency) of revenues over (under) expenditures	(4,853)	(9,165)	(6,110)	3,055
Other Financing Sources (Uses):				
Transfers in		111	111	
Transfers out	(424)	(424)	(71)	353
Total other financing sources (uses)	(424)	(313)	40	353
Net change in fund balance	(5,277)	(9,478)	(6,070)	3,408
Fund Balance at Beginning of Year	60,064	60,064	60,064	
Fund Balance at End of Year	$ 54,787	50,586	53,994	3,408

See note to required supplementary information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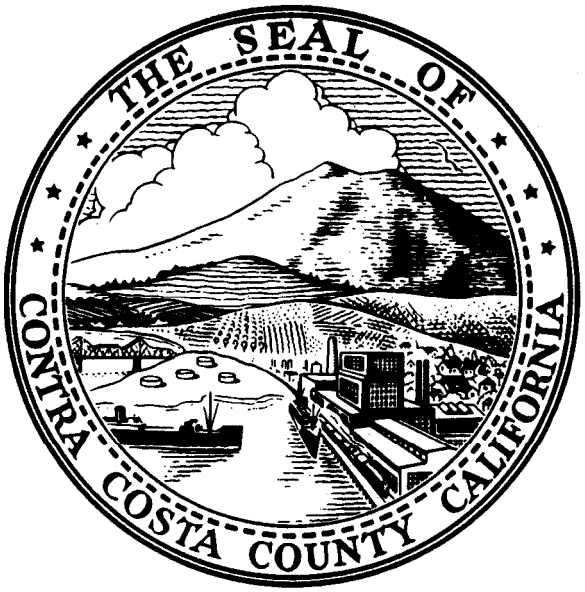
BUDGETS AND BUDGETARY ACCOUNTING

In accordance with the provisions of the California Government Code Sections 29000-29145 and other statutory provisions, commonly known as the County Budget Act, the Board of Supervisors legally adopts a budget for each fiscal year. Budgets are adopted on the modified accrual basis. Prior to June 30 the County Administrator develops, recommends and the Board of Supervisors adopts a recommended budget for the next fiscal year. This is based on preliminary data because the county's books have not yet been closed, ending fund balances have not been established, and the state has not yet adopted its budget. Later, after a series of public hearings the Board of Supervisors adopts a formal budget on or before October 2. This budget establishes the maximum authorized expenditures for the fiscal year that cannot be exceeded except by subsequent amendments to the budget by the Board of Supervisors and is reported in the budgetary comparison schedule as the "Original Budget."

Supplemental appropriations, which are normally financed by unanticipated revenues during the year, and any amendments or transfers of appropriations between summary accounts or departments must be approved by the Board of Supervisors. Pursuant to a Board of Supervisors Resolution, the County Administrator is authorized to approve transfers of appropriations among summary accounts within a department as deemed necessary and appropriate. Accordingly, the legal level of budgetary control by the Board of Supervisors is at the department level. Budgeted amounts amended during the fiscal year by the County Administrator and, when necessary, by resolution of the Board of Supervisors are reported in the budgetary comparison schedule as the "Final Budget."

The objective of the county's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Board of Supervisors. No department is permitted to spend and/or encumber more than its available appropriations. Increases in budget appropriations must be approved by the Board of Supervisors as a transfer from the Reserve for Contingencies, as a transfer from another appropriation, or as an appropriation of new or unanticipated revenue. Using the county's automated accounting system, staff of the Auditor-Controller monitors the expenditures of each department to ensure that the departments don't exceed the amounts appropriated by the Board of Supervisors for the year. The county uses an encumbrance system as an extension of normal budgetary accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to encumber that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed, and assigned fund balance, as appropriate, since they do not constitute expenditures or liabilities and are re-established, along with their encumbered appropriations as part of the following year's budget. Any appropriations remaining in the departments at the end of the fiscal year automatically lapse and are transferred to unassigned fund balance. The year-end fund balance, along with projected revenues, becomes available for appropriation the following year.

The amounts reported as expenditures by department include amounts charged to each department to service the pension obligation bond debt and the liability for the Retirement Litigation Settlement because the budget includes these amounts as expenditures. "UAAL Pension Bond Debt Service Transfer" and "Retirement Litigation Settlement Transfer" are reporting adjustments made at the function level to achieve agreement with the financial statements where these expenditures are reported as transfers in accordance with GASB.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COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014
(In Thousands)

		Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Assets:						
Cash and investments	$	335,558	20,016	719	96	356,389
Accounts receivable and accrued revenue		24,796	6,320			31,116
Due from other funds		8,211	843			9,054
Notes receivable		18,461				18,461
Prepaid items and deposits		821				821
Land held for resale		9,021				9,021
Restricted cash and investments		7,669	12,368	26	1,729	21,792
Total assets	$	404,537	39,547	745	1,825	446,654
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	$	13,855	3,115	1		16,971
Due to other funds		51,769	737			52,506
Unearned revenue		6,398	30			6,428
Total liabilities		72,022	3,882	1		75,905
Deferred Inflows of Resources:						
Unavailable revenue		18,672				18,672
Fund Balances:						
Nonspendable		821			1,729	2,550
Restricted		290,488	35,665	744	96	326,993
Committed		342				342
Assigned		22,968				22,968
Unassigned		(776)				(776)
Total fund balances		313,843	35,665	744	1,825	352,077
Total liabilities, deferred inflows of resources, and fund balances	$	404,537	39,547	745	1,825	446,654

COUNTY OF CONTRA COSTA

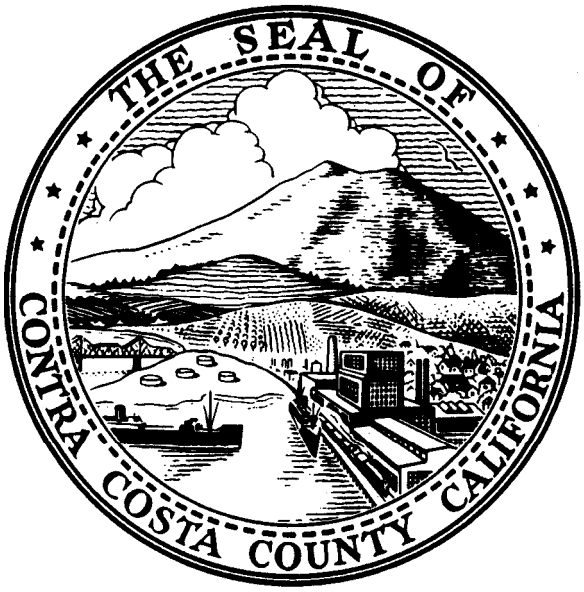
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund	Total
Revenues:					
Taxes	$ 60,359	13,126			73,485
Licenses, permits and franchise fees	15,793				15,793
Fines, forfeitures and penalties	5,683				5,683
Use of money and property	1,198	29,196		45	30,439
Intergovernmental	217,830				217,830
Charges for services	48,757				48,757
Other revenue	32,129	14,295			46,424
Total revenues	381,749	56,617		45	438,411
Expenditures:					
Current:					
General government	3,274	5			3,279
Public protection	155,259				155,259
Public assistance	119,066	11,643			130,709
Education	22,941				22,941
Public ways and facilities	43,636				43,636
Recreation and culture	1,104				1,104
Debt service:					
Principal		73,275			73,275
Interest	9	40,720			40,729
Total expenditures	345,289	125,643			470,932
Excess (deficiency) of revenues over (under) expenditures	36,460	(69,026)		45	(32,521)
Other Financing Sources (Uses):					
Transfers in	6,787	82,293			89,080
Transfers out	(10,490)	(638)			(11,128)
Capital lease financing	17				17
Total other financing sources (uses)	(3,686)	81,655			77,969
Net change in fund balances	32,774	12,629		45	45,448
Fund Balances at Beginning of Year	281,069	23,036	744	1,780	306,629
Fund Balances at End of Year	$ 313,843	35,665	744	1,825	352,077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Nonmajor Special Revenue Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Nonmajor special revenue funds used by the county are listed below:

ROAD FUND

This fund is used to account for maintenance and construction of roadways. Revenues consist primarily of the county's share of state highway user taxes and are supplemented by federal funds.

LIBRARY FUND

This fund is used to account for library services for all areas of the county except the city of Richmond. Property taxes provide most of the fund's revenues.

LOW & MODERATE INCOME HOUSING ASSETS

This fund is used to account for housing assets in accordance with the Community Development Law.

OTHER FIRE PROTECTION FUND

This fund is used to account for the Crockett-Carquinez Fire Protection District fire protection services in the county. The fund is financed primarily by property taxes.

LAND DEVELOPMENT FUND

This fund reports the growth management related activities of the Public Works Department and the Department of Conservation and Development.

SERVICE AREAS FUND

This fund is used to account for the provision of services such as lighting, park, or street maintenance by special districts to specific areas in the county. The fund is financed by property taxes and user charges.

FLOOD CONTROL FUND

This fund is used to account for the provision of services by special districts to control flood and storm waters. Revenues are primarily received from property taxes and federal grants.

LAW ENFORCEMENT FUND

This fund is used to account for a variety of law enforcement services financed by property taxes, narcotics seizures, and court fines and fees.

COURTS AND CRIMINAL JUSTICE FUND

This fund is used to account for the improvement of courthouse and criminal justice facilities and related automated information systems. Revenues are derived from court fines and fees.

RECORDER/CLERK MODERNIZATION FUND

This fund is used to account for automation of civil and small claims functions of the courts and for micrographics and modernization of the Recorder's Office. Revenues received are from filing and recording fees.

CHILD DEVELOPMENT FUND

This fund is used to account for the financial resources designated for the county's child development programs.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY (IHSS) FUND

This fund is used to account for services to both providers and recipients of in-home care delivered through the In-Home Supportive Services program.

COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE

This fund, as required by AB 118 in the implementation of State's Public Safety Realignment Program, permits the county to receive state realignment funding distributions.

OTHER SPECIAL REVENUE FUND

This fund is used to account for the activities of several non-grant special revenue funds. It includes Fish and Game, Vehicle License Fees (VLF) Securitization, Survey Monuments, Victim Assistance, Sans Crainte Drainage and county water districts.

THE SEAL OF
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COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014
(In Thousands)

		Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Land Development	Service Areas
Assets:							
Cash and investments	$	79,946	14,673	353	763	16,157	29,217
Accounts receivable and accrued revenue		3,391	1,016		4	1,253	255
Due from other funds		218	23		6	715	61
Notes receivable				7,909		2,335	
Prepaid items and deposits		34	194			73	
Land held for resale				9,021			
Restricted cash and investments				7,669			
Total assets	$	83,589	15,906	24,952	773	20,533	29,533
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	$	615	1,344		133	1,677	6,231
Due to other funds		2,351	163			597	400
Unearned revenue		6,234	1	2			
Total liabilities		9,200	1,508	2	133	2,274	6,631
Deferred Inflows of Resources							
Unavailable revenue				7,909		2,546	
Fund Balances:							
Nonspendable		34	194			73	
Restricted		72,435	7,408	16,836	636	15,101	21,811
Committed							18
Assigned		1,920	6,796	205	4	539	1,073
Unassigned							
Total fund balances		74,389	14,398	17,041	640	15,713	22,902
Total liabilities, deferred inflows of resources, and fund balances	$	83,589	15,906	24,952	773	20,533	29,533

Flood Control	Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Child Development	In-Home Supportive Services Public Authority	County Local Revenue Fund 2011	Other Special Revenue	Total
60,231	37,793		8,888	372		43,640	43,525	335,558
644	164	380	8	1,557	600	12,984	2,540	24,796
122	1,569	237		1,267	658	3,310	25	8,211
							8,217	18,461
3	50		52	245			170	821
								9,021
								7,669
61,000	39,576	617	8,948	3,441	1,258	59,934	54,477	404,537
306	606		61	1,111	420		1,351	13,855
1,598	9,673	730	23	1,725	738	29,528	4,243	51,769
				52			109	6,398
1,904	10,279	730	84	2,888	1,158	29,528	5,703	72,022
							8,217	18,672
3	50		52	245			170	821
57,446	19,769		8,812	305	195	30,406	39,328	290,488
	324							342
1,647	9,154	568		3			1,059	22,968
		(681)			(95)			(776)
59,096	29,297	(113)	8,864	553	100	30,406	40,557	313,843
61,000	39,576	617	8,948	3,441	1,258	59,934	54,477	404,537

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

		Road	Library	Low & Moderate Income Housing Assets	Other Fire Protection	Land Development	Service Areas
Revenues:							
Taxes	$	15,525	20,960		385		6,140
Licenses, permits and franchise fees		515				12,000	7
Fines, forfeitures and penalties						8	
Use of money and property		166	73	205		37	473
Intergovernmental		15,738	2,758		199	1,037	296
Charges for services		3,291	794		13	8,605	13,168
Other revenue		4,498	2,957	7,679	200	6,340	357
Total revenues		39,733	27,542	7,884	797	28,027	20,441
Expenditures:							
Current:							
General government			27				
Public protection					711	22,086	17,411
Public assistance				35		1,194	
Education			22,740				201
Public ways and facilities		39,882				3,027	648
Recreation and culture							1,104
Debt service:							
Interest							
Total expenditures		39,882	22,767	35	711	26,307	19,364
Excess (deficiency) of revenues over (under) expenditures		(149)	4,775	7,849	86	1,720	1,077
Other Financing Sources (Uses):							
Transfers in						2	16
Transfers out			(977)			(1,208)	
Capital lease financing							
Total other financing sources (uses)			(977)			(1,206)	16
Net change in fund balances		(149)	3,798	7,849	86	514	1,093
Fund Balances at Beginning of Year		74,538	10,600	9,192	554	15,199	21,809
Fund Balances at End of Year	$	74,389	14,398	17,041	640	15,713	22,902

Flood Control	Law Enforcement	Courts & Criminal Justice	Recorder/ Clerk Modernization	Child Development	In-Home Supportive Services Public Authority	County Local Revenue Fund 2011	Other Special Revenue	Total
8,890	7,960						499	60,359
3,146							125	15,793
	3,346	2,268					61	5,683
105	16			1			122	1,198
2,908	2,094			15,765	1,692	151,695	23,648	217,830
17,438	1,364		1,665				2,419	48,757
869	516			6,459	171		2,083	32,129
33,356	15,296	2,268	1,665	22,225	1,863	151,695	28,957	381,749
	80	2,618					549	3,274
36,654	17,393		2,436			34,559	24,009	155,259
				21,545	1,863	91,659	2,770	119,066
								22,941
							79	43,636
								1,104
		1					8	9
36,654	17,473	2,619	2,436	21,545	1,863	126,218	27,415	345,289
(3,298)	(2,177)	(351)	(771)	680		25,477	1,542	36,460
	6,644	125						6,787
(2)	(168)		(57)	(358)		(6,566)	(1,154)	(10,490)
							17	17
(2)	6,476	125	(57)	(358)		(6,566)	(1,137)	(3,686)
(3,300)	4,299	(226)	(828)	322		18,911	405	32,774
62,396	24,998	113	9,692	231	100	11,495	40,152	281,069
59,096	29,297	(113)	8,864	553	100	30,406	40,557	313,843

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
ROAD SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 15,524	15,524	15,525	1
Licenses, Permits		500	515	15
Use of money and property	322	322	166	(156)
Intergovernmental	17,836	17,836	15,738	(2,098)
Charges for services	4,937	5,059	3,291	(1,768)
Other revenue	6,019	6,214	4,498	(1,716)
Total revenues	44,638	45,455	39,733	(5,722)
Expenditures:				
Public ways and facilities				
Services and supplies	30,360	31,345	11,752	19,593
Other charges	4,643	5,316	3,358	1,958
Capital assets	896	853	366	487
Expenditure transfers	29,908	31,091	24,406	6,685
Total public ways and facilities	65,807	68,605	39,882	28,723
Total expenditures	65,807	68,605	39,882	28,723
Deficiency of revenues under expenditures	(21,169)	(23,150)	(149)	23,001
Other Financing Sources (Uses):				
Transfers in	50	1,805		(1,805)
Transfers out	(250)	(250)		250
Total other financing sources (uses)	(200)	1,555		(1,555)
Net change in fund balance	(21,369)	(21,595)	(149)	21,446
Fund Balance at Beginning of Year	74,538	74,538	74,538	
Fund Balance at End of Year	$ 53,169	52,943	74,389	21,446

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LIBRARY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Taxes	$ 19,659	19,659	20,960	1,301
Use of money and property	157	157	73	(84)
Intergovernmental	2,745	2,745	2,758	13
Charges for services	817	817	794	(23)
Other revenue	35	35	2,957	2,922
Total revenues	23,413	23,413	27,542	4,129
Expenditures:				
General government				
Other charges		15	15	
Capital assets	676	689	12	677
Total general government	676	704	27	677
Education				
Salaries and benefits	18,646	18,394	16,656	1,738
Services and supplies	4,408	4,599	3,877	722
Other charges	2,223	2,257	1,921	336
Capital assets	491	491	234	257
Expenditure transfers	53	53	52	1
Total education	25,821	25,794	22,740	3,054
Total expenditures	26,497	26,498	22,767	3,731
Excess (deficiency) of revenues over (under) expenditures	(3,084)	(3,085)	4,775	7,860
Other Financing Sources (Uses):				
Transfers in	237	237		(237)
Transfers out	(977)	(977)	(977)	
Total other financing sources (uses)	(740)	(740)	(977)	(237)
Net change in fund balance	(3,824)	(3,825)	3,798	7,623
Fund Balance at Beginning of Year	10,600	10,600	10,600	
Fund Balance at End of Year	$ 6,776	6,775	14,398	7,623

COUNTY OF CONTRA COSTA

BUDGETARY COMPARISON SCHEDULE

LOW & MODERATE INCOME HOUSING ASSETS SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$		205	205
Other revenue		36	7,679	7,643
Total revenues		36	7,884	7,848
Expenditures:				
Public assistance				
Services and supplies		20	19	1
Other charges		15	15	
Expenditure transfers		1	1	
Total public assistance		36	35	1
Total expenditures		36	35	1
Excess of revenues over expenditures			7,849	7,849
Net change in fund balance			7,849	7,849
Fund Balance at Beginning of Year	9,192	9,192	9,192	
Fund Balance at End of Year	$ 9,192	9,192	17,041	7,849

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER FIRE PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Taxes	$ 380	380	385	5
Intergovernmental	4	4	199	195
Charges for services	6	6	13	7
Other revenue	11	11	200	189
Total revenues	401	401	797	396
Expenditures:				
Public protection				
Salaries and benefits	145	185	181	4
Services and supplies	785	665	376	289
Other charges	96	96	78	18
Capital assets		580	76	504
Total public protection	1,026	1,526	711	815
Total expenditures	1,026	1,526	711	815
Excess (deficiency) of revenues over (under) expenditures	(625)	(1,125)	86	1,211
Other Financing Sources:				
Transfers in	70	70		(70)
Total other financing sources	70	70		(70)
Net change in fund balance	(555)	(1,055)	86	1,141
Fund Balance at Beginning of the Year	554	554	554	
Fund Balance at End of Year	$ (1)	(501)	640	1,141

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAND DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Licenses, permits and franchise fees	$ 11,829	11,829	12,000	171
Fines, forfeitures and penalties			8	8
Use of money and property	248	248	37	(211)
Intergovernmental	2,701	3,168	1,037	(2,131)
Charges for services	15,360	15,360	8,605	(6,755)
Other revenue	6,645	6,645	6,340	(305)
Total revenues	36,783	37,250	28,027	(9,223)
Expenditures:				
Public protection				
Salaries and benefits	18,695	18,706	16,584	2,122
Services and supplies	6,455	4,963	2,947	2,016
Other charges	1,714	2,050	2,045	5
Capital assets	603	815	510	305
Expenditure transfers	(35)	898		898
Total public protection	27,432	27,432	22,086	5,346
Public assistance				
Services and supplies	2,284	2,747	1,059	1,688
Other charges	737	737	128	609
Expenditure transfers	3	7	7	
Total public assistance	3,024	3,491	1,194	2,297
Public ways and facilities				
Services and supplies	80	181	180	1
Other charges	492	514	92	422
Expenditure transfers	7,618	7,495	2,755	4,740
Total public ways and facilities	8,190	8,190	3,027	5,163
Total expenditures	38,646	39,113	26,307	12,806
Excess (deficiency) of revenues over (under) expenditures	(1,863)	(1,863)	1,720	3,583
Other Financing Sources (Uses):				
Transfers in	271	271	2	(269)
Transfers out	(1,371)	(1,371)	(1,208)	163
Total other financing sources (uses)	(1,100)	(1,100)	(1,206)	(106)
Net change in fund balance	(2,963)	(2,963)	514	3,477
Fund Balance at Beginning of Year	15,199	15,199	15,199	
Fund Balance at End of Year	$ 12,236	12,236	15,713	3,477

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
SERVICE AREAS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 5,780	5,827	6,140	313
Licenses, permits and franchise fees	6	6	7	1
Use of money and property	532	532	473	(59)
Intergovernmental	56	155	296	141
Charges for services	11,204	11,209	13,168	1,959
Other revenue	100	493	357	(136)
Total revenues	17,678	18,222	20,441	2,219
Expenditures:				
Public protection				
Services and supplies	23,795	23,765	14,277	9,488
Other charges	2,460	2,552	2,552	
Expenditure transfers	863	853	582	271
Total public protection	27,118	27,170	17,411	9,759
Education				
Other charges	334	128	2	126
Expenditure transfers		206	199	7
Total education	334	334	201	133
Public ways and facilities				
Services and supplies	5,668	5,583	171	5,412
Other charges	210	240	150	90
Capital assets		25	17	8
Expenditure transfers	395	561	310	251
Total public ways and facilities	6,273	6,409	648	5,761
Recreation and culture				
Services and supplies	437	484	362	122
Other charges	282	381	368	13
Capital assets	3,707	3,822	122	3,700
Expenditure transfers	167	263	252	11
Total recreation and culture	4,593	4,950	1,104	3,846
Total expenditures	38,318	38,863	19,364	19,499
Excess (deficiency) of revenues over (under) expenditures	(20,640)	(20,641)	1,077	21,718
Other Financing Sources (Uses):				
Transfers in	144	144	16	(128)
Transfers out	(20)	(20)		20
Total other financing sources (uses)	124	124	16	(108)
Net change in fund balance	(20,516)	(20,517)	1,093	21,610
Fund Balance at Beginning of Year	21,809	21,809	21,809	
Fund Balance at End of Year	$ 1,293	1,292	22,902	21,610

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FLOOD CONTROL SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 7,733	7,733	8,890	1,157
Licenses, permits and franchise fees	951	2,920	3,146	226
Use of money and property	240	240	105	(135)
Intergovernmental	1,308	2,556	2,908	352
Charges for services	17,027	17,027	17,438	411
Other revenue	992	992	869	(123)
Total revenues	28,251	31,468	33,356	1,888
Expenditures:				
Current:				
Public protection				
Services and supplies	51,838	54,995	22,706	32,289
Other charges	9,642	10,558	4,596	5,962
Capital assets	325	473	10	463
Expenditure transfers	23,263	22,651	9,342	13,309
Total public protection	85,068	88,677	36,654	52,023
Public ways and facilities				
Services and supplies	2,465	2,465		2,465
Other charges	102	102		102
Total public ways and facilities	2,567	2,567		2,567
Debt service:				
Principal	1	156		156
Total expenditures	87,636	91,400	36,654	54,746
Deficiency of revenues under expenditures	(59,385)	(59,932)	(3,298)	56,634
Other Financing Sources (Uses):				
Transfers in	2,170	8,670		(8,670)
Transfers out	(3,977)	(10,077)	(2)	10,075
Total other financing sources (uses)	(1,807)	(1,407)	(2)	1,405
Net change in fund balance	(61,192)	(61,339)	(3,300)	58,039
Fund Balance at Beginning of Year	62,396	62,396	62,396	
Fund Balance at End of Year	$ 1,204	1,057	59,096	58,039

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 8,835	9,014	7,960	(1,054)
Fines, forfeitures and penalties	1,898	1,898	3,346	1,448
Use of money and property	48	48	16	(32)
Intergovernmental	4,676	4,697	2,094	(2,603)
Charges for services	1,543	1,543	1,364	(179)
Other revenue	3,389	3,389	516	(2,873)
Total revenues	20,389	20,589	15,296	(5,293)
Expenditures:				
General government				
Services and supplies	(1,128)	372	80	292
Other charges	21	21		21
Expenditure transfers	3,806	2,306		2,306
Total general government	2,699	2,699	80	2,619
Public protection				
Salaries and benefits	1,211	1,419	1,356	63
Services and supplies	15,546	14,921	99	14,822
Other charges	3,341	3,772	2,808	964
Capital assets	399	465	96	369
Expenditure transfers	18,891	19,595	13,034	6,561
Total public protection	39,388	40,172	17,393	22,779
Total expenditures	42,087	42,871	17,473	25,398
Deficiency of revenues under expenditures	(21,698)	(22,282)	(2,177)	20,105
Other Financing Sources (Uses):				
Transfers in	1,744	2,340	6,644	4,304
Transfers out	(4,475)	(4,539)	(168)	4,371
Total other financing sources (uses)	(2,731)	(2,199)	6,476	8,675
Net change in fund balance	(24,429)	(24,481)	4,299	28,780
Fund Balance at Beginning of Year	24,998	24,998	24,998	
Fund Balance at End of Year	$ 569	517	29,297	28,780

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COURTS AND CRIMINAL JUSTICE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines, forfeitures and penalties	$ 2,348	2,348	2,268	(80)
Use of money and property	(19)	(19)		19
Intergovernmental	328	328		(328)
Total revenues	2,657	2,657	2,268	(389)
Expenditures:				
Current:				
General government				
Services and supplies	696	55		55
Other charges	2,020	2,661	2,618	43
Capital assets	52	52		52
Total general government	2,768	2,768	2,618	150
Debt service:				
Interest	1	1	1	
Total expenditures	2,769	2,769	2,619	150
Deficiency of revenues under expenditures	(112)	(112)	(351)	(239)
Other Financing Sources:				
Transfers in			125	125
Total other financing sources			125	125
Net change in fund balance	(112)	(112)	(226)	(114)
Fund Balance at Beginning of Year	113	113	113	
Fund Balance at End of Year	$ 1	1	(113)	(114)

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RECORDER/CLERK MODERNIZATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 2,294	2,294	1,665	(629)
Total revenues	2,294	2,294	1,665	(629)
Expenditures:				
Public protection				
Salaries and benefits	1,073	1,073	800	273
Services and supplies	10,089	10,089	1,238	8,851
Other charges	507	507	398	109
Capital assets	250	250		250
Total public protection	11,919	11,919	2,436	9,483
Total expenditures	11,919	11,919	2,436	9,483
Deficiency of revenues under expenditures	(9,625)	(9,625)	(771)	8,854
Other Financing Uses:				
Transfers out	(57)	(57)	(57)	
Total other financing uses	(57)	(57)	(57)	
Net change in fund balance	(9,682)	(9,682)	(828)	8,854
Fund Balance at Beginning of Year	9,692	9,692	9,692	
Fund Balance at End of Year	$ 10	10	8,864	8,854

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
CHILD DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$		1	1
Intergovernmental	14,358	16,008	15,765	(243)
Other revenue	9,944	6,259	6,459	200
Total revenues	24,302	22,267	22,225	(42)
Expenditures:				
Public assistance				
Salaries and benefits	9,264	6,394	6,251	143
Services and supplies	2,552	2,952	2,947	5
Other charges	2,776	4,427	4,242	185
Capital assets	150	150		150
Expenditure transfers	9,417	8,201	8,105	96
Total public assistance	24,159	22,124	21,545	579
Total expenditures	24,159	22,124	21,545	579
Excess of revenues over expenditures	143	143	680	537
Other Financing Uses:				
Transfers out	(358)	(358)	(358)	
Total other financing uses	(358)	(358)	(358)	
Net change in fund balance	(215)	(215)	322	537
Fund Balance at Beginning of Year	231	231	231	
Fund Balance at End of Year	$ 16	16	553	537

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

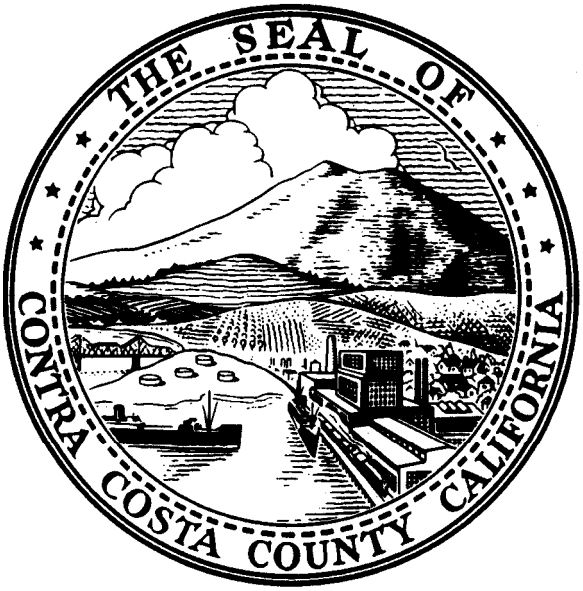
	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 1,084	1,084	1,692	608
Other revenue	846	846	171	(675)
Total revenues	1,930	1,930	1,863	(67)
Expenditures:				
Public assistance				
Salaries and benefits	974	974	968	6
Services and supplies	163	156	135	21
Other charges	583	586	586	
Capital assets	2	2		2
Expenditure transfers	170	174	174	
Total public assistance	1,892	1,892	1,863	29
Total expenditures	1,892	1,892	1,863	29
Excess (deficiency) of revenues over (under) expenditures	38	38		(38)
Net change in fund balance	38	38		(38)
Fund Balance at Beginning of Year	100	100	100	
Fund Balance at End of Year	$ 138	138	100	(38)

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY LOCAL REVENUE FUND 2011 SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 145,659	137,274	151,695	14,421
Total revenues	145,659	137,274	151,695	14,421
Expenditures:				
Public protection:				
Salaries and benefits	9,264	6,394		6,394
Services and supplies	2,552	2,952		2,952
Other charges	2,776	4,427		4,427
Capital assets	150	150		150
Expenditure transfers	55,394	34,559	34,559	
Total public protection	70,136	48,482	34,559	13,923
Public assistance				
Expenditure transfers	79,209	91,659	91,659	
Total public assistance	79,209	91,659	91,659	
Total expenditures	149,345	140,141	126,218	13,923
Excess (deficiency) of revenues over (under) expenditures	(3,686)	(2,867)	25,477	28,344
Other Financing Uses:				
Transfers out	(10,399)	(10,399)	(6,566)	3,833
Total other financing uses	(10,399)	(10,399)	(6,566)	3,833
Net change in fund balance	(14,085)	(13,266)	18,911	32,177
Fund Balance at Beginning of Year	11,495	11,495	11,495	
Fund Balance at End of Year	$ (2,590)	(1,771)	30,406	32,177

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
OTHER SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 454	454	499	45
Licenses, permits and franchise fees	105	124	125	1
Fines, forfeitures and penalties	52	52	61	9
Use of money and property	152	152	122	(30)
Intergovernmental	21,673	22,268	23,648	1,380
Charges for services	2,653	2,653	2,419	(234)
Other revenue	2,163	2,178	2,083	(95)
Total revenues	27,252	27,881	28,957	1,076
Expenditures:				
Current:				
General government				
Services and supplies	1,950	1,765	25	1,740
Other charges	306	306	90	216
Expenditure transfers	250	434	434	
Total general government	2,506	2,505	549	1,956
Public protection				
Salaries and benefits	16,831	15,973	15,659	314
Services and supplies	6,597	6,833	2,774	4,059
Other charges	834	1,114	1,114	
Capital assets	7	182	146	36
Expenditure transfers	3,589	4,350	4,316	34
Total public protection	27,858	28,452	24,009	4,443
Public assistance				
Salaries and benefits	235	235	223	12
Services and supplies	2,124	1,842	1,072	770
Other charges	38	181	180	1
Expenditure transfers	727	1,295	1,295	
Total public assistance	3,124	3,553	2,770	783
Public ways and facilities				
Services and supplies	6	6		6
Other charges	2	2		2
Expenditure transfers	437	437	79	358
Total public ways and facilities	445	445	79	366
Debt service:				
Interest	8	8	8	
Total expenditures	33,941	34,963	27,415	7,548
Excess (deficiency) of revenues over (under) expenditures	(6,689)	(7,082)	1,542	8,624
Other Financing Sources (Uses):				
Transfers out	(4,262)	(4,262)	(1,154)	3,108
Capital lease financing			17	17
Total other financing sources (uses)	(4,262)	(4,262)	(1,137)	3,125
Net change in fund balance	(10,951)	(11,344)	405	11,749
Fund Balance at Beginning of Year	40,152	40,152	40,152	
Fund Balance at End of Year	$ 29,201	28,808	40,557	11,749


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Debt Service Funds

DEBT SERVICE FUNDS

Debt service funds are used to account for accumulation of resources for, and payment of, principal and interest on the county's general long-term debt.

RECREATION AND PARK BONDS FUND

This fund is used to account for accumulated monies for payment of recreation and park bonds. Financing is provided by specific property tax levies.

PUBLIC FINANCING AUTHORITY (PFA) FUND

This fund is used to account for accumulated monies for payment of general long-term debt incurred for the various financing activities of the County of Contra Costa Public Financing Authority.

FAMILY LAW CENTER FUND

This fund is used to make annual debt service payments on the Family Law Center from money received from the settlement agreement between the county and Contra Costa County Superior Court.

RETIREMENT LITIGATION SETTLEMENT FUND

This fund is used to account for accumulated monies for payment of the additional retirement benefits for retirees from the settlement of Vernon D. Paulson, et. al. vs. Board of Retirement of the Contra Costa County Employees' Retirement Association, et al. The county has entered into an agreement with CCCERA to pay the liability for its share of the additional costs over a twenty year period.

CCC FIRE PROTECTION DISTRICT PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds for the Contra Costa County Fire Protection District. These bonds were issued to reduce or extinguish the fire district's unfunded actuarial accrued liability (UAAL).

COUNTY PENSION BOND FUND

This fund is used to account for accumulated monies for payment of taxable pension obligation bonds. These bonds were issued to reduce or extinguish the county's unfunded actuarial accrued liability (UAAL).

ASSESSMENT DISTRICTS FUND

This fund is used to account for accumulated monies for payment of assessment district debt issued to fund assessment district capital improvement projects.

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2014
(In Thousands)

	Recreation and Park Bonds	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
Assets:				
Cash and investments	$ 78	946	2,869	2,530
Accounts receivable and accrued revenue				
Due from other funds		500	113	230
Restricted cash and investments		10,728		
Total assets	$ 78	12,174	2,982	2,760
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$			2,760
Due to other funds			237	
Unearned revenue				
Total liabilities			237	2,760
Fund Balances:				
Restricted	78	12,174	2,745	
Total fund balances	78	12,174	2,745	
Total liabilities and fund balances	$ 78	12,174	2,982	2,760

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
9,623	1,845	2,125	20,016
	6,290	30	6,320
			843
	3	1,637	12,368
9,623	8,138	3,792	39,547
		355	3,115
		500	737
		30	30
		885	3,882
9,623	8,138	2,907	35,665
9,623	8,138	2,907	35,665
9,623	8,138	3,792	39,547

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Recreation and Park Bonds	Public Financing Authority	Family Law Center	Retirement Litigation Settlement
Revenues:				
Taxes	$			
Use of money and property		28,336		
Other revenue				
Total revenues		28,336		
Expenditures:				
Current:				
General government		2		
Public assistance				
Debt service:				
Principal		13,527		1,230
Interest		17,000		1,529
Total expenditures		30,529		2,759
Excess (deficiency) of revenues over (under) expenditures		(2,193)		(2,759)
Other Financing Sources (Uses):				
Transfers in		5,177		2,759
Transfers out			(125)	
Total other financing sources (uses)		5,177	(125)	2,759
Net change in fund balances		2,984	(125)	
Fund Balances at Beginning of Year	78	9,190	2,870	
Fund Balances at End of Year	$ 78	12,174	2,745	

CCC Fire Protection District Pension Bond	County Pension Bond	Assessment Districts	Total
		13,126	13,126
	856	4	29,196
12,104	2,191		14,295
12,104	3,047	13,130	56,617
	3		5
		11,643	11,643
6,240	51,610	668	73,275
5,113	16,792	286	40,720
11,353	68,405	12,597	125,643
751	(65,358)	533	(69,026)
	74,357		82,293
(13)		(500)	(638)
(13)	74,357	(500)	81,655
738	8,999	33	12,629
8,885	(861)	2,874	23,036
9,623	8,138	2,907	35,665

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RECREATION AND PARK BONDS DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:	$			
Taxes				
Intergovernmental				
Total revenues				
Expenditures:				
Public assistance				
Services and supplies	78	78		78
Total public assistance	78	78		78
Total expenditures	78	78		78
Excess (deficiency) of revenues over (under) expenditures	(78)	(78)		78
Net change in fund balance	(78)	(78)		78
Fund Balance at Beginning of Year	78	78	78	
Fund Balance at End of Year	$		78	78

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
FAMILY LAW CENTER DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:	$			
Total revenues				
Expenditures:				
Public assistance				
Services and supplies	2,870	2,745		2,745
Expenditure Transfers		125		125
Total public assistance	2,870	2,870		2,870
Total expenditures	2,870	2,870		2,870
Excess (deficiency) of revenues over (under) expenditures	(2,870)	(2,870)		2,870
Other Financing Uses:				
Transfers out			(125)	(125)
Total other financing uses			(125)	(125)
Net change in fund balance	(2,870)	(2,870)	(125)	2,745
Fund Balance at Beginning of Year	2,870	2,870	2,870	
Fund Balance at End of Year	$		2,745	2,745

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
RETIREMENT LITIGATION SETTLEMENT DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:	$			
Total revenues				
Expenditures:				
Debt service:				
Principal	1,230	1,230	1,230	
Interest	1,530	1,530	1,529	1
Total expenditures	2,760	2,760	2,759	1
Deficiency of revenues under expenditures	(2,760)	(2,760)	(2,759)	1
Other Financing Sources:				
Transfers in	2,760	2,760	2,759	(1)
Total other financing sources	2,760	2,760	2,759	(1)
Net change in fund balance				
Fund Balance at Beginning of Year				
Fund Balance at End of Year	$			

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
CCC FIRE PROTECTION DISTRICT PENSION BOND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 30	30		(30)
Other revenue	2,482	2,482	12,104	9,622
Total revenues	2,512	2,512	12,104	9,592
Expenditures:				
Current:				
Public protection				
Services and Supplies	31	31		31
Total public protection	31	31		31
Debt service:				
Principal	6,240	6,240	6,240	
Interest	5,113	5,113	5,113	
Total expenditures	11,384	11,384	11,353	31
Excess (deficiency) of revenues over (under) expenditures	(8,872)	(8,872)	751	9,623
Other Financing Uses:				
Transfers out	(13)	(13)	(13)	
Total other financing uses	(13)	(13)	(13)	
Net change in fund balance	(8,885)	(8,885)	738	9,623
Fund Balance at Beginning of Year	8,885	8,885	8,885	
Fund Balance at End of Year	$		9,623	9,623

COUNTY OF CONTRA COSTA
BUDGETARY COMPARISON SCHEDULE
COUNTY PENSION BOND DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Use of money and property	$ 800	800	856	56
Other revenue	2,189	2,189	2,191	2
Total revenues	2,989	2,989	3,047	58
Expenditures:				
Current:				
General government				
Other charges	5	5	3	2
Total general government	5	5	3	2
Debt service:				
Principal	51,610	51,610	51,610	
Interest	16,792	16,792	16,792	
Total expenditures	68,407	68,407	68,405	2
Deficiency of revenues under expenditures	(65,418)	(65,418)	(65,358)	60
Other Financing Sources:				
Transfers in	65,417	66,278	74,357	8,079
Total other financing sources	65,417	66,278	74,357	8,079
Net change in fund balance	(1)	860	8,999	8,139
Fund Balance at Beginning of Year	(861)	(861)	(861)	
Fund Balance at End of Year	$ (862)	(1)	8,138	8,139

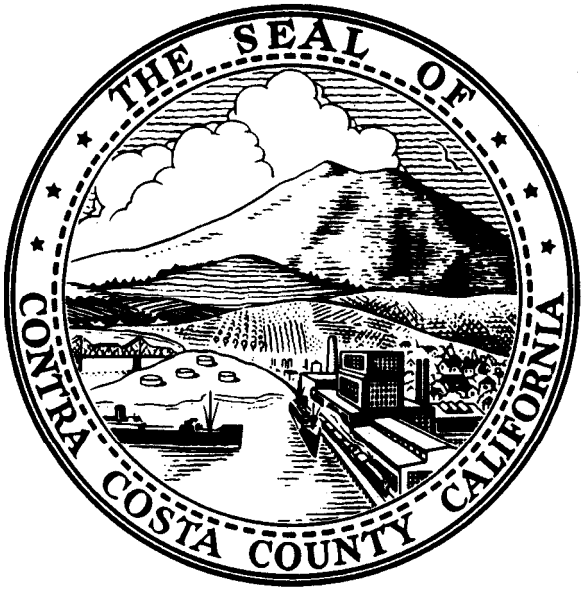
Nonmajor Capital Projects Fund

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary funds. The county's Capital Projects Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 110).

ASSESSMENT DISTRICTS FUND

This fund is used to account for all the capital improvement projects constructed using assessment district funds.


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

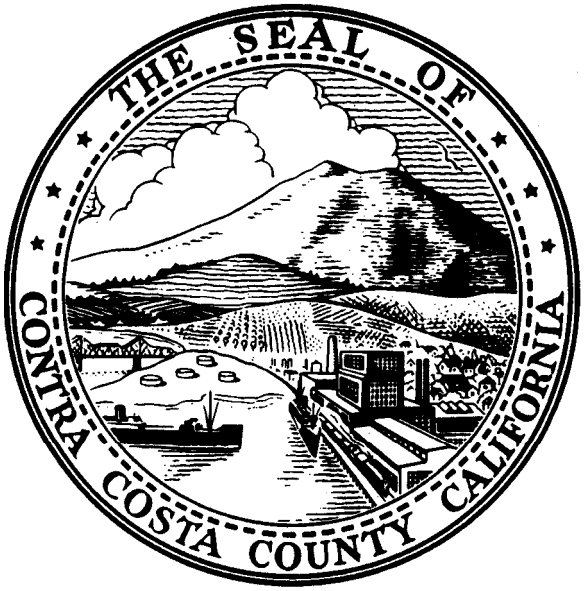
Nonmajor Governmental Fund

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The county's Permanent Fund is included in the combining financial statements of the nonmajor governmental funds (starting on page 110).

LIBRARY GIFT PERMANENT FUND

This fund is used to account for principal trust amounts received and related interest income. The interest portion of the fund is used to support the county libraries.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CONTRA COSTA COUNTY CALIFORNIA

Nonmajor Enterprise Funds

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

AIRPORT FUND

This fund was established to account for the financial activities of the Buchanan Field and Byron Airport aviation facilities. Revenues include receipts under rental and lease arrangements involving county airport facilities, and state and federal aid.

SHERIFF LAW ENFORCEMENT TRAINING CENTER FUND

This fund was established to account for the financial activities of the Sheriff Law Enforcement Training Center. The center provides training to law enforcement personnel from the County Sheriff's Office and other agencies. Revenues include tuition fees paid by the student or law enforcement agency and state aid.

CHILD CARE ENTERPRISE FUND

This fund was established to account for the fee-for-service childcare program through the Community Services Bureau. This program was established to meet the needs of families who do not qualify for Child Development programs due to a higher family income yet cannot afford to pay the cost of the market rate for childcare. Revenues will be generated by the program fees for childcare. The revenues are expected to cover the cost of the program operation.

HMO COMMERCIAL PLAN

Revenues and expenditures are related to Medicare, county employees, and private citizens enrolled in the Commercial Plan. In addition to monthly insurance capitation payments, revenues include realignment funds, National Master Tobacco Settlement funds, and subsidies from the General Fund.

MAJOR RISK MEDICAL INSURANCE FUND

Revenues and expenditures related to residents who qualify for the state sponsored Aid to Infants and Mothers (AIM) Program and the Major Risk Medical Insurance Program (MRMIP).

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2014
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Assets:						
Current assets:						
Cash and investments	$ 4,354	119	16			4,489
Accounts receivable and accrued revenue (net)	95	70		1,871	74	2,110
Inventories	38					38
Due from other funds		231		41,163	449	41,843
Prepaid items and deposits	97	40				137
Total current assets	4,584	460	16	43,034	523	48,617
Noncurrent assets:						
Capital assets:						
Nondepreciable	9,839					9,839
Depreciable, net	7,351	120		248		7,719
Total noncurrent assets	17,190	120		248		17,558
Total assets	$ 21,774	580	16	43,282	523	66,175
Liabilities and Net Position						
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	$ 526	90		13,071	13	13,700
Due to other funds	70	16		23,273	509	23,868
Unearned revenue	146	55		85		286
Current portion of long-term liabilities	9	4				13
Total current liabilities	751	165		36,429	522	37,867
Noncurrent portion of long-term liabilities:						
Compensated absences	85	34				119
Total noncurrent portion of long-term liabilities	85	34				119
Total liabilities	836	199		36,429	522	37,986
Net Position:						
Net investments in capital assets	17,190	120		248		17,558
Unrestricted	3,748	261	16	6,605	1	10,631
Total net position	20,938	381	16	6,853	1	28,189
Total liabilities and net position	$ 21,774	580	16	43,282	523	66,175

COUNTY OF CONTRA COSTA

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

NONMAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Operating Revenues:						
Use of money and property	$ 3,827					3,827
Charges for services	15	1,174		78,423	1,003	80,615
Other revenue	246	35	3			284
Total operating revenues	4,088	1,209	3	78,423	1,003	84,726
Operating Expenses:						
Salaries and employee benefits	1,640	967				2,607
Services and supplies	951	350		101,361	740	103,402
Other charges	260	108		514	4	886
Expense transfers	247					247
Depreciation	1,294	31		82		1,407
Total operating expenses	4,392	1,456		101,957	744	108,549
Operating income (loss)	(304)	(247)	3	(23,534)	259	(23,823)
Nonoperating Revenues (Expenses):						
State and federal grants	70	200		21,224		21,494
Interest expense	(2)			(301)		(303)
Total nonoperating revenues (expenses)	68	200		20,923		21,191
Income (Loss) Before Transfers	(236)	(47)	3	(2,611)	259	(2,632)
Transfers in		65		3,736		3,801
Transfers out	(154)	(59)				(213)
Change in net position	(390)	(41)	3	1,125	259	956
Total Net Position at Beginning of Year	21,328	422	13	5,728	(258)	27,233
Total Net Position at End of Year	$ 20,938	381	16	6,853	1	28,189

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

	Airport	Sheriff Law Enforcement Training Center	Child Care Enterprise	HMO Commercial Plan	Major Risk Medical Insurance	Total
Cash Flows from Operating Activities:						
Cash received from customers/other funds	$ 4,724	1,438	93	107,959	643	114,857
Cash payment to suppliers for goods and services	(1,494)	(567)	(77)	(132,288)	(643)	(135,069)
Cash payment to employees for services	(1,610)	(958)				(2,568)
Net Cash Provided by (Used for) Operating Activities	1,620	(87)	16	(24,329)		(22,780)
Cash Flows from Noncapital Financing Activities:						
State and federal grants	70	200		21,224		21,494
Transfers received		65		3,736		3,801
Transfers paid	(154)	(59)				(213)
Net Cash Provided by (Used for) Noncapital Financing Activities	(84)	206		24,960		25,082
Cash Flows from Capital and Related Financing Activities:						
Capital contributions						
Acquisition and construction of capital assets	(66)			(331)		(397)
Interest paid	(2)			(300)		(302)
Lease purchase obligation principal payment	(104)					(104)
Net Cash Used in Capital and Related Financing Activities	(172)			(631)		(803)
Net Increase (Decrease) in Cash and Cash Equivalents	1,364	119	16			1,499
Cash and Cash Equivalents at Beginning of Year	2,990					2,990
Cash and Cash Equivalents at End of Year	$ 4,354	119	16			4,489
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating income (loss)	$ (304)	(247)	3	(23,534)	259	(23,823)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	1,294	31		82		1,407
Changes in operating assets and liabilities:						
Decrease (increase) in:						
Accounts receivable and accrued revenue	549	67		31,266	89	31,971
Inventories	(16)					(16)
Due from other funds	66	162	90	(1,730)	(449)	(1,861)
Prepaid items and deposits	(48)	(40)				(88)
Increase (decrease) in:						
Accounts payable and accrued liabilities	13	15		1,173	11	1,212
Due to other funds	15	(138)	(77)	(31,671)	90	(31,781)
Unearned revenue	21	54		85		160
Compensated absences	30	9				39
Net Cash Provided by (Used in) Operating Activities	$ 1,620	(87)	16	(24,329)		(22,780)
Noncash capital financing activities (Airport):						
Change in accrual interest	$ 1					1

INTERNAL SERVICE FUNDS

FLEET SERVICES

This fund is used to account for the rental of motor vehicles to other departments and related costs.

SELF-INSURANCE FUNDS

These funds are used to account for administrative costs and payments of claims under the various insurance programs. Revenues are primarily premiums paid by other operating funds and interest on investments. The insurance programs are:

Employee Dental Insurance
Long-Term Disability Insurance (Management Employees)
Workers' Compensation Insurance
- County General
- Fire Protection

Automotive Liability Insurance
Public (General) Liability Insurance
State Unemployment Insurance
Medical Liability Insurance
Special District Property Insurance

COUNTY OF CONTRA COSTA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2014
(In Thousands)

		Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Assets:					
Current assets:					
Cash and investments	$	3,615	4,710	3,442	93,253
Accounts receivable and accrued revenue (net)		12		49	1,419
Inventories		346			
Due from other funds		1,191			36
Prepaid items and deposits		32			
Total current assets		5,196	4,710	3,491	94,708
Noncurrent assets:					
Capital assets:					
Nondepreciable		1,386			
Depreciable, net		5,810			8
Total noncurrent assets		7,196			8
Total assets	$	12,392	4,710	3,491	94,716
Liabilities and Net Position:					
Liabilities:					
Current liabilites:					
Accounts payable	$	379			
Due to other funds		708	114	6	454
Claims payable			925	2,264	19,931
Compensated absences payable		7			
Total current liabilities		1,094	1,039	2,270	20,385
Noncurrent liabilities:					
Claims payable				453	88,631
Compensated absences payable		65			
Total noncurrent liabilities		65		453	88,631
Total liabilities		1,159	1,039	2,723	109,016
Net Position:					
Net investment in capital assets		7,196			8
Unrestricted net position (deficit)		4,037	3,671	768	(14,308)
Total net position		11,233	3,671	768	(14,300)
Total liabilities and net position	$	12,392	4,710	3,491	94,716

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
25,788	4,215	13,521	5,517	6,630	1,257	161,948
271		13	162			1,926
						346
3	21	11		7		1,269
						32
26,062	4,236	13,545	5,679	6,637	1,257	165,521
						1,386
		7				5,825
		7				7,211
26,062	4,236	13,552	5,679	6,637	1,257	172,732
			5			384
52	10	411	25	25	1	1,806
7,148	476	4,447	2,603	2,380		40,174
						7
7,200	486	4,858	2,633	2,405	1	42,371
31,350	731	6,042		2,015		129,222
						65
31,350	731	6,042		2,015		129,287
38,550	1,217	10,900	2,633	4,420	1	171,658
		7				7,211
(12,488)	3,019	2,645	3,046	2,217	1,256	(6,137)
(12,488)	3,019	2,652	3,046	2,217	1,256	1,074
26,062	4,236	13,552	5,679	6,637	1,257	172,732

COUNTY OF CONTRA COSTA

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

INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

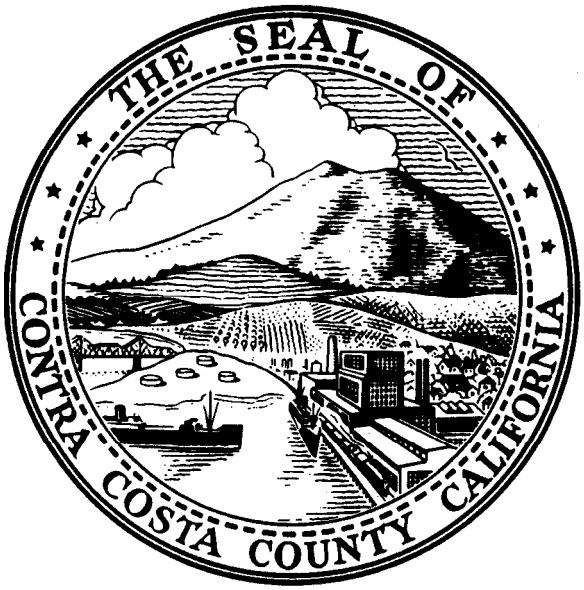
		Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Operating Revenues:					
Charges for services	$	158	10,553	1,165	17,403
Other revenue		10,233		275	
Total operating revenues		10,391	10,553	1,440	17,403
Operating Expenses:					
Salaries and employee benefits		1,775			
Services and supplies		6,184	675	12	6,277
Benefit and claim expense			9,487	1,348	21,785
Other charges		631			
Depreciation		1,649			18
Total operating expenses		10,239	10,162	1,360	28,080
Operating Income (Loss)		152	391	80	(10,677)
Nonoperating Revenues:					
Investment income			4	4	710
Total nonoperating revenues			4	4	710
Income (loss) before transfers		152	395	84	(9,967)
Transfers in					
Transfers out		(84)			
Change in net position		68	395	84	(9,967)
Total Net Position (Deficit) at Beginning of Year		11,165	3,276	684	(4,333)
Total Net Position (Deficit) at End of Year	$	11,233	3,671	768	(14,300)

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
3,370	259	6,367	2,327	1,801	1,382	44,785
						10,508
3,370	259	6,367	2,327	1,801	1,382	55,293
						1,775
613	259	4,221	7	326	1,064	19,638
4,597	605	1,000	1,874	1,807	289	42,792
						631
		16				1,683
5,210	864	5,237	1,881	2,133	1,353	66,519
(1,840)	(605)	1,130	446	(332)	29	(11,226)
137	19	22	5			901
137	19	22	5			901
(1,703)	(586)	1,152	451	(332)	29	(10,325)
	56					56
		(98)			(26)	(208)
(1,703)	(530)	1,054	451	(332)	3	(10,477)
(10,785)	3,549	1,598	2,595	2,549	1,253	11,551
(12,488)	3,019	2,652	3,046	2,217	1,256	1,074

COUNTY OF CONTRA COSTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

		Fleet Services	Employee Dental Insurance	Long-Term Disability Insurance	Workers' Compensation Insurance County General
Cash Flows from Operating Activities:					
Cash received from customers/other funds	$	10,010	10,553	1,449	17,312
Cash payment to suppliers for goods and services		(6,614)	(10,071)	(1,602)	(19,613)
Cash payment to employees for services		(1,886)			
Net Cash Provided by (Used for) Operating Activities		1,510	482	(153)	(2,301)
Cash Flows from Noncapital Financing Activities:					
Transfers received					
Transfers paid out		(84)			
Net Cash Provided by Noncapital Financing Activities		(84)			
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets		(2,263)			
Net Cash Used in Capital and Related Financing Activities		(2,263)			
Cash Flows from Investing Activities:					
Interest received on investments			4	4	710
Net Cash Provided by Investing Activities			4	4	710
Net Increase (Decrease) in Cash and Cash Equivalents		(837)	486	(149)	(1,591)
Cash and Cash Equivalents at Beginning of Year		4,452	4,224	3,591	94,844
Cash and Cash Equivalents at End of Year	$	3,615	4,710	3,442	93,253
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	$	152	391	80	(10,677)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation		1,649			18
Changes in operating assets and liabilities:					
Decrease (increase) in:					
Accounts receivable and accrued revenue		(9)		9	(55)
Inventories		(62)			
Due from other funds		(384)			(36)
Prepaid expense		12			
Increase (decrease) in:					
Accounts payable and accrued liabilities		(122)			
Claims payable			34	(242)	8,364
Due to other funds		263	57		85
Compensated absences		11			
Net Cash Provided by (Used for) Operating Activities	$	1,510	482	(153)	(2,301)

Workers' Compensation Insurance Fire Protection	Automotive Liability Insurance	Public Liability Insurance	State Unemployment Insurance	Medical Liability Insurance	Special District Property Insurance	Total
3,357	273	6,349	2,358	1,794	1,382	54,837
(3,969)	(945)	(6,376)	(1,497)	(2,078)	(1,362)	(54,127)
			5			(1,881)
(612)	(672)	(27)	866	(284)	20	(1,171)
	56					56
		(98)			(26)	(208)
	56	(98)			(26)	(152)
						(2,263)
						(2,263)
137	19	22	5			901
137	19	22	5			901
(475)	(597)	(103)	871	(284)	(6)	(2,685)
26,263	4,812	13,624	4,646	6,914	1,263	164,633
25,788	4,215	13,521	5,517	6,630	1,257	161,948
(1,840)	(605)	1,130	446	(332)	29	(11,226)
		16				1,683
(10)		(7)	31			(41)
						(62)
(3)	14	(11)		(7)		(427)
						12
			5			(117)
1,255	(82)	(1,226)	380	55	(1)	8,537
(14)	1	71	4		(8)	459
						11
(612)	(672)	(27)	866	(284)	20	(1,171)


THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

FIDUCIARY FUNDS

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

PENSION TRUST FUND

This fund is under the control of the Contra Costa County Employees' Retirement Association and is governed by the rules and regulations of the Retirement Act of 1937. The fund accumulates contributions from the county, contributions from employees, and earnings from the fund's investments. Disbursements are made from the fund for retirements, postemployment benefits, disability and death benefits, refund and administrative costs. This fund includes all assets of the retirement system.

OTHER POSTEMPLOYMENT BENEFITS IRREVOCABLE TRUST

This dedicated irrevocable trust fund accounts for the partial pre-funding of the county's postemployment health benefits plan. This plan provides health benefits to certain retired employees and their spouses and dependents.

PRIVATE-PURPOSE TRUST FUNDS

SUCCESSOR AGENCY TO THE CONTRA COSTA COUNTY REDEVELOPMENT AGENCY

This fund accounts for the payments due for enforceable obligations, performance of obligations, and disposal of all assets of the former redevelopment agency.

OTHER PRIVATE-PURPOSE TRUST FUND

This fund accounts for assets held in trust for the benefit of individuals, private organizations, and other governments.

AGENCY FUNDS

TAX LOSSES RESERVE

This fund was established as a reserve for all delinquent secured taxes. It accumulates gains from tax sales and specified amounts of penalties and interest collected on delinquent secured taxes to cover possible future losses on the sale of tax-deeded property.

UNAPPORTIONED TAXES

This fund is used to account for the following: unsecured taxes receivable, delinquent secured taxes, amounts which are impounded because of disputes or litigation, and amounts held pending authority for apportionment.

OTHER AGENCIES

This fund is used to account for assets held by the county for individuals, private organizations, and other governmental units. This fund includes payroll deduction clearing and other collections clearing monies.

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF NET POSITION

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

JUNE 30, 2014

(In Thousands)

		Pension Trust*	OPEB Irrevocable Trust	Total
Assets:				
Cash and investments	$	593,357	149,032	742,389
Cash collateral - securities lending		262,984		262,984
Investments pension trust				
Stocks		2,523,486		2,523,486
Bonds		1,868,682		1,868,682
Real assets		318,617		318,617
Real estate		828,562		828,562
Alternative investments		442,061		442,061
Receivables		611,435		611,435
Due from other agencies		8,068		8,068
Prepaid items and deposits		842		842
Capital assets, net		603		603
Total assets		7,458,697	149,032	7,607,729
Liabilities:				
Accounts payable and accrued liabilities		735,441		735,441
Employee benefits payable		1,954		1,954
Securities lending		262,984		262,984
Total liabilities		1,000,379		1,000,379
Net Position:				
Held in trust for employees' pension benefits/ other postemployment benefits		6,458,318	149,032	6,607,350
Total net position	$	6,458,318	149,032	6,607,350

*CCCERA reported for Year ended December 31, 2013

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF CHANGES IN NET POSITION

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

		Pension Trust*	OPEB Irrevocable Trust	Total
Additions:				
Employer contributions	$	235,017	76,645	311,662
Plan member contributions		72,373	12,887	85,260
Net Investment income (loss)		924,176	15,060	939,236
Investment expense		(38,158)		(38,158)
Total additions		1,193,408	104,592	1,298,000
Deductions:				
Benefits paid		369,809	70,159	439,968
Refunds of contributions		3,844		3,844
Administrative and other expenses		6,776		6,776
Prepayment discount		8,257		8,257
Other		985		985
Total deductions		389,671	70,159	459,830
Net Increase		803,737	34,433	838,170
Net Position at Beginning of Year		5,654,581	114,599	5,769,180
Net Position at End of Year	$	6,458,318	149,032	6,607,350

*CCCERA reported for Year ended December 31, 2013

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF NET POSITION

PRIVATE-PURPOSE TRUST FUNDS

JUNE 30, 2014

(In Thousands)

		Successor Agency to the Contra Costa County Redevelopment Agency	Other Private-Purpose Trust	Total
Assets:				
Cash and investments	$	7,448	21,150	28,598
Receivables			79	79
Notes receivable, net		24		24
Restricted cash and investments		5,902		5,902
Total assets		13,374	21,229	34,603
Deferred Outflows of Resources:				
Loss on refunding of debt		3,130		3,130
Total outflows of resources		3,130		3,130
Liabilities:				
Accounts payable and accrued liabilities		61	180	241
Due to other governments		784		784
Accrued interest payable		2,328		2,328
Unearned revenue			4	4
Noncurrent liabitilities:				
Due within one year		2,109		2,109
Due in more than one year		91,820		91,820
Total liabilities		97,102	184	97,286
Net Position:				
Participation in individually directed investment accounts			21,045	21,045
Unrestricted deficit		(80,598)		(80,598)
Total net position	$	(80,598)	21,045	(59,553)

COUNTY OF CONTRA COSTA

COMBINING STATEMENT OF CHANGES IN NET POSITION

PRIVATE-PURPOSE TRUST FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

	Successor Agency to the Contra Costa County Redevelopment Agency	Other Private-Purpose Trust	Total
Additions:			
Property tax distribution (RPTTF on ROPS II)	$ 11,287		11,287
Use of money and property	140		140
Other revenue		20,440	20,440
Investment income		25	25
Total additions	11,427	20,465	31,892
Deductions:			
Project expenditures	4,334		4,334
Financial assistance payments	1,978		1,978
Interest and fiscal charges	3,576		3,576
Administrative and other expenses	372	1,243	1,615
Other	7,667	22,191	29,858
Total deductions	17,927	23,434	41,361
Change in net position	(6,500)	(2,969)	(9,469)
Net Position Held In Trust at Beginning of Year, as Previously Reported	(72,509)	24,014	(48,495)
Prior period adjustment	(1,589)		(1,589)
Net Position at Beginning of Year as Restated	(74,098)	24,014	(50,084)
Net Position at End of Year	$ (80,598)	21,045	(59,553)

COUNTY OF CONTRA COSTA

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(In Thousands)

		Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Tax Losses Reserve:					
Assets:					
Cash and investments	$	112,018	16,342	22,502	105,858
Due from other governments		6,709	6,791	6,709	6,791
Total assets	$	118,727	23,133	29,211	112,649
Liabilities:					
Due to other governments	$	22,304	22,000	22,304	22,000
Tax loss guarantees		96,423	16,424	22,198	90,649
Total liabilities	$	118,727	38,424	44,502	112,649
Unapportioned Taxes:					
Assets:					
Accounts receivable	$	60,132	38,717	62,253	36,596
Taxes receivable		184,302	1,370,695	1,381,238	173,759
Total assets	$	244,434	1,409,412	1,443,491	210,355
Liabilities:					
Accounts payable	$	65,805	52,740	72,105	46,440
Due to other governments		53,422	36,312	53,422	36,312
Unapportioned taxes		125,207	1,324,628	1,322,232	127,603
Total liabilities	$	244,434	1,413,680	1,447,759	210,355
Other Agencies:					
Assets:					
Cash and investments	$	107,420	1,173,639	1,188,959	92,100
Accounts receivable		17,684	35,770	37,690	15,764
Due from other governments			1,147	1,147	
Total assets	$	125,104	1,210,556	1,227,796	107,864
Liabilities:					
Warrants outstanding	$	48,097	201,129	218,742	30,484
Accounts payable		10,591	898,889	897,704	11,776
Due to other governments			2,823	2,823	
Due to other agencies and districts		66,416	194,424	195,236	65,604
Total liabilities	$	125,104	1,297,265	1,314,505	107,864

(continued)

COUNTY OF CONTRA COSTA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(In Thousands)

		Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Totals-Agency Funds:					
Assets:					
Cash and investments	$	219,438	1,189,981	1,211,461	197,958
Accounts receivable		77,816	74,487	99,943	52,360
Due from other governments		6,709	7,938	7,856	6,791
Taxes receivable		184,302	1,370,695	1,381,238	173,759
Total assets	$	488,265	2,643,101	2,700,498	430,868
Liabilities:					
Warrants outstanding	$	48,097	201,129	218,742	30,484
Accounts payable		76,396	951,629	969,809	58,216
Due to other governments		75,726	61,135	78,549	58,312
Unapportioned taxes		125,207	1,324,628	1,322,232	127,603
Tax loss guarantees		96,423	16,424	22,198	90,649
Due to other agencies and districts		66,416	194,424	195,236	65,604
Total liabilities	$	488,265	2,749,369	2,806,766	430,868

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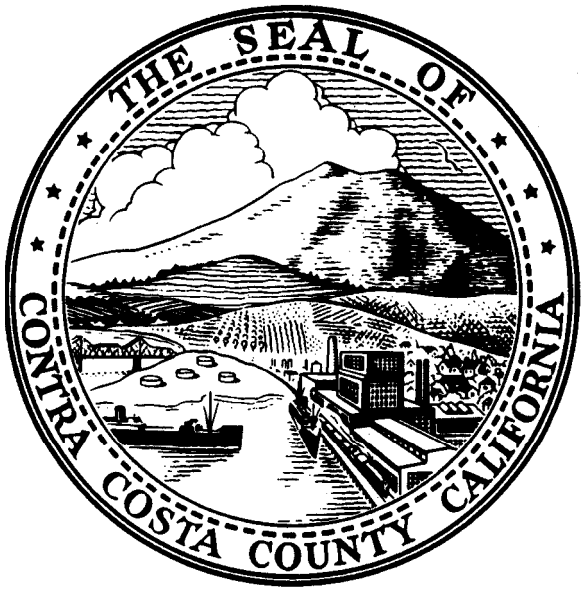

THE SEAL OF
CONTRA COSTA COUNTY CALIFORNIA

Statistical Section

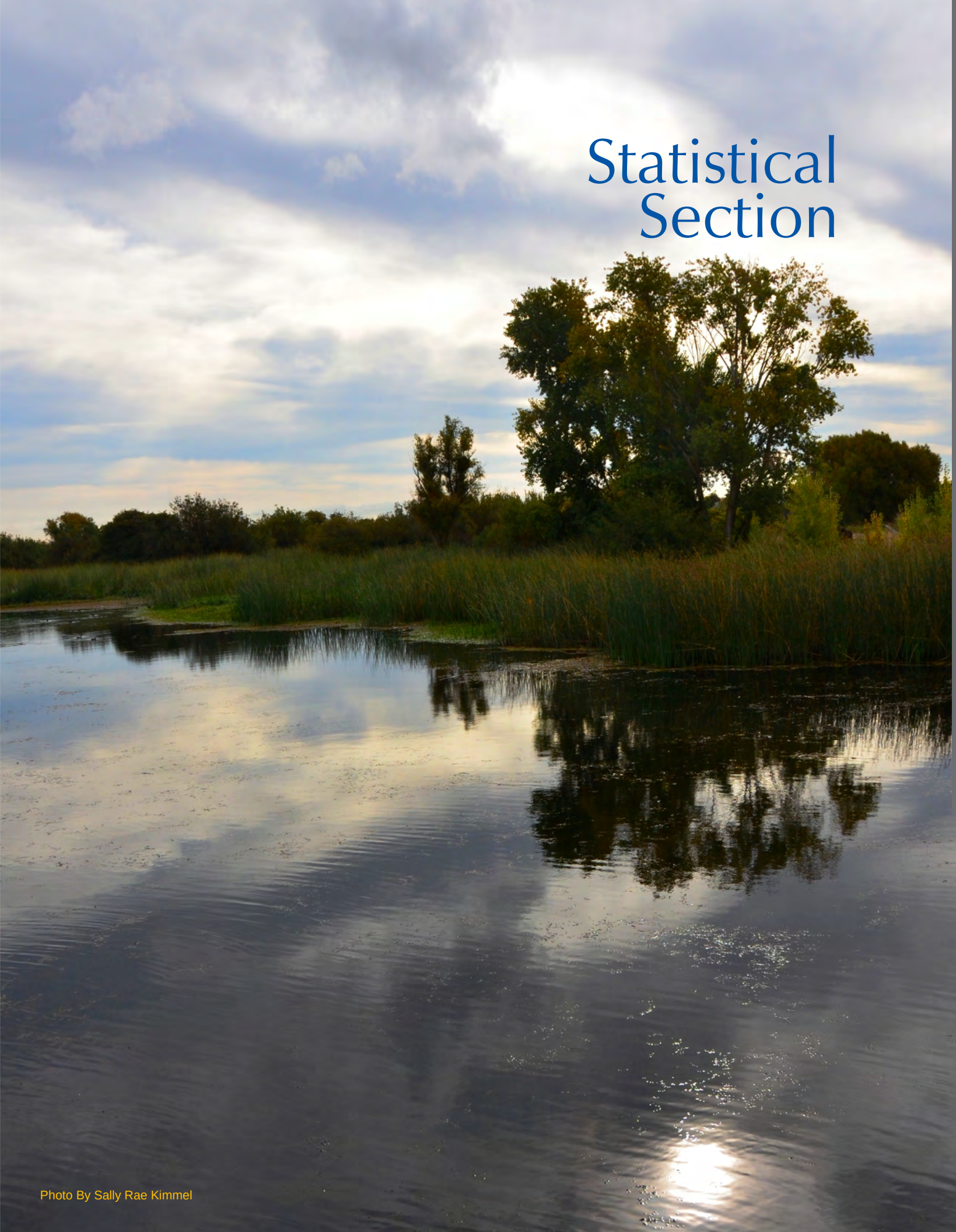


Photo By Sally Rae Kimmel

Statistical Section

COUNTY OF CONTRA COSTA

Statistical Section

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

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.

Revenue Capacity

These schedules contain information to help the reader assess the county's most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Economic & Demographic Information

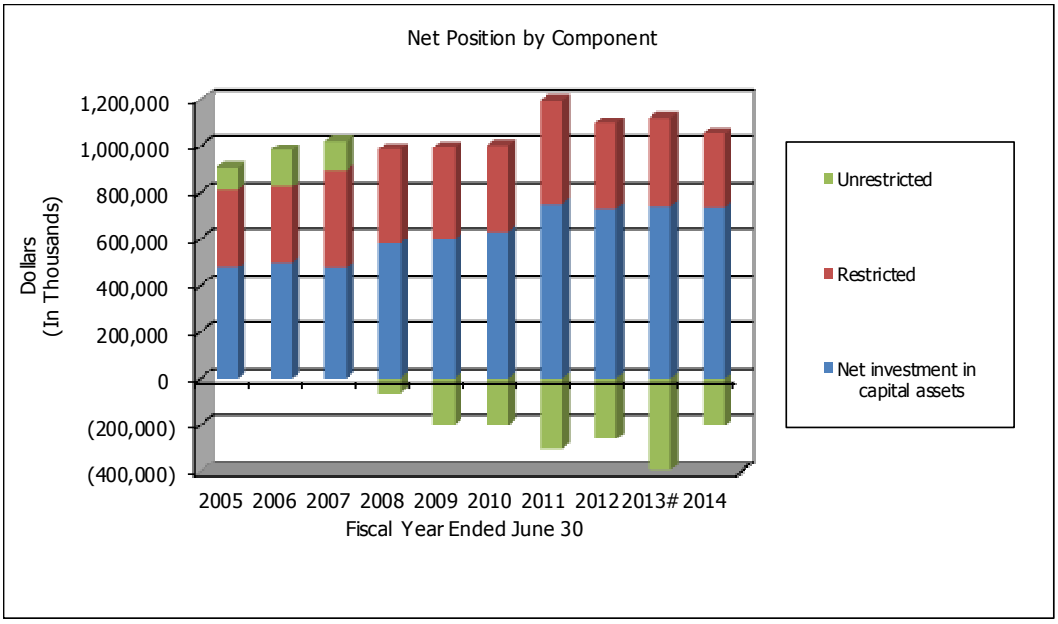
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information

These schedules contain service and capital asset 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.

COUNTY OF CONTRA COSTA
NET POSITION BY COMPONENT[1]
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013#	2014
Governmental activities										
Net investment in capital assets[2]	$ 420,834	436,879	415,045	524,350	543,582	574,525	673,641	672,378	684,743	692,980
Restricted	319,706	309,387	401,842	380,563	369,912	361,709	431,646	358,796	382,997	317,075
Unrestricted	58,002	136,193	104,895	(75,238)	(203,042)	(209,290)	(341,145)	(297,523)	(433,332)	(260,330)
Total governmental activities net position	798,542	882,459	921,782	829,675	710,452	726,944	764,142	733,651	634,408	749,725
Business-type activities										
Net investment in capital assets	58,366	63,957	62,470	57,778	55,131	53,936	74,056	57,593	54,497	42,521
Restricted	13,132	14,242	18,483	24,591	26,121	14,177	16,360	10,535		
Unrestricted	37,935	23,257	17,559	10,487	5,157	9,616	41,289	40,900	39,991	60,032
Total business-type activities net position	109,433	101,456	98,512	92,856	86,409	77,729	131,705	109,028	94,488	102,553
Primary government										
Net investment in capital assets	479,200	500,836	477,515	582,128	598,713	628,461	747,697	729,971	739,240	735,501
Restricted	332,838	323,629	420,325	405,154	396,033	375,886	448,006	369,331	382,997	317,075
Unrestricted	95,937	159,450	122,454	(64,751)	(197,885)	(199,674)	(299,856)	(256,623)	(393,341)	(200,298)
Total primary government net position	$ 907,975	983,915	1,020,294	922,531	796,861	804,673	895,847	842,679	728,896	852,278



[1] Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external party, such as a state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the county.

[2] Capital assets include land, easements, infrastructure, construction in progress, structures & improvements, intangibles, and equipment.

[#] Revised

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

	Fiscal Year Ending June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013#	2014
Expenses										
Governmental activities										
General government	$ 129,016	166,470	165,911	211,224	199,218	213,086	169,789	158,709	153,960	177,482
Public protection	441,068	451,053	500,698	566,154	552,037	510,384	493,927	507,852	522,648	536,087
Health and sanitation	201,567	185,966	181,922	234,551	240,383	229,002	234,120	230,517	222,567	231,673
Public assistance	391,620	396,538	426,503	468,892	461,159	422,492	422,722	408,330	429,816	438,255
Education	21,321	22,647	25,452	30,040	28,983	24,868	23,335	23,288	23,508	23,188
Public ways and facilities	63,648	76,561	99,630	86,443	60,726	36,300	43,971	42,252	30,453	37,067
Recreation and culture	1,421	1,425	1,298	1,141	1,447	991	1,101	1,139	1,036	1,138
Interest on debt	48,855	55,532	81,243	73,873	61,239	56,651	53,477	52,033	42,850	40,797
Capital outlay										
Total governmental activities expenses	1,298,516	1,356,192	1,482,657	1,672,318	1,605,192	1,493,774	1,442,442	1,424,120	1,426,838	1,485,687
Business-type activities										
County Hospital	306,871	310,911	325,208	353,511	372,416	382,306	395,819	464,449	482,522	486,797
Airport	4,903	5,239	4,972	5,183	5,127	4,480	4,563	4,310	4,746	4,394
Sheriff Law Enforcement Training Center	1,288	1,319	1,504	1,331	1,266	1,219	1,202	1,347	1,382	1,456
Child Care Enterprise				6	12	31	68	59	35	
Health Maintenance Organization [1]	142,887									
HMO Medi-Cal Plan		69,434	81,703	85,645	97,827	113,302	150,557	184,007	290,289	343,805
HMO Commercial Plan		83,654	90,646	100,855	112,316	92,789	114,232	136,726	120,423	102,258
Major risk medical insurance	1,819	1,625	1,892	1,288	1,013	1,026	1,047	803	1,208	744
Total business-type activities expenses	457,768	472,182	505,925	547,819	589,977	595,153	667,488	791,701	900,605	939,454
Total primary government expenses	$ 1,756,284	1,828,374	1,988,582	2,220,137	2,195,169	2,088,927	2,109,930	2,215,821	2,327,443	2,425,141
Program revenues										
Governmental activities										
Charges for services										
General government	$ 81,289	92,169	97,371	102,339	100,315	91,709	96,052	92,228	102,981	110,444
Public protection	122,919	137,069	140,065	135,403	130,270	141,489	130,956	117,274	121,439	122,238
Health and sanitation	61,930	64,221	64,449	65,823	76,938	79,166	81,333	80,941	76,448	84,029
Public assistance	2,895	1,898	2,323	3,068	2,242	6,597	4,110	3,647	3,431	2,539
Education	848	838	866	923	992	820	854	861	817	794
Public ways and facilities	22,737	28,971	22,240	28,133	14,100	10,440	15,841	4,022	5,517	7,559
Recreation and culture	33	108	144	214	117	262	21	10	14	87
Operating grants and contributions	584,347	631,510	660,371	673,571	622,097	663,766	661,239	639,592	693,133	721,594
Capital grants and contributions	5,629	5,726	8,970	21,797	19,943	38,400	25,372	23,089	14,444	15,738
Total governmental activities program revenues	882,627	962,510	996,799	1,031,271	967,014	1,032,649	1,015,778	961,664	1,018,224	1,065,022
Business-type activities										
Charges for services										
County Hospital	271,216	246,452	248,401	271,565	310,221	329,559	400,667	433,253	446,197	473,664
HMO Medi-Cal Plan		67,126	77,261	86,163	98,211	113,835	151,921	188,148	292,130	350,655
HMO Commercial Plan		65,111	62,010	65,246	68,845	62,744	63,631	63,508	65,098	78,423
Airport	3,090	3,107	3,321	3,433	3,446	3,459	3,482	3,528	3,730	3,842
Sheriff Law Enforcement Training Center	826	982	927	879	768	756	527	686	921	1,174
Health Maintenance Organization [1]	128,742									
Major risk medical insurance	1,723	1,953	1,383	1,364	936	855	875	795	950	1,003
Operating grants and contributions	120,955	125,763	134,915	145,413	135,026	127,900	158,115	80,147	63,210	26,783
Capital grants and contributions	7,941	7,945	8,866	7,239	7,377	6,278	8,847	5,755	5,750	5,749
Total business-type activities program revenues	534,493	518,439	537,084	581,302	624,830	645,386	788,065	775,820	877,986	941,293
Total primary government program revenues	$ 1,417,120	1,480,949	1,533,883	1,612,573	1,591,844	1,678,035	1,803,843	1,737,484	1,896,210	2,006,315
Net (Expense)/Revenue [2]										
Governmental activities	$ (415,889)	(393,682)	(485,858)	(641,047)	(638,178)	(461,125)	(426,664)	(462,456)	(408,614)	(420,665)
Business-type activities	76,725	46,257	31,159	33,483	34,853	50,233	120,577	(15,881)	(22,619)	1,839
Total primary government net expense	$ (339,164)	(347,425)	(454,699)	(607,564)	(603,325)	(410,892)	(306,087)	(478,337)	(431,233)	(418,826)

[1] For fiscal years 2002-2005 the fund was the Health Maintenance Organization. Beginning in 2006 the fund was split into HMO-Medical Plan and HMO-Commercial Plan.

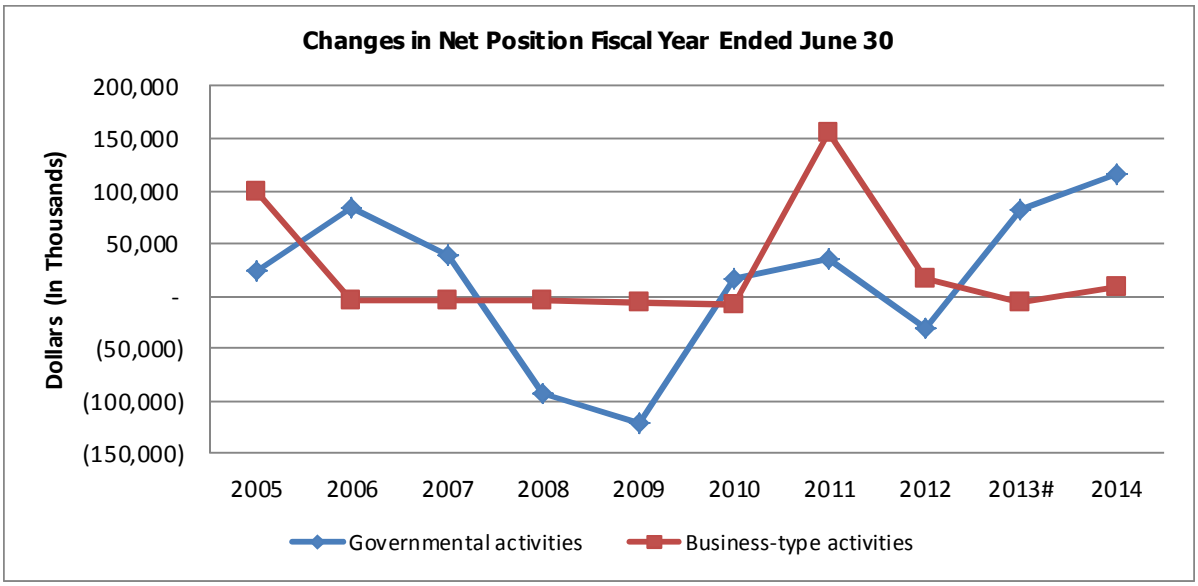
[2] Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

Revised

(continued)

COUNTY OF CONTRA COSTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(In Thousands)
(Unaudited)

		Fiscal Year Ending June 30									
		2005	2006	2007	2008	2009	2010	2011	2012	2013#	2014
General Revenues and Other Changes in Net Position											
Governmental activities											
Taxes											
Property	$	266,043	386,558	437,658	459,739	451,180	418,001	400,719	395,191	396,751	423,121
Sales		10,811	12,175	13,064	14,073	13,444	12,957	14,026	13,191	14,766	15,813
Other		16,214	15,869	16,941	22,179	26,709	21,693	20,849	21,369	22,639	23,693
Grants/contributions not restricted		107,861	20,326	16,120	11,300	14,089	15,809	14,974	14,422	14,346	15,524
Investment earnings		31,608	48,254	62,024	60,239	47,051	34,033	30,927	53,419	34,950	34,950
Other		29,587	33,048	32,661	35,344	12,935	10,905	22,034	16,657	23,021	28,823
Net Extraordinary gain/(loss)[1]									(51,655)		
Transfers		(21,836)	(38,631)	(53,287)	(53,934)	(49,098)	(35,837)	(42,167)	(30,629)	(15,124)	(5,942)
Total governmental activities		440,288	477,599	525,181	548,940	516,310	477,561	461,362	431,965	491,349	535,982
Business-type activities											
Investment earnings		134	49	386	455	429	279	128			
Gain (loss) on sale of capital assets			(167)								
Other		596	1,841	1,082	1,746	987	749	2,204	1,164	304	284
Transfers		21,836	38,631	53,287	53,934	49,098	35,837	32,799	30,629	15,124	5,942
Total business-type activities		22,566	40,354	54,755	56,135	50,514	36,865	35,131	31,793	15,428	6,226
Total primary government	$	462,854	517,953	579,936	605,075	566,824	514,426	496,493	463,758	506,777	542,208
Change in Net Position											
Governmental activities	$	24,399	83,917	39,323	(92,107)	(121,868)	16,436	34,698	(30,491)	82,735	115,317
Business-type activities		99,291	(5,335)	(5,200)	(3,825)	(6,442)	(8,680)	155,708	15,912	(7,191)	8,065
Total primary government	$	123,690	78,582	34,123	(95,932)	(128,310)	7,756	190,406	(14,579)	75,544	123,382



[1] On December 29, 2011, the California State Supreme Court upheld Assembly Bill 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the county's reporting entity, which reported the activities of the former Contra Costa County Redevelopment Agency through January 31, 2012, causing an extraordinary loss.

(concluded)

COUNTY OF CONTRA COSTA

FUND BALANCES OF GOVERNMENTAL FUNDS[1]

LAST TEN FISCAL YEARS

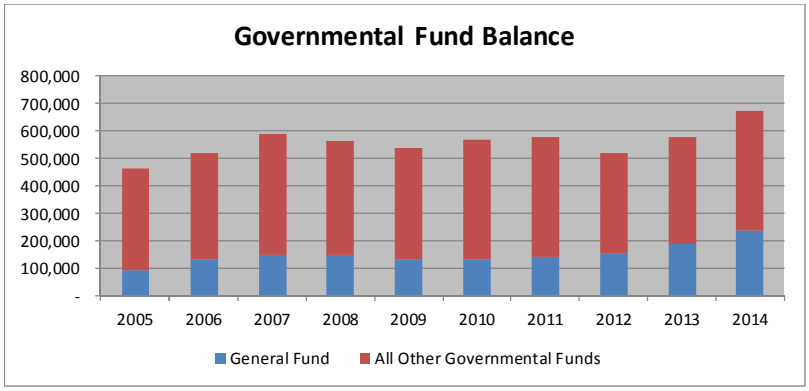
(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

		Fiscal Year Ending June 30				
		2005	2006	2007	2008	2009
General Fund						
Reserved	$	34,404	35,764	33,003	24,098	25,464
Unreserved		58,659	99,374	116,113	121,516	105,260
Total general fund		93,063	135,138	149,116	145,614	130,724
All Other Governmental Funds						
Reserved						
Special Revenue Funds		14,796	20,533	28,086	49,997	47,315
Capital Projects Funds		3,995	59,233	82,021	62,182	55,016
Debt Service Funds		25,074	8,198	33,306	31,306	36,722
Permanent Funds		1,852	1,828	1,800	1,770	1,749
Total Reserved		45,717	89,792	145,213	145,255	140,802
Unreserved						
Special Revenue Funds		257,558	260,264	280,208	269,570	254,668
Capital Projects Funds		1,256	8,158	11,969	5,169	13,529
Debt Service Funds		65,776	24,390			
Total Unreserved		324,590	292,812	292,177	274,739	268,197
Total all other governmental funds		370,307	382,604	437,390	419,994	408,999
Total Governmental Funds						
Total Reserved		80,121	125,556	178,216	169,353	166,266
Total Unreserved		383,249	392,186	408,290	396,255	373,457
Total governmental funds	$	463,370	517,742	586,506	565,608	539,723

		Fiscal Year Ending June 30				
		2010	2011	2012	2013	2014
General Fund						
Nonspendable	$	18,460	9,387	16,474	6,103	7,946
Restricted		3,900	10,696	6,388	6,798	7,254
Committed		12,750	14,277	711	1,335	1,575
Assigned		30,287	31,941	47,246	57,754	78,136
Unassigned		67,972	76,371	81,541	115,518	142,293
Total general fund		133,369	142,672	152,360	187,508	237,204
All Other Governmental Funds						
Nonspendable		2,606	9,301	14,453	13,337	4,164
Restricted		389,452	397,478	346,926	361,481	391,569
Committed		7,700	13,646	353	324	342
Assigned		36,311	25,403	18,633	25,056	41,272
Unassigned		(141)	(9,291)	(12,391)	(7,851)	(776)
Total all other governmental funds		435,928	436,537	367,974	392,347	436,571
Total Governmental Funds						
Nonspendable		21,066	18,688	30,927	19,440	12,110
Restricted		393,352	408,174	353,314	368,279	398,823
Committed		20,450	27,923	1,064	1,659	1,917
Assigned		66,598	57,344	65,879	82,810	119,408
Unassigned		67,831	67,080	69,150	107,667	141,517
Total governmental funds	$	569,297	579,209	520,334	579,855	673,775



[1]The county has implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned as opposed to reserved and unreserved.

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

		Fiscal Year Ending June 30			
		2005	2006	2007	2008
Revenues:					
Taxes	$	403,373	434,930	484,472	508,058
Licenses, permits and franchise fees		31,862	38,992	43,018	29,853
Fines, forfeitures and penalties		21,095	18,651	18,300	29,430
Use of money and property		29,968	46,575	57,908	59,829
Intergovernmental		587,529	637,179	669,343	689,528
Charges for services		239,694	267,633	265,453	275,699
Other revenue		103,704	119,585	144,858	141,007
Total revenues		1,417,225	1,563,545	1,683,352	1,733,404
Expenditures:					
Current:					
General government		131,069	148,201	195,909	176,350
Public protection		456,489	494,005	551,970	575,163
Health and sanitation		208,160	191,505	190,749	206,942
Public assistance		395,337	418,521	445,690	473,525
Education		21,231	22,679	25,863	26,394
Public ways and facilities		96,895	107,005	137,726	141,684
Recreation and culture		1,284	1,439	1,642	1,076
Debt service:					
Principal		27,726	33,775	62,335	38,417
Debt issuance cost		565	1,267	3,314	363
Interest		49,418	53,131	57,535	64,265
Other charges			3,726	1,539	
Capital outlay		6,388			
Total expenditures		1,394,562	1,475,254	1,674,272	1,704,179
Excess of revenues over (under) expenditures		22,663	88,291	9,080	29,225
Other Financing Sources (Uses):					
Transfers in		79,291	76,985	60,957	73,094
Transfers out		(103,105)	(117,605)	(116,239)	(126,926)
Proceeds from issuance of debt		1,563	129,900	222,685	36,617
Proceeds on issuance of debt transferred to business-type activities					(36,687)
Proceeds on issuance of debt transferred to the investment trust funds					(526)
Premium on debt issued				7,701	1,930
Payment to retirement trustee			(124,904)	(118,998)	
Payment to refunded bond escrow agent					
Capital lease financing		6,388	1,705	3,578	2,375
Total other financing sources (uses)		(15,863)	(33,919)	59,684	(50,123)
Net Extraordinary gain/(loss)					
Net change in fund balances		6,800	54,372	68,764	(20,898)
Fund Balances at Beginning of Year, as Previously Reported		457,509	463,370	517,742	586,506
Adjustments to beginning fund balances		(939)			
Fund Balances at Beginning of Year, as Restated		456,570	463,370	517,742	586,506
Fund Balances at End of Year	$	463,370	517,742	586,506	565,608
Debt Service:					
Principal	$	27,726	33,775	62,335	38,417
Interest		49,418	53,131	57,535	64,265
Total Debt Service	$	77,144	86,906	119,870	102,682
NonCapital Expenditures:					
Total Expenditures	$	1,394,562	1,475,254	1,674,272	1,704,179
Less: Capital Outlays					
Capital Outlays		6,388			
Capital Outlays included in Function Expenditures		44,016	42,688	63,519	106,522
Total NonCapital Expenditures	$	1,344,158	1,432,566	1,610,753	1,597,657
Debt service as a percentage of noncapital expenditures		5.74%	6.07%	7.44%	6.43%

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

2009	2010	2011	2012	2013	2014
505,424	468,458	449,671	443,281	448,502	478,153
25,485	21,458	24,291	21,662	23,314	27,471
19,604	18,717	23,430	21,754	35,757	37,277
39,610	30,805	27,857	50,481	33,837	34,047
642,158	705,292	688,868	664,600	709,009	737,940
279,693	277,710	279,188	253,648	249,994	262,329
157,295	122,008	125,305	183,233	254,513	288,783
1,669,269	1,644,448	1,618,610	1,638,659	1,754,926	1,866,000
173,240	137,431	146,106	135,497	138,361	150,770
560,416	541,064	521,664	553,699	569,496	594,366
219,008	222,252	230,233	224,990	264,214	291,820
459,552	444,916	448,569	468,310	495,515	513,200
27,261	25,449	22,737	22,692	22,998	22,941
121,152	98,056	93,138	79,157	75,422	79,763
1,553	1,166	1,239	1,121	878	1,104
43,038	52,352	71,469	84,028	69,304	73,360
326		258		238	
61,099	56,047	53,163	49,575	45,169	40,774
1,666,645	1,578,733	1,588,576	1,619,069	1,681,595	1,768,098
2,624	65,715	30,034	19,590	73,331	97,902
84,199	85,401	90,092	114,858	77,722	89,272
(138,458)	(121,542)	(128,355)	(145,411)	(92,758)	(95,068)
23,121		16,808	262	5,619	
			3,120		
		389		20	
				(5,721)	
2,629		944	361	1,308	1,814
(28,509)	(36,141)	(20,122)	(26,810)	(13,810)	(3,982)
			(51,655)		
(25,885)	29,574	9,912	(58,875)	59,521	93,920
565,608	539,723	569,297	579,209	520,334	579,855
565,608	539,723	569,297	579,209	520,334	579,855
539,723	569,297	579,209	520,334	579,855	673,775
43,038	52,352	71,469	84,028	69,304	73,360
61,099	56,047	53,163	49,575	45,169	40,774
104,137	108,399	124,632	133,603	114,473	114,134
1,666,645	1,578,733	1,588,576	1,619,069	1,681,595	1,768,098
68,522	59,545	41,488	47,599	38,304	43,909
1,598,123	1,519,188	1,547,088	1,571,470	1,643,291	1,724,189
6.52%	7.14%	8.06%	8.50%	6.97%	6.62%

COUNTY OF CONTRA COSTA

PROGRAM REVENUES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Accrual basis of accounting)

(In Thousands)

(Unaudited)

	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities - program revenues										
Charges for services										
General government	$ 81,289	92,169	97,371	102,339	100,315	91,709	96,052	92,228	102,981	110,444
Public Protection	122,919	137,069	140,065	135,403	130,270	141,489	130,956	117,274	121,439	122,238
Health and sanitation	61,930	64,221	64,449	65,823	76,938	79,166	81,333	80,941	76,448	84,029
Public assistance	2,895	1,898	2,323	3,068	2,242	6,597	4,110	3,647	3,431	2,539
Education	848	838	866	923	992	820	854	861	817	794
Public ways and facilities	22,737	28,971	22,240	28,133	14,100	10,440	15,841	4,022	5,517	7,559
Recreation and culture	33	108	144	214	117	262	21	10	14	87
Subtotal	292,651	325,274	327,458	335,903	324,974	330,483	329,167	298,983	310,647	327,690
Operating grants and contributions										
General government	10,900	20,264	11,151	13,386	11,148	12,525	11,286	7,434	4,427	6,283
Public protection	123,050	128,668	135,827	130,103	122,280	120,794	130,129	152,808	174,031	182,559
Health and sanitation	88,114	90,928	94,059	111,516	97,607	147,891	126,456	106,428	110,564	101,623
Public assistance	336,542	364,668	371,183	372,251	371,390	369,877	381,964	362,453	398,985	423,051
Education	3,065	3,229	4,055	3,642	3,423	4,201	3,848	2,684	2,674	2,760
Public ways and facilities	22,657	23,742	43,389	42,591	16,095	8,467	7,482	7,774	2,440	5,110
Recreation and culture	19	11	707	82	154	11	74	11	12	208
Subtotal	584,347	631,510	660,371	673,571	622,097	663,766	661,239	639,592	693,133	721,594
Capital grants and contributions										
General government									148	
Public protection	50	12	12							
Public ways and facilities	5,579	5,714	8,958	21,797	19,943	38,400	25,372	23,089	14,296	15,738
Subtotal	5,629	5,726	8,970	21,797	19,943	38,400	25,372	23,089	14,444	15,738
Total governmental activities program revenues	882,627	962,510	996,799	1,031,271	967,014	1,032,649	1,015,778	961,664	1,018,224	1,065,022
Business-type activities program revenues										
Charges for services										
County Hospital	271,216	246,452	248,401	271,565	310,221	329,559	400,667	433,253	446,197	473,664
HMO Medi-Cal Plan	128,742	67,126	77,261	86,163	98,211	113,835	151,921	188,148	292,130	350,655
HMO Commercial Plan		65,111	62,010	65,246	68,845	62,744	63,631	63,508	65,098	78,423
Airport	3,090	3,107	3,321	3,433	3,446	3,459	3,482	3,528	3,730	3,842
Sheriff Law Enforcement Training Center	826	982	927	879	768	756	527	686	921	1,174
Major risk medical insurance	1,723	1,953	1,383	1,364	936	855	875	795	950	1,003
Subtotal	405,597	384,731	393,303	428,650	482,427	511,208	621,103	689,918	809,026	908,761
Operating grants and contributions										
County Hospital	20,379	21,387	20,995	22,604	9,257	18,662	9,542	8,947	7,800	5,289
HMO	6,677									
HMO Commercial Plan		14,181	24,819	30,117	38,157	27,269	46,764	69,866	52,333	21,224
Airport	452	426	1,813	222	326	71	65	1,137	2,850	70
Sheriff Law Enforcement Training Center	271	212	391	237	239	214	216	197	227	200
Subtotal	27,779	36,206	48,018	53,180	47,979	46,216	56,587	80,147	63,210	26,783
Capital grants and contributions										
County Hospital	5,052	5,171	7,677	5,941	6,428	5,289	5,764	5,755	5,750	5,749
Subtotal	5,052	5,171	7,677	5,941	6,428	5,289	5,764	5,755	5,750	5,749
Total business-type activities program revenues	438,428	426,108	448,998	487,771	536,834	562,713	683,454	775,820	877,986	941,293
Total primary government program revenues	$ 1,321,055	1,388,618	1,445,797	1,519,042	1,503,848	1,595,362	1,699,232	1,737,484	1,896,210	2,006,315

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

GOVERNMENT FUNDS - TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

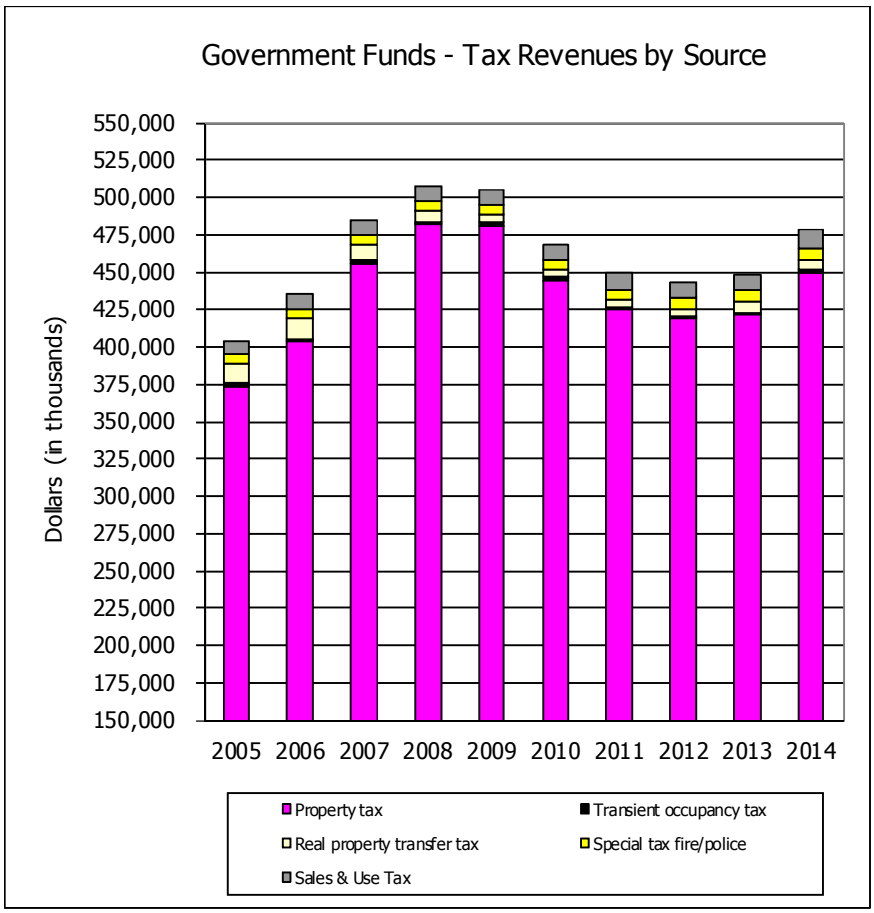
(Modified accrual basis of accounting)

(In Thousands)

(Unaudited)

Fiscal Year Ended		Property Tax	Transient Occupancy Tax	Real Property Transfer Tax	Special Tax Fire/Police	Sales & Use Tax	Total
2005	$	373,526	1,825	13,826	5,830	8,366	403,373
2006		403,919	1,344	14,043	5,924	9,700	434,930
2007		456,104	1,872	10,427	6,279	9,790	484,472
2008		482,396	1,777	6,664	6,893	10,328	508,058
2009	#	481,325	1,844	5,248	7,007	10,000	505,424
2010		444,458	1,906	5,341	7,093	9,660	468,458
2011		424,799	1,439	5,196	7,101	11,136	449,671
2012		418,472	1,836	5,472	7,219	10,282	443,281
2013		421,176	2,171	6,724	7,393	11,038	448,502
2014		448,923	2,435	7,427	7,434	11,934	478,153

Revised



Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

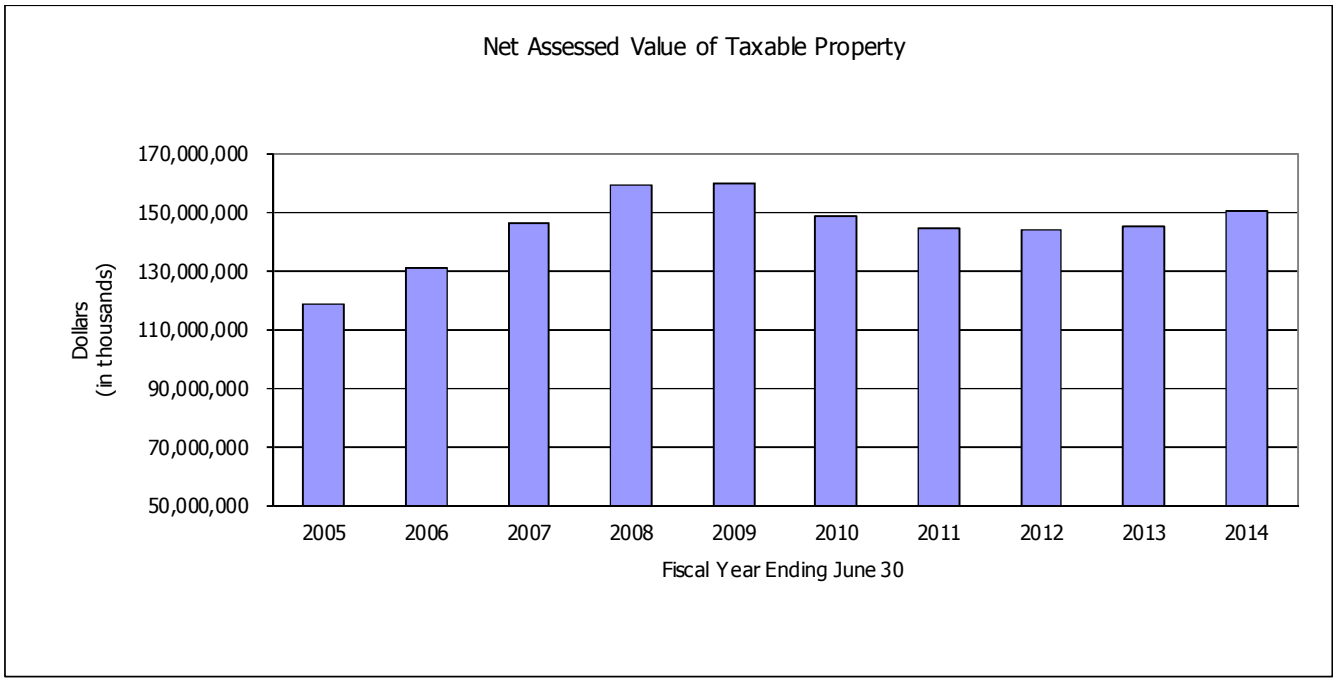
ASSESSED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year Ended June 30	Assessed Value [1] Real Property	Personal Property	Total	Exemptions	Net Assessed Value of Taxable Property	Total Direct Tax Rate	Net Increase (Decrease) Amount	Percentage
2005	$ 117,931,015	3,167,502	121,098,517	2,413,502 #	118,685,015 #	1.00	9,679,186 #	8.88 %
2006	129,995,795 #	3,698,247 #	133,694,042	2,641,278 #	131,052,764 #	1.00	12,367,749 #	10.42
2007	145,844,300	3,408,666	149,252,966	2,845,728 #	146,407,238 #	1.00	15,354,474 #	11.72
2008	158,953,496	3,592,778	162,546,274	3,215,939 #	159,330,335 #	1.00	12,923,097 #	8.83
2009	159,825,416	3,714,884	163,540,300	3,721,464	159,818,836	1.00	488,501 #	0.31
2010	149,232,578	3,518,009	152,750,587	4,106,372	148,644,215	1.00	(11,174,621)	(6.99)
2011	145,251,206	3,388,408	148,639,614	4,495,004	144,144,610	1.00	(4,499,605)	(3.03)
2012	144,914,804	3,464,048	148,378,852	4,756,022	143,622,830	1.00	(521,780)	(0.36)
2013	146,175,023	3,550,351	149,725,374	4,916,847	144,808,527	1.00	1,185,697	0.83
2014	152,094,496	3,117,109	155,211,605	5,081,776	150,129,829	1.00	5,321,302	3.67



Revised

[1] Assessed values are those defined under California Revenue and Taxation Code Sections: 601 and 721 et. seq.
Article XIIIA, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased:

a) to reflect annual inflation up to 2 percent;

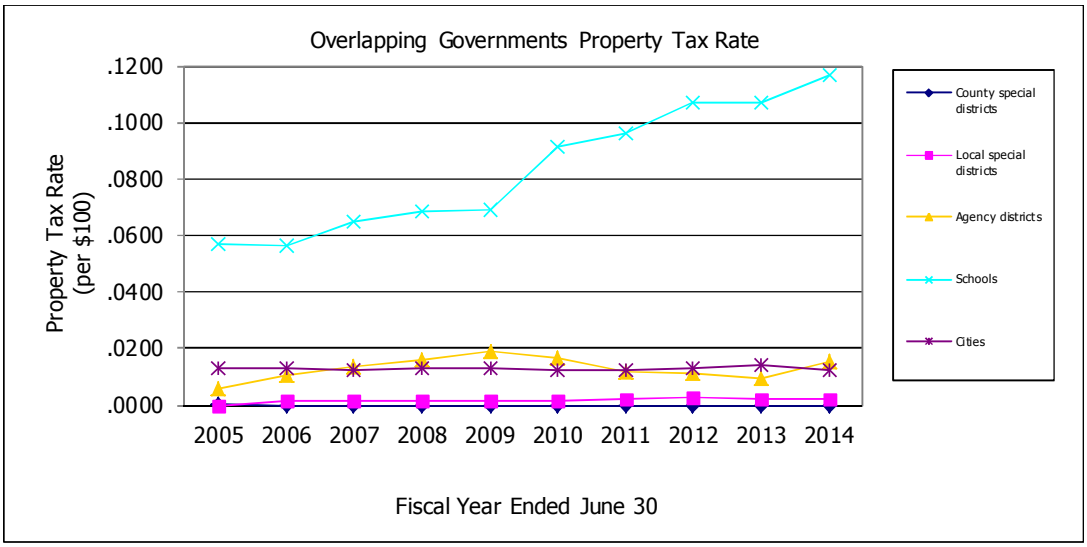
b) to reflect current market value at time of ownership change; and

c) to reflect market value for new construction.

Source: Office of the Auditor-Controller - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30	Countywide Rate [1]			County Special Districts	Local [2] Special Districts	Agency Districts	Schools	Cities	Total
	County	Other	Total						
2005	.1341	.8659	1.0000	.0004	.0011 #	.0059	.0572	.0128	1.0774
2006	.1337	.8663	1.0000	.0000	.0017	.0107	.0564	.0127	1.0815
2007	.1329	.8671	1.0000	.0000	.0014	.0137	.0649	.0126	1.0926
2008	.1330	.8670	1.0000	.0000	.0013	.0158	.0684	.0130	1.0985
2009	.1330	.8670	1.0000	.0000	.0013	.0192	.0691	.0131	1.1027
2010	.1334	.8666	1.0000	.0000	.0015	.0167	.0911	.0126	1.1219
2011	.1331	.8669	1.0000	.0000	.0024	.0117	.0959	.0121	1.1221
2012	.1336	.8664	1.0000	.0000	.0026	.0114	.1070	.0127	1.1337
2013	.1338	.8662	1.0000	.0000	.0024	.0096	.1070	.0144	1.1334
2014	.1336	.8664	1.0000	.0000	.0024	.0155	.1168	.0122	1.1469



[1] In June 1978, California voters approved Proposition 13 which restricted the taxing power of local government agencies. Individual agencies do not establish their own property tax rates, except for voter approved indebtedness. Instead, a countywide rate is levied with the proceeds distributed to all agencies according to formulas specified by the state legislature. The countywide rate is 1 percent of assessed value ($1 per $100 of taxable assessed valuation). The rates shown above are allocations of the 1% tax on assessed valuation.

[2] The 2005 rate for Local Special Districts includes a negative rate computed for the Los Medanos Community Healthcare District to affect a refund to the taxpayers of $850,000. The District's taxpayers had paid a special property tax for many years to fund the bond payments for healthcare facilities. Because of positive District finances, the District's Board determined the best use of any remaining bond funds (after covering all of the District's bond-related expenses) was to return the balance to taxpayers.

Revised

Source: Office of the Auditor-Controller - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PRINCIPAL PROPERTY TAXPAYERS

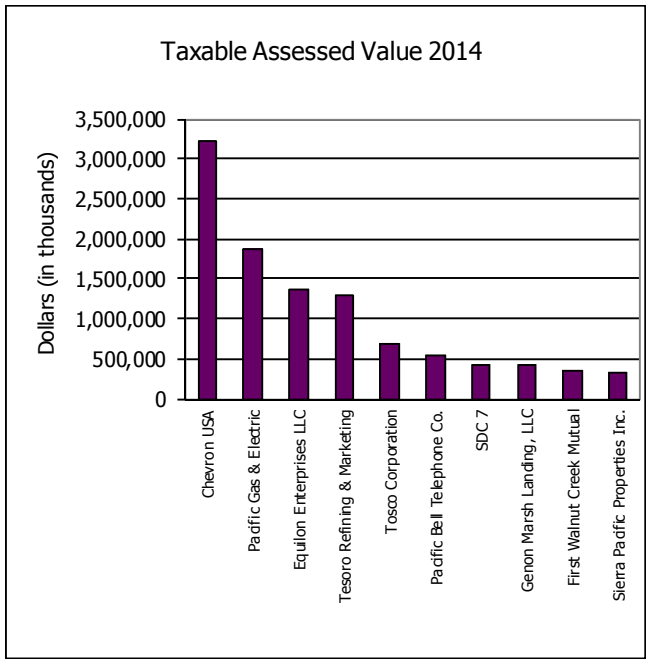
RANKED BY ASSESSED VALUE [1]

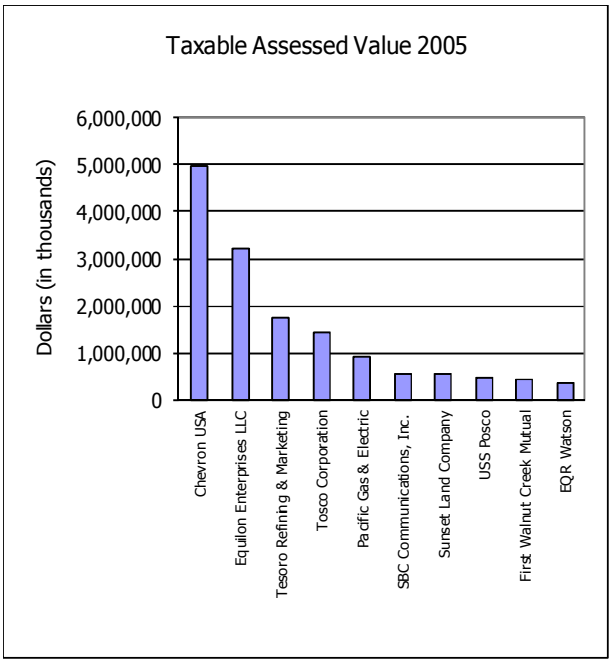
CURRENT YEAR AND NINE YEARS AGO

(In Thousands)

(Unaudited)

	Fiscal Year Ended June 30, 2014			Fiscal Year Ended June 30, 2005		
Taxpayers	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value Secured and Unitary	Rank	Percentage of Taxable Assessed Value
Chevron USA	$ 3,217,924	1	2.25 %	$ 4,961,278	1	4.21 %
Pacific Gas & Electric	1,881,914	2	1.32	918,598	5	0.78
Equilon Enterprises LLC	1,353,518	3	0.95	3,236,707	2	2.74
Tesoro Refining & Marketing	1,279,318	4	0.89	1,748,482	3	1.48
Tosco Corporation	694,544	5	0.49	1,435,543	4	1.22
Pacific Bell Telephone Co.	544,800	6	0.38			
SDC 7	425,073	7	0.30			
Genon Marsh Landing, LLC	418,787	8	0.29			
First Walnut Creek Mutual	360,313	9	0.25	441,835	9	0.37
Sierra Pacific Properties Inc.	326,900	10	0.23			
SBC Communications, Inc.				544,980	6	0.46
Sunset Land Company				535,012	7	0.45
USS Posco				482,332	8	0.41
EQR Watson				355,413	10	0.30
Total	$ 10,503,091		7.35 %	$ 14,660,180		12.42 %





[1]Beginning in fiscal year 2003-2004 a refined methodology was used to determine the principal taxpayers. The assessed value of the property of all of a listed taxpayer's component entities are included. Also, ranking is based on assessed valuation which may be different from taxes paid due to special purpose levies paid by some taxpayers.

Source: Office of the Treasurer-Tax Collector - County of Contra Costa, California

COUNTY OF CONTRA COSTA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(In Thousands)

(Unaudited)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years#	Total Collections to Date	
		Amount	Percentage of Levy#		Amount#	Percentage of Levy#
2005	$ 1,584,132	1,557,533	98.32 %	$ 26,376	$ 1,583,909	99.99 %
2006	1,720,978	1,685,279	97.93	35,330	1,720,609	99.98
2007	1,967,771	1,886,919	95.89	80,158	1,967,077	99.96
2008	2,077,283	1,971,251	94.90	104,726	2,075,977	99.94
2009	2,061,930	1,975,895	95.83	83,135	2,059,030	99.86
2010	1,964,724	1,909,306	97.18	51,633	1,960,939	99.81
2011	1,932,504	1,896,819	98.15	30,383	1,927,202	99.73
2012	1,973,646	1,918,653	97.21	48,148	1,966,801	99.65
2013	1,974,838	1,953,215	98.91	12,725	1,965,940	99.55
2014	2,083,810	2,063,199	99.01		2,063,199	99.01

Revised

Source: Office of the Auditor-Controller - Property Tax Division - County of Contra Costa, California

COUNTY OF CONTRA COSTA

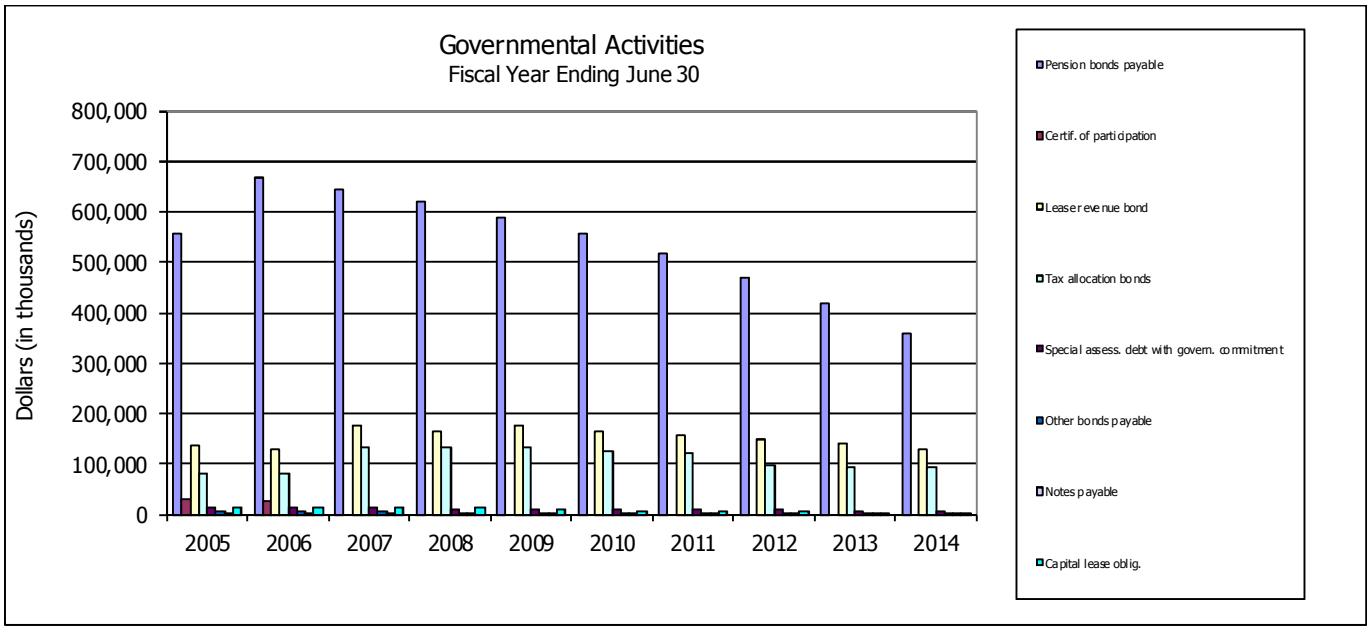
OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

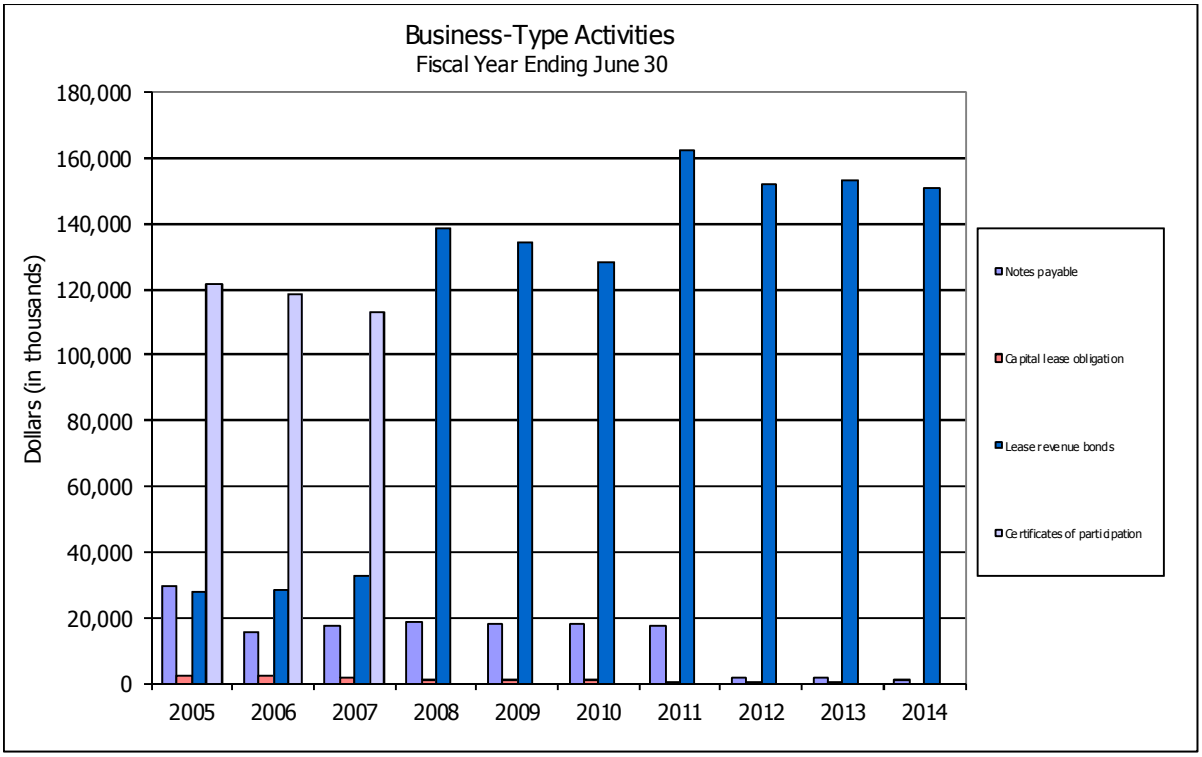
(In Thousands)

(Unaudited)

	Governmental Activities								
Fiscal Year Ended June 30[2]	Pension Bonds Payable	Certif. of Partici-pation	Lease Revenue Bonds	Tax Allocation Bonds	Special Assess. Debt with Govern. Commitment	Other Bonds Payable	Notes Payable	Capital Lease Oblig.	Total
2005	$ 554,735	29,365	136,903	83,045	14,006	5,115	429	13,784	837,382
2006	666,905	27,008	127,766	81,935	13,213	4,585	339	12,646	934,397
2007	643,990		174,633	133,105	12,389	4,015	788	13,444	982,364
2008	619,135		162,386	132,290	11,740	3,650	1,482	12,478	943,161
2009	588,920		176,084	130,880	11,075	3,260	1,384	11,680	923,283
2010	555,490		166,333	123,750	10,395	2,855	1,332	7,558	867,713
2011	516,080		155,554	121,535	9,494	2,495	1,312	5,554	812,024
2012	470,090		148,291	96,270	8,623	2,110	1,495	4,087	730,966
2013	416,295		139,249	92,633	7,580	1,705	1,409	3,801	662,672
2014	358,445		128,989	93,930	6,911	1,285	1,276	3,778	594,614



Fiscal Year Ended June 30[2]	Business-Type Activities: Notes Payable	Capital Lease Obligation	Lease Revenue Bonds	Certificates of Participation	Total	Government Total	Ratio Debt to Net Assessed Value	Percentage of Personal Income [1]	Net Debt Per Capita
2005	$ 29,766	2,455	27,997	121,325	181,543	1,018,925	0.86 %	1.98 %	1,003
2006	15,651	2,281	28,689	118,307	164,928	1,099,325	0.84	1.99	1,072
2007	17,255	1,899	33,037	112,845	165,036	1,147,400	0.78	1.98	1,108
2008	18,563	1,346	138,319		158,228	1,101,389	0.69	1.84	1,051
2009	18,246	1,083	134,293		153,622	1,076,905	0.67	1.93	1,015
2010	17,922	939	127,945		146,806	1,014,519	0.68	1.76	945
2011	17,565	630	162,552		180,747	992,771	0.69	1.63	940
2012	1,577	304	152,103		153,984	884,950	0.62	N/A	830
2013	1,456	104	153,371		154,931	817,603	0.56	N/A	761
2014	1,327		150,823		152,150	746,764	0.50	N/A	695



[1] Ratios are calculated using personal income and population data shown in the schedule of Demographic and Economic statistics.
[2] Effective 2013, presentation of outstanding debt by type is net of associated premiums, discounts, and deferred amounts on refunding.
N/A Not Available
Source: Comprehensive Annual Financial Reports - County of Contra Costa, California

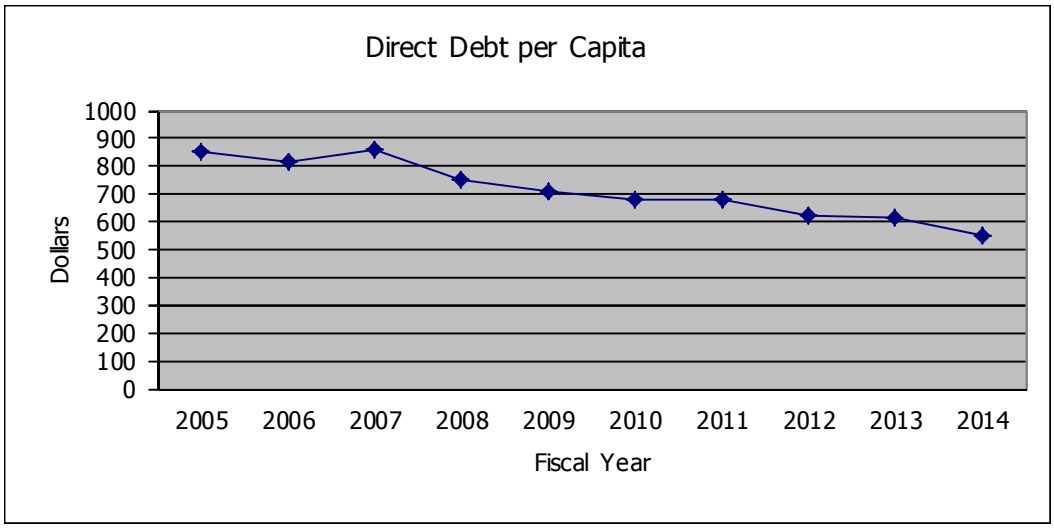
COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Debt Applicable July 1, 2014 [1]	
	Percentage	Amount
2013-2014 Assessed Value of Taxable Property (includes unitary utility valuation)		$ 150,129,829
Less: Redevelopment Dissolution Increments		15,492,572
Adjusted Assessed Valuation		$ 134,637,257
DIRECT GENERAL FUND OBLIGATION DEBT:		
Contra Costa County Pension Obligations	100	$ 358,445
Lease Revenue Bond	100	128,989
Tax Allocation Bonds	100	93,930
Special Assessment Debt with Governmental Commitment	100	6,911
Other Bonds Payable	100	1,285
Notes Payable	100	1,276
Capital Lease Obligation	100	3,778
TOTAL DIRECT DEBT		594,614
OVERLAPPING GENERAL FUND OBLIGATIONS DEBT		
City of Richmond General Fund Obligations	100	132,515
City of Richmond Pension Obligations	100	100,860
Contra Costa County Fire Protection District Pension Obligation	100	99,945
Other Cities' General Fund Obligations	100	92,408
City of Brentwood General Fund Obligations	100	6,260
Pittsburg Unified School District Certificates of Participation	100	24,645
City of Pittsburg Pension Obligations	100	37,901
City of San Ramon General Fund and Pension Obligations	100	28,335
City of Concord General Fund Obligations	100	3,430
Antioch Unified School District Certificates of Participation	100	18,265
West Contra Costa Unified School District General Fund Obligation	100	7,390
San Ramon Valley Fire Protection District Certificates of Participation	100	12,100
Other School Districts' General Fund Obligations	100	2,703
Alameda-Contra Costa Transit District Certificates of Participation	9.978	2,809
Other Special District Certificates of Participation	Various	2,972
San Ramon Valley School District General Fund Obligations	100	21,410
Moraga-Orinda Fire Protection District Pension Obligation	100	22,050
Total Overlapping General Fund Obligations Debt		615,998
OVERLAPPING TAX AND ASSESSMENT DEBT:		
West Contra Costa Unified School District	100	900,148
1915 Act Assessment Bonds (Estimate)	100	322,221
Community Facilities Districts	100	215,522
San Ramon Valley Unified School District	100	317,448
Contra Costa Community College District	100	343,945
Mt. Diablo Unified School District	100	434,220
Acalanes and Liberty Union High School Districts	100	213,912
Bay Area Rapid Transit District	27.979	181,381
Pittsburg Unified School District	100	203,113
East Bay Regional Park District	43.193	87,341
Other School Districts	Various	125,396
Brentwood Union School District	100	46,600
Walnut Creek School District	100	25,670
Cities and City Special Tax Districts	100	36,820
Oakley Union School District	100	21,050
West Contra Costa Healthcare District Parcel Tax Obligation	100	59,945
Lafayette School District	100	14,285
Martinez Unified School District	100	49,149
Pleasant Hill Recreation and Park District	100	27,120
East Bay Municipal Water District and Special District No. 1	5.585	790,836
Total Overlapping Tax and Assessment Debt		4,416,122
TOTAL OVERLAPPING DEBT		5,032,120
TOTAL DIRECT AND OVERLAPPING DEBT		$ 5,626,734

(continued)

COUNTY OF CONTRA COSTA
DIRECT AND OVERLAPPING BOND DEBT
(In Thousands)
(Unaudited)

	Ratio to Adjusted Assessed Valuation Value (%)		Per Capita
Population [2]			1,087,008
Direct Debt	0.44	$	547
Total Direct and Overlapping Debt	4.18		5,176



Source: [1] California Municipal Statistics, Inc.

a. Percentage of overlapping agency's assessed valuation located within boundaries of the county.

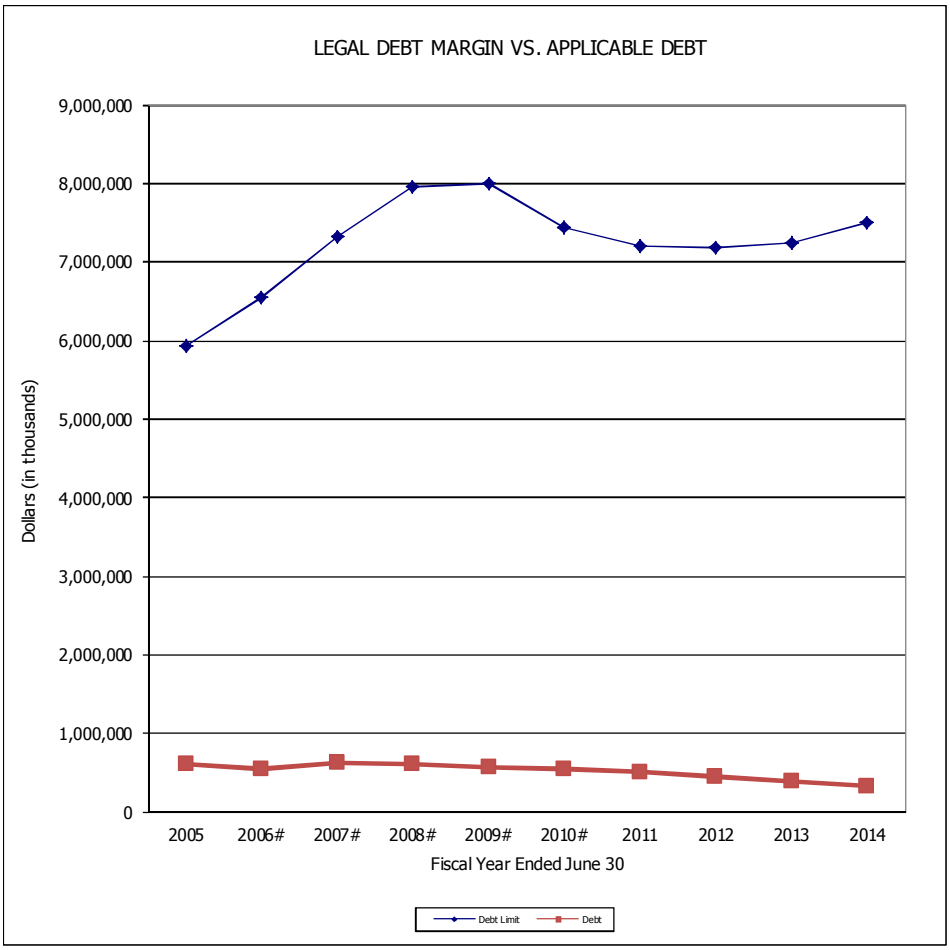
b. Excludes tax and revenue anticipation notes, revenue, mortgage, revenue and tax allocation bonds and non-bonded capital lease obligations.

[2] Not in thousands

(concluded)

COUNTY OF CONTRA COSTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)
(Unaudited)

		2005	2006#	2007#	2008#	2009#	2010#	2011	2012	2013	2014
Assessed value of taxable property	$	118,685,015	131,052,764	146,407,238	159,330,335	159,818,836	148,644,215	144,144,610	143,622,830	144,808,527	150,129,829
Debt limit - 5% of assessed value [1]	(A) $	5,934,251	6,552,638	7,320,362	7,966,517	7,990,942	7,432,211	7,207,231	7,181,142	7,240,426	7,506,491
Amount of debt applicable to debt limit [2]											
Total bonded debt		637,780	618,940	648,815	625,275	596,335	559,060	521,375	454,765	404,500	350,945
Less: Assets of debt service funds		28,981	64,684	25,602	26,191	32,509	22,258	20,427	11,820	12,290	13,958
Total net general obligation debt	(B)	608,799	554,256	623,213	599,084	563,826	536,802	500,948	442,945	392,210	336,987
Legal debt margin	(A - B) $	5,325,452	5,998,382	6,697,149	7,367,433	7,427,116	6,895,409	6,706,283	6,738,197	6,848,216	7,169,504
Total net general obligation debt applicable to the limit as a percentage of debt limit		10.25%	8.45%	8.51%	7.51%	7.06%	7.22%	6.95%	6.17%	5.42%	4.49%
Total net general obligation debt applicable to the Assessed value of taxable property		0.51%	0.42%	0.43%	0.38%	0.35%	0.36%	0.35%	0.31%	0.27%	0.22%
Population [3]		1,016,372	1,025,436	1,035,097	1,048,185	1,061,325	1,073,055	1,056,064	1,066,602	1,074,702	1,087,008
Total net general obligation debt per capita [4]	$	598.99	540.51	602.08	571.54	531.25	500.26	474.35	415.29	364.95	310.01



[1] California Government Code Section 29909 limits General Obligation Bond indebtedness to five percent of the total assessed valuation of all taxable real and personal property within the county.

[2] Does not include Public Financing Authority nor Assessment District debt.

[3] California Department of Finance Estimate for January 1 of each year.

[4] Not in thousands

Revised

Source: Comprehensive Annual Financial Report - County of Contra Costa, California

COUNTY OF CONTRA COSTA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year Ended June 30	#	Population[1]	#	Personal[2] Income	#	Per Capita[2] Personal Income	Median[3] Age	Education[4] Level	School[5] Enrollment	Average[6] Unemployment Rate
2005		1,016,372	$	51,534,263	$	51,566	37.2	37.8 #	284,773	5.1 %
2006		1,025,436		55,318,933		55,241	37.5	37.2	277,459	4.5
2007		1,035,097		58,043,926		57,881	37.9	37.1	272,443	4.7
2008		1,048,185		59,914,142		57,874	38.1	38.7	280,617	6.3
2009		1,061,325		55,781,843		56,703	38.6	37.6	280,612	10.8
2010		1,073,055		57,700,398		55,455	38.0	37.7	277,720	11.3
2011		1,056,064		60,778,678		59,053	N/A	28.5	N/A	11.0
2012		1,066,602		66,544,007		61,638	N/A	N/A	N/A	9.4
2013		1,074,702		N/A		57,264	38.0	38.4	283,527	7.3
2014		1,087,008		N/A		N/A	N/A	N/A	N/A	6.0

N/A Not Available

[1] California Department of Finance Estimate for January 1 of each year.

[2] U.S. Department of Commerce - Bureau of Economic Analysis (thousands)

[3] U.S. Census Bureau

[4] Percent of population with Bachelor or Graduate Degree - U.S. Census Bureau

[5] Population three years and over enrolled in school - U.S. Census Bureau

[6] State of California - Employment Development Department - June Data

Revised

COUNTY OF CONTRA COSTA

PRINCIPAL EMPLOYERS [1]

CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

	2014 [2]			2005 [4]		
Employer	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Chevron Corporation	1,500	1	0.30 %	5,000	1	1.03 %
Doctors Medical Center	1,500	2	0.30	900	8	0.19
John Muir Health	1,223	3	0.24			
Texaco Inc.	1,000	4	0.20			
Cks Employee Benefit Systems, Inc.	984	5	0.19			
Contra Costa Newspapers, Inc.	960	6	0.19			
DMC Foundation	930	7	0.18			
St. Mary's College of California (private)	917	8	0.18			
Walmart Stores, Inc.	759	9	0.15			
Target Corporation				3,400	2	0.70
Kaiser Foundation Hospital				2,300	3	0.48
John Muir Medical Center				1,900	4	0.39
John Muir/Mt. Diablo Medical Center				1,500	5	0.31
Shell/Martinez Refinery				1,000	6	0.21
USS Posco Industries				975	7	0.20
Bank of the West				800	9	0.17
All Others	496,327			466,425		
Total	506,100 [3]		1.93 %	484,200 [5]		3.68 %

Contra Costa County Employment by Industry [6]

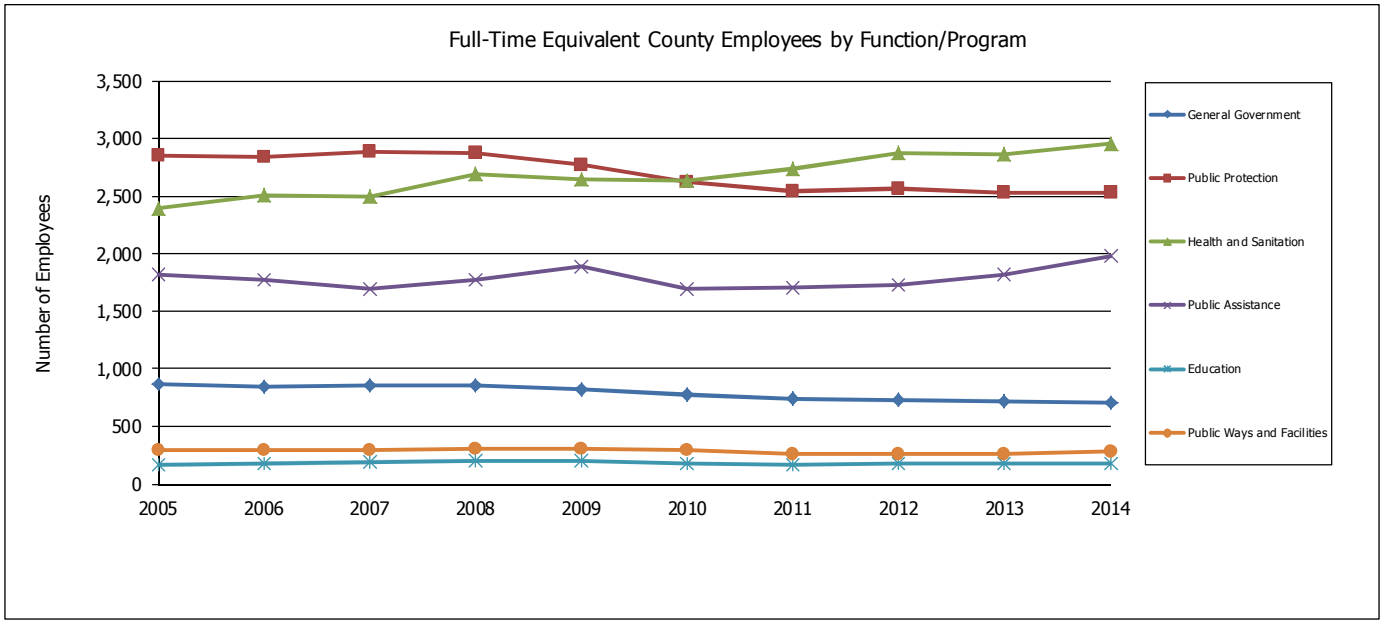
2014 Annual Average

Trade, Transportation, & Utilities	17.99%
Professional & Business Services	15.26%
Educational & Health Services	15.06%
Government	14.97%
Leisure & Hospitality	10.81%
Manufacturing	7.85%
Financial Activities	4.90%
Construction	4.18%
Other Services	3.29%
Information	2.97%
Agriculture	2.52%
Mining and Logging	0.20%

[1] Government Employers Excluded
[2] East Bay - EDA
[3] State of California Employment Development Department, 2014 annual, not adjusted
[4] Rich's Everyday Sales Prospecting Directory (2005) - Contra Costa County
[5] State of California Employment Development Department, 2005 annual, not adjusted
[6] State of California Employment Development Department, June 2014

COUNTY OF CONTRA COSTA
FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	861	838	852	854	825	770	735	728	712	705
Public Protection	2,847	2,841	2,883	2,880	2,773	2,618	2,538	2,565	2,536	2,526
Health and Sanitation	2,396	2,507	2,499	2,689	2,645	2,639	2,735	2,876	2,866	2,953
Public Assistance	1,819	1,774	1,697	1,775	1,884	1,692	1,702	1,722	1,815	1,982
Education	167	176	187	197	197	174	169	175	175	175
Public Ways and Facilities	291	287	291	302	301	298	263	263	263	283
Total	8,381	8,423	8,409	8,697	8,625	8,191	8,142	8,329	8,367	8,624



Source: County Administrator's Office, Contra Costa County, California

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2005	2006	2007
General Government			
Assessor			
Number of Assessment Roll Units - Secured	338,032	345,212	353,469
Number of Assessment Roll Units - Unsecured	49,238	49,488	49,909
Auditor-Controller			
Tax Rate Areas Administered	1,024	1,024	1,040
County Counsel			
Tort Claims Filed Against County Transferred to County Counsel	253	274	255
Juvenile Law Contests Set for Each Child	2,890	3,063	3,449
Juvenile Law New Dependency Cases Opened			
Standard Forms Services Agreements			
Attorney Overtime Hours			
Formal Written County Counsel Opinions			
Clerk-Recorder			
New Voter Registration	82,571	22,172	32,304
Updates to Voter Registration			49,838
Cancelled Voter Registration	28,110	14,450	30,063
Total Voter Registration	504,505	492,656	464,042
Recorded Documents	574,294	581,595	447,969
Human Resources			
Employment Applications Processed	15,982	15,817	26,334
Examinations Conducted	166	221	223
Personnel Transactions Processed			12,185
Appointments	943	1,103	1,329
Percentage of Applications Received as a result of the Online Application Process	25.00%	35.00%	53.30%
Information Technology			
Enterprise Server Transactions Monthly	11,000,000	9,000,000	3,026,138
Enterprise Server Availability	100.00%	99.00%	99.00%
Viruses Stopped	920,000	3,100,000	47,879
Spam Emails Stopped	3,000,000	11,000,000	73,000,000

2008	2009	2010	2011	2012	2013	2014
355,637	356,213	356,247	357,315	357,644	357,854	359,327
48,963	48,281	47,048	46,235	45,592	45,757	45,751
1,057	1,064	1,089	1,095	1,094	1,094	1,100
255	277	243	263	263	212	207
2,596	1,873	2,322	1,152	1,411	1,280	1,519
				639	616	494
	1,486	1,709	1,730	1,651	1,701	1,345
				2,019	2,354	2,421
	26	47	35			
63,003	79,155	19,235	31,015	23,688	74,870	19,246
113,810	77,250	9,156	19,112	18,181	34,371	33,703
21,328	24,461	13,512	24,538	16,721	57,294	15,315
493,315	524,229	523,981	513,129	520,098	527,136	528,429
332,167	305,382	311,038	333,945	320,827	401,725	273,673
24,048	13,557	19,793	27,467	29,068	39,726	32,076
248	229	159	215	185	131	137
31,700	24,903	26,803	13,412	19,310	23,472	24,313
841	404	252	869	1,129	1,254	1,514
80.50%	82.00%	82.76%	90.71%	91.46%	92.19%	92.06%
2,246,295	2,100,000	2,507,144	2,700,000	4,784,008		2,180,137
99.98%	99.00%	99.00%	99.00%	99.00%		98.00%
3,000	5,000	133,547	183,547	2,500,000		136,182
180,000,000	190,000,000	82,800,000	172,000,000	37,000,000		16,230,600

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2005	2006	2007
General Government (continued)			
Public Works			
Fleet Operations			
Fleet Size		1,473	1,464
On Road Fleet		1,175	1,285
Vehicles Maintained		1,599	1,515
Vehicle Availability Rate		96.05%	95.89%
Vehicle Repair Orders		5,824	5,368
Miles Traveled		10,900,129	10,436,107
CNG Vehicles		35	36
E-85 Vehicles		22	29
Hybrid Vehicles		63	72
Print and Mail			
Copies & Impressions Produced	28,720,591	32,161,483	29,669,219
Amount of Mail Processed	4,586,664	4,411,824	4,347,545
Real Estate Services			
Acquisition Leases Negotiated			8
Leases Renewed or Amended			26
Leased Buildings Managed			209
Leased Buildings Square Footage			1,914,476
County Owned Buildings			257
County Owned Buildings Square Footage			2,686,424
Purchasing/Materials Management			
Purchase Orders Processed		4,243	4,433
Dollar Value of Processed Purchase Orders	80,671,297	79,188,531	85,717,001
Facilities Maintenance			
Work Requests Received	6,467	10,457	11,559
Work Requests Completed	5,675	9,627	11,112
Non-Emergency Requests Received	3,700	5,610	6,497
Emergency Requests Received	3,498	5,963	6,006
Avg. Response in days to complete non emergency facility repairs			
Percentage of Green supplies used for Custodial Maintenance			
Capital Projects			
Number of Projects			
Value of Projects			

2008	2009	2010	2011	2012	2013	2014
1,526	1,518	1,468	1,442	1,458	1,501	1,533
1,330	1,313	1,148	1,142			
1,540	1,518	1,468	1,442			
95.42%	93.91%	95.54%	94.32%			
5,373	6,927	5,452	5,847	5,143	5,052	7,891
11,686,360	11,847,115	9,387,519	7,657,682			
38	54	54	52	25	24	23
44	85	114	85	262	707	798
83	109	143	160	164	168	173
29,170,473	29,172,931	20,004,475	23,056,896	26,503,332	19,629,911	24,859,073
3,885,354	3,941,525	3,905,438	3,877,561	4,181,180	4,211,409	4,379,866
10	11	7	3		39	8
12	17	5	4	5	9	10
205	198	195	153	150	148	136
1,830,393	1,910,523	1,886,125	1,042,600	970,744	1,072,300	873,665
261	267	270	293	284	282	224
2,753,200	2,856,676	2,889,490	3,508,000	3,524,869	3,506,269	3,412,733
4,560	5,249	4,069	4,250	5,017	4,666	4,645
91,059,826	89,435,095	86,780,305	125,469,222	124,337,380	128,540,802	126,449,144
14,730	13,543	15,065	18,818	19,745	20,620	22,972
14,054	10,834	13,015	16,538	18,051	18,876	21,144
10,041	8,330	14,311	17,628	19,343	19,900	22,353
6,149	6,209	377	454	402	720	619
			20	32	20	23
			0.87	87.00%	87.00%	87.00%
	57	42	29	40	51	68
	120,000,000	97,908,074	89,906,000	42,821,417	65,432,000	93,295,000

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2005	2006	2007
General Government (continued)			
Tax Collector-Treasurer			
Secured Tax Bills	328,061	338,259	345,429
Unsecured Tax Bills	50,062	48,739	54,139
Supplemental Tax Bills	42,679	43,736	56,995
Business Licenses Issued	6,255	6,157	6,387
Public Protection			
Agriculture			
Number of Shipments Inspected/Profiled	60,912	78,263	88,094
Pest Control Inspections	1,019	1,047	741
Number of Taxis Inspected	271	229	224
Number of Petroleum Dispensing Devices Inspected	4,917	2,951	4,819
Animal Services			
Licenses Sold	44,822	45,977	41,054
Animals Handled	24,056	25,043	23,987
Animals Adopted	4,218	5,584	5,606
Animals Returned to Owner	2,482	2,363	2,364
Child Support Services			
Number of Cases		38,482	37,657
Conservation and Development			
Number of Land Use Applications Received	1,182	1,165	1,080
Number of Land Use Entitlements Issued			521
Solid Waste Diverted from Landfills			50%
Number of Affordable Housing Units Provided			
Financial Assistance			767
Building Inspection			
Plans Reviewed	2,074	2,152	2,035
Permits Issued	13,194	13,629	13,492
Inspections Performed	70,331	81,363	95,189
Code Enforcement Cases Opened*	1,699	2,260	1,537
Number of Dwellings Weatherized			
Number of Households rebated under SEP**			

** reflects shift to early intervention model*

***SEP = State Energy Plan*

2008	2009	2010	2011	2012	2013	2014
353,607	355,847	356,359	363,141	364,313		364,949
52,401	51,814	49,737	51,140	49,221		49,726
22,932	25,180	15,878	23,721	19,765		32,185
6,231	6,256	6,006	5,588	5,737		5,352
74,797	69,934	64,835	68,286	50,857	51,548	50,964
651	657	575	563	583	581	505
198	375	355	284	257	448	675
6,159	6,040	7,130	6,077	7,527	4,621	7,035
37,753	39,936	37,220	37,166	41,000	42,388	48,481
18,706	24,815	23,170	23,830	15,410	14,483	17,220
6,746	6,862	6,328	6,317	6,682	6,885	6,509
2,366	2,303	2,203	2,175	1,906	1,778	1,686
36,416	35,952	34,643	31,940	30,484	30,972	29,653
917		617	480	505	742	978
486		254	204	312	148	84
54%						
432	486		189	157	268	156
1,986		6,554	7,168	7,211	8,241	8,482
11,415		8,868	8,500	8,334	9,213	10,347
78,024		43,656	39,171	37,940	45,161	51,126
1,431		2,633	1,298	1,083	969	926
			925	1,551	375	258
				218		

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2005	2006	2007
Public Protection (continued)			
Fire Protection Services			
Contra Costa Fire Protection District			
Emergency Calls	41,100	42,255	45,188
Fire Calls	1,981	1,914	2,175
Medical Calls	28,815	29,864	30,401
Inspections Performed	1,888	1,198	1,970
Active Fire Companies	30	30	30
District Attorney (Calendar Year)			
Felony Cases Filed	4,564	5,423	5,081
Misdemeanor Cases Filed	10,843	10,726	11,108
Probation			
Court Reports	8,873	9,391	10,320
Average Supervision Caseload (Including Home Sup.)	4,555	4,602	6,902
Juvenile Hall Detention Care Days	36,428	56,862	51,684
Youth Rehabilitation Care Days	32,384	33,578	35,171
Juvenile Community Service Days Worked	4,365	3,924	3,405
Public Administrator			
Cases Opened	93	90	156
Cases Closed	93	103	136
Public Defender (Calendar Year)			
Cases Handled			
Felony	4,152	3,891	3,458
Misdemeanor	6,932	8,264	8,196
Juvenile			
Criminal	3,304	3,510	2,953
Conservatorship	629	498	486
Superior Court/Probation Violation	1,888	2,196	2,336
Other/Expungements	413	562	979
Sheriff			
Calls for Service			
Priority 1 - Respond immediately	119,675	121,261	123,871
Priority 2 - Respond as soon as possible	57,134	57,634	55,804
Priority 3 - Respond when available	155,548	154,915	156,484
Citations Issued	24,795	21,657	20,026
Crime Reports Processed	31,726	30,607	34,024
Warrants Served	14,175	19,799	7,730

2008	2009	2010	2011	2012	2013	2014
45,504	44,491	40,641	41,676	42,175	42,804	45,036
1,940	1,770	1,357	1,362	1,578	1,608	1,897
30,244	29,997	26,788	28,820	29,349	30,110	30,649
2,180	5,433	6,589	13,726	14,242	16,396	14,731
30	30	30	29	29	24	23
4,319	3,620	4,053	3,305	3,688	3,902	
10,895	10,938	9,529	8,999	7,708	10,366	
9,417	7,986	10,000		8,000	7,400	7,200
7,555	4,906	6,395		5,700	5,300	5,600
62,179	63,432	74,610		53,996	47,352	52,925
35,437	36,409	34,820		34,569	30,700	31,025
3,275	0	0				
162	177	200	253			
141	162	209	270			
2,998	2,907		2,651	2,803	3,851	4,422
7,666	7,466		7,596	4,999	4,693	6,856
3,787	1,938		1,810	1,510	1,145	935
470	431		422	417	628	373
2,314	1,895		1,826	3,042	3,761	4,875
1,110	597		662	945	1,459	1,795
115,936	113,595	99,801	95,426	88,699	80,810	81,688
52,248	51,982	48,569	47,480	51,394	42,983	33,994
163,112	151,825	136,209	135,192	134,560	123,427	127,248
15,455	13,154	15,250	16,469	15,469	16,186	16,672
32,092	29,164	25,661	21,926	23,543	24,825	25,858
7,514	8,806	11,821	8,947	5,095	5,136	6,621

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2005	2006	2007
Public Protection (continued)			
Sheriff continued			
Custody Services			
Bookings - Detention Facility	25,072	25,144	24,955
Bookings - Custody Alternative	4,176	3,874	3,333
Average Daily Population - All Facilities	1,673	1,715	1,639
***Includes custody alternative bookings*			
Health and Sanitation			
Health Services			
Mental Health			
Inpatient Average Daily Census	340	333	323
Outpatient Visits	367,476	338,072	300,883
Conservatorship Clients	8,676	8,876	9,176
Alcohol & Other Drugs			
Residential Days	86,854	80,122	77,844
Outpatient Visits	63,183	58,813	64,785
Detention - Average Monthly Inmates	1,632	1,659	1,631
Public Health			
AIDS/HIV Tests	2,166	2,784	2,765
Immunizations Given	31,313	27,180	19,926
Senior Nutrition Meals Served	458,333	463,668	452,722
Environmental Health			
Hazardous Material Incident Responses	2,808	3,356	3,248
Environmental Health Inspections	26,160	36,091	38,864
California Child Serves Cases	2,739	2,864	3,054
Homeless Clients in Shelters	635	707	721
Public Assistance			
Employment and Human Services			
Average Number of Households Receiving Food Stamps	11,545	12,737	13,777
Welfare Warrants Issued	94,098	100,670	13,046
Welfare Direct Deposit Items	9,041	7,544	
Number of Adult Protective Service Reports	1,508	1,563	1,724
Average Monthly Number of Medi-Cal Beneficiaries	106,760	111,575	111,780
Number of Children Served by Child Welfare	4,033	3,714	3,680
Number of Families Receiving Childrens Services	2,261	2,123	2,100
Average Number of Children in Foster Care	1,523	1,834	1,717
Average Number of Families receiving CalWORKS Assistance	8,859	9,019	8,956
Average Number of Welfare to Work Participants	2,884	3,016	3,504
Average Participants for In-Home Support Services	6,902	6,239	6,562
Number of Children Served (Head Start)	3,427	3,480	3,120
Number of Dwellings Weatherized	310	439	434

2008	2009	2010	2011	2012	2013	2014
23,556	23,126	23,170	23,621	23,310	23,069	24,644
4,259	4,268	3,836	3,220	2,982	2,936	2,916
1,552	1,494	1,516	1,545	1,502	1,529	1,929**
303	287	280	290	269	245	303
317,256	432,667	433,982	457,937	430,713	432,793	460,618
9,119	9,234	9,700	9,950	10,242	10,466	10,524
72,024	70,616	65,038	72,836	49,492	59,808	62,104
64,767	61,409	49,974	39,836	29,994	35,692	31,470
1,560	1,547	1,513	1,699	1,503	1,524	1,568
2,738	2,431	1,708	1,600	2,105	1,941	1,736
21,108	21,129	66,276	25,144	18,022	16,067	13,332
488,119	491,144	499,474	514,455	540,586	542,283	500,514
3,713	3,029	2,692	3,780	3,182	2,876	2,835
53,787	58,110	57,900	54,281	50,207	54,357	46,540
3,195	3,239	3,940	3,694	3,725	3,841	4,092
736	791	849	877	1,114	1,165	1,252
15,182	18,785	23,886	28,583	32,791	33,232	34,147
1,964	1,977	1,564	1,713	1,791	1,701	1,640
114,105	122,523	131,818	135,988	141,360	159,748	155,102
3,486	2,932	2,357	2,087	2,232	2,362	2,517
2,017	1,770	1,398	1,246	1,316	1,551	1,873
1,141	1,049	920	801	798	781	858
9,152	9,973	10,819	11,322	10,948	10,592	10,243
3,605	4,410	3,542	3,125	2,562	3,109	2,934
7,111	7,574	7,262	7,409	7,065	6,971	7,614
3,350	3,553	3,678	4,667	3,225	3,198	2,717
303	271	509	1,113	1,014	195	146

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2005	2006	2007
Public Assistance (continued)			
Veteran Services			
Claims/Appeals Filed for the Benefit of Veterans	1,698	1,781	2,039
Interviews	4,964	5,170	5,143
Incoming Calls Received			
State of California College Fee Waiver Applications			
Number of Veterans receiving monthly benefits			
Number of Veterans, Family Members, Dependents or Survivors receiving retroactive or lump sum benefits			
Education			
Library			
Library Visits	3,284,934	3,422,469	3,426,151
Items Circulated	4,736,101	4,929,783	5,428,511
Annual Hours Open	51,555	53,820	55,484
Cooperative Education			
4-H Club Membership	611	847	836
Youth Federal Nutrition Program			3,859
Public Ways and Facilities			
Public Works			
Pavement Condition Index Rating	87	86	85
Flood Control Development Reviews	549	559	552
Land Development Reviews	75	89	79
Land Development Improvement Plans (approved)			
Encroachment Permits			
Service Requests			2,266

2008	2009	2010	2011	2012	2013	2014
2,193	2,140	2,360	2,077	1,890	2,503	
5,500	5,467	6,112	6,283	5,910	6,087	
	14,798	15,546	14,815	13,228	16,350	
	372	350	401	384	435	
	941	1,098	822	597	2,457	
	1,069	822	729	491	2,457	
3,742,311	3,878,217	4,049,654	4,098,136	3,959,334	4,068,772	4,063,830
6,132,207	6,728,411	6,944,422	7,489,545	7,483,487	7,222,059	6,890,877
56,940	57,148	50,953	50,772	54,113	53,895	56,654
906		934	683	667	679	
3,214		2,876	1,709	4,993	4,005	
83	79	75	72	69	68	71
447	310	318	358	327	358	378
47	31	9	69	49	29	23
			10	10	6	8
			1,066	1,112	1,014	1,339
1,897	1,620	1,636	1,662	1,066	1,096	972

(continued)

COUNTY OF CONTRA COSTA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

FOR THE FISCAL YEAR ENDED JUNE 30

(Unaudited)

Function	2005	2006	2007
Enterprise Activities			
Hospital			
Hospital & Clinics			
Inpatient Days	48,125	49,936	47,026
Outpatient Visits	434,467	421,479	418,236
Health Maintenance Plans			
CCHP M-Cal Plan Enrollees	43,656	42,519	44,744
CCHP Commercial Plan Enrollees	20,188	20,954	21,749
CCHP Major Risk Enrollees	212	134	85
Sheriff Training Center			
Law Enforcement Training Academy - LETC			
Number of Students - Academy	80	72	102
Number of Students - In Service	2,587	2,821	2,905
Hours of Instruction - Academy	3,053	2,016	2,603
Hours of Instruction - In Service	2,505	2,284	2,575
Airport (Calendar Year)			
Aircraft Operations (Take off / Landing)			
Buchanan	128,375	124,102	93,881
Byron (Estimated)		60,000	50,000

Source: Contra Costa County Departments

2008	2009	2010	2011	2012	2013	2014
45,126	44,716	44,947	44,722	45,264	44,236	45,077
433,541	452,486	461,567	449,019	455,993	377,152	421,972
48,393	53,195	58,495	66,244	77,338	92,179	124,217
31,218	29,035	28,460	32,350	31,705	26,024	13,310
68	54	54	51	54	48	10
120	95	212	200	182	218	280
2,690	2,007	2,031	2,185	3,000	3,834	4,056
2,776	2,200	2,946	3,125	3,383	3,240	3,843
2,228	2,436	2,596	3,096	2,400	2,418	2,997
92,951	93,881	88,124	79,000	75,000	79,098	93,000
50,000	50,000	50,000	50,000	50,000	50,000	50,000

(concluded)

COUNTY OF CONTRA COSTA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Unaudited)

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Clerk-Recorder										
DFM Mark-A-Vote System										
Data General Terminal	1	1	1	1	1	1	1			
Card Readers	14	20	20	20	20	20	19			
BCWin Terminal	1	4	4	4	4	4	4			
Election Systems and Software										
M100 Precinct Tally Machines		768	768	768	768	768	768	768	768	768
AutoMark - ADA Assist Ballot Marking Devices		768	768	768	768	768	768	768	768	768
M650 High Volume Ballot Scanners		4	4	5	6	6	6	6	6	6
Public Protection										
Animal Services										
Animal Shelters	2	2	2	2	2	2	2	2	2	2
Fire Protection Services										
Contra Costa Fire Protection District										
Fire Stations	30	30	30	30	30	30	30	30	30	30
Fire Engines/Trucks/Other Apparatus	90	92	91	90	97	80	80	81	82	82
Probation										
Juvenile Hall - Certified Beds		290	290	290	290	290		290	290	290
Orin Allen Youth Rehabilitation Facility - Certified Beds		100	100	100	100	100		100	100	100
Sheriff										
Square Miles Patrolled	521	521	521	521	521	521	521	521	521	521
Patrol Vehicles								145	145	150
Waterways Patrolled								250	250	250
Patrol Vessels								8	9	9
Detention Facilities	3	3	3	3	3	3	3	3	3	3
Education										
Library										
Community Libraries	23	24	25	25	25	25	25	26	26	26
Public Ways and Facilities										
Public Works										
Miles of Road Maintained	661	664	664	664	664	670	670	660	670	672
Miles of Creek/Channels Maintained	75	75	75	75	75	75	75	75	79	79
Enterprise Activities										
Hospital										
Hospital	1	1	1	1	1	1	1	1	4	4
Sheriff Training Center										
Law Enforcement Training Academy - LETC	1	1	1	1	1	1	1	1	1	1
Airport										
Buchanan	1	1	1	1	1	1	1	1	1	1
Byron	1	1	1	1	1	1	1	1	1	1

Source: Contra Costa County Departments

COUNTY OF CONTRA COSTA

MISCELLANEOUS STATISTICS

(Unaudited)

GEOGRAPHICAL LOCATION:	Contra Costa County is located near San Francisco in the Bay Area. It is bordered by San Francisco Bay and San Pablo Bay on the west, by Suisun Bay and the Sacramento and San Joaquin Rivers on the north, by the delta country of San Joaquin County on the east and by Alameda County on the south.
ALTITUDE:	Sea level to 3,849 feet
AREA OF COUNTY:	732.6 square miles of land and 73.3 square miles of water.
COUNTY SEAT:	Martinez, California
FORM OF GOVERNMENT:	General Law County, governed by a five member Board of Supervisors. Contra Costa County is one of the original 27 counties established when California became a state in 1850.

Source: County Administrator's Office

	November 5, 2013 Consolidated Election	May 6, 2014 Special by Mail Election	June 3, 2014 Statewide Primary Election
REGISTERED VOTERS	87,882	180,055	528,162
NUMBER VOTING	25,237	66,073	151,788
PERCENT VOTING	28.72%	36.70%	28.74%

Source: County Clerk-Recorder Department, Elections Division